

INVEST IN ZAMBIA UNDER THE AFRICAN GROWTH OPPORTUNITY ACT (AGOA)

A Guide for American Businesses



ZAMBIA DEVELOPMENT AGENCY
Promoting Economic Growth and Development

Published 11 March, 2016

This resource was developed by the UCLA Anderson School of Management AMR Team in collaboration with the Honorary Consul of Zambia in California and the Zambia Development Agency.

TABLE OF CONTENTS



About Zambia 4

About AGOA and Zambia's Eligibility 4

Zambia's Progress 5

Why Invest in Zambia 6

Start Doing Business with Zambia 6

Product Categories 7

Additional Resources 13

Acknowledgements 15

About Zambia

As a politically stable nation and a member of the Commonwealth, Zambia offers U.S. businesses the opportunity to diversify its suppliers through duty-free imports under AGOA.

Located in the middle of Southern African, Zambia has a population of 15 million. Since gaining independence from British rule. in 1964, Zambia has established itself as a multiparty democracy and is one of the most politically stable nations in its region. It has also experienced significant economic reform and growth over the last 14 years. Zambia has been a member of the World Trade Organization (WTO) since 1995.

There continue to be opportunities to further develop Zambia's economy. While the level of exports has risen over the past few years, continued growth is threatened due to Zambia's heavy reliance on copper and the commodity's decreasing demand. As a result, Zambia is looking to diversify its exports and has abundant natural resources and labor to contribute to this effort. There is tremendous opportunity for U.S. businesses to partner with Zambia as the country continues to diversify.

About AGOA and Zambia's Eligibility

The African Growth and Opportunity Act (AGOA) is a U.S. trade agreement aimed at opening the economies of Sub-Saharan African (SSA) countries. It builds on the Generalized Systems of Preferences (GSP), which allows 4,800 products to be imported into the U.S. duty-free from 129 developing countries. AGOA focuses on qualifying African nations, covers an additional 1,800 products, and has special provisions for the export of textile and apparel. AGOA also extends the benefits allowed under the GSP; while the GSP has been renewed for another 2.5 years and is effective through 2017, AGOA-eligible countries can still enjoy the benefits under the GSP as long as AGOA is in effect, through 2025. While the GSP imposes quotas on the import of certain goods into the U.S., AGOA lifts some caps, thereby easing their importation.

Zambia is committed to economic reform, the protection of human rights, and poverty reduction, earning AGOA eligibility in October 2000 and eligibility for the Apparel Provision in December 2001. The nation's commitment to AGOA was demonstrated in its hosting of the 2011 AGOA Summit.

Zambia's Progress

Ease of Doing Business Ranking relative to Southern African neighbors:

Ranking	2011	2012	2013	2014	2015	2016
1	South Africa	Botswana				
2	Botswana	Botswana	Botswana	Botswana	Botswana	South Africa
3	Namibia	Namibia	Namibia	Namibia	Zambia	Zambia
4	Swaziland	Swaziland	Zambia	Zambia	Namibia	Namibia
5	Zambia	Zambia	Swaziland	Swaziland	Swaziland	Swaziland
6	Mozambique	Mozambique	Lesotho	Mozambique	Lesotho	Lesotho
7	Lesotho	Lesotho	Mozambique	Lesotho	Mozambique	Mozambique
8	Malawi	Malawi	Malawi	Malawi	Malawi	Malawi

Source: World Bank Group's Doing Business Reports (retrieved February 13, 2016)

Based on the historical Doing Business Rankings by the World Bank Group depicted in the table above, Zambia has been improving its business environment more rapidly than have its Southern African neighbors. According to the World Bank's 2016 Doing Business report, Zambia ranks 6th among the Sub-Saharan African nations for ease of doing business out of 47, and 3rd among the Southern African nations.

Why Invest in Zambia

1. Zambia has demonstrated its commitment to economic growth and is eligible for benefits under the GSP and AGOA. It has steadily improved its Doing Business ranking and continues to become more investor-friendly.
2. Aside from being a member of the WTO, Zambia is a member of the Common Market for Eastern and Southern Africa (COMESA) and the Southern Africa Development Community (SADC), free trade zones dedicated to advancing the region's economic and social growth. Given its central position in Africa, it is well-situated for intra-region trade.
3. With a multiparty democracy, Zambia is one of Africa's most politically and legally stable nations.
4. Zambia's abundant resources, including land, water and labor, enables further expansion and capacity building. Additionally, its location relative to the Zambezi River makes it a major hydropower generator for the region. Zambia has also designated Multi-Facility Economic Zones (MFEZ) with the infrastructure to increase trade and manufacturing activity for the nation.
5. The Zambia Development Agency (ZDA) has created an Act that provides both fiscal and non-fiscal incentives for investors, including zero tax rates and investment guarantees. Please contact the ZDA for specific details.

Start Doing Business with Zambia

Diversify your supplier network while benefiting from duty-free imports. Zambia produces thousands of AGOA-eligible products which can be exported to the U.S. duty-free, presenting an opportunity for American companies looking to expand its supplier network or for a more cost-efficient supplier.

Connect with Zambia. Identify business opportunities with Zambia:

1. Directly reach out to Zambian government agencies such as Export Development at the ZDA, the Ministry of Commerce Trade and Industry (MCTI), the Citizens Economic Empowerment Commission (CEEC) and the Zambia Chamber of Commerce and Industry. Contact information for the organizations are listed in the additional resources section.
2. Contact the Honorary Consul for the Republic of Zambia in California, who can refer you to potential business partners.
3. Send inquiries to the commercial office through an email address (commercialusaka@state.gov) established by the U.S. Embassy in Lusaka.
4. Speak with the Zambian Embassy in Washington DC to identify Zambian businesses interested in U.S. partnership.
5. Reach out to USAID/Zambia to learn more about the projects in progress and enquire about partnership opportunities.
6. Express interest through local chambers of commerce in the U.S., as Zambian businesses targeting specific states or industries will use such avenues to initiate relationships.

Product Categories

Below are the broad categories of AGOA-eligible products. For the full list of AGOA-eligible products, please contact the [ZDA].

Category	Description
Live Animals	Live horses, asses, mules, hinnies, bovine animals, goats, poultry, foxes
Animal Meat and Offal	Meat and offal of bovine animals, swine, sheep, poultry and other animals
Seafood	Fresh, frozen or dried whole fish, fish fillets and roe; crabmeat
Dairy	Milk, cream, condensed milk, yogurt, sour cream, buttermilk, butter, cheeses, and their residues
Other Animal Products	Birds' eggs, honey, animal hair, feather meal and waste, natural sponges of animal origin
Plants	Flowering bulbs, live plants, cut flowers and plants
Vegetables, Roots and Tubers	Fresh, frozen, preserved or dried root, tuber, inflorescent and fruit vegetables, and their preparations and residues
Fruit and Nuts	Fresh, frozen, preserved or dried nuts, berries, citrus fruit, melons, pomes, stone fruits, etc. and their preparations
Coffee, Tea and Spices	Coffee, green tea, peppers, paprika, ginger, bay leaves, thyme, other mixtures
Cereals	Wheat, barley, corn, rice, sorghum, millet, quinoa, cereals
Flour, Malt, Starches, Gluten and Other Grains	Wheat, cereal, vegetable and fruit flour, starch, grains, meal and powder, and their preparations

Category	Description
Oil Seeds	Ground nuts, flaxseed, rape or colza seeds, cotton seeds, poppy seeds, soybeans, seeds, stones, kernels, roots, and their residues from oil extraction
Vegetable Saps and Extracts	Saps and extracts of liquorice and hops, ginseng, rattans, willow, vegetable hair
Animal and Vegetable Fats and Oils	Fat and oil from animals, fish, beans, nuts, vegetables
Prepared or Preserved Meat and Seafood	Sausages, prepared or preserved meat, fish and shellfish
Sugars and Confectioneries	Cane or beet sugar, syrups, molasses, gum, sugar confectionery
Cocoa	Cocoa and chocolate paste, powder, solids and other preparations
Beverages and Vinegar	Water, milk, juices, wine, cider, liquors, vinegar
Tobacco Products	Manufactured and unmanufactured tobacco, including cigars, cigarettes, smoking tobacco, tobacco refuse
Mineral Products	Cut natural stones, metal ores and concentrates, metal ash and residues, petroleum and lubricating oils
Inorganic Chemicals and Compounds of Precious Metals	Halogen elements, gases, earth metals, acids, metal and non-metal oxides, sulphur compounds, salts, nitrates, carbonates, borates, other compounds
Organic Chemicals	Hydrocarbon, acyclic alcohols, phenols, ethers, epoxides, aldehydes, ketones and quinones, carboxylic acids, esters, and their derivatives, and other organic compounds
Pharmaceutical Products	Preparation gels and plastic sanitary, invalid and nursing products
Tanning or Dyeing Products	Tanning extracts and substances, colouring matters, pigments, paints and varnishes, putty, inks
Essential Oils and Hygiene Preparations	Essential oils of plants and fruits, shaving bath and toilet preparations, personal deodorants

Category	Description
Soap, Washing and Lubricating Preparations	Aromatic and nonaromatic surface-active agents, detergents and textile-treatment preparations, lubricating preparations
Proteins, Glues and Modified Starches	Caseins, albumins, gelatines and derivatives, dextrin and modified starches, prepared glue and adhesives
Explosives	Propellant powder, fuses, detonating caps, fireworks, flares, other combustible materials
Photographic and Cinematographic Products	Photographic plates, film, papers, sound recordings, chemical preparations
Other Chemical Products	Artificial graphite, activated natural mineral products, gum and wood oils, fungicides, herbicides, pesticides, disinfectants, finishing agents, additives, solvents and thinners, industrial acids, alcohols and binders
Plastics	Polymers, amino-resins, petroleum resins, cellulose and derivatives, monofilament, construction materials and household articles of plastic
Rubber	Industrial and construction parts and materials of rubber
Raw Hides and Leather	Raw and tanned animal skins and hides, further prepared leather, chamois and patent leather
Leather Articles	Bags, cases, apparel, accessories, animal harnesses
Furskins and Artificial Fur	Tanned or dressed animal furskins, apparel, artificial fur articles
Wood	Shaped wood, fibreboards, plywood, packaging and construction material, household articles
Cork	Articles of natural cork

Category	Description
Straw	Plaited and plaiting materials, basketwork, wickerwork
Textiles	Woven and waste silk, animal hair, wool and cotton, yarn, strings, twine, textile floor coverings, apparel, clothing accessories, linens, flags
Footwear	Completed and parts of footwear, distinguished by product value
Other Accessories	Hats, headgear, hat shapes, hat forms, hair-nets, umbrellas, walking sticks
Articles of Feathers and Artificial Flowers	Articles of feathers or down, artificial flowers of plastic, man-made fibres and feathers
Articles of Stone, Plaster, Cement, Ceramic and Glass	Building and construction materials of stone, plaster, cement, ceramic and glass, housewares of porcelain, ceramic and glass
Jewellery, Precious Metals and Precious Stones	Gold, silver and other metal jewellery and tableware, precious and semiprecious stones, plated and imitation jewellery
Iron and Steel	Ferroalloys, iron and steel products, appliances, household goods and construction materials
Copper	Refined copper and alloys, bars, rods, wires, plates, sheets, foil, tube and pipe fittings, building materials, household goods
Nickel and Aluminium	Nickel and aluminium rods, bars, tubes, pipes, plates, sheets, wires, powders, containers, building materials, household goods
Lead, Zinc, Tin and Other Metals	Unwrought lead and zinc plates, sheets, bars and rods, zinc powder, tin bars, powder and household goods, other metals, handtools and parts, knives, scissors, cutlery, other household goods

Category	Description
Nuclear Reactors, Boilers, Machinery and Parts	Nuclear reactors and parts, steam or vapour boilers and turbines, engines and parts, turbines, pumps, industrial and household equipment and machinery, parts and accessories
Electrical Machinery and Equipment, and Sound and Television Recorders and Reproducers	Electric machinery, motors, generators, converters and parts, batteries, appliances, equipment, lamps, heaters, microphones, sound recording and reproducing apparatus and parts, storage devices, monitors and projectors, other electrical parts
Railway Equipment and Parts	Railway or tramway cars, parts and track
Other Vehicles	Motor vehicles, chassis, bodies, parts and accessories, motorcycles, bicycles, baby carriages, trailers
Aircraft Parts	Parachutes
Water Vessels	Inflatable vessels, sailboats, rowboats, motorboats, yachts
Optical, Photographic, Cinematographic and Other Instruments	Optical fibres, lenses, prisms, mirrors, screens, frames, glasses, astronomical instruments, cameras, projectors, lighting, microscopes, sights, lasers, navigational, surveying, measuring, regulating and calculating instruments
Clocks and Watches	Wristwatches and parts, clocks and parts, time recorders, parking meters, time switches, clock and watch movements, clock and watch cases
Musical Instruments	Pianos, string instruments, wind instruments, keyboards, music boxes, instrument parts
Arms and Ammunition	Firearms, stocks, parts and accessories, swords

Category	Description
Furniture	Mattresses, sleeping bags, bedding, lighting, prefabricated buildings
Games and Sports	Sports equipment and accessories, swimming pools, fishing rods and accessories
Other Manufactured Articles	Animal and mineral carving materials, brooms, brushes, sieves, travel sets, sewing notions, pens and pencils, writing surfaces, ink and stamps, lighters, smoking pipes, cigar/ette holders, combs, hair accessories, vacuum flasks and vessels, sanitary napkins, tailor's mannequins

A comprehensive list of AGOA-eligible items is available at www.agozambia.com

Local Support

- **Central Website for Zambia-AGOA Information**

www.agoazambia.com

- **Zambia Development Agency (ZDA)**

Phone: +260 (0) 211 220177

Website: www.zda.org.zm

- **Ministry of Commerce Trade and Industry (MCTI)**

Phone: +260 (0) 211 228301

Website: www.mtci.gov.zm

- **Industrial Development Corporation (IDC)**

Phone: +260 (0) 211 234684

Email: info@idc.co.zm

Website: www.idc.co.zm

- **Citizens Economic Empowerment Commission (CEEC)**

Phone: +260 (0) 211 252150

Email: info@ceec.org.zm

Website: www.ceec.org.zm

- **Zambia Association of Manufacturers (ZAM)**

Phone: +260 (0) 211 253696

Email: info@zam.co.zm

Website: www.zam.co.zm

- **Zambia Chamber of Commerce and Industry (ZACCI)**

Phone: +260 (0) 211 252483

Email: secretariat@zacci.co.zm

Website: www.zambiachamber.org

- **Pangaea Securities**

Phone: +260 (0) 211 220707

Email: info@pangaea.co.zm

Website: pangaea.co.zm

- **Zambia Bureau of Standards (ZABS)**

Phone: +260 (0) 211 231385

Website: www.zabs.org.zm

- **Ministry of Gender and Child Development (MGCD)**

Website: www.mgcd.gov.zm

- **Zambia Chamber of Small & Medium Business Associations (ZCSMBA)**

Phone: +260 (0) 211 253372

Website: www.zcsmba.org

- **Zambia National Farmers' Union (ZNFU)**

Phone: +260 (0) 211 252649

Website: www.znfu.org.zm

- **US Embassy Lusaka**

Phone: +260 (0) 211 357000

Email: commercialusaka@state.gov

Website: zm.usembassy.gov

- **US Agency for International Development (USAID) Zambia**

Email: infozambia@usaid.gov

Website: www.usaid.gov/zambia

U.S. Support

- **Central Website for Zambia-AGOA Information**

www.agoazambia.com

- **Honorary Consul for the Republic of Zambia in California**

Phone: +1 (424) 206-4455

Email: robert@sichinga.com

Website: www.consulateofzambia.org

- **Embassy of the Republic of Zambia in Washington DC**

Website: www.zambiaembassy.org

- **Office of the U.S. Trade Representative – African Affairs**

Phone: +1 (202) 395-9514

Website: ustr.gov

- **Export-Import Bank of the United States**

Phone: +1 (202) 565-3946

Website: www.exim.gov

- **Overseas Private Investment Corporation (OPIC)**

Phone: +1 (202) 336-8400

Email: info@opic.gov

Website: www.opic.gov

Other Useful Websites

- **Central Website for Zambia-AGOA Information**

www.agoazambia.com

- **AGOA.info** – comprehensive information portal on AGOA; offers an Exporter Toolkit and the latest news

- **trade.gov/agoa/resources.asp** – U.S. Department of Commerce website; provides information and additional resources on AGOA

- **https://epermits.aphis.usda.gov/manual/** - Fruits and Vegetables Import Requirements (FAVIR) database to lookup approved commodities for export to the U.S.

- **www.fda.gov** – U.S. Food and Drug Administration website; details food safety and labelling requirements

- **www.usitc.gov** – U.S. International Trade Commission website; contains the latest Harmonized Tariff Schedule

- **www.cbp.gov** – U.S. Customs and Border Protection website; provides information and forms for exports to the U.S.

Acknowledgements

Hon. Margaret Mwanakatwe – Minister of Commerce Trade and Industry (MCTI)

Patrick Chisanga – Director General of Zambia Development Agency (ZDA)

Robert Sichinga, Jr. – Honorary Consul for the Republic of Zambia in California

U.S. Embassy in Lusaka

Geoffrey Sakulanda – President of Zambia Chamber of Commerce and Industry (ZACCI)

Likando Mukumbuta – Director General of Citizens Economic Empowerment Commission (CEEC)

UCLA Anderson MBA Program

Cesar Siwale – Pangaea Securities

