

COST OF DOING BUSINESS IN ZAMBIA

*1st Edition
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Note

The costs provided in this document are indicated in **Zambian Kwacha (ZMK)** and **US Dollar (US\$)**. The conversion of **Zambian Kwacha to US Dollar Conversion Rate** is based on a rate of **5,000 to 1** i.e. the average ruling exchange rate as at **March 2011**.

1.0. STARTING A BUSINESS

1.1. Company Registration

The Company's Act Cap 388 governs the registration of companies in Zambia. Registration is done at the Patents and Companies Registration Agency (PACRA). Any two or more persons whether local nationals or foreign nationals can incorporate a company under the Company's Act, and register the company with the Registrar of Companies within 28 days of setting up or acquiring an established place of business.

The fees for Company Registration are as follows:

Registration of a Company	ZMK	(US\$)
Private Company with Minimum Nominal Capital of K5,000,000		
Registration Fee (2.5 percent of Minimum Nominal Capital)	125,000	25
Certificate of Incorporation	30,000	6
Certificate of Share Capital	20,000	4
Purchase of Forms	50,000	10
Company Seal	10,000	2
Total	235,000	47
Public Company with Minimum Nominal Capital of K50,000,000		
Registration Fee (2.5 percent of Minimum Nominal Capital)	1,250,000	250
Certificate of Incorporation	30,000	6
Certificate of Share Capital	30,000	6
Purchase of Forms	40,000	8
Company Seal	10,000	2
Total	1,360,000	272

Source: Patents and Companies Registration Office, (2010)

2.0. TAXATION

The Ministry of Finance and National Planning is responsible for the formulation of tax policy in Zambia and the implementing agency is the Zambia Revenue Authority (ZRA). The legislative framework relating to the regulation and administration of the taxation is provided for in the Income Tax Act 1966, as amended. The source of income and residence are the basis for liability to tax under the Zambian tax regime.

2.1. Company Tax

2.1.1. Tax Rates

Source of Taxable Income	Rate %
Farming:	
• Local	15
• Export of cotton	35
Companies listed on the Lusaka Stock Exchange:	

<ul style="list-style-type: none"> Existing New (only for the first year) New, with more than 33% shares by Zambians (only for first year) 	33 34.3 32.5
Manufacturing: <ul style="list-style-type: none"> Fertilizers Other manufacturing 	15 35
Banks and other Financial Institutions: <ul style="list-style-type: none"> Income up to K 250 million Income in excess of K 250 million 	35 40
Mobile Telephone Companies: <ul style="list-style-type: none"> Income up to K 250 million Income in Excess of K 250 million 	35 40
Mining: <ul style="list-style-type: none"> Successor companies to ZCCM Other mining companies, including those producing copper and cobalt Taxable income above 8% of gross income Mineral royalty 	30 30 15 3
Companies with turnover of K200 million and below (tax is charged on the turnover)	3
Income from Non- Traditional Exports	15
Income from Business for Charitable Organization	15
Income from Trusts, Deceased or Bankrupt Estates	15

2.1.2. Capital allowances

General:	Classification:	Rate %
Furniture & Fittings, Computers		25
Motor Vehicles	Commercial	25
	Non commercial vehicles	20
Plant, Machinery & Equipment		25
Buildings	Industrial	5
	Commercial	2
	Investment in industrial buildings	10
Manufacturing, Tourism	Motor vehicles	50
	Plant, Machinery, Equipment	50
Farming	Plant, Machinery, Equipment	50
	Motor vehicles	50
	Farm improvements	100
Mining	Buildings, implements, machinery	100

2.2 Personal Income Tax

Employers are required to register and operate a Pay-As-You-Earn (PAYE) scheme under which they are required to deduct the appropriate tax from the emoluments of liable employees and remit the tax to the Zambia Revenue Authority. The following are the applicable personal income tax rates under the Zambian Tax regime.

Monthly Income Bands:	Tax Rates (%)
K0 to K1,000,000 (US\$ 0 to US\$ 200)	0
K1,000,0001 to K1,735,000 (US\$ 200 to US\$ 347)	25
K1,735,001 to K4,200,000 (US\$ 347 to US\$ 840)	30
Above K4,200,000 (Above US\$ 840)	35

2.3 Withholding Tax Rates

Individuals and businesses receiving consultancy services are expected to withhold tax (WHT) for remittance to the Zambia Revenue Authority, as required by law under Section 82 A of the Income Tax Act. Withholding Tax is not a final tax, and the amount paid will be considered as a tax prepayment. The final tax is arrived at after assessment of the end of year tax return submitted by the individual / business. The WHT tax rates are;

Category:	Rate %
Dividends for individual and companies (final Tax)	15
Dividends for companies carrying on mining operations	0
Interest on Government bonds (final Tax for Individuals & Exempt Organizations)	15
Interest for individuals (from banks, building societies savings and deposit accounts) (final Tax)	15
Interest on Treasury Bills (final Tax for Exempt Organization)	15
Other Interest	15
Royalties, Management and Consultancy Fees	15
Rents	15
Commissions	15
Public Entertainment Fees for Non Residents (final Tax)	15
Non Residents Contractors	15

2.4 Other Taxes

Tax type:	Rates %
Value Added Tax (VAT) - on taxable goods and services and imports	16
Customs Duty - levy on imported goods, charged on CIF (cost, insurance and freight value)	Range - 0 to 25
Excise Duty - A levy on particular goods or products usually of a luxurious nature whether imported or produced domestically, imposed at any stage of production or distribution, by reference to weight, strength or quantity of the goods or products, or by reference to their value. The applicable Excise duty rates for targeted products are:	
<ul style="list-style-type: none"> • Airtime (Talk time), Purified water, Carbonate-aerated drinks, Plastic Bags • Fuel oils, Natural gases • Motor Vehicles at importation, Cosmetics e.g. Soaps, Body lotion, Deodorant, perfumes • Spirits • Clear beer • Wines, spirits, Ciders and other fermented beverages • Cigarettes 	<p style="text-align: right;">10 15 20 30 40 125 145</p>

2.8. General Tax Incentives

Companies who invest not less than US\$ 500,000 in a priority sector qualify for tax investments in accordance with the Zambia Development Agency (ZDA) Act. The general tax incentives are;

<ul style="list-style-type: none"> • Zero percent tax on profits for 5 years from the first year of profits. For year 6 to 8, only 50 percent of profits are taxable and from years 9 and 10, only 75 percent of profits are taxable.
<ul style="list-style-type: none"> • Zero percent import duty rate on raw materials, capital goods, machinery including trucks and specialized motor vehicles for five years.
<ul style="list-style-type: none"> • Zero percent tax rate on dividends for 5 years from year of first declaration of dividends.
<ul style="list-style-type: none"> • Deferment of VAT on machinery and equipment including trucks and specialized motor vehicles

3.0. LAND AND BUILDINGS COSTS

<i>3.1. Average Cost of buying bare land</i>	<i>Costs in US\$ per m2</i>		
	<i>Commercial</i>		<i>Residential</i>
	<i>Industrial Zones</i>	<i>Other Areas</i>	
<i>Location</i>			
Lusaka	40	20	12
Kitwe	20	15	7
Ndola	20	15	7
Livingstone	12	10	5

<i>3.2. Cost of Renting Empty Factory</i>	<i>Costs in US\$ per m2</i>	
	<i>Industrial Zones</i>	<i>Other Areas</i>
<i>Location</i>		
Lusaka	8 to 15	8 to 10
Kitwe	4 to 6	3 to 5
Ndola	3 to 5	2 to 4
Livingstone	5 to 8	4 to 6

<i>3.3. Annual Ground Rates</i>	<i>Annual Rates (%) of property value</i>	
	<i>Commercial</i>	<i>Residential</i>
<i>Location</i>		
Lusaka	1.5	1.0
Kitwe	1.5	1.0
Ndola	1.5	1.0
Livingstone	0.5	0.3

<i>3.4. Land Rentals</i>	<i>Monthly Rental Rates in US\$ per m2</i>	
	<i>Prime Office</i>	<i>Factory</i>
<i>Location</i>		
Lusaka	16	3.0
Kitwe	10	2.0
Ndola	9	2.0
Livingstone	9	2.0

<i>3.5 Average Construction Costs of Factory Building</i>	<i>US\$ per m2</i>
Factory with reinforced concrete structure	390 to 450
Steel portal frame on reinforced concrete	390 to 450
Factory with clean room facilities	400 to 500

4.0. UTILITIES

4.1. Electricity Tariffs

There are currently three main electricity companies in Zambia namely;

- ZESCO Limited - this is the public utility power company supplying power to most parts of the country through the national grid
- Copperbelt Energy Corporation (CEC) - supplies power to the mines and transmits for the national utilities ZESCO Limited Zambia and SNEL of Democratic Republic of Congo, through the Zambia Congo interconnector.
- Lusemfywa Electricity Company – supplies power to the Central province of Zambia

1. METERED RESIDENTIAL TARIFFS	ZMK	US\$	
R1 - Consumption up to 100 kWh	Energy charge / kWh	150.00	0.02
R2 - Consumption 101 to 400 kWh	Energy charge / kWh	250.00	0.05
R3 - Consumption above 401 kWh	Energy charge / kWh	400.00	0.08
Pre-paid	Fixed monthly charge	14,650.00	2.93
	Energy charge / kWh	278.00	0.06
2. COMMERCIAL TARIFFS - 15kVA			
C1 – Consumption up to 700kWh	Energy charge / kWh	265.00	0.05
	Fixed monthly charge / kWh	47,750.00	9.55
3. SOCIAL SERVICES TARIFFS			
Water pumping, Street Lightening	Fixed Monthly Charge	41,500.00	8.30
Schools, Hospitals, Churches, Orphanages	Energy Charge/kWh	250.00	0.05
4. MAXIMUM DEMAND TARIFFS			
(I) MDI - CAPACITY BETWEEN 16 - 300kVA			
Maximum Demand Charge /kVA/Month		17,000.00	2.34
Energy Charge/kWh		170.00	0.03
Fixed Monthly Charge		114,450.00	22.89
(II) MD2 - CAPACITY BETWEEN 301 – 2,000kVA			
Maximum Demand Charge/kVA/Month		21,850.00	4.37
Energy Charge/kWh		170.00	0.03
Fixed Monthly Charge		2,290,000.00	45.80
(III) MD3 CAPACITY BETWEEN 2001 – 7,500 kVA			
Maximum Demand Charge/kVA/Month		39,500.00	7.90
Energy Charge/kWh		170.00	0.03
Fixed Monthly Charge		551,500.00	110.30
(IV) MD4 CAPACITY ABOVE 7,500 Kva			
Maximum Demand Charge/kVA/Month		39,950.00	7.99
Energy Charge/kWh		150.00	0.02
Fixed Monthly Charge		1,103,000.00	220.60
NOTE: The above tariffs are inclusive of: 3.0% Rural Electrification Levy and 16.0% Value Added Tax (VAT)			
<i>Source: Zambia Electricity Supply Corporation (20th July, 2010)</i>			

Note: The electricity tariffs indicated in the table above are in relation to ZESCO's tariffs. However note that ZESCO Limited has applied for revision of the tariffs by 25 percent as part of a multi-year tariff adjustment framework approved the Energy Regulation Board of Zambia. The increase is expected to be in July 2011.

4.2. Water Tariffs

DOMESTIC CUSTOMERS		COMERCIAL CUSTOMERS	
Consumption Block (in cubic meters)	US\$ per cubic meters	Consumption Category	US\$ per cubic meters
0 to 6	0.42	Low Cost Households	18.2
6 to 30	0.48	Medium Cost Households	50.0
30 to 100	0.54	High Cost Households	66.0
100 to 170	0.66	Communal Tap	2.0
Above 170	0.84		

Source: Lusaka Water and Sewerage Company (January 2011)

4.3. Petroleum Products Costs

Commodity	Price (K)	Price (US\$)
Petrol- Unleaded	8,647 per litre	1.73 per litre
Diesel	7,958 per litre	1.59 per litre
Engine Oil (500ml)	18,500 per 500mls	37 per 500mls
Jet A-1	4,800,000 per cubic meter	960 per metric tonne
Heavy Fuel Oils	2,400,000 per metric tonne	480 per metric tonne
Kerosene	4,144 per litre	0.83 per litre

5.0. TELECOMMUNICATIONS

5.1. Mobile Telephones Average

Service Details	ZMK	(US\$)
Local call charges per second – across networks	20	0.004
International call charges per second	25	0.005

5.2. Land Telephones Average Rates

Service Details	ZMK	US\$
Connection fees	250,000	50
Monthly service charge for postpaid accounts	20,000	4
Local call charges per minute	300	0.06
International call charges per minute	400	0.08

5.3. Internet Rates

Service Details	Charges	
	ZMK	US\$
a. Dial-up Accounts:		
Connection Fee	69,900	14
Monthly Subscription	152,000	30
Additional Mailbox (per month)	16,000	3

b. Web Hosting:		ZMK	US\$
Setup Fee		165,000	33
Monthly Subscription		135,000	27
Extra space		11,985	2
c. Wireless Accounts:			
<i>Type of Account</i>	<i>Connection Charge</i>	<i>Monthly subscription</i>	
		ZMK	US\$
64 kbps	Dependent on usage	2,294,729	460
128 kbps	Dependent on usage	3,816,503	765
256 kbps	Dependent on usage	7,261,987	1,450
d. Data Bundles (Internet Modems):		ZMK	US\$
15 Mega Bytes modem		20,000	4
100 Mega Bytes modem		85,000	17
300 Mega modem		95,000	19
1 Giga Bytes modem		125,000	25
2 Giga Bytes modem		185,000	37

All rates are exclusive of VAT@ 16%

Sources: Zamnet Communications Systems Limited, Copper NET Solutions, Airtel Zambia, (January 2011)

6.0. FREIGHT AND COURIER CHARGES

Zambia is linked by trunk roads to major ports in Southern and Eastern Africa including Beira (Mozambique), Durban (South Africa) and Dar es Salaam in Tanzania. Import and exports are transported by trucks on container and flat trailer as well as by rail from and to these ports. Zambia is also linked with major international airports serviced by international airlines. Packages and parcels of different sizes are transported into and from the country as air cargo by air travel.

The indicative freight charges *inclusive of insurance and freight (CIF)* are as follows;

6.1. Container Inland Haulage by Road

6.1.1. Imports from Beira (Mozambique)

To:	Rates in US\$ per Container Size(CIF)		
	20 Foot (Light)	20 Foot (Heavy)	40 Foot
Lusaka	3,500	5,200	5,600
Ndola	5,100	6,150	6,500
Kitwe	5,200	6,350	6,750
Chingola	5,300	6,550	6,950
Blantyre	2,050	3,200	3,650
Lilongwe	2,150	3,400	3,500

6.1.2. Exports to Beira (Mozambique)

From:	Rates in US\$ per Container Size(CIF)		
	20 Foot (Light)	20 Foot (Heavy)	40 Foot
Lusaka	2,600	2,600	2,800
Ndola	3,200	3,200	3,550
Kitwe	3,200	3,200	3,550
Chingola	3,200	3,200	3,550
Blantyre	1,100	1,500	1,750
Lilongwe	1,300	1,700	2,000

6.1.3. Imports from Durban (South Africa)

	Rates in US\$ per Container Size(CIF)		
To:	20 Foot (Light)	20 Foot (Heavy)	40 Foot
Lusaka	5,000	8,200	8,800
Ndola	5,400	9,000	9,800
Kitwe	5,400	9,000	9,800
Chingola	5,400	9,000	9,800

6.1.4. Exports to Durban (South Africa)

	Rates in US\$ per Container Size(CIF)		
From:	20 Foot (Light)	20 Foot (Heavy)	40 Foot
Lusaka	2,800	4,700	4,900
Ndola	3,000	5,000	5,200
Kitwe	3,000	5,000	5,200
Chingola	3,000	5,000	5,200

6.1.5 Imports from Dar es Salaam (Tanzania)

	Rates in US\$ per Container Size(CIF)		
To:	20 Foot (Light)	20 Foot (Heavy)	40 Foot
Lusaka	3,500	5,800	6,000
Ndola	3,500	5,800	6,000
Kitwe	3,500	5,800	6,000
Chingola	3,500	5,800	6,000

6.1.6 Exports to Dar es Salaam (Tanzania)

	Rates in US\$ per Container Size(CIF)		
To:	20 Foot (Light)	20 Foot (Heavy)	40 Foot
Lusaka	2,000	2,700	3,000
Ndola	2,000	2,700	3,000
Kitwe	2,000	2,700	3,000
Chingola	2,000	2,700	3,000

6.2 Haulage by Trucks with flat trailers

6.2.1. Imports to Beira (Mozambique)

To:	Rates per tonne (CIF)
Lusaka	US\$ 180
Ndola	US\$ 200
Kitwe	US\$ 200
Chingola	US\$ 200

6.2.2 Exports to Beira (Mozambique)

From:	Rates per tonne (CIF)
Lusaka	US\$ 120
Ndola	US\$ 150
Kitwe	US\$ 150
Chingola	US\$ 150

6.2.3 Imports from Durban (South Africa)

To:	Rates per tonne (CIF)
Lusaka	US\$ 200
Ndola	US\$ 250
Kitwe	US\$ 250
Chingola	US\$ 250

6.2.4 Exports to Durban (South Africa)

From:	Rates per tonne (CIF)
Lusaka	US\$ 170
Ndola	US\$ 185
Kitwe	US\$ 185
Chingola	US\$ 185

6.2.5 Imports from Dar es Salaam (Tanzania)

To:	Rates per tonne (CIF)
Lusaka	US\$ 160
Ndola	US\$ 190
Kitwe	US\$ 190
Chingola	US\$ 190

6.2.6 Exports to Dar es Salaam (Tanzania)

To:	Rates per tonne (CIF)
Lusaka	US\$ 150
Ndola	US\$ 160
Kitwe	US\$ 160
Chingola	US\$ 160

Note: CIF means Costs Inclusive of Insurance and Freight

6.3. Rail Transport Rates

6.3.1. Railway Systems of Zambia

ITEM	MINIMUM CHARGEABLE WEIGHT	FROM	TO	RATE (US \$)
Copper, cobalt, coal, metal, petrol, diesel, fertilizer, wheat, cotton (seed & lint) tobacco, cement clinker, cement, asbestos & timber.	Wagon full to 90% of carrying capacity	Lusaka	Victoria Falls Bridge	5-7 per Kilometer
		Lusaka	Kapiri Mposhi	10.00 per Kilometer
Loaded Container	Nil	Lusaka	Victoria Falls Bridge	829.50 per wagon
Loaded Container		Lusaka	Kapiri Mposhi	349.60 per wagon
Empty Container		Lusaka	Victoria Falls Bridge	417.12 per wagon
Empty Container		Lusaka	Kapiri Mposhi	180.32 per wagon

Note: Rates depend on the volume of cargo and length of the service agreement among other things, and can be negotiated. Source: *Railways Systems of Zambia 2009*

6.3.2. Tanzania - Zambia Railway (TAZARA)

ITEM	Minimum CHARGEABLE WEIGHT (metric tonnes)	FROM	TO	RATE PER TON (US \$)
Copper and cobalt	38	Kapiri Mposhi	Dar-es-salaam	120.50
Coal	33	Kapiri Mposhi	Dar-es-salaam	110.00
Petrol and Diesel	33	Dar-es-salaam	Kapiri Mposhi	117.50
Fertilizer, Maize, Wheat	38	Dar-es-salaam	Kapiri Mposhi	110.00
Cotton lint and lint	25	Dar-es-salaam	Kapiri Mposhi	111.50
Tobacco	25	Kapiri Mposhi	Dar-es-salaam	117.50
Cement clinker	38	Kapiri Mposhi	Dar-es-salaam	110.00
Scrap metal (iron/steel)	36	Kapiri Mposhi	Dar-es-salaam	113.00
Timber	-	Kapiri Mposhi	Dar-es-salaam	111.50
Loaded Containers: 20 and 40 foot	-	Dar-es-salaam	Kapiri Mposhi	4,500 per wagon
Empty Containers: 20 and 40 foot	-	Kapiri Mposhi	Dar-es-salaam	2,250per wagon

6.4. Air Cargo Rates - Rates to Lusaka from:

Destination	Parcel / Package Size	Rates in US\$ per Kg
Addis Ababa	-45 Kg	1.08
	+45 Kg	1.50
	+100 Kg	2.00
Beijing	-45 Kg	15.57
	+45 Kg	13.24
	+100 Kg	10.59
Brazil:	-45 Kg	25.50
	+45 Kg	13.24
	+100 Kg	10.59
Dubai	-45 Kg	9.21
	+45 Kg	6.92
	100 Kg	
Johannesburg:	-100 Kg	1.68
	+100 Kg	1.53
	+300 Kg	1.31
	+500 Kg	1.08
	+1,000 Kg	1.08
London:	-100 Kg	10.67
	+100 Kg	8.93
	+500 Kg	5.70
	+1,000 Kg	5.16
Malaysia:	-45 Kg	17.80
	+45 Kg	15.50
	+100 Kg	14.20
Nairobi	-45 Kg	1.00
	+45 Kg	1.50
	+100 Kg	2.00
New Delhi:	-45 Kg	13.50
	+45 Kg	11.25
	+100 Kg	10.00

New York:	-45 Kg	23.57
	+45 Kg	20.50
	+100 Kg	11.86
Tokyo:	-45 Kg	34.08
	+45 Kg	27.26
	+100 Kg	25.40

Source: Zambia Exporters Growers Association (ZEGA) Limited (August 2010)

6.4. Courier Services Rates

6.4.1. Tariff for Non Documents – In US\$

Destinations		Parcels / Packages Sizes		
		0.5 to 5.0 Kgs	5.5 to 10.0 Kgs	Per additional 1/2 Kg
Zone 1	Johannesburg (South Africa), Zimbabwe	61.62	111.46	2.87
Zone 2	South Africa - other parts, Botswana, Namibia, Lesotho, Malawi, Swaziland, Mozambique	71.57	129.47	4.16
Zone 3	UK - London, Kenya	91.85	161.98	5.04
Zone 4	Italy, Germany, France, Tanzania, Uganda, Mauritius	106.52	172.25	5.04
Zone 5	Canada, Denmark, Rwanda, Madagascar	123.90	208.71	6.17
Zone 6	Channel Islands, Taiwan, Australia, Angola, Ghana, India, Dubai	129.06	213.87	6.17
Zone 7	Middle East, Hong Kong, Indonesia, South Korea, Malaysia, Pakistan	134.20	219.01	6.17
Zone 7	China, Cameroon, Ethiopia, South America	139.36	223.94	6.17

6.4.2. Tariffs for Documents – In US\$

Destinations		Package Size
		0.25 to 5.0 Kgs
Zone 1	Johannesburg (South Africa - SA), Zimbabwe	71.65
Zone 2	Other parts of SA, Botswana, Namibia, Lesotho, Malawi, Swaziland, Mozambique	81.38
Zone 3	UK - London, Kenya	96.98
Zone 4	Italy, Germany, France, Tanzania, Uganda, Mauritius	107.29
Zone 5	Canada, Denmark, Rwanda, Madagascar	126.45
Zone 6	Channel Islands, Taiwan, Australia, Angola, Ghana, India, Dubai	132.25
Zone 7	Middle East, Hong Kong, Indonesia, South Korea, Malaysia, Pakistan	138.82
Zone 7	China, Cameroon, Ethiopia, South America	145.49

7.0. LABOUR

Labour in Zambia is governed by the Minimum Wages and Conditions of Employment Act as follows;

7.1	Working Conditions	There are normally two categories of employees namely the unionized and non-unionized (management) staff. Conditions of service for non-unionized employees are normally fixed by top management, while those for unionized employees are negotiated through collective bargain/ agreement
7.2	Basic Salaries, Wages and Allowances	Allowances, which are commonly added to the basic salary, include: Housing, Transport, Education and Health cover, Water, Electricity, Holiday travel (usually for senior management staff). All allowances are taxable at the same rate as the basic salary. Other non-cash benefits may include: <ul style="list-style-type: none"> • Transport to and from work • Subsidized meals in staff canteen • Sporting and recreation facilities
7.3	Pensions and Life Insurance	Membership of a pension scheme may be a condition of employment and most employers maintain a pension scheme for their employees with the National Pensions Scheme Authority (NAPSA). Employers may establish or join other pension schemes under the Pension Scheme Regulation Act
7.4	Medical Coverage and Maternity Benefits	Grant an employee full pay should illness make the employee unable to work, subject to production of a certificate from a registered physician. The maximum period for which such benefit may be given is three months at full pay, followed by three months at half pay. Some employers provide health and medical coverage through membership to private clinics to which the employee and employer contribute equally. The Act also requires that maternity leave, for female employees, be paid up to 90 days provided such female employees have worked for a minimum of twenty-four months with their employers.
7.5	Housing	The Employment Act requires employers to provide to one of the following: <ul style="list-style-type: none"> • Housing or housing allowance in lieu thereof • House loan or advance towards purchase or construction of house • Guarantee facility for a mortgage
7.6	Working Hours	The normal working hours is 40 hours per week for office workers and 45 hours per week for factory workers. Overtime work should be paid at one and half times the normal rate and twice the normal rate on weekends and public holidays.
7.7	Paid Holidays	Grant paid leave of absence of not less than 24 days annually. It is, however, a normal practice for employers to provide employees with more leave days than that prescribed in the Act depending on the rank and nature of the job.
7.8	Special Leave	Employee is entitled to 7 days paid leave on the death of an employee's spouse, child, mother or father. The Act also obliges the employer to provide for a funeral grant for a standard coffin, cash and food in the event of death of an employee, spouse registered child or dependant of the employee.
7.9	Termination of Employment	A contract of employment may be terminated under the Zambian law through: Resignation or Dismissal, Normal retirement or medical discharge, Expiry of contract, Redundancy, Death.

7.10. *Zambian Public Holidays*

12th March	Youth Day		
Easter	Good Friday		
Easter	Easter Monday		
1st May	Labour Day	25th December	Christmas Day
25th May	Africa Freedom Day		
1st Monday in July	Heroes Day		
1st Tuesday in July	Unity Day		
1st Monday in August	Farmers Day		
24th October	Independence Day		

7.11 *Indicative Monthly Salaries*

a. Salaries of Executives

The figures indicated below basically give an average indication of salaries mainly in larger organizations. Having derived the bulk of the information from recruitment agencies, these salaries vary and are also highly negotiable in which cases could be much lower while in other cases much higher depending on the qualification and experience of the individual being offered the position.

Position:	MINIMUM		MAXIMUM	
	ZMK	US\$	ZMK	US\$
General Manager	20,000,000	4,000	50,000,000	10,000
Plant/Factory Manager	20,000,000	4,000	35,000,000	7,000
Company Secretary	15,000,000	3,000	30,000,000	6,000
Financial Controller	20,000,000	4,000	30,000,000	6,000
Operations Manager	15,000,000	3,000	25,000,000	5,000
Human resource Manager	15,000,000	3,000	25,000,000	5,000
Quality Assurance/Control Manager	15,000,000	3,000	25,000,000	5,000
Business Development/ Manager	10,000,000	2,000	15,000,000	3,000
Purchasing Manager	10,000,000	2,000	15,000,000	3,000
Production/Manufacturing Manager	15,000,000	3,000	25,000,000	5,000
Admin/HR/Finance Manager	20,000,000	4,000	30,000,000	6,000
Training Manager	10,000,000	2,000	15,000,000	3,000
Marketing Manager	10,000,000	2,000	15,000,000	3,000
Systems Analyst/Programmer	10,000,000	2,000	15,000,000	3,000
Finance/Accounts Manager	10,000,000	2,000	15,000,000	3,000
Mechanical Engineer	10,000,000	2,000	20,000,000	4,000
Exec. Secretary/P.A	5,000,000	1,000	8,000,000	1,600
Electrical/Electronic Engineer	15,000,000	3,000	20,000,000	4,000
Marketing Executive	8,000,000	1,600	12,000,000	2,400
Quality Assurance/Control Executive	8,000,000	1,600	12,000,000	2,400
IT Executive	5,000,000	1,000	10,000,000	2,000

b. Salaries of Non- Executives

Position:	MINIMUM		MAXIMUM	
	ZMK	US\$	ZMK	US\$
Secretary	3,500,000	700	5,000,000	1,000
IT Supervisor	5,000,000	1,000	10,000,000	2,000
Production Supervisor	8,000,000	1,600	12,000,000	2,400
Foreman	6,000,000	1,200	8,000,000	1,600
Service/Maintenance Technician	4,000,000	800	8,000,000	1,600
Quality Control/Assurance Supervisor	5,000,000	1,000	10,000,000	2,000
Storekeeper/Warehousemen	3,500,000	700	6,000,000	1,200
Electrician	3,500,000	700	6,000,000	1,200
Operator(Semi-Skilled)	2,500,000	500	3,500,000	700
Wireman/Welder	2,500,000	500	3,500,000	700
Accounts Clerk	3,500,000	700	4,000,000	800
General Clerk	1,500,000	300	2,000,000	400
Receptionist/Telephone Operator	1,500,000	300	2,500,000	500
Laboratory Assistant/Technician	3,500,000	700	5,000,000	1,000
Computer Operator/Data Entry Clerk	2,000,000	400	3,000,000	600
Lorry/Truck/Van Driver	1,500,000	300	2,500,000	500
Security Guard	1,000,000	200	1,500,000	300
Production Operator(Unskilled)	1,500,000	300	2,000,000	400

c. National Pension Scheme Authority Rates

Employee's Total Monthly Earnings		Employee's Share of Contribution (5%)		Employer's Share of Contribution (5%)		Total Contribution	
ZMK	US\$	ZMK	US\$	ZMK	US\$	ZMK	US\$
100,000.00	20	5,000.00	1	5,000	1	10,000.00	2
1,250,000.00	250	62,500.00	13	62,500	13	125,000.00	26
2,515,000.00	503	125,750.00	25	125,750	25	251,500.00	50
5,097,956.00	1,019	254,897.40	51	254,897	51	509,794.00	102
8,800,000.00	1,760	440,000.00	88	440,000	88	880,000.00	136
9,829,636.00	1,966	491,481.80	98	494,481.80	98	982,983.60	196
10,000,000.00	2,000	500,000.00	100	500,000.00	100	1,000,000.00	200
10,672,448.00 and above	2,134	533,622.40	107	533,622.40	107	1,067,244.80	214

The Employee and Employer each contribute 5 percent of the Employee's salary towards the scheme.

8.0. INSURANCE

Insurance costs vary according to policy undertaken. Types of insurance costs in Zambia include;

Type of Insurance	Rates
Health	20 % management fee of insured premium
Travel	20 % to 30% management fee of insured premium
General	Domestic: 2 % to 7 % of insured value of asset Commercial: 5 % to 12% of insured value of asset

9.0. OTHER PROFESSIONAL SERVICES

Type of Service	Rates
Legal Fees	Varies according to number of years spent at the Bar by Legal Practitioner, ranging from US\$ 50 to US\$ 200 an hour
Audit Fees	Varies according to size and type of business being audited. For example for a large multinational manufacturing company with multiple product lines and a network of branch offices, the fee range is US\$ 30,000 to US\$ 50,000

10.0. LIVING IN ZAMBIA

Hotel accommodation is readily available in Zambia at different rates depending on location and room specifications. Furthermore furnished as well as unfurnished apartments are available for short or long term lease in all major cities and towns in the country. Health services, international and local schools, transport services by road and air, and domestic workers are also readily available in Zambia.

8.1. Rental Rates for Furnished Apartments (US\$)

Location	One bedroom House	Two bedroom House	Three bedroom House	House in complex with security
Lusaka	1,500	2,300	3,000	3,500 to 5,500
Kitwe	1,200	1,800	2,500	3,000 to 5,000
Ndola	1,000	1,500	2,300	3,000 to 5,000
Livingstone	1,000	2,000	2,500	3,000 to 5,000

8.2. Hotel Rates

Location	Single (US\$) per Night	Double (US\$ per Night)
Lusaka		
5-Star Hotel	195	225
4-Star Hotel	160	185
3-Star Hotel	175	195
Lodge or Guest House	60	80
Livingstone		
5-Star Hotel	250	300
4-Star Hotel	175	193
3-Star Hotel	160	180
Lodge and Guest House	50	60
Kitwe		
3-Star Hotel	136	156
Lodge	40	50

All the above rates include 10% Service Charge and 16% VAT.

8.3. International School Fees

The average fees for international schools are indicated in the table below.

Other schools such as private local schools and government schools are much cheaper but syllabuses vary from the international schools.

School Section	Details	US\$ per Term
Infant and Toddler (1 year old)	Registration(one off payment, non-refundable)	200
	Tuition Per Term	500
Early Learning Centre (Minimum Age 2)	Registration (one off payment, non-refundable)	200
	Enrolment(one off payment, non-refundable)	500
	Tuition Per Term	1,200
Reception (Minimum Age 4)	Admission Assessment (one off payment)	50
	Registration(one off payment, non-refundable)	200
	Enrolment(one off payment, non-refundable)	500
	Book Deposit(refunded on departure)	500
	Tuition Per Term	2,200
Primary School (Year 1 to Year 6) (Minimum Age 5-10)	Admission Assessment (one off payment)	50
	Registration(one off payment, non-refundable)	200
	Enrolment (one off payment, non-refundable)	1,750
	Book Deposit(refunded on departure)	500
	Tuition Per Term	2,900
Secondary School (Year 7 to 11) (Minimum Age 11-15)	Admission Assessment (one off payment)	50
	Registration(one off payment, non-refundable)	200
	Enrolment(one off payment, non-refundable)	1,750
	Book Deposit(refunded on departure)	500
	Tuition Per Term	3,100

8.4. Health Care

Health care services costs vary. The costs indicated below are for services provided by the private hospitals. Costs from public/government hospitals and clinics are however cheaper.

Details	Unit	Price (US\$)
General Consultation	Per Visit	8
Specialist Consultation	Per Visit	30
Emergency Specialist Consultation		
Observation	4 Hrs	10
Admission	Per Day	200
Nursing Care	Per Shift	6
Doctor's Round	Per Shift	10
Under 5 Clinic	Per Visit	2
First Ante-Natal		28
Ante-Natal	Per Visit	9
Postnatal	Per Visit	9
Physiotherapy	Per Session	20
Dressing	Per Visit	6
Stitch Removal		6

Oxygen	Per Hour	10
EKG	Per Person	16
Ultrasound	Per Person	16
Emergency Ultrasound	Per Person	30
Emergency Echo-Cardiograph	Per Person	50
CT Scan	Per Person	350
MRI	Per Person	600
X-ray	Per Person	13
Cost of Ambulances Services:		
Road Ambulances	Per Hour	100
Medicals		
Traveling, Insurance, Pre Employment	Per Person	60
Food Handlers	Per Person	18
Delivery		
By Midwife	Per Person	190
By Gynecologist	Per Person	270

8.5. Passenger / Personal Transport Charges

Car rental charges – per day	Local	Inter city
With driver	US\$ 50	US\$ 80
Self drive	US\$ 100	US\$ 150

Inter city travel by Coach (bus) from Lusaka to:	Mini Bus
Kitwe	US\$ 15
Ndola	US\$ 12
Livingstone	US\$ 25

Taxi and Mini bus transport within town	Taxi	Mini Bus
Town to Airport (20 Km):	US\$ 40	US\$ 1.5
Shortest Distance (Radius of 10 Km):	US\$ 4	US\$ 1.0

8.6 Domestic Airfares

Route via Lusaka to:	(Return) US\$
Livingstone	350
Ndola	200
Solwezi	420

8.7. Domestic Helpers' Wages

Category	Per Month	
	Minimum (US\$)	Maximum (US\$)
Servant, Maid (Full Time)	60	200
Driver	100	400

11.0. APPENDIX 1

SECTOR LICENCES AND PERMIT FEES

LICENCE / PERMIT	LICENCING AUTHORITY	FEE
1.2.1. Investment Licence	Zambia Development Agency (ZDA)	<ul style="list-style-type: none"> • K1,280,000 (US\$ 256) plus VAT for licence processing) • K7,670,000 (US\$ 1,534) plus VAT for the Certificate
1.2.2. Environmental Impact Assessment	Environmental Council of Zambia	K 7,800,000 (US\$ 1,560) for Review of Project Brief <ul style="list-style-type: none"> • K 7,800,000 (US\$ 1,560) for projects costing less than US\$ 100,000 • K 39,000,000 (US\$ 7,800) for projects costing between US\$ 100,000 to US\$ 500,000 • K97,500,000 (US\$ 19,500) for projects costing US\$ 500,000 to US\$ 1 million • K195,000,000 (US\$39,000) for projects costing US\$ 1 million to US\$ 10 million • K390,000,000 (US\$ 78,000) for projects costing US\$ 10 million to 50 million • K585,000,000 (US\$1170,000) for projects costing US\$ 50 million and above
1.2.3. Tourist Enterprise Authorization Licence	Zambia National Tourist Board	50 % of the Share Capital Minimum of K2,000,000 (US\$ 400) Maximum of K5,000,000 (US\$ 1,000) Renewal K2,750,000 (US\$ 550)
1.2.4. Hotel Licence	Hotels Board	<ul style="list-style-type: none"> • K 5,500,000 (US\$ 1,100) for 5 Star • K 5,000,000 (US\$ 1,000) for 4 Star • K 4,500,000 (US\$ 900) for 3 Star • K 3,500,000 (US\$ 700) for 2 Star • K 2,500,000 (US\$ 500) for 1 Star • K1,000,000 (US\$ 200) for ungraded
1.2.5. Lodge and Camp Licence		<ul style="list-style-type: none"> • K3,400,000 (US\$ 700) for Grade A • K2,000,000 (US\$ 400) for Grade B • K1,500,000 (US\$ 300) for Grade C • K1,000,000 (US\$ 200) for Grade D • K 500,000 (US\$ 100) for Grade E
1.2.6. Boarding and Guest House Licence		<ul style="list-style-type: none"> • K1,000,000 (US\$ 200) for Grade A • K 500,000 (US\$ 100) for Grade B
1.2.7. Manager's Licence		<ul style="list-style-type: none"> • K 500,000 (US\$ 100) for 3 to 5 Star Hotels • K 450,000 (US\$ 90) for 1 and 2 Star and ungraded Hotels, plus Lodges and Camps of Grades A to E, and Guest Houses of Grades A and B
1.2.8. Forest Concession Licence	Forestry Department	<ul style="list-style-type: none"> • K200,000 (US\$40) - Commitment Fee upon Licence approval • K 18,000 (US\$ 3.6) per tree of Mukwa species • K7,000 (US\$ 1.4) to K18,000 (US\$ 3.6) per tree of other species
1.2.9. Title Deed	Lands Dept	K138,000 (US\$ 27.6)

1.2.10. Mining Licences / Permits: <ul style="list-style-type: none"> • Large Scale Mining • Prospecting Licence • Retention Licence • Prospecting Permit • Small Scale Mining • Gemstone Licence • Artisan Mining Rights • Reconnaissance Permit • Gemstone Sales Certificate 	Ministry of Mines	K 18,000 (US\$ 3.6) - Application Forms <ul style="list-style-type: none"> • K 180,000 (US\$ 36) • K 90,000 (US\$ 18) • K 180,000 (US\$ 36) • K 45,000 (US\$ 9) • K 45,000 (US\$ 9) • K 45,000 (US\$ 9) • K 45,000 (US\$ 9) • K 18,000 (US\$ 9) • K 45,000 (US\$ 9) • K 180,000 (US\$ 9)
1.2.11. Banking Licence	Bank of Zambia	Non-refundable application fee: <ul style="list-style-type: none"> • K 9,000,000 (US\$ 1,800) for Banks • K 5,400,000 (US\$ 1,080) for Non Banking Financial Institutions
1.2.12. Aircraft Licences	Department of Civil Aviation	<ul style="list-style-type: none"> • K400,000 (US\$ 80) for Air Service • K 200,000 (US\$ 40) per year for Aerodrome • K 150,000 (US\$ 30) per year for Radio Licences • K625,000 (US\$ 125) per year per pilot for Pilots' Licences • K625,000 (US\$ 125) per quarter for Aircraft Maintenance • K120,000 (US\$ 24) per year for Aircraft Medical Services Licences
1.2.13. Road Service Licence	Roads Traffic Department	Per Vehicle: <ul style="list-style-type: none"> • K 100,000 (US\$ 20) for White Book • K 68,000 (US\$ 13,600) for Registration • K 21,000 (US\$ 4) for Physical Examination • Road license - depends on the weight of vehicle • K 21,600 (US\$ 4.5) per year for Fitness
1.2.14. Energy License	Energy Regulations Board	<ul style="list-style-type: none"> • K 2,000 (US\$ 4) for Application Form • K975,000 (US\$ 195) for application inspection • Licence Fee is 1 percent of Project Cost
1.2.15. Operating an Educational Institution	Ministry of Education	<ul style="list-style-type: none"> • K 70,000 (US \$ 14) to register Primary School, renewal is K 50,000 (US\$ 10) per year • K 150,000 (US\$ 30) to register Secondary School, renewal is K70,000 (US\$ 14) per year • K 500,000 (US\$ 100) register College, renewal is K 300,000 (US\$ 60) per year
1.2.16. Trading Licences	Local Council	<ul style="list-style-type: none"> • K 180,000 (US\$ 36) per year for Wholesale • K 180,000 (US\$ 36) per year for Manufacturing • K 90,000 (US\$ 18) per year for Agent's Licence
1.2.17. Operating a Medical Centre	Medical Council of Zambia	Registration: <ul style="list-style-type: none"> • Private Hospital - K1,095,000 (US\$ 219) for Zambians and K2,140,850 (US\$ 430) for Non Zambians • Nursing Home – K460,000 (US\$ 92) for Zambians and K1,070,425 (US\$ 214) for Non Zambians • Consulting Room with additional services such as X-ray, laboratory etc - K380,000 (US\$ 76) for

		<p>Zambians and K728,800 (US\$ 145) for Non Zambians</p> <ul style="list-style-type: none"> • Consulting Room without additional services - K330,000 (US\$ 66) for Zambians and K569,375 (US\$ 114) for Non Zambians <p>Medical Practitioners/Pharmacists/Dental Surgeons/Bio-Medical Scientific Officers:</p> <ul style="list-style-type: none"> • Full registration - K45,000 (US\$ 9) for Zambians and K250,000 (US\$ 25) for Non Zambians • Temporary registration - K30,000 (US\$ 6) for Zambians and K150,000 (US\$ 30) for Non Zambians • Provisional registration - K30,000 (US\$ 6) for Zambians and K90,000 (US\$ 18) for Non Zambians • Specialist registration - K75,000 (US\$ 15) for Zambians and K250,000 (US\$ 50) for Non Zambians <p>Paramedical Practitioners:</p> <ul style="list-style-type: none"> • Full registration – K30,000 (US\$ 6) for Zambians and K90,000 (US\$ 18) for Non Zambians • Temporary registration – K25,000 (US\$ 5) for Zambians and K70,000 (US\$ 14) for Non Zambians • Provisional registration – K25,000 (US\$ 5) for Zambians and K70,000 (US\$ 14) for Non Zambians <p>Annual Fees:</p> <ul style="list-style-type: none"> • Private Hospital – K575,000 (US\$ 115) for Zambians & K1,050,000 (US\$ 210) • Nursing Home – K300,000 (US\$ 60) for Zambians and K750,000 (US\$ 150) for non Zambians • Consulting Room with additional services e.g. X-ray, laboratory etc – K250,000 (US\$ 50) for Zambians and K650,000 (US\$ 130) for Non Zambians • Consulting Room without additional services – K200,000 (US\$ 40) for Zambians and K500,000 (US\$ 100) for Non Zambians <p>Medical Personnel Annual Fees:</p> <ul style="list-style-type: none"> • Specialists – K75,000 (US\$ 15) for Zambians and K300,000 (US\$ 60) for Non Zambians • Medical Practitioners/Pharmacists/Dentists/Bio Medical Scientific Officers – K45,000 (US\$ 9) for Zambians and K150,000 (US\$ 30) for Non Zambians • Paramedical Practitioners – K15,000 (US\$ 3) for Zambians and K70,000 (US\$ 14) for Non Zambians • Training Institutions - K 575,000 (US\$ 115) for Zambians, and K1,000,000 (US\$ 200) for Non Zambians <p>Miscellaneous</p> <ul style="list-style-type: none"> • Privilege to supervise persons on Temporary Register – K100,000 (US\$ 20) for Zambians and K250,000 (US\$ 50) for Non Zambians
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		<p>(US\$ 50) for Non Zambians</p> <ul style="list-style-type: none"> • Re-opening a closed consulting room – 25 percent of Registration Fee for Non Zambians and Non Zambians • Re-inspection of a private hospital/nursing home/consulting room for registration purposes – K60,000 (US\$ 12) for Zambians and K150,000 (US\$ 30) for Non Zambians • Duplicate Certificate of Good Standing – K150,000 (US\$ 30) for Zambians and K450,000 (US\$ 90) for Non Zambians • Duplicate Certificate of Good Standing (ten years and above on full register(with immediate effect) – K100,000 (US\$ 20) for Zambians and K300,000 (US\$ 60) for Non Zambians
1.2.18. Radio or Telecommunications Licence	Zambia Information Communication Technology Authority	<p>K10,000 (US\$ 2) for Application Form K 50,000 (US\$ 10) for application processing</p> <p>K2,650,000 (US\$ 530), plus 2 percent of annual turnover less VAT for A1 Basic local National</p> <p>K2,650,000 (US\$ 530) plus 3 percent of annual turnover less VAT for A2 Basic Long</p> <p>K3,975,000 (US\$ 795) plus 3 percent of annual turnover less VAT A3 Basic International</p> <p>K530,000 (US\$ 106) plus 5 percent of annual turnover less VAT for B1 Basic voice (includes national public payphone services)</p> <p>K530,000 (US\$ 106) plus 5 percent of annual turnover less VAT for B2 Data Transport</p> <p>K530,000 (US\$ 106) plus 5 percent of annual turnover less VAT for B3 - all other value added services (includes internet service provision)</p> <p>K397,500 (US\$ 79) for B4 Private network</p> <p>K1,325,000 (US\$ 265) for C1 Cellular (local)</p> <p>K1,325,000 (US\$ 265) plus 5 percent of annual turnover less VAT for C2 Cellular (national)</p> <p>K2,650,000 (US\$ 530) plus 5 percent of annual turnover less VAT for C4 Paging</p> <p>K3,975,000 (US\$ 79) plus 5 percent of annual turnover less VAT for C3 (Cellular Satellite)</p> <p>Business Telecentres: K500,000 (US\$ 100) for 1 to 3 rented lines K760,000 (US\$ 152) for 4 to 6 rented lines K1,000,000 (US\$ 200) for 7 to 9 rented lines K1,250,000 (US\$ 250) for above 10 rented lines</p>

1.2.19. Self-Employment Permit (Costs US\$ 300 per permit)

Prerequisites for the permit are:

- Proof of finance not less than US\$ 250,000 is required
- Two passport-sized photos
- Bank statement
- Valid copy of the Company's certificate of incorporation
- Copy of the Investment Certificate issued by the Zambia Development Agency

1.2.20. Employment permit – (Costs US\$ 400 per permit)

Immigration Headquarters, upon submission of the following documents, may issue the employment permit:

- Certified copy of the applicant's highest education status and any other additional qualifications and certificate of employment from previous employers
- Letterhead from the prospective employer explaining steps taken to employ Zambian citizens to fill the vacancy