



Foreign Private Investment & Investor Perceptions in Zambia - 2017

Enhancing Investment for Export Promotion and Industrialisation Towards Inclusive Growth





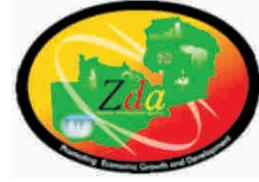
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Foreign Private Investment and Investor Perceptions in Zambia

2017

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TABLE OF CONTENTS

List of Acronyms	iv
iii. Acknowledgements	v
iii. Chief Executives of Lead	vi
iv. Senior Management from Lead Institutions	vii
v. Core Technical Team Members	viii
vi. Executive Summary	x
1.0 INTRODUCTION	2
2.0 OVERVIEW OF THE INVESTMENT CLIMATE	4
2.1 Overview	4
2.2 The Investment Climate in Zambia	4
2.3 Investment Opportunities	4
2.4 Diversification and Industrialisation	7
2.5 Recent Investment Promotion Efforts	8
3.0 RECENT MACROECONOMIC AND FOREIGN INVESTMENTS TRENDS AND PROSPECTS	10
3.1 Recent Global Economic Developments and Prospects	10
3.2 Recent Macroeconomic Developments and Prospects For Zambia	11
3.3 Recent Global FDI Trends and Prospects	12
3.4 Recent Foreign Direct Investment Trends and Prospects in Zambia	13
4.0 PRIVATE SECTOR FOREIGN LIABILITIES	15
4.1 Composition of Private Sector Foreign Liabilities Inflows	15
4.2 Composition of the Stock of Private Sector Foreign Liabilities	15
4.3 Foreign Direct Investment Liabilities Inflows	16
4.4 Foreign Portfolio Investment	22
4.5 Financial Derivatives	23
4.6 Other Investments	24
5.0 PRIVATE SECTOR EXTERNAL DEBT STOCK	28
5.1 Private Sector External Debt Stock Trend	28
5.2 Private Sector External Debt Stock by Maturity and Type	28
5.3 Private Sector External Debt Stock by Investor Relationship	29
5.4 Private Sector External Debt Stock by Industry	30
5.5 Private Sector External Debt Stock by Source Country	31
5.6 Private External Debt Stock by Region	31
6.0 PRIVATE SECTOR FOREIGN ASSETS	34
6.1 Private Sector Foreign Assets Flows by Type	34
6.2 Private Sector Foreign Assets Stocks by Type	34
6.3 Foreign Direct Investment Assets Flows by Investor Relationship	35
6.4 Foreign Direct Investment Assets Stocks by Investor Relationship	36
6.5 Foreign Direct Investment Assets by Recipient Country	36
6.6 Portfolio Investments Abroad	36
6.7 Financial Derivative Foreign Assets	37
6.8 Other Investments Abroad	37
6.9 Private Sector External Lending (PSEL)	38
7.0 FOREIGN AFFILIATES STATISTICS	42
7.1 Overall Foreign Affiliates Statistics	42



8.0	CONTRIBUTION TO CORPORATE SOCIAL RESPONSIBILITY	51
8.1	Corporate Social Responsibility Expenditure by Category	51
8.2	Corporate Social Responsibility Expenditure by Industry	52
9.0.	INVESTOR PERCEPTIONS	54
9.2	Key Findings	54
9.3	Assessment of effect of Government Policy Measures on Enterprise Business	54
9.4	Assessment of the Impact of the recent Fiscal Policy Measures	58
9.5	Assessment of impact of the recent Monetary Policy Measures	58
9.6	Efficiency and Cost of Infrastructure and Services	59
9.7	Service Delivery by Government Ministries and Statutory Bodies	61
9.8	Assessment of Ease of Doing Business	62
9.9	Factors Discouraging Foreign Investment in Zambia	62
9.10	Investor Outlook and Expansion Strategies	64
10.0	REPORT ON THE PROCEEDINGS OF THE PCF DISSEMINATION	66
11.0	CONCLUSION AND RECOMMENDATIONS	71
12.0	REFERENCES	74
13.0	ANNEX	76
Annex I:	Survey Methodology	76
Annex II:	Statistics on Foreign Private Capital Data	81
Table 1:	Foreign Direct Investment Flows by Source Country, 2015 - 2016 (US \$ million)	81
Table 2:	Foreign Direct Investment Stocks by Source Country, 2015 - 2016 (US \$ million)	83
Table 3:	Portfolio Equity Investment Stocks and Flows by Source country (US \$ million), 2015 - 2016	84
Table 4:	Portfolio Equity Investment Stocks and Flows by Industry (US \$ million), 2015 - 2016	84
Table 5:	Other Investments Stocks and Flows by country (US \$ million), 2015 - 2016	85
Table 6:	Other Investments Flows and Stocks by Industry & Type, 2015 - 2016 (US \$ million)	86
Table 7:	Foreign Direct Investment Stocks & Flows by Source Country, Relationship and Type (US \$ million), 2015 - 2016	87
Table 8:	Foreign Direct Investment Stocks & Flows by Industry, Relationship and Type (US \$ million), 2015 - 2016	93
Table 9:	Foreign Direct Investment Stocks & Flows by Regional Grouping and Instrument Type (US \$ million), 2015 - 2016	95
Table 10:	Private Sector External Debt by Source Country (US \$ million), 2015 - 2016	95
Table 10.1:	Private Sector External Debt by Industry (US \$ million), 2015 - 2016	97
Table 11:	Foreign Direct Investment by Destination Country (US \$ million), 2015 - 2016	97
Table 12:	Private Sector External Lending by Destination Country (US \$ million), 2015 - 2016	98
Table 13:	Inward Foreign Affiliates Statistics by Partner country (US \$ million, 2016)	100
Table 14:	Inward Pure Services Categories Affiliates Statistics by Industry (US \$ million, 2016)	106
Table 15:	Inward Pure Services Categories Affiliates Statistics by source country (US \$ million, 2016)	112
Annex III:	Ecological Map of Zambia	119
Annex IV:	List of Survey Team	119



i. List of Acronyms

ACP	African, Caribbean and Pacific states
AIDS	Acquired Immune Deficiency Syndrome
APEC	Asia-Pacific Economic Cooperation
ASEAN	Association of Southeast Asian Nations
BoZ	Bank of Zambia
BoP	Balance of Payments
BoPSC	Balance of Payments Statistical Committee
BPM6	Balance of Payments and International Investment Position Manual, Sixth Edition
CDIS	Coordinated Direct Investment Survey
CIS	Commonwealth of Independent States
COMESA	Common Market for Eastern and Southern Africa
CSO	Central Statistical Office
CSR	Corporate Social Responsibility
DBSA	Development Bank of South Africa
DFI	Development Finance International
EU	European Union
FAL	Foreign Assets and Liabilities
FATS	Foreign Affiliates Trade in Services
FDI	Foreign Direct Investments
FDEI	Foreign Direct Equity Investment
FPC	Foreign Private Capital
FPC-CBP	Foreign Private Capital Capacity Building Programme
FPI	Foreign Portfolio Investment
FPI G-IP	Foreign Private Capital and Investor Perceptions
GATS	General Agreement on Trade in Services
GDP	Gross Domestic Product
HIV	Human Immune Deficiency Virus
ICT	Information Communication Technology
IFCA-ISIC	ISIC, Rev.4 Categories for Foreign Affiliates in Services
IIP	International Investment Position
ISIC	International Standard Industrial Classification of All Economic Activities
MCTI	Ministry of Commerce, Trade and Industry
MEFMI	Macroeconomic and Financial Management Institute of Eastern and Southern Africa
IMF	International Monetary Fund
MENAP	Middle East North Africa Afghanistan and Pakistan
MFEZs	Multi Facility Economic Zones
MNEs	Multinational Enterprises
MOFAs	Majority-Owned Foreign Affiliates
MSITS	Manual on Statistics for International Trade in Services
NCDs	Non-Communicable Diseases
NTEs	Non-Traditional Exports
OECD	Organisation for Economic Cooperation and Development
OPEC	Oil Producing and Exporting Countries
PACRA	Patents and Company Registration Agency
PCF	Private Capital Flows
PSD	Private Sector Development
PSD-IJC	Private Sector Development Industrialisation and Job Creation
PSED	Private Sector External Debt
PSEL	Private Sector External Lending
RCEP	Regional Comprehensive Economic Partnership
SADC	Southern African Development Community
SNDP	Sixth National Development Plan
SSA	Sub-Saharan Africa
TNC	Transnational Corporations
TPP	Trans-Pacific Partnership
TTIP	Transatlantic Trade and Investment Partnership (TTIP)
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
VAT	Value Added Tax
WB	World Bank
WEO	World Economic Outlook
WIR	World Investment Report
ZDA	Zambia Development Agency
ZRA	Zambia Revenue Authority



ii. Acknowledgements

This Phase X Report of Zambia's Foreign Private Investment and Investor Perceptions Survey - 2017 was prepared by the Core Project Team constituted by the Joint Technical Committee on Balance of Payments Statistics, comprising staff from the Bank of Zambia (BoZ), Central Statistical Office (CSO) and the Zambia Development Agency (ZDA).

The Core Project Team, comprising representatives from the lead institutions, namely: Ms. Chisala Sofia Ngandwe, Mrs. Mwika Sampa, Dr. Francis Muma, Mr Kafula Longa, Mr Emmanuel Chokwe, Mr. Godwin Sichone and Mr. Wachisa Sibale from the Bank of Zambia (BoZ); Mr. Collins Sifafula and Ms. Sombo Kaweza from the Zambia Development Agency (ZDA); and Mr. Nkandu Kabibwa and Mr. Victor Bwalya from the Central Statistical Office (CSO), wishes to put on record its appreciation to staff from BoZ, ZDA, CSO, the Ministry of Commerce, Trade and Industry (MCTI) and the Ministry of Tourism and Arts that took part in the data collection exercise. We are also grateful to all staff from the three lead institutions that provided logistical support during the dissemination workshop.

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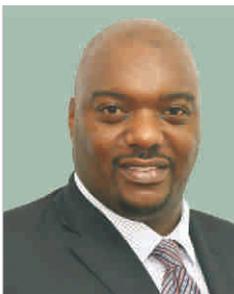
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VI. EXECUTIVE SUMMARY





vi. Executive Summary

This report summarises the survey findings on foreign assets and liabilities and investor perceptions in Zambia. The report provides highlights to the magnitude, types and direction of foreign private capital assets and liabilities, Foreign Affiliates Trade in Services (FATS) as well as investor perceptions.

The survey targeted 300 enterprises of which 266 responded (including 181 MOFAs) translating into a response rate of 88.7 percent. Out of the overall sample, the wholesale and retail trade, manufacturing and mining sectors had the largest share. The transport and storage, construction and administrative and support industries recorded a 100 percent response rate.

The main findings of the 2016 survey indicated that Zambia's net Foreign Direct Investment inflows declined by 58.7 percent to US\$486.1 million from US \$ 1,177.4 million in 2015, mainly explained by a reduction in FDI liabilities by 49.2 percent to US\$662.8 million from US \$1,304.9 million. However, net acquisition of FDI assets rose by 38.6 percent to US\$176.7 million. The fall in FDI liabilities was largely driven by reduced growth in foreign borrowing from related parties and retained earnings in various industries. However, value addition in the mining and manufacturing industries improved. Borrowing from affiliates continued to be the major form of FDI liabilities, with British Virgin Islands as the major source country accounting for 37.0 percent of the total inflows. The manufacturing industry was the major recipient of the inflows.

In the review period, portfolio equity investment recorded a net inflow of US \$15.0 million and was mainly from Ireland compared to a net outflow of US \$1.6 million in 2015. Zambia recorded a net outflow of US \$1.1 million in form of forward derivatives mainly to South Africa and the United Kingdom. In 2016, Other Investments inflows significantly reduced by 64.6 percent to US \$400.9 million from US \$1,131.8 million recorded in 2015. South Africa was the major source of Other Investment inflows and the electricity, gas and steam industry, accounted for 48.2 percent of the total Other Investment inflows.

Private sector debt increased by 7.0 percent to US \$14,549.5 million from US \$13,549.5 million mainly in form of long term loans. The mining and quarrying industry contributed the largest share of the total debt stock whilst British Virgin Islands, South Africa, China, the United Kingdom and India were the major source countries.

In 2016, Zambia's private sector foreign assets transactions increased by 94.9 percent to US \$407.5 million explained by an increased accumulation of assets in other investments and direct investments. Switzerland was the major destination accounting for 87.7 percent of the flows, largely for the mining and quarrying industry.

In the last two decades, foreign-controlled enterprises have continued to play a critical role in the economies of many host countries. With the increase in globalisation, foreign-controlled firms are able to undertake activities that can significantly contribute to the welfare of the host countries, in which they conduct their business. In Zambia, sales/turnover by Majority Owned Foreign Affiliates (MOFAs) was 5.5 percent lower than US \$11,795.4 million registered in 2015, whilst their employment levels were 7.8 percent higher at 83,601 from 77,570 in 2015. Contribution to taxes on income rose as declared profits after tax were US \$264.3 million against losses of US \$1,344.1 million recorded in 2015. The value added was 57.8 percent higher at US \$6,533.6 million compared to the 2015 level.

In 2016, surveyed enterprises spent a total of US \$73.1 million (2015: US \$88.1 million) on Corporate Social Responsibility (CSR) activities with health and welfare activities receiving the largest share. Mining and quarrying industry contributed 54.8 percent of the total CSR.

In terms of investor perceptions, the findings showed that the overall ease of doing business in Zambia was generally good with most factors being favourably rated. However, closing business, getting credit, cross border trading and registering property were rated unfavourably.

The major investment pull factors were economic growth, political stability, ease of doing business and good governance. Perceived risks to increased investment were: high cost of doing business, market risk, bureaucracy, unfavourable tax rates and limited access to credit.

In terms of service delivery, most service agencies were rated favourably as good to excellent and included among others the Patents and Company Registration Agency (PACRA), Bank of Zambia (BoZ), National Pension Scheme Authority (NAPSA), Ministry of Finance, and Zambia Development Agency (ZDA). However, the ministries of Lands and Natural Resources, and Livestock and Fisheries, the Zambia Police Service and utility companies were ranked as poor in service delivery.

The main perceived risks to increased investment were: (i) exchange rate instability; (ii) high cost of borrowing; and (iii) electricity supply deficit. Other perceived risk factors included high energy costs, delays in contract litigation, high tax burden, policy inconsistency and bureaucracy.



Despite, Governments' continued effort to promote export oriented production across sectors, the survey findings revealed that most enterprises were inward rather than outward looking for their markets for products and services. Surveyed enterprises mainly relied on equity as opposed to borrowing for financing of their business operations. With regard to investor outlook, the most preferred strategies for the expansion of their investments were the extending of the existing facility, value addition, and the acquisition of machinery and equipment.

With respect to recent fiscal and monetary policy measures, most respondents indicated that the fiscal policy of limiting budget deficit to 3.8% of GDP and utilization of Public Private Partnership to finance projects were positive. Further, the monetary policy measures of BoZ intervention in forex market, reduction in BoZ policy rate, and the reduction of statutory reserve ratios favourably affected business operations of most enterprises. However, the revision of item value limits for local currency for both clearing and over the counter transaction as well as domestic borrowing by government were adversely received.

The ease of doing business factors were positively assessed. Starting a business was ranked the highest, followed by labour market regulation and paying taxes. However, dealing with permits, closing a business and getting credit were rated low. According to the 2018 World Bank Doing Business Report, Zambia was ranked among the top ten (10) best performers globally as getting credit, paying taxes and trading across borders improved.

Despite improvements in the business environment in Zambia, the respondents urged Government to continue addressing the challenges identified and improve on the positive factors affecting investment decisions as a way of promoting and enhancing the competitiveness of the local industries.

In its pursuit to achieve economic diversification and job creation through value addition and industrialization Government should continue to reviewing the policy and business environment. This is in order to attain a diversified export base anchored on agriculture, manufacturing and tourism driven by the private sector. Private sector investment remains key to this strategy as increased FDI inflows are a major catalyst in the development process.

The 7th NDP and the Zambia Plus economic programme are central policy pillars in the drive for diversification and inclusive growth. Their effective execution will be critical in enhancing investment for export promotion and industrialisation.



1.0 INTRODUCTION





1.0 INTRODUCTION

The Zambian Government has reaffirmed its commitment to sustainable economic development and equitable growth through among other policy measures, the implementation of the Economic Stabilization and Growth Program- Zambia Plus (ESGP). The program is aimed at restoring fiscal fitness and overall macroeconomic stability resulting in a conducive environment for inclusive employment and wealth creation in the medium and long term. Furthermore, the theme of the seventh national development plan (7th NDP 2017- 2021) focuses on an integrated multi-sectoral development approach of “accelerating development efforts towards Vision 2030 without leaving anyone behind”. The 7th NDP emphasises Government’s plans to continue promoting a diversified export base with more focus on non-extractive sectors, such as agriculture, forestry and energy, as well as to increase foreign direct investment inflows. Private sector investment remains key to this strategy and increased FDI flows are a major catalyst in the development process. In line with these macroeconomic objectives the theme of this report is “Enhancing Investment for Export Promotion and Industrialization towards Inclusive Growth”.

After a period of strong economic growth from 2005 – 2013, which averaged 6.4 percent annually, growth in 2014 and 2015 declined to 4.7 percent and 2.9 percent, respectively. However, the growth rebounded at 3.8 percent in 2016 and economic growth prospects are expected to improve further with GDP growth for 2017 and 2018 forecasted at 4.2 percent and 5.0 percent, respectively. The improving macroeconomic environment and rising commodity prices, will have a positive influence in investment decisions. This would ultimately result in increased growth in FDI inflows in 2017 and beyond. In line with enhanced job creation and industrialisation policies, Zambia has, with renewed vigour, continued to encourage private investment in all major growth sectors.

This report summarises the survey findings on foreign assets and liabilities and investor perceptions in Zambia. The report provides highlights to the magnitude, types and direction of foreign private capital assets and liabilities, Foreign Affiliates Trade in Services (FATS) as well as investor perceptions.

The survey was undertaken between July and August 2017. It covered the calendar year 2016 and first half of 2017. A total of 300 enterprises out of which 182 enterprises Majority Owned Foreign Affiliates (MOFAs) were covered during the survey, of which 266 responded, translating into a response rate of 88.7 percent. The survey was undertaken in conformity with the latest International Monetary Fund (IMF) Balance of Payment and International Investment Position Manual Sixth Edition (BPM6), the Coordinated Direct Investment Survey (CDIS), Organisation for Economic Co-operation and Development (OECD) Benchmark definition of Foreign Direct Investment and the 2010 Manual on Statistics for International Trade in Services (MSITS 2010). The survey further complied with the United Nations Conference on Trade and Development (UNCTAD) requirements for compilation of Foreign Affiliates Trade in Services (FATS).

The report gives the magnitude, types and direction of foreign private capital assets and liabilities as well as investor perceptions. It also presents improvements to the previous reports with regard to timeliness, coverage of enterprises with foreign assets and liabilities, the analysis of FATS as well as investor perceptions.

The rest of the report is structured as follows: Chapter 2 discusses the theme of the report focusing on enhancing investment for export promotion and industrialization towards inclusive growth. Chapter 3 gives the recent macroeconomic and foreign investment trends and prospects. In Chapters 4, 5, 6, 7, and 8 the quantitative survey findings are presented and analysed, relating to foreign liabilities, private sector external debt, private sector foreign assets, foreign affiliates trade in services and corporate social responsibility. This is followed by Chapter 9 which provides a detailed discussion of investor perceptions on the investment climate in Zambia and Chapter 10 outlines the proceedings of the dissemination workshop whilst Chapter 11 concludes and highlights policy recommendations. The survey methodology and detailed annexes of tables and other information analysed are provided in the Annexure section at the end of this report.



2.0 OVERVIEW OF THE INVESTMENT CLIMATE





2.0 OVERVIEW OF THE INVESTMENT CLIMATE

2.1 Overview

The investment climate in any country is determined by the soundness of macroeconomic policies, and institutional framework, among other factors. The key determinants of attracting investment include economic and political stability, a functional legal and regulatory framework, quality of infrastructure, approaches to regulations and taxes, functioning of labour and financial markets, and broader features of governance, among others. A good investment climate fosters productive private investment and economic growth by creating opportunities for the private sector to invest, create jobs, and lay the foundations for long-term business success. There are a number of factors that contribute to enhancing investment for export promotion and industrialization towards inclusive growth.

2.2 The Investment Climate in Zambia

Zambia is a private sector driven economy with no restrictions on the current and capital accounts to encourage investments across sectors. Further, laws relating to investment have provided for various incentives aimed at encouraging private participation in the economy. The country's central location in the region, as well as a combination of the following key strengths makes it an ideal investment destination: -

- Abundance of natural resources and manpower, which are highly under-utilized;
- Political stability since attaining independence in 1964;
- Abolition of controls on: prices, interest rates, foreign exchange rates, free repatriation of debt repayments;
- Promotion and facilitation of both local and foreign direct investment;
- Membership to the Regional Economic Communities (RECs) such as Common Market for Eastern and Southern Africa (COMESA) and Southern African Development Community (SADC) with a combined population of over 500 million.
- Zambia enjoys duty and quota free market access into the US through AGOA, Generalized System of Preferences (GSP) scheme and to the EU through Everything but Arms initiative;
- Development of the capital market through the Lusaka Securities Exchange; and
- Thriving private sector, following privatisation of most of the previously state owned enterprises, thus encouraging an entrepreneurial culture.

2.2.1 The Investment Incentives

Government has continued to provide incentives to both domestic and foreign investors. The Zambia Development Agency (ZDA) Act of 2006 offers a wide range of incentives in the form of allowances¹, exemptions and concessions. The Act provides for investment thresholds that investors have to meet to qualify for fiscal and non-fiscal incentives. Further, Government has undertaken a number of policy initiatives aimed at fostering a conducive environment for investment and economic growth.

Zambia is ranked 85 among 190 economies in the ease of doing business, according to the latest World Bank annual ratings. The rank of Zambia improved to 85 in 2017 from 98 in 2016. It has made several improvements in terms of efficiency and reducing bureaucracy with, getting credit, paying taxes and trading across borders.

2.3 Investment Opportunities

The Zambian economy stands among the best investment destinations in Sub-Saharan Africa. A lot of effort has been made by Government to improve the investment climate for both local and foreign investors. This is reflected in the relative macroeconomic stability achieved in the recent past. Although investment trends have improved over the last few years, the investment potential has not been fully exploited.

Zambia is a country endowed with abundant resources with investment opportunities that have potential for high returns in the following sectors; agriculture, mining, tourism, manufacturing, transport, energy among others.

¹ZDA Act No. 11 of 2006



2.3.1 Agriculture

Zambia has potential to expand agricultural production given the vast resource endowment in terms of land (arable, fertile virgin land), labour and water that the country possesses. Of Zambia's total land area of 75 million hectares (752,000 square Km), 58 percent (42 million hectares) is classified as medium to high potential for agricultural production, with rainfall ranging between 800mm to 1400mm annually and suitable for the production of a broad range of crops, fish, and livestock. It is estimated that only 14 percent of total agricultural land is currently being utilized.

The country is endowed with ample surface and underground water resources, with many rivers, lakes, and dams, accounting for about 45 percent of the total fresh water resources of the Southern African region. This, with the addition of high potential underground water aquifers in many areas, offers excellent prospects for supplying water for irrigation, home, and industrial use. However, these water bodies are largely unexploited. Of the country's irrigation potential conservatively estimated at 423,000 hectares, only about 50,000 hectares are currently under irrigation. Therefore, Zambia has a resource endowment for development of a wide range of crops, livestock, and fish for export given the diversity of its agro-ecological zones. Further, Zambia has excellent weather for floricultural and horticultural products, as well as export grade sugar, tobacco, coffee wheat, soya, bean, cotton, sugar etc. and other high value industrial crops for exports among others.

There is also a large potential for manufacturing based on agriculture produce as inputs for crop processing plants such as canning factories, oil processing plants among others. Government has identified farming blocks earmarked for large-scale farming and is providing basic infrastructure such as feeder roads, communication and power. Government policy focuses on increased investment in irrigation development, livestock disease control, farm mechanisation, aquaculture, agro-processing and provision of extension services.

The current world food deficit and resulting high food prices present an opportunity for Zambia to benefit, given its huge potential in agriculture. Crops such as maize, rice, wheat and soya beans are all attracting favourable prices on the world market and would thus improve external sector performance if effectively taken advantage of.

2.3.2 Mining

Zambia has abundant known mineral deposits and has about 6% of the world's known copper reserves. Further, the country produces about 20% of the world's emeralds.

Government promotes both large and small-scale mining by providing a conducive business environment and up-dating current legislation and geological information allow for extensive exploration work. Investment opportunities include exploitation of gold, zinc, coal, nickel, and gemstones (emeralds, aquamarine, topaz, opal, amethyst). Diamond and uranium reserves have also been identified. This offers opportunities for potential investors in the mining sector.

2.3.3 Manufacturing

Government is providing incentives to unlock the potential of the manufacturing sector. For instance, operationalisation of the Zambia Development Agency (ZDA) among other things, is beginning to address the high cost of doing business. Zambia's manufacturing sector has considerable investment potential as the domestic economy is well endowed with resources such as raw materials, required labour force, abundant land, water, rich minerals and a good banking and financial system.

Further, measures have been put in place to support growth within the sector including the creation of Multi-Facility Economic Zones (MFEZs), credit provision and industrial skills training. So far locations in Lusaka, Chambishi, Kafue and Kalumbila have been identified. MFEZs were established in order to diversify the economy and promote exports. Incentives have been offered to both Zambian and foreign firms operating in the zones in order to promote manufacturing and stimulate export activities, technological development, skills transfer and job creation.

Some of the potential areas of investment include cement production, textiles and clothing apparels, agro-processing, processed and refined foods, leather products, wood processing, mineral processing (copper, cobalt, gemstones), vehicle parts manufacturing and assembly, refining of petroleum, and light engineering.



2.3.4 Tourism

Tourism is one of the fast growing sectors in Zambia contributing 7.0 percent to the country's GDP in 2016. In the 7th National Development Plan, the tourism sector has been identified as one of the key areas that needs development and contribute to the diversification of the economy. Potential of Zambia as a one-stop destination offers excellent prospects for advancement of this highly under-developed sector. Zambia has a good climate with 19 national parks, 34 game management areas totalling 65, 000 square kilometres devoted to the conservation of a spectacular variety of animals, most of which are not fully exploited. It also has abundant natural beauty and wealth of wildlife yet to be fully exploited.

The scope for an integrated quality tourism related investment is very attractive. The hotel industry has a lot of potential for investment in most tourist attractions (game parks, beaches, and valleys) including the 7th natural wonder of the world, the Victoria Falls. There is also potential for adventure holidays -white-water rafting, canoeing, rock-climbing, hand-gliding, fishing, bungee-jumping at Victoria Falls including its unique walking safaris offer excellent tourism potential.

Government has focussed on the sustainability and conservation of Zambia's wildlife and its eco-system, development of infrastructure and extensive marketing of tourism potential in Zambia. This has provided an enabling environment to investors to develop the sector.

2.3.5 Energy

Zambia possesses 6,000 megawatts (MW) worth of potential energy from hydropower generation, yet the country has only developed 2,389 MW of that potential. Owing to the increased economic activities in the country and the region, there has been a huge demand for electricity. The high demand and a 10 percent power reserve requirement underscores the opportunity for developing hydropower. There are vast water resources ideal for the generation of hydro- electric power generation in the country.

Although hydro-power generation has continued to dominate the power generation accounting for at least 84.5 percent, there are some risks associated with climate variability such as droughts. As a result, Government is promoting construction of new hydro-power stations in areas which are not drought prone². There are potential sites in these zones identified for the development of hydro power plants to contribute power to the national grid and thus assist in mitigating the power shortfall in the country and the SADC and COMESA regions. These include, among others, Kapamba falls, Mumbuluma falls, Namundela falls, Kalepela falls and the Luapula River, among others. There is however need for Zambia to diversify its electricity generation mix to include alternative energy sources such as coal, solar, wind and biomass. In the 7th National Development Plan, the Government envisages to increase the contribution of alternative energy to the national grid by 15.0 percent.

In the petroleum sub-sector, the Government has put in place measures to recapitalise INDENI Oil Refinery for it to operate efficiently. According to the 7th National Development Plan, supplies from INDENI can only satisfy 50 percent of domestic demand signifying the need for another refinery to meet the domestic shortfall and demand from the region. Exploration work on petroleum oil and gas is being carried out in the North Western and Northern Provinces. This follows the positive indication arising from tests that were carried out some time back. Interested companies have been invited to carry out further drilling and exploration works.

Zambia currently has only one pipeline, which transports crude oil or petroleum products from the port of Dar-es-Salaam in Tanzania. Over the years, as the economy has grown, the demand for petroleum products has also increased significantly such that the existing pipeline is unable to meet the demand for petroleum products. To meet the current demand and also prepare for consumption in the long-term, investments in a new delivery system and construction of some fuel storage depots in strategic locations offer prospects for private sector investment.

In addition, Zambia has high production of solid waste. This offers an opportunity for a lot of waste recycling projects to be established. For instance, a waste-to-energy project.

Investors are also invited to participate more in the Government Securities Market as well as the Lusaka Securities Exchange. Further, while there has been an increase in investors engaged in infrastructure development projects such as roads, schools, health service, water and sanitation, energy and HIV programs, there is scope for more support in these and other areas.

From the foregoing, it is clear that there are vast investment opportunities in Zambia but capital constraints inhibit meaningful investments. Therefore, establishment of joint ventures between local and foreign private investors in all sectors of the economy is encouraged by the authorities.

²This is in ecological zone III of Zambia see Annex XVII





2.3.6 Other Opportunities

2.3.6.1 Inland Dry Ports

Development of inland dry ports in strategic locations such as Chipata, Kapiri Mposhi and Livingstone. This will provide logistical support to importers and exporters, and decongest borders.

2.3.6.2 Border Trading Zones

There are viable opportunities for the establishment of trading zones in border areas such as the Kasumbalesa, Nakonde, Chirundu and Kazungula to take advantage of the high volumes of trade between Zambia and the Democratic Republic of Congo, Tanzania, Zimbabwe and Botswana respectively.

2.3.6.3 Bulk Water Supply/ Irrigation Systems Project

The project is for the establishment of huge water dams near the declared farm blocks across the country. This will run alongside the Farm Block Development Programme.

2.3.6.4 Construction and Housing Sector

There are investment prospects in this sector that require full exploitation such as development of a world class conferencing and exhibition facility at the trade fair grounds in Ndola as well as the expansion, development and modernization of existing Mukuba hotel into a five star hotel facility, development of a mixed use real estate complex comprising of commercial and business hubs with residential units and quality tourism and leisure facilities in Lusaka city, and development of student hostels and staff housing at the University of Zambia (UNZA). The University enrolls about 20,000 students against bed space accommodation of 8,000.

2.4 Diversification and Industrialisation

Government has continued to pursue policies aimed at diversifying the economy from one mainly dependent on copper production to more of value addition and industrialisation. This also includes the increase in the contribution of agriculture and tourism to GDP. This is envisaged to be driven by private sector investment, while the Government will continue to play its role of improving the policy and business environment. In this regard, diversification to the agriculture sector has involved enhancing investment in agricultural infrastructure, mechanisation, agricultural value chains, crop and livestock diversification, increasing access to finance for production and exports, and promoting small-scale agriculture. These measures are steadily improving production and productivity in the agriculture sector.

In order to promote value addition, the Government is supporting a number of pipeline projects to be delivered in the next two years. These include the establishment of a mango processing facility in the Eastern Province; investment in a palm oil plantation and palm oil processing plant in Luapula Province; investment in a cashew nut project in the Western Province and re-establishment of a pineapple processing facility in the North-Western Province.

Further, it is envisaged that the establishment of multi-facility economic zones would structurally transform the economy by incorporating the agriculture industry into the supply chain. This will be integrated with improvements of trade routes and border administration, access to dependable and sustainable electricity in both the rural and urban productive sectors, development of road infrastructure between urban and rural areas buttressed by the development of skilled labour and substantially employ more people in gainful employment.

Since 2000, mining firms have accounted for the bulk of foreign direct investment inflows into the country. The manufacturing and agriculture sectors, which create and sustain productive employment, have not yet received sufficient investments to trigger the required growth and employment generation, especially in rural areas. Foreign direct investment, which tends to generate positive spill overs such as technological transfers, employment creation, skills development and growth of small and medium enterprises, has been concentrated in the mining sector.

There is need therefore, to stimulate targeted industrialisation and fight overdependence on copper mining, which has low-spread effects in terms of wage earnings. Measures to reduce higher income inequalities include accelerated investment in ventures such as forestry, tea, cotton, coffee, and aquaculture production, including their value chains. This would promote both domestic and international trade and transform Zambia from being an exporter of primary products to a net exporter of value-added products

At present, there is little evidence of the effectiveness of actions taken towards diversification. A more active, results-driven strategy is crucial if Zambia is to overcome the challenges with regard to



diversification of the economy, the promotion of sustainable growth and poverty reduction. Thus the need for, 'Accelerating Export Diversification and Industrialisation efforts for Inclusive Growth'.

2.5 Recent Investment Promotion Efforts

The ZDA has also been undertaking investment promotions during the year under review aimed at showcasing Zambia as an ideal investment destination. These included facilitating a number of investor missions and investor forums. During these meetings, investment guidelines and joint venture initiatives between Zambians and foreign investors in various sectors were provided and promoted, respectively.

During 2017, the Agency undertook eight (8) outward investment promotion missions to Israel, Spain, China, Japan, and Kenya (TICAD IV)³. Other investment promotion activities included facilitation of inward missions from various countries with interests to invest in different sectors of the economy. A total of forty-five (45) inwards missions were received during the period under review.

Zambia continued to attract investments in various sectors of the economy. During the period January to December 2017, total investment pledges soared to US \$ 17,415.0 million from US \$3,351.0 million recorded during the same period in 2016, reflecting improved investor confidence. The increase was mainly attributed to the high level of investment pledges in the energy and agriculture sectors at US \$ 8,402.0 [US \$878.0 million] and US \$6,705.0 million [US \$524.0 million], respectively. These pledges are expected to generate 38,322 jobs [2,850] when fully executed (Table 2.5).

Table 2.1: Investment and Employment Projected by Sector, 2016-2017

Industry	2016		2017	
	Value (USD million)	Jobs	Value (USD million)	Jobs
Agriculture	524	2,189	6,705	34,154
Construction	298	1,371	606	1,740
Health	4	56	35	285
Education	0	0	13	22
Energy	878	661	8,402	4,168
ICT	98	561	259	152
Manufacturing	738	4,492	843	6,704
Mining	186	1,224	219	1,669
Real Estate	301	2,621	102	4,219
Service	102	2,045	74	1,372
Tourism	178	655	114	1,120
Transport	44	409	43	1,292
others	0	0	0	0
Total	3,351	16,284	17,415	56,897

Source: Zambia Development Agency



Mining continues to be an important sector for growth

³Tokyo International Conference of Africa's Development



3.0 RECENT MACROECONOMIC AND FOREIGN INVESTMENTS TRENDS AND PROSPECTS





3.0 RECENT MACROECONOMIC AND FOREIGN INVESTMENTS TRENDS AND PROSPECTS

3.1 Recent Global Economic Developments and Prospects

The Global economic growth rate remained unchanged in 2016 at 3.2 percent as the case was in 2015. This outturn was mainly attributed to the cyclical recovery in investment, manufacturing and trade. In addition, recovery in advanced countries and the Euro area contributed to the growth.

In 2016, Emerging markets and developing economies grew by 4.2 percent compared to 4.0 percent in 2015, with Brazil and Russia being the main sources of growth. In China, the economy was estimated to have grown by 6.7 percent in 2016, albeit lower than 6.9 percent recorded in 2015. Fiscal and credit-based stimulus measures focusing on infrastructure investment and efforts to stimulate household credit, supported growth in China. China's transition to focus on consumption and services continued to influence other emerging market economies, notably commodity producers and countries exposed to China's manufacturing sector.

The Sub-Saharan Africa (SSA) region grew by 1.6 percent in 2016, down from 3.4 percent in 2015 mainly due to the continued fall in commodity prices. In addition, a strong US dollar and the slowdown in the Chinese economy continued to dampen foreign direct investment flows to SSA. Further, the continued weak economic performance in South Africa, one of the region's largest economies and one of Zambia's major trading partners, also contributed to weaker growth in the region.

Global growth momentum picked in the first half of 2017 largely driven by emerging markets and developing countries that benefited from favourable global financial conditions and recovery in advanced economies. Global economic growth is projected to rise to 3.6 percent in 2017 from the 3.2 percent outturn in 2016, and marginally increase to 3.9 percent in 2018. Advanced economies are expected to grow by 2.0 percent in both 2017 and 2018. This is largely due to improved exports, private consumption and investment. Economic growth in emerging markets and developing economies is projected to increase to 4.6 percent in 2017 from 4.3 percent in 2016, and rise further to 4.8 percent in 2018. Growth will primarily be driven by large commodity exporters owing to some improvements in commodity prices and strong growth in China.

GDP growth for China in 2017 is projected to be 6.8 percent, reflecting strong performance in the first half of 2017 and the effects of expansionary fiscal policy, public investment growth, and the recovery in exports as global demand picked up. In 2018, growth is expected to remain robust consistent with strong demand for copper by China. In SSA, growth is projected to rise in 2017 and 2018 to 2.6 and 3.5 percent, respectively following improved growth prospects for South Africa. Further, relatively stronger commodity prices are expected to spur growth in most SSA countries during 2018.

Inflation in the advanced countries as a whole increased to 0.8 percent in 2016 from 0.3 percent in 2015 largely due to increase in energy prices. In 2016, inflation in emerging market and developing economies decelerated to 4.5 percent in 2016 from 4.7 percent in 2015. This was mainly on account of subsiding of the effects of earlier currency depreciations and a slowdown in economic activities in some economies. Inflation in most SSA countries rose reflecting the pass-through from large domestic currency depreciations, high food prices due to drought, and energy deficits.

The current account deficits worsened in emerging market economies in 2016 largely reflecting a general fall in commodity prices, which contributed to the weakening of currencies. The US dollar appreciation, driven by prospects of tighter Fed policies, resulted in large portfolio outflows from emerging markets. With regard to the SSA, most countries recorded current account deficits in 2016 due to low commodity prices.

3.1.1 Commodity Prices

Generally, commodity prices were subdued in 2016. The price of copper declined and averaged US\$4,871.3/ton in 2016 from US\$5,510.0/ton recorded in 2015. This was mainly as a result of sluggish demand from China. Similarly, crude oil prices weakened to an average of US\$49.0/barrel in 2016 from US\$51.2/barrel in 2015 on account of excess supply by Oil Producing and Exporting Countries (OPEC) members. Further, a decline in agriculture commodity prices was recorded in 2016 with maize and wheat prices falling to US\$169.0 per mt and US\$167.0 per mt in 2016 from US\$174.0 per mt and US\$206.4 per mt in 2015, respectively.

3.1.2 Global Financial Markets

In 2016, international currency and financial assets prices performed well compared to 2015. Global equities gained in the second half of 2016, while bond yields rose amid expectations of higher U.S. Government spending and general consumer confidence. The Dow Jones Industrial Average rose 16% as at



end December 2016 while the Standard & Poor's 500 Composite Index and the Nasdaq composite gained 12% and 9%, respectively. The dollar touched its highest level in almost 14 years against the Fed's Trade-Weighted U.S. Dollar Index.

In the Eurozone, stock markets strengthened while bond yields fell on the back of a steady economic recovery. The Euro Stoxx 50 Index went up by 5.9%, boosted by financial sector stocks which outperformed other sectors. In the UK, the Financial Times Stock Exchange (FTSE) 100 also posted gains, while in Japan equities declined slightly as the benefits of an accommodative Bank of Japan were largely offset by lackluster economic data and currency headwinds.

3.2 Recent Macroeconomic Developments and Prospects For Zambia

During 2016, the overall macroeconomic environment improved as reflected in the various indicators such as GDP, Inflation and external sector (Table 3.1)

3.2.1 Gross Domestic Product (GDP)

The Zambian economy grew by 3.6 percent in 2016 compared with 2.9 percent in 2015. This was mainly driven by wholesale and retail, construction, mining and quarrying, and manufacturing sectors.

3.2.2 Inflation

The annual overall inflation fell to 7.5 percent in December 2016 from 21.1 percent in December 2015. The sharp fall in inflation reflected mainly the dissipation of the base effect⁴ in the fourth quarter and appreciation of the Kwacha against the US dollar. The tight monetary policy stance maintained during the year underpinned the fall in inflation by constraining aggregate demand.

In the first half of 2017, annual overall inflation continued to decline, falling to an average of 6.8 percent from 14.5 percent in the second half of 2016. The slowdown in inflation was largely due to the pass-through effect from the continued appreciation of the Kwacha against the US dollar and the seasonal increase in the supply of some food items.

3.2.3 Foreign Exchange Market

The foreign exchange market in 2016 was characterised by a rebound against all major trading partner currencies. The Kwacha appreciated by 9.2% against the US dollar to K9.8364 per US\$. Against the British Pound, Euro and South African rand, the Kwacha gained by 24.3%, 11.9% and 1.7% to K12.2914, K10.3883, K0.7112, respectively. The strengthening of the Kwacha was mainly due to inflows from non-resident investors in Government securities, and constrained aggregate demand due to tight monetary policy stance.

During the first half of 2017, the Kwacha continued to appreciate against a basket of major trading partner currencies. The Kwacha gained by 3.7% against the US dollar to an average of K9.5393, 5.1% against the British Pound to K12.0045, and by 5.1% against the Euro to K10.3230. Underlying the nominal appreciation of the Kwacha was mainly net foreign exchange inflows from the mining sector and non-resident investors' demand for Government securities. However, the Kwacha depreciated by 1.8% against the South African rand to an average of K0.7218.

3.2.4 External Sector

Preliminary data show that Zambia's overall balance of payments (BoP) deficit narrowed by 52.3 percent to US\$187.6 million in 2016 from US\$393.3 million in 2015. This favorable development was mainly due to the increase in the financial account surplus, which more than doubled to US\$803.0 million. This was mainly due to a reduction in the acquisition of other investments assets abroad by the private sector. However, the current account deficit widened to US\$1,036.6 million in 2016 from US\$830.7 million in 2015. This was mainly due to the primary income deficit increasing to US\$715.3 million from US\$412.1 million. The current account deficit was mostly financed by the financial account surplus. Further, the capital account surplus declined to US \$55.0 million in 2016 from US \$81.0 million in 2015 largely due to a decrease in inflows of project grants.

⁴The Base effect relates to inflation in the corresponding period of the previous, if the inflation rate was too low in the corresponding period of the previous year, even a smaller rise in the Price Index will arithmetically give a high rate of inflation now. On the other hand, if the price index had risen at a high rate in the corresponding period of the previous year and recorded high inflation rate, a similar absolute increase in the Price index now will show a lower inflation rate now. An illustration of the base effect would be like: Price Index 100 goes to 150, and then to 200. The initial increase of 50, gives the percentage increase as 50% but the subsequent increase of 50 gives the percentage increase as 33.33%. This happens arithmetically as the base on which the percentage is calculated has increased from 100 to 150.



In the first half of 2017, however, the trade deficit narrowed to US\$216.9 million from US\$316.4 in the second half of 2016 due to higher growth of exports relative to that imports. Merchandise export earnings rose by 22.5% to US\$3,792.3 million due to higher earnings from copper, which increased by 36.2% to US\$2,879.0 million. Higher export volumes and realised prices accounted for the increase in copper earnings. Cobalt earnings also grew by 46.5% to US\$61.0 million from US\$41.6 million due to an increase in prices, whilst export volumes fell. However, gold and non-traditional export earnings declined. Gold earnings registered an 18.8% decline to US\$84.4 million from US\$103.9 million following a reduction in export volumes. Further, non-traditional export earnings fell by 8.2% to US\$766.7 from US\$835.5 million on account of lower earnings from gemstones, industrial boilers and equipment, cement and lime, and tobacco.

Imports increased by 17.5% to US\$4,009 million mostly on account of fertiliser, iron and steel products, industrial boilers and equipment.

Table 3.1: Selected Macroeconomic Performance Indicators, 2010 – 2016

	2010	2011	2012	2013	2014	2015	2016
Real GDP growth (end-year %)	10.3	5.6	7.6	5.1	4.7	2.9	3.6
GDP per capita (end-year US \$)	1,236.0	1,732.0	1,814.0	1,897.0	1,886.0	1,376.0	1,322.3
Annual Inflation end-period (%)	7.9	7.2	7.3	7.1	7.9	21.1	7.5
Comm. banks WALBR (%)	19.4	16.6	8.8	9.8	12.5	12.5	15.5
Exchange Rate (Annual Average)*	4,797.0	4,860.5	5,142.0	5.4	6.2	8.6	10.3
Non-Traditional Exports [fob] (US \$ millions)	1,259.9	1,690.3	2,851.7	3,558.4	2,272.0	1,848.6	1,748.9
Total Exports [fob] (US \$ million)	7,483.5	8,753.6	9,520.8	10,843.4	10,220.2	7,362.0	6,513.5
Imports [fob] (US \$ millions)	4,709.9	6,454.2	7,925.5	9,195.4	8,594.8	7,436.2	6,538.5

Source: Bank of Zambia Annual Reports, IMF, CSO

Note: * In 2013 the Kwacha was rebased

3.2.5 Macroeconomic Prospects

Over the medium term, Zambia's prospects for growth continue to be strong with real GDP growth projected to improve further. The GDP growth forecast for 2017 and 2018 have been revised upward from 3.9 percent and 4.6 percent to 4.2 percent and 5.0 percent, respectively. The upward revision reflects mainly increased agricultural output, recovery in electricity generation as well as increased mining output supported by relatively higher copper prices. In addition, easing monetary conditions are expected to lower lending rates and thereby spur domestic credit and ultimately economic growth.

The current account deficit is projected to narrow in the medium-term as export earnings for both copper and NTEs rebound. This will largely be driven by increased production by mining companies. The improved current account is expected to dampen pressure on the exchange rate and assist in maintaining inflation within the medium-term target range of 6-8 percent.

3.3 Recent Global FDI Trends and Prospects

3.3.1 Global FDI Inflows

Global FDI flows declined slightly by 2.0 percent to \$1.75 trillion, after the strong rebound in FDI flows in 2015, that grew by 38.0 percent. According to the UNCTAD World Investment Report (2017), the decline in FDI was largely attributed to policy risks that were perceived by multinational enterprises. Inflows to developing countries declined by 14.0 percent to US \$646 billion from US \$764 billion recorded in 2015.

The inflows to Africa fell by 3.5 percent to US \$59.4 billion in 2016 from US \$61.5 billion. Whilst West Africa and North Africa experienced marginally rises in inflows, most of the continent saw flows declining. The decreasing flows are largely as a result of low commodity prices in a region where most economies are natural resource-based.

Developed countries' share of global FDI inflows increased to 59.0 percent from 55.0 percent while that of developing countries declined to 37.0 percent from 45.0 percent. The remaining 3.9 percent of the flows were accounted for by transition economies.

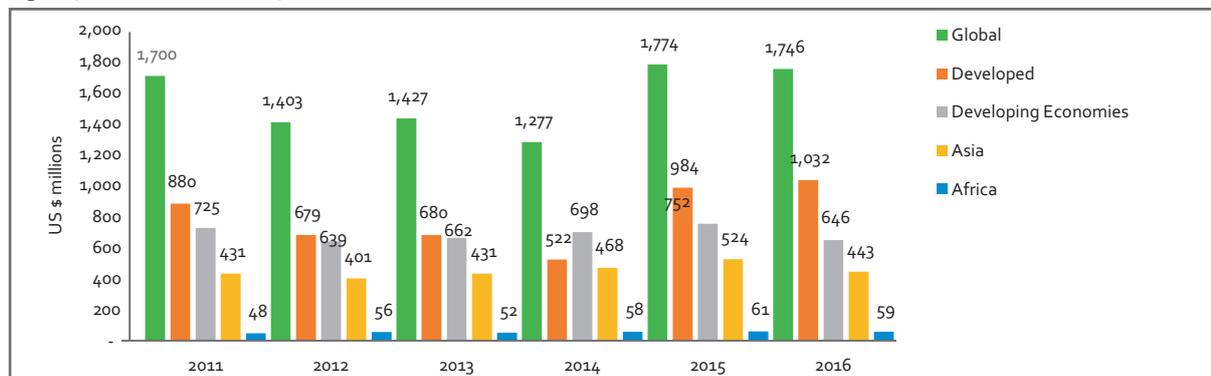
3.3.2 Global FDI Outflows

According to the UNCTAD World Investment Report (2017), global FDI outflows fell by 8.9 percent to US \$1.45 trillion in 2016 from US \$1.59 trillion in 2015. The outflows from both developing and developed countries decreased, with those from the developed economies falling more significantly. Developing countries FDI outflows at US\$383.4 billion from US \$389.3 billion represented a decline of 1.5 percent.



Foreign direct investment outflows from developed countries declined by 11.0 percent to US \$1.0 trillion from US \$1.2 trillion. This decline was primarily on account of a drop in investments from European multinationals by 23.0 percent to US \$515 billion in 2016. China, however, recorded a rise of 43.5 percent in outflows, making it the second largest source of FDI in the world.

Figure 3.1: Global FDI Inflows, 2011-2016



Source: World Investment Report, 2017

3.3.3 Global FDI Prospects

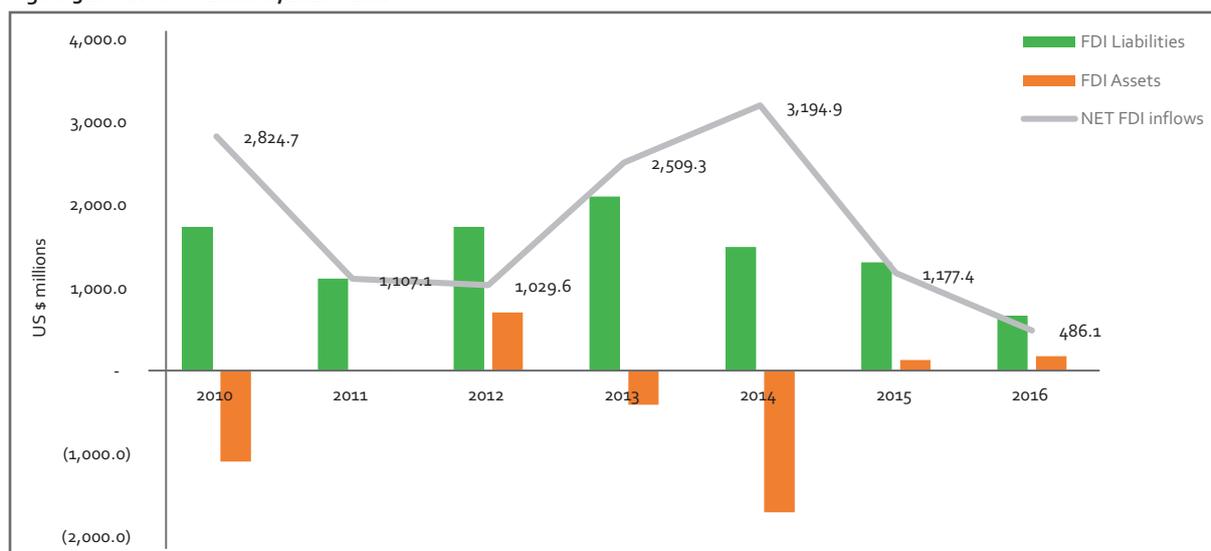
The World Investment Report (2017), projects FDI flows to range between US \$1.75 and US \$1.80 trillion in 2017 and US \$1.85 trillion for 2018 premised on increased economic growth in most regions.

3.4 Recent Foreign Direct Investment Trends and Prospects in Zambia

3.4.1 Zambia FDI Trends

Zambia's net foreign direct investment inflows sharply declined by 58.7 percent to US\$486.1 million in 2016 (Figure 3.2). This was mainly due to a reduction in FDI liabilities by 49.2 percent to US\$662.8 million. However, Net acquisition of FDI assets rose by 38.6 percent to US\$176.7 million.

Figure 3.2: Net FDI in Zambia, 2010 - 2016



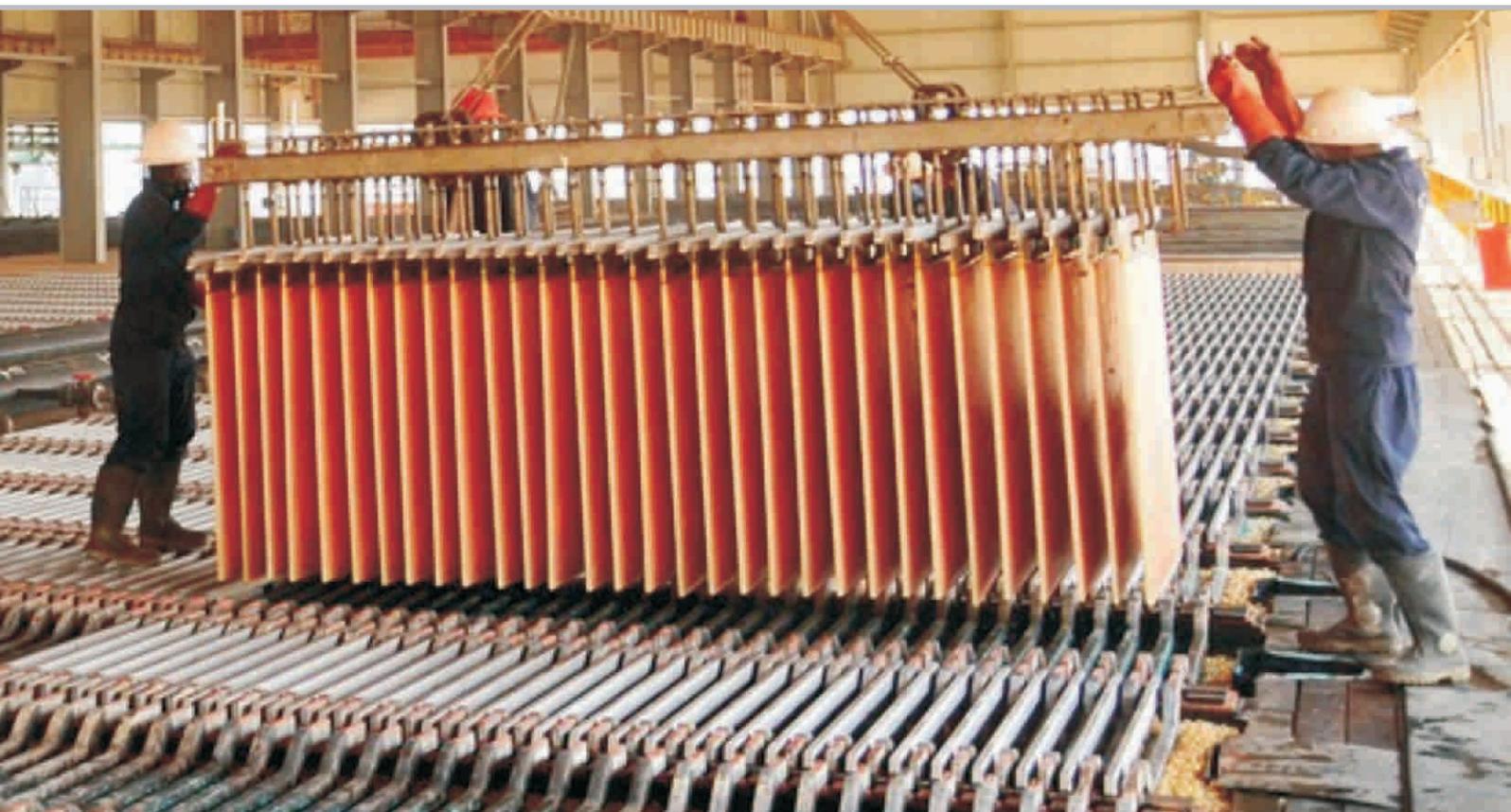
Source: Foreign Private Investment and Perceptions Survey, 2016 and 2017

3.4.2 Zambia FDI Prospects

Over the medium term, FDI inflows are expected to increase in several sectors such as construction, power generation, agriculture and manufacturing. For instance, Public Private Partnership projects such as construction of the Lusaka Ndola Dual Carriage way will contribute to the growth in FDI inflows. Further, development of three farm blocs and six Multi Facility Economic Zones and Industrial Parks are likely to attract FDI flows. However, FDI inflows to the mining sector may slow down, partly because of a reduction in major outstanding projects following completion of the three major projects as end-2018.



4.0 PRIVATE SECTOR FOREIGN LIABILITIES





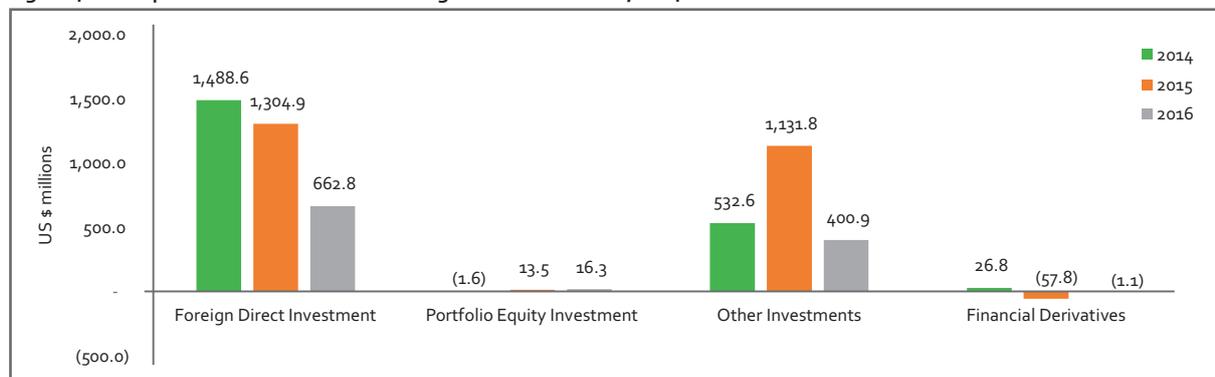
4.0 PRIVATE SECTOR FOREIGN LIABILITIES

4.1 Composition of Private Sector Foreign Liabilities Inflows⁵

Zambia's private sector foreign liabilities inflows in 2016, declined by 54.9 percent to US \$1,078.9 million from US \$2,392.5 million recorded in 2015. The significant decrease was due to reduced foreign direct investment and other investment inflows. This was reflective of the low copper prices on the international market and uncertainty associated with the 2016 general elections. Foreign Direct Investment (FDI) liabilities inflows accounted for the largest share 61.4 percent at US \$662.8 million, followed by other investments⁵ 37.2 percent at US \$400.9 million, whilst Portfolio Equity Investment and financial derivatives accounted for 1.4 percent (Figure 4.1).

During the first half of 2017, the private sector foreign liabilities inflows rose by 88.5 percent to US \$676.2 million from US \$358.8 million recorded in the first half of 2016. This is mainly explained by an increase in FDI due to improved retained earnings by most enterprises especially the mining sector following the higher commodity prices on the international market as well as the relative improvement in both the external and domestic environment (Table 4.1).

Figure 4.1: Composition of Private Sector Foreign Liabilities Inflows, 2014 – 2016



Source: Foreign Private Investment and Perceptions Survey, 2016 and 2017

Table 4.1: Inflows of Private Sector Foreign Liabilities by Type (US \$ millions), 2015 – 2017 Q2

Type	2015	Q1 2016	Q2 2016	2016 1st Half	2016	Q1 2017	Q2 2017	2017 1st Half
Foreign Direct Investment	1,304.9	243.0	219.3	462.3	662.8	200.1	353.8	553.9
Portfolio Equity Investment	13.5	-14.2	-6.3	-20.5	16.3	0.0	0.0	0.0
Other Investments	1,131.8	-43.0	-7.7	-50.7	400.9	1.7	-42.8	-41.1
Financial Derivatives	-57.8	-16.1	-14.5	-30.6	-1.1	160.7	0.0	160.7
Total	2,392.5	169.5	189.3	358.8	1,078.9	362.6	311.0	676.2

Source: Foreign Private Investment & Perceptions Survey, 2016 & 2017

4.2 Composition of the Stock of Private Sector Foreign Liabilities

As at end 2016 the stock of private sector foreign liabilities increased by 7.1 percent to US \$22,471.6 million from US \$20,976.3 million recorded at end-2015. Foreign Direct Investment accounted for the largest share at 77.3 percent, followed by other investments at 21.9 percent. Portfolio equity investment and Financial Derivatives collectively accounted for 0.8 percent of the stock (Table 4.2).

Preliminary data indicate that the stock of private sector foreign liabilities increased by 3.2 percent to US \$23,200.1 million at end-June 2017 from US \$22,471.6 million registered at end-December 2016 explained by growth in FDI and other investments. The improvement in FDI was mainly due to reinvested earnings. In addition, the rise in other investments was explained by an increase in the stock of debt in form of loans and trade credits. The stock of portfolio equity investment and financial derivatives declined during the period under review (Table 4.2).

⁵The numbers for the first half of 2017, are based on the sub-sample of the annual survey. Refer to Annex I survey methodology

⁶Other investments are a residual category that includes positions and transactions other than those included in direct investment, portfolio investment and financial derivative and includes other equity (not direct investment or reserve assets), currency and deposits, loans, non-life and life technical reserves, standardized guarantees, trade credits and advances, other accounts payable/receivable (IMF BPM6)



Table 4.2: Stock of Private Sector Foreign Liabilities by Type (US \$ millions), 2015 – 2017 Q2

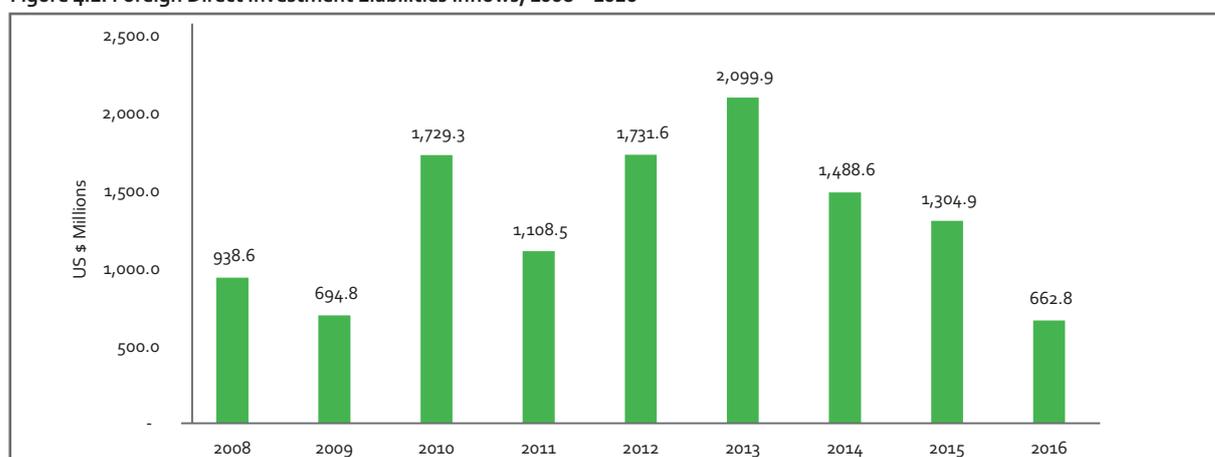
Type	Dec-2015	Dec-2016	Mar-2017	Jun-2017
Foreign Direct Investment	16,488.2	17,425.0	17,702.2	18,101.9
Other Investments	4,247.9	4,807.5	5,012.2	4,923.9
Portfolio Equity Investment	27.0	44.6	4.8	4.8
Financial Derivatives	213.3	194.6	167.2	169.4
Total	20,976.3	22,471.6	22,886.4	23,200.1

Source: Foreign Private Investment & Perceptions Survey, 2016 & 2017

4.3 Foreign Direct Investment Liabilities Inflows

In 2016, Zambia's FDI liabilities inflows fell by 49.2 percent to US \$662.8 million, the lowest recorded after the 2008/2009 global and financial crisis (Figure 4.2). The fall in FDI was largely driven by a decline in foreign borrowing from related parties and equity capital in various industries. The decline in retained earnings was largely attributed to high operation costs, low commodity prices on the international market, power supply deficit and the political uncertainty.

Figure 4.2: Foreign Direct Investment Liabilities Inflows, 2008 – 2016



Source: Foreign Private Investment and Perceptions Survey, 2016 and 2017

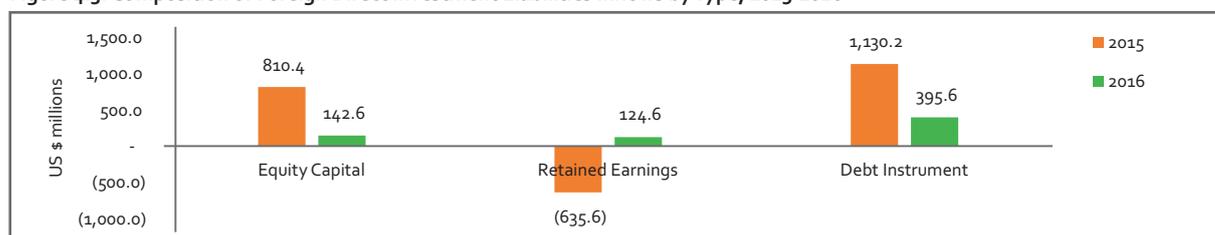
4.3.1 Foreign Direct Investment Liabilities Inflows by Type

Foreign direct investment liabilities inflows in form of debt fell by 65.0 percent to US \$395.6 million from US \$1,130.2 million recorded in 2015 mainly reflecting lower borrowing from affiliates. Similarly, equity capital declined by 82.4 percent to US \$142.6 million from US \$810.4 million due to base effects following a huge⁷ increase in 2015. During the review period, retained earnings were US \$124.6 million. (Figure 4.3 and Table 4.3).

Nonetheless, Net FDI inflows recovered in the first half of 2017 to US \$599.8 million from US \$462.2 million recorded during the corresponding period in 2016, suggesting prospects for increased investment in 2017. Retained earnings improved during the first half of 2017, recording a retained profit of US \$296.3 million compared to a retained loss of US \$351.7 million recorded in the first half of 2016. However, borrowing from affiliates and equity capital slowed down during the period under review (Table 4.3).

Higher FDI inflows are expected in 2017 premised on the improvements in the global economy as the mining industry recovery on the back of higher commodity prices.

Figure 4.3: Composition of Foreign Direct Investment Liabilities Inflows by Type, 2015-2016



Source: Foreign Private Investment and Investor Perceptions Survey, 2016 and 2017

⁷In 2015, equity capital increased in excess of 600 percent



Table 4.3: Foreign Direct Investment Liabilities Flows (US \$ millions), 2015 – 2017 Q2

FDI by Type	2015	2016	2016 Q1	2016 Q2	2016 1st Half	2017 Q1	2017 Q2	2017 1st Half
Equity Capital	810.4	142.6	198.4	146.2	344.6	19.7	9.9	29.6
Retained Earnings	-635.6	124.6	-227.4	-124.3	-351.7	121	175	296.3
Debt Instrument	1,130.20	395.6	272	197.3	469.3	59.4	215	273.9
Total	1,304.90	662.8	243	219.2	462.2	200.1	400	599.8

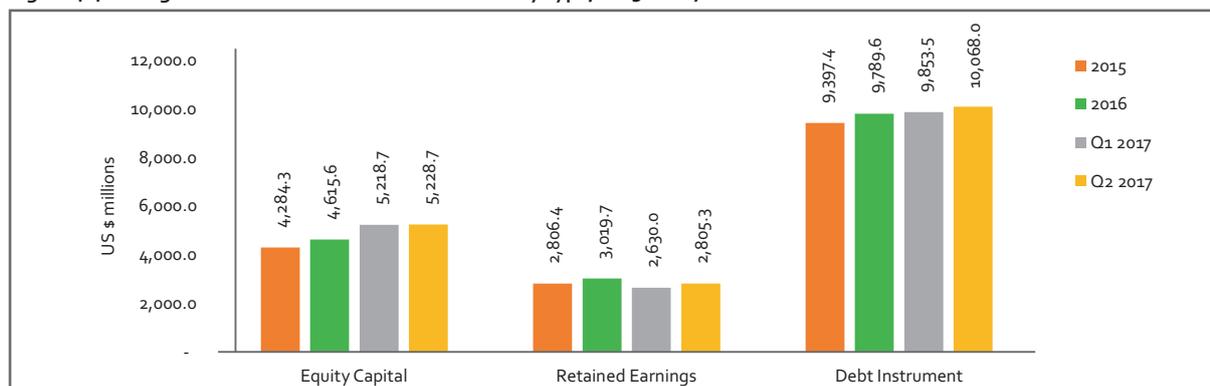
Source: Foreign Private Investment & Perceptions Survey, 2016 & 2017

4.3.2 Foreign Direct Investment Liabilities Stocks by Type

The stock of FDI liabilities increased by 5.7 percent to US \$17,425.0 million from US \$16,488.2 million recorded at end-2015. Borrowing from affiliates dominated at US \$9,789.6 million accounting for 56.2 percent of the stock, followed by equity capital stock at US \$ 4,615.6 million (26.5 percent) and accumulated retained earnings amounting to US \$3,019.7 million (17.3 percent) (Figure 4.4).

In the first half of 2017, FDI liabilities were mainly by borrowing from affiliates whose share was 55.6 percent at US \$10,068.0 million from US \$9,853.5 million registered at end-2016. This was followed by equity capital which accounted for 28.9 percent of the stock and accumulated returned earnings (15.5 percent) (Figure 4.4 and Table 4.4).

Figure 4.4: Foreign Direct Investment Liabilities Stocks by Type, 2015 – 2017 Q2



Source: Foreign Private Investment and Investor Perceptions Survey, 2017

Table 4.4: Foreign Direct Investment Liabilities Stocks by Type (US \$ millions), 2015 – 2017 Q2

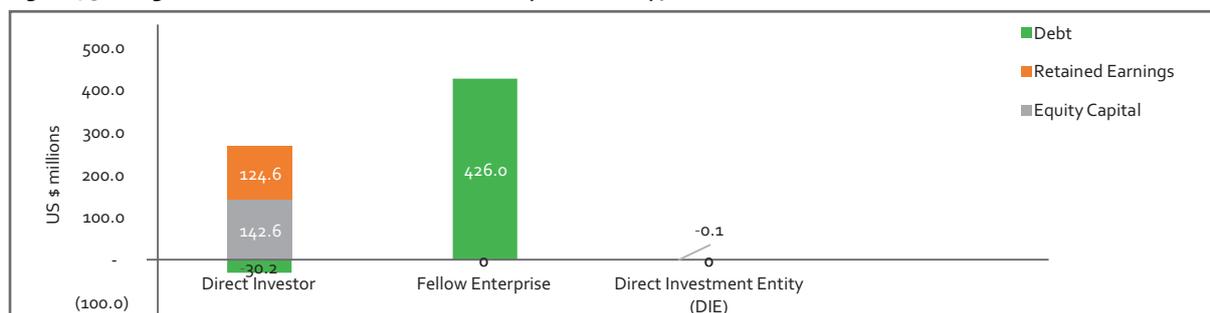
FDI by Type	2015	Transactions	Exchange Rate Changes	Other Changes	2016	Q1 2017	Q1 2017
Equity Capital	4,284.3	142.6	156.8	32.0	4,615.6	5,218.7	5,218.7
Retained Earnings	2,806.4	124.6	42.4	46.4	3,019.7	2,630.0	2,630.0
Debt Instrument	9,397.4	395.6	73.2	-77.13	9,789.6	9,853.5	9,853.5
Total	16,488.2	662.8	272.3	1.2	17,425.0	17,702.2	17,702.2

Source: Foreign Private Investment and Investor Perceptions Survey, 2017

4.3.3 Foreign Direct Investment Liabilities Inflows by Relationship

In 2016, Zambia's FDI liabilities inflows by relationship were mainly from fellow enterprises largely in form of debt at US \$426.0 million accounting for 64.3 percent of the total inflows. Inflows from direct investors represented 35.8 percent and were largely in form of equity capital (US \$142.6 million) and reinvested earnings (US \$124.6 million) (Figure 4.5).

Figure 4.5 Foreign Direct Investment Liabilities Inflows by Relationship, 2016



Source: Foreign Private Investment and Investor Perceptions Survey, 2017



4.3.4 Foreign Direct Investment Liabilities Stocks by Relationship

Foreign direct investment liabilities stock by relationship in 2016 were predominantly from direct investors at US \$13,773.0 million, representing 79.0 percent of the stock. Fellow enterprises accounted for 21.0 percent, whilst direct investment entities stocks were US \$1.2 million at end-2016. The stock of FDI from direct investors was largely in form of debt instruments (44.6 percent), followed by equity capital (33.5 percent), and accumulated retained earnings (21.9 percent). As at end 2016, the stock of FDI liabilities from fellow enterprises and direct investment entity enterprises continued to be dominated by debt instruments. (Table 4.5).

Table 4.5: Foreign Direct Investment liabilities by Relationship (US \$ millions), 2015 – 2016

Investment Relationship & Instrument Type	2015	Transactions	Exchange Rate Changes	Other Changes	2016
Direct Investor (DI)	13,289.4	236.9	252.8	-6.8	13,773.0
Equity Capital	4,284.3	142.6	156.8	32.0	4,615.6
Retained Earnings	2,806.4	124.6	42.4	46.4	3,019.7
Debt	6,198.7	-30.2	53.7	-85.1	6,137.6
Currency and Deposits	3.7	6.1	0.4	0.3	10.5
Debt securities	16.4	-1.4	1.7	0.0	16.7
Loans	6,054.6	-27.3	46.3	-85.0	5,989.0
Other accounts payable	54.5	0.6	0.9	-0.1	55.9
Trade Credits & Advances	69.4	-8.2	4.6	-0.4	65.4
Fellow Enterprise (FE)	3,196.0	426.0	20.0	8.8	3,650.8
Debt	3,196.0	426.0	20.0	8.8	3,650.8
Currency and Deposits	0.4	-0.1	0.0	0.0	0.3
Loans	2,858.9	389.9	16.1	3.2	3,268.1
Other accounts payable	52.1	6.7	1.0	0.2	60.0
Trade Credits & Advances	284.6	29.4	2.8	5.4	322.3
Direct Investment Entity (DIE)	2.7	-0.1	-0.5	-0.8	1.2
Debt	2.7	-0.1	-0.5	-0.8	1.2
Loans	1.8	0.0	-0.8	0.0	0.9
Trade Credits & Advances	0.9	0.0	0.3	-0.8	0.3
Grand Total	16,488.2	662.8	272.3	1.2	17,425.0

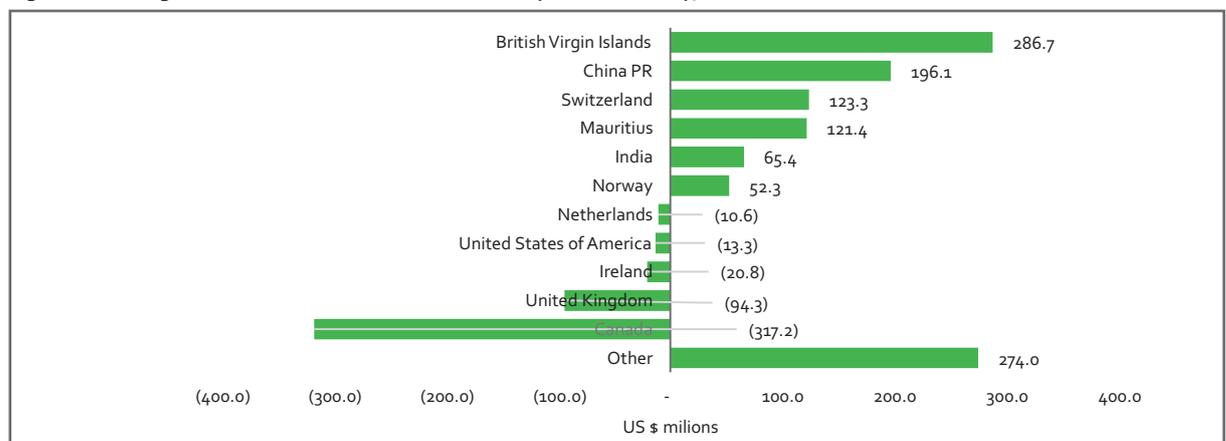
Source: Foreign Private Investment and Investor Perceptions Survey, 2017

18

4.3.5 Foreign Direct Investment Liabilities Inflows by Source Country

The survey findings showed that FDI liabilities inflows in 2016 were mainly from British Virgin Islands accounting for 37.0 percent, followed by China (29.6 percent), Switzerland (18.6 percent), Mauritius (18.3 percent), India (9.9 percent) and Norway (7.9 percent). However, a net outflows to Canada, the United Kingdom, Ireland, the United States, and the Netherlands were recorded (Figure 4.6).

Figure 4.6: Foreign Direct Investment Liabilities Inflows by Source Country, 2016



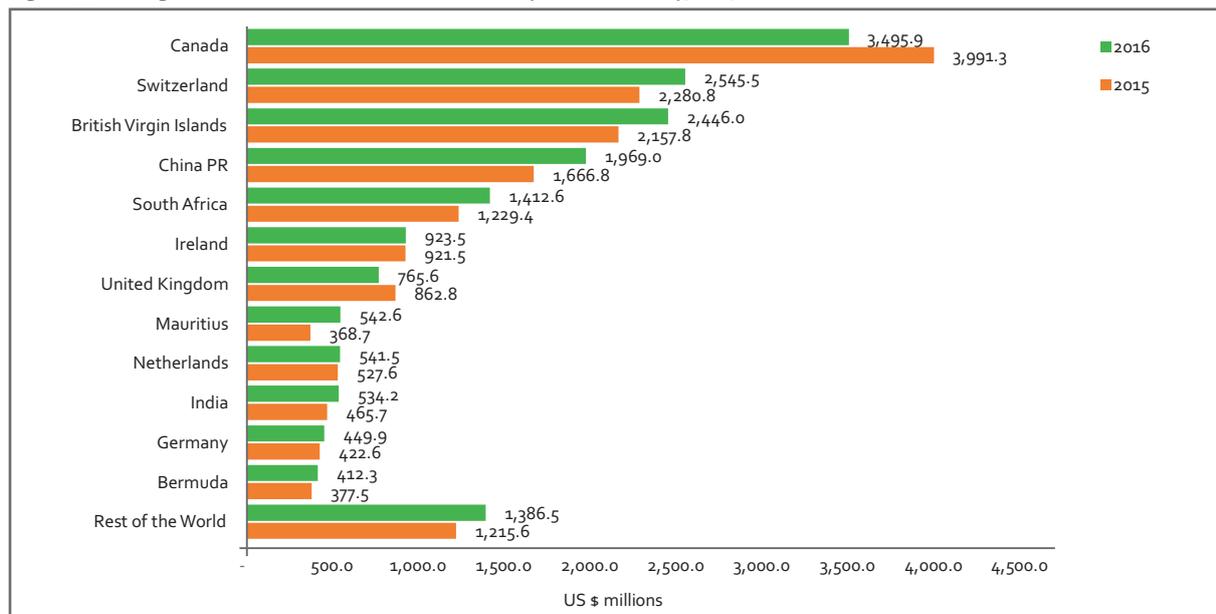
Source: Foreign Private Investment and Investor Perceptions Survey, 2017



4.3.6 Foreign Direct Investment Liabilities Stocks by Source Country

In terms of stock of FDI liabilities, the major source countries were Canada, Switzerland, British Virgin Islands, China, South Africa and Ireland collectively accounted for US \$12,792.5 million (73.4 percent) of the total stock. Other major source countries were the United Kingdom, Mauritius, Netherlands, India, Germany and Bermuda contributing US \$3,246.0 million, representing 18.6 percent of the total stock (Figure 4.7).

Figure 4.7: Foreign Direct Investment Liabilities Stocks by Source Country, 2015 – 2016



Source: Foreign Private Investment and Investor Perceptions Survey, 2017



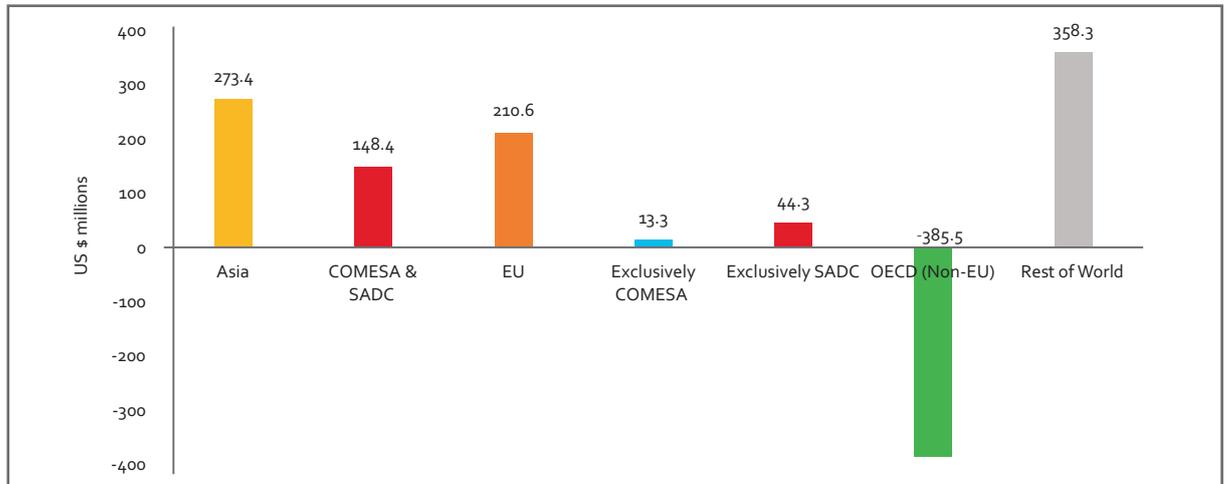
A view of the Kafue Gorge Lower Hydro Power Project

4.3.7 Foreign Direct Investment Liabilities Inflows by Regional Grouping

Zambia's FDI liabilities inflows in 2016 were largely from Asia at US \$273.4 million accounting for 41.2 percent, followed by EU (31.8 percent), COMESA and SADC (dual) 22.4 percent. Exclusively SADC and Exclusively COMESA member countries collectively accounted for 8.7 percent. Net outflows however, were recorded for the OECD (Non-EU) member countries at US \$385.5 million (Figure 4.8).



Figure 4.8: FDI Liabilities Inflows by Regional Grouping, 2016

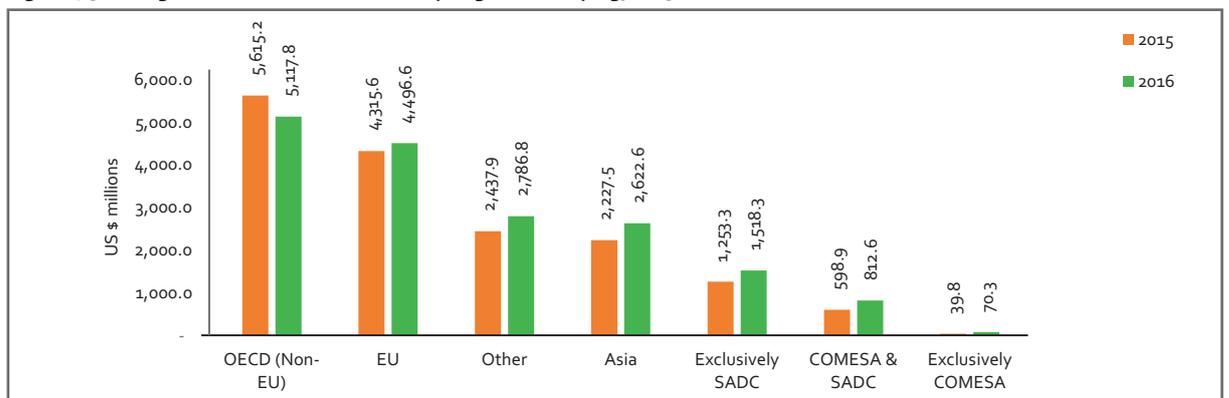


Source: Foreign Private Investment and Investor Perceptions Survey, 2017

4.3.8 Foreign Direct Investment Liabilities Stocks by Regional Grouping

The stock of FDI liabilities by regional economic grouping was dominated by OECD (Non-EU) countries at 29.4 percent, followed by the EU (25.8 percent) and Asia (15.1 percent). SADC (dual), SADC (Exclusively), COMESA and COMESA (Exclusively) collectively accounted for 13.8 percent of the total stock (Figure 4.9).

Figure 4.9: Foreign Direct Investment Stocks by Regional Grouping, 2015-2016



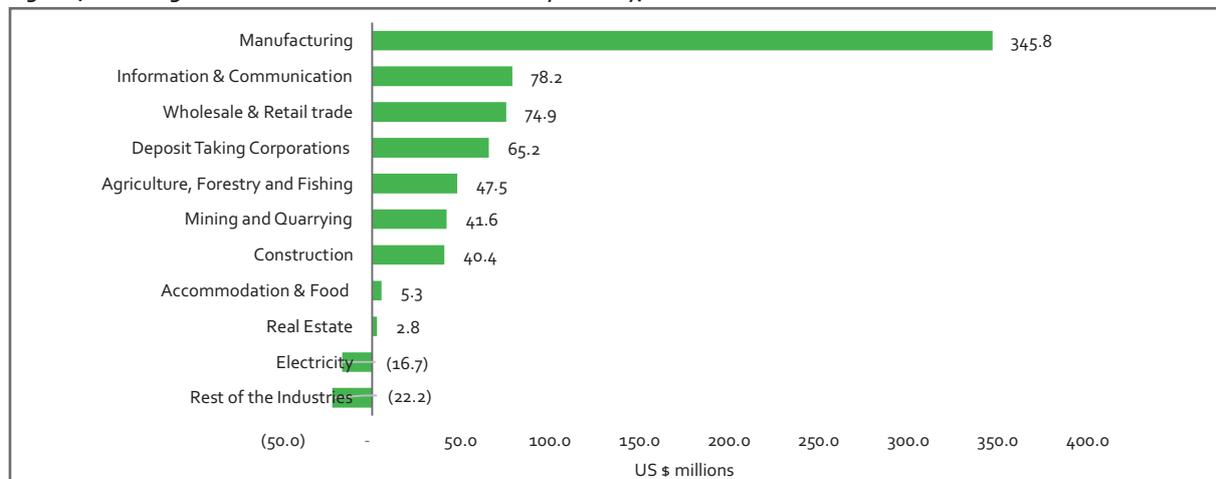
Source: Foreign Private Investment & Investor Perceptions Survey, 2017

4.3.9 Foreign Direct Investment Liabilities Inflows by Industry

FDI liabilities inflows by industry in 2016, show that the manufacturing (mainly cement, fertilizers and metal related) industry was the major recipient of inflows of FDI liabilities amounting to US \$345.8 million accounting for 52.2 percent of the total inflows. This was followed by Information and Communication (11.8 percent), wholesale and retail trade (11.3 percent), deposit taking corporations (9.8 percent), agriculture, forestry and fishing (7.2 percent), and mining and quarrying (6.3 percent). Construction, accommodation and food and real estate collectively accounted for 7.3 percent. On the other hand, the electricity, gas and steam industry recorded a net outflow of US \$16.7 million during the same period (Figure 4.10).



Figure 4.10: Foreign Direct Investment Liabilities Inflows by Industry, 2016

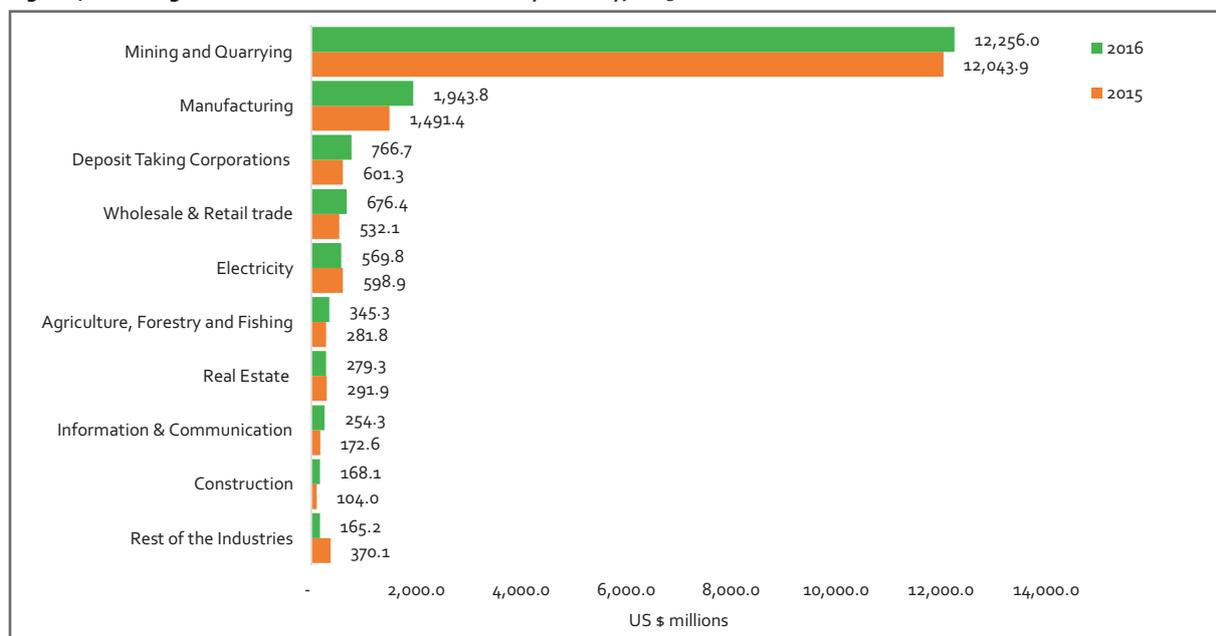


Source: Foreign Private Investment & Investor Perceptions Survey, 2017

4.3.10 Foreign Direct Investment Liabilities Stocks by Industry

In 2016 FDI liabilities stocks were concentrated in the mining and quarrying industry at US \$12,256.0 million, accounting for 70.3 percent of the total stock followed by the manufacturing (11.2 percent). The deposit taking corporations (4.4 percent) while wholesale and retail trade industry ranked fourth (3.9 percent). The electricity, agriculture, forestry and fishing, real estate, information and communication and construction industries contributed (3.3 percent), (2.0 percent), (1.6 percent), (1.5 percent) and (1.0 percent) respectively. However, declines of FDI liabilities stocks were recorded in the electricity and real estate industries (Figure 4.11).

Figure 4.11: Foreign Direct Investment Liabilities Stock by Industry, 2015-2016



Source: Foreign Private Investment and Investor Perceptions Survey, 2017

4.3.11 Return on Equity by Industry

In 2016, the survey findings showed that the overall profitability attributable to FDI, portfolio equity investment and other equity investments was US \$228.6 million, an improvement from a loss of US \$532.6 million recorded in 2015. The overall return on equity (ROE) was 3.1 percent compared with a negative return of 7.3 percent registered in 2015.

Analysis by industry showed that the agriculture, forestry and fishing had the highest ROE at 43.4 percent.





This was followed by information and communication at 32.3 percent, construction (20.6 percent), manufacturing (17.9 percent), wholesale and retail trade (14.8 percent), transport and storage (12.5 percent), financial institutions (10.6 percent), electricity, gas and steam (14.5 percent), wholesale retail and trade (13.1 percent) and accommodation and food (3.2 percent). However, negative ROE were registered in the mining and quarrying industry at 2.1 percent. This was largely due to a reduction in production by one of the major mining companies. Similarly, the electricity, gas and steam industry recorded a negative ROE of 9.0 percent mainly on account of unfavourable weather patterns in the 2015/2016 rain season. This affected the water levels in the major water bodies used for electricity power generation in 2016 (Table 4.6).

Table 4.6: Return on Equity by Industry (US \$ millions), 2015 – 2016

Industry	Profit by industry		Average of opening and closing stock of Equity 2016	Return on equity 2015 (%)	Return on equity 2016 (%)
	2015	2016			
Mining and Quarrying	-836.6	-85.9	4,070.10	-19.3	-2.1
Manufacturing	65.2	225.6	1,256.80	5.4	17.9
Financial Institutions	141.3	77.7	731.7	17.2	10.6
Wholesale and Retail Trade	41.5	53.1	359.6	13.1	14.8
Agriculture Forestry and Fishing	-5.7	15.8	36.4	-16.5	43.4
Real Estate	20.6	-17.1	183.2	20.2	-9.3
Construction	-34.4	22.4	108.9	-138.9	20.6
Information and Communication	36.2	14.3	44.2	77.1	32.3
Accommodation and Food	-3.4	-6.5	-204.8	92.3	3.2
Transport and Storage	1.4	3.4	27.5	2.6	12.5
Electricity, Gas and Steam	39.6	-52.1	580.7	14.5	-9
Rest of the Industries	1.7	-22.1	254	12.4	-8.7
Overall Return on Equity	-532.6	228.6	7,448.30	-7.3	3.1

Source: Foreign Private Investment & Investor Perceptions Survey, 2017



Mine Processing Plant

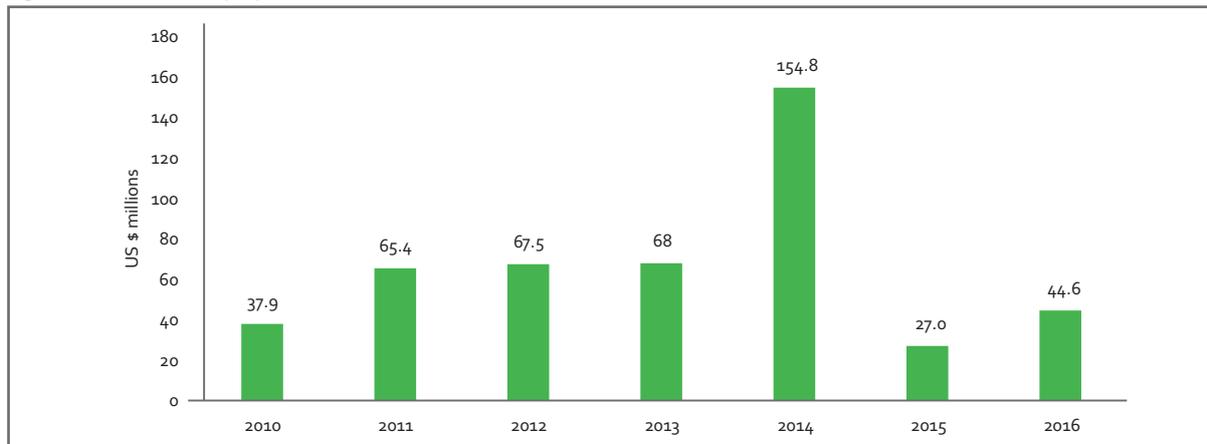
4.4 Foreign Portfolio Investment

4.4.1 Portfolio Investment Flows and Stocks

Zambia's foreign portfolio equity investment inflows recorded a net inflow of US \$15.0 million in 2016 compared with a net outflow of US \$1.6 million in 2015. Consistent with the inflows, the stock of portfolio equity investment increased by 65.1 percent to US \$44.6 million from US \$27.0 million in 2015. This can partly be explained by relative stability in the external value of the Kwacha following stabilisation policies implemented by the monetary authorities which improved investor confidence in the domestic economy (Figure 4.12).



Figure 4.12: Portfolio Equity Investment Stocks, 2010 – 2016



Source: Foreign Private Investment and Investor Perceptions Survey, 2017

4.4.2 Portfolio Equity Investment Flows and Stocks by Source Country

The preliminary survey results showed that portfolio equity investment inflows were from Ireland which recorded the highest inflows at US \$5.6 million, followed by the United States of America and United Kingdom at US \$5.1 million and US \$3.5 million, respectively (Table 4.7).

Table 4.7: Portfolio Equity Investment Inflows and stocks by Source Country (US \$ millions), 2015 – 2016

Source country	2015	Transactions	Exchange Rate Changes	Other Changes	2016
Ireland	8.8	5.6	0.3	0.0	14.8
Mauritius	0.2	0.0	0.0	0.0	0.3
Other	4.4	0.8	0.4	1.3	6.9
South Africa	0.0	0.0	0.0	0.0	0.0
United Kingdom	5.5	3.5	0.2	0.0	9.1
United States	8.0	5.1	0.3	0.0	13.4
Grand Total	27.0	15.0	1.2	1.3	44.6

Source: Foreign Private Investment and Investor Perceptions Survey, 2017

The stock of portfolio equity investment in 2016 was largely dominated by Ireland at US \$14.8 million following a 67.4 percent rise. This represented 33.2 percent of the total portfolio equity stock. The United States, the United Kingdom and Mauritius contributed 30.1 percent, 20.5 percent and 0.7 percent respectively (Table 4.7).

4.4.3 Portfolio Equity Investment Flows and Stocks by Industry

In 2016, the survey results showed that the manufacturing industry registered net portfolio inflow of US \$15.0 million. With regard to stocks, the manufacturing industry dominated at US \$44.2 million, following an increase of 65.5 percent from US \$26.7 million at end-2015. This was followed by accommodation and food industry at US \$0.4 million.

Table 4.8: Portfolio Equity Investment Inflows and Stocks by Industry (US \$ millions), 2015 – 2016

Industry	2015	Transactions	Exchange Rate Changes	Other Changes	2016
Accommodation & Food	0.3	0.0	0.0	0.0	0.4
Manufacturing	26.7	15.0	1.2	1.3	44.2
Wholesale & Retail trade	0.0	0.0	0.0	0.0	0.0
Grand Total	27.0	15.0	1.2	1.3	44.6

Source: Foreign Private Investment & Investor Perceptions Survey, 2017

4.5 Financial Derivatives

In 2016, Zambia recorded a net outflow of US \$1.1 million arising from financial derivatives⁸ liability in form

⁸A financial derivative contract is a financial instrument that is linked to another specific financial instrument or indicator or commodity and through which specific financial risks (such as interest rate risk, foreign exchange risk, equity and commodity price risks, credit risk, and so on) can be traded in their own right in financial markets. There are two broad types of financial derivatives—options and forward-type contracts (IMF 2009).



of forwards. Net outflows were largely from South Africa and the United Kingdom mostly in form of forward-type contracts. In terms of valuation changes a negative change in value of US \$40.2 million was recorded in 2016 with China recording the highest negative change of US \$22.4 million, followed by South Africa and the United Kingdom at US \$17.0 million and US \$0.8 million, respectively (Table 4.9). Deposit taking corporations recorded net outflows of US \$1.0 million mainly in forward type contracts (Table 4.10).

Table 4.9: Financial Derivatives Inflows by Source Country (US \$ millions) 2015 – 2016

Source Country	2015	Transactions	Valuation Changes	2016
China PR	183.5	0.0	-22.4	181.2
Options	183.5	0.0	-22.4	181.2
South Africa	28.4	-1.1	-17.0	12.6
Forward	11.0	-1.1	-7.9	2.9
Options	17.4	0.0	-9.2	9.8
United Kingdom	1.4	0.0	-0.8	0.8
Forward	1.4	0.0	-0.7	0.8
Options	0.1	0.0	-0.1	0.0
Grand Total	213.3	-1.1	-40.2	194.6

Source: Foreign Private Investment and Investor Perceptions Survey, 2017

Table 4.10: Financial Derivatives Inflows and Stocks by Industry (US \$ millions) 2014 – 2016

Industry & Instrument Type	2015	Transactions	Valuation Changes	2016
Deposit Taking	29.6	-1.0	-17.8	13.4
Forward	12.2	-1.0	-8.5	3.6
Options	17.4	0.0	-9.2	9.8
Manufacturing	0.2	-0.2	-0.0	0.1
Forward	0.2	-0.2	-0.0	0.1
Mining & Quarrying	0.0	0.0	0.0	0.0
Forward	0.0	0.0	0.0	0.0
Other	183.5	0.0	-22.4	181.2
Options	183.5	0.0	-22.4	181.2
Grand Total	213.3	-1.1	-40.2	194.6

Source: Foreign Private Investment and Investor Perceptions Survey, 2017

4.6 Other Investments

Other investment⁹ inflows fell by 64.6 percent to US \$ 400.9 million in 2016 from US \$1,131.8 million recorded in 2015. This was mainly due to loan repayments. The stock at US \$4,807.5 million was 13.2 percent higher than US \$4,247.9 million recorded at end-2015 (Table 4.11).

Table 4.11: Other Investment Inflows and Stocks (US \$ millions), 2015 and 2016

Instrument	2015	Transactions	Exchange Rate Changes	other changes	2016
Equity	51.3	2.8	-2.9	-3.5	47.6
Accumulated Retained Earning/Loss	-1.1	0.3	-2.0	-0.1	-2.8
Equity Capital	52.3	2.5	-0.9	-3.4	50.4
Debt	4,196.6	398.1	179.1	-13.9	4,759.8
Loans	3,938.1	392.9	161.3	-45.4	4,446.8
Trade Credits & Advances	115.6	-7.9	2.9	21.3	131.8
Currency and Deposits	94.0	9.8	9.2	9.9	122.9
Other accounts payable	39.6	7.0	4.9	0.2	51.7
Debt securities	7.7	-2.9	0.8	-0.6	5.0
Non-Life Insurance Technical Reserves	1.6	-0.8	0.2	0.6	1.6
Grand Total	4,247.9	400.9	176.2	(17.5)	4,807.5

Source: Foreign Private Investment and Investor Perceptions Survey, 2017

4.6.1 Other Foreign Investment Inflows by Source Country

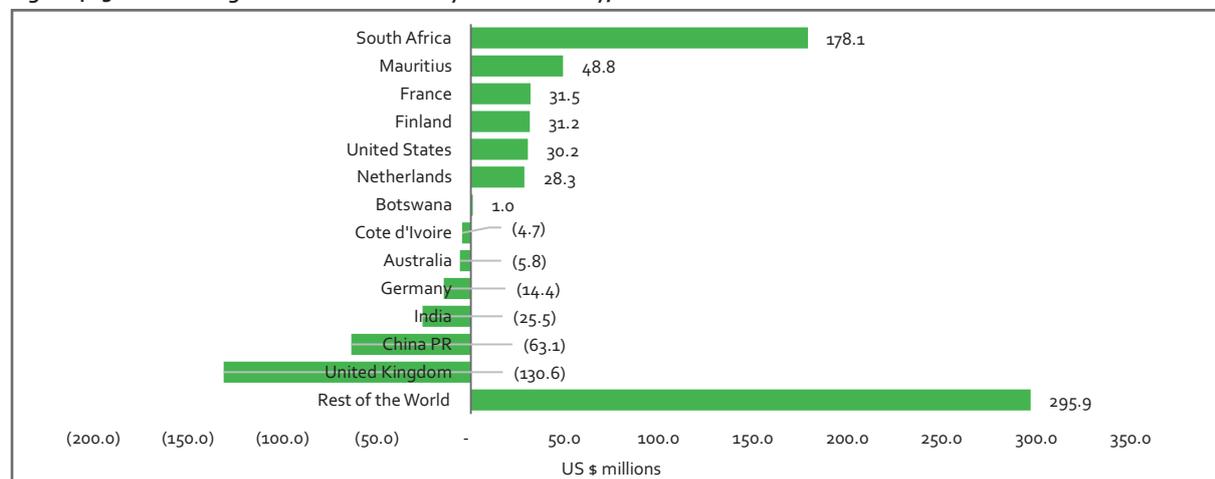
South Africa was the major source country of other investments inflows in 2016 at US \$178.1 million, representing 44.4 percent of total inflows. This was followed by Mauritius (12.2 percent), France (7.9

⁹Other investments are a residual category which includes positions and transactions other than those included in direct investment, portfolio investment and financial derivatives (IMF 2009). These include currency and deposits, trade credit and advances, and other foreign borrowings from unrelated parties. In addition, this category includes non-tradable/negotiable equity of less than 10 percent held by non-residents and equity in international organisations.



percent), Finland (7.8 percent), the United States and Netherlands were 7.5 percent and 7.1 percent respectively. Botswana recorded the lowest inflows during the review period. Significant net outflows however, were recorded for the United Kingdom, China, India, Germany, Australia and Cote d'Ivoire (Figure 4.13, Annex V).

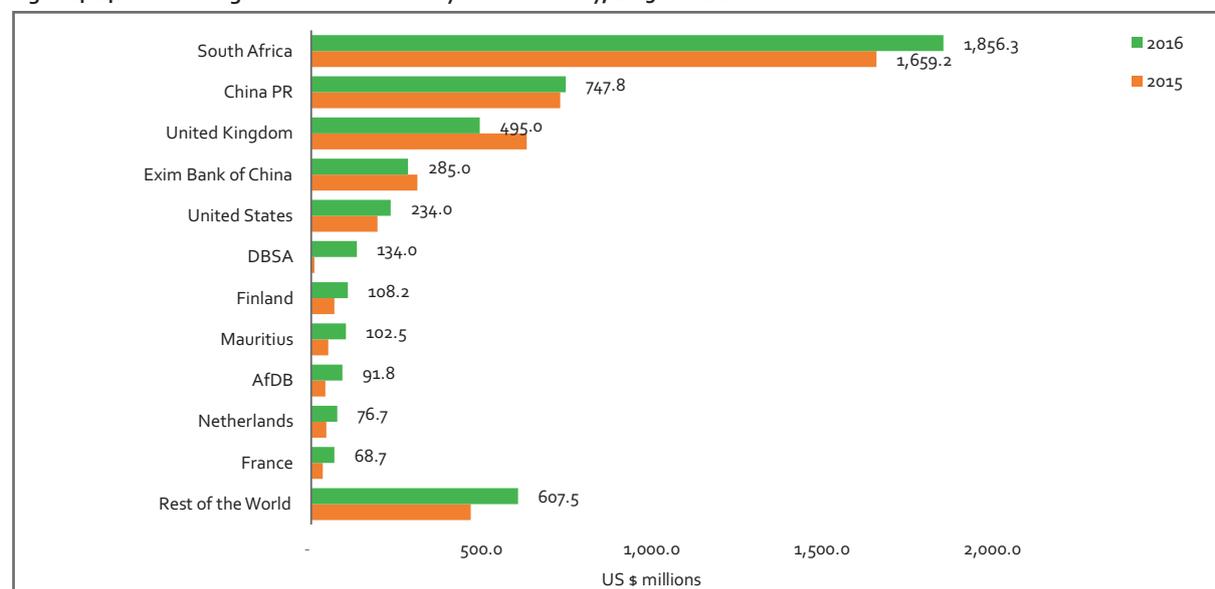
Figure 4.13: Other Foreign Investment Inflows by Source Country, 2016



Source: Foreign Private Investment and Investor Perceptions Survey, 2017

South Africa accounted for the largest share of stocks of other investments at US \$1,856.3 million in 2016, representing 38.6 percent. This was followed by China (15.6 percent), the United Kingdom (10.3 percent, Exim Bank of China (5.9 percent) and the United States of America (4.9 percent). The rest of the countries collectively accounted for 24.7 percent of the total stock. Figure 4.14 and Annex V).

Figure 4.14: Other Foreign Investment Stocks by Source Country, 2015 and 2016



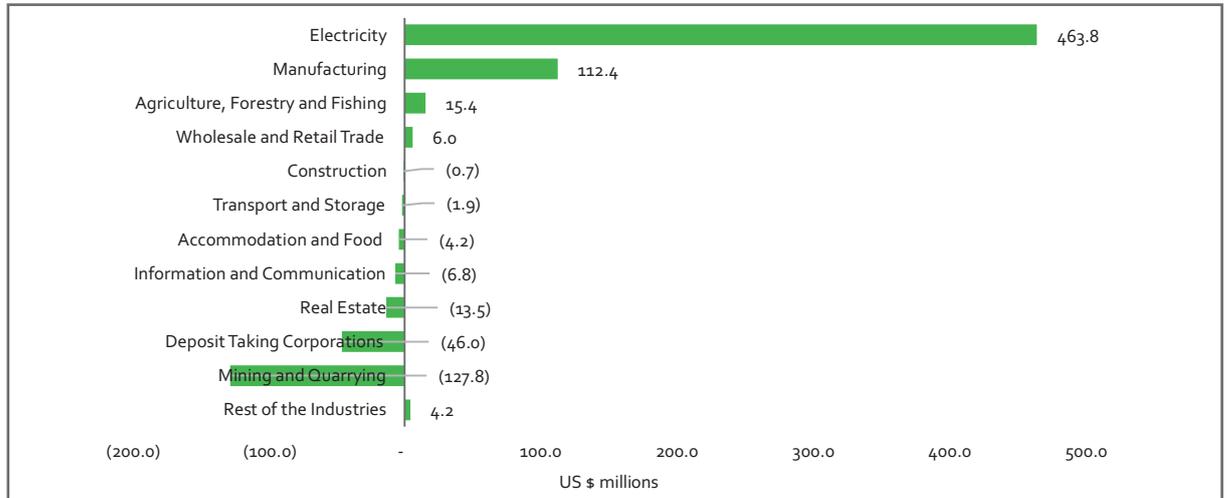
Source: Foreign Private Investment and Investor Perceptions Survey, 2017

4.6.2 Other Foreign Investment Liabilities Flows and Stocks by Industry

Survey findings showed that inflows of other investments in 2016 were mainly concentrated in the electricity, gas and steam industry at US \$463.8 million. This was followed by manufacturing at US \$112.4 million, agriculture, food and fisheries US \$ 15.4 million, whilst wholesale and retail trade was US \$ 6.0 million. Net outflows of US \$200.9 million were recorded, collectively in respect of the mining and quarrying industry, deposit taking corporations, real estate, information and communication and accommodation and food, Transport and storage and construction (Figure 4.15).



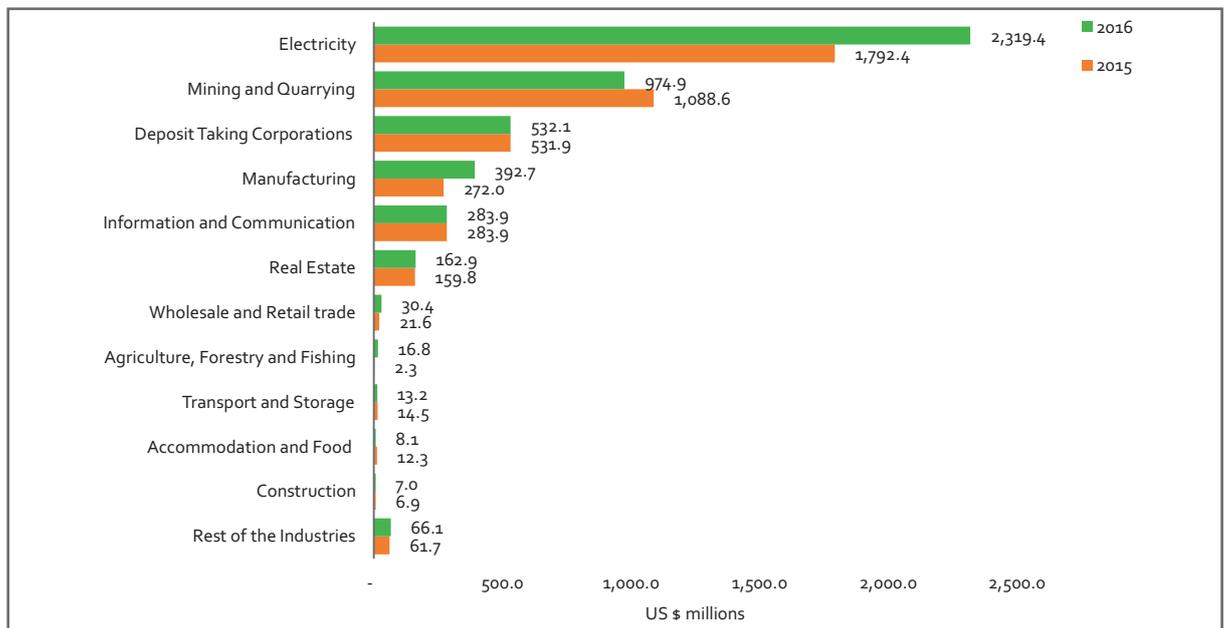
Figure 4.15: Other Foreign Investment Inflows by Industry, 2016



Source: Foreign Private Investment & Investor Perceptions Survey, 2017

Analysis of other investments stocks by industry indicated that electricity, gas and steam industry continued to be the major recipient industry at US \$ 2,319.4 million representing 48.2 percent of the other investment total stock. This was followed by the mining and quarrying (20.3 percent), deposit taking corporations (11.1 percent), manufacturing (8.2 percent), Information and communication (5.9 percent), and real estate (3.4 percent). The rest of the industries accounted for 2.9 percent (Figure 4.16).

Figure 4.16: Other Foreign Investments Stocks by Industry, 2015 and 2016



Source: Foreign Private Investment and Investor Perceptions, 2017



5.0 PRIVATE SECTOR EXTERNAL DEBT STOCK



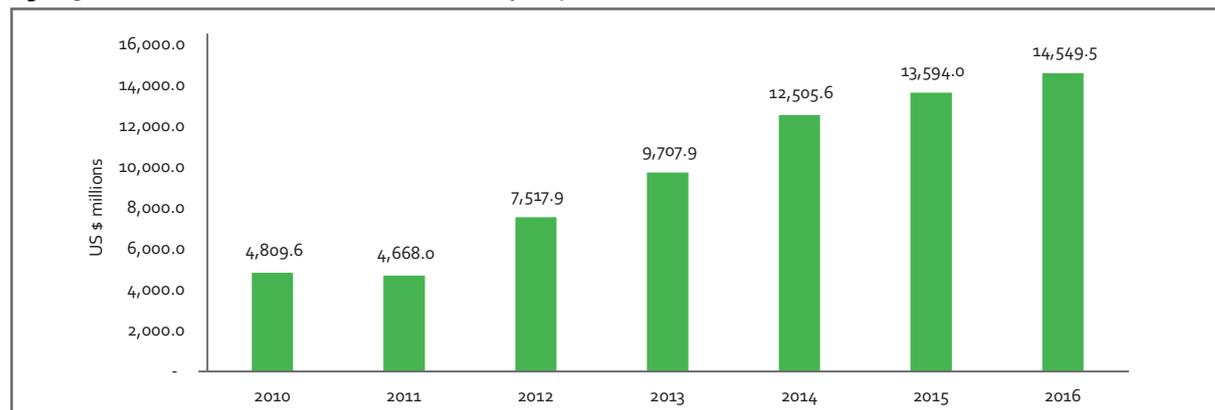


5.0 PRIVATE SECTOR EXTERNAL DEBT STOCK

5.1 Private Sector External Debt Stock Trend

Survey findings showed that Private Sector External Debt stock (PSED)¹⁰ at end-2016 was US \$14,549.5 million, 7.0 percent higher than the end-2015 stock position of US \$13,594.0 million. The growth in PSED was due to net debt disbursements (Figure 5.1).

Figure 5.1: Stock of Private Sector External Debt Trend, 2014 - 2016

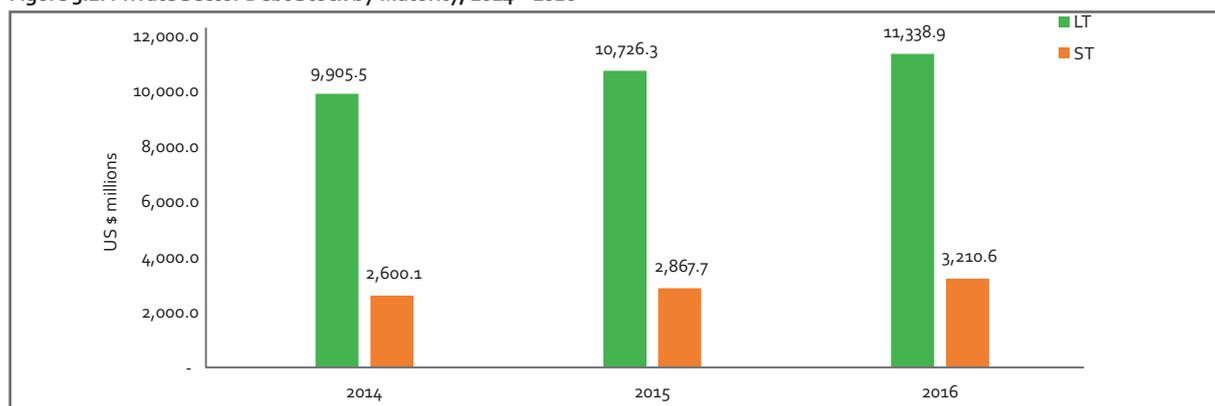


Source: Foreign and Private Investment and Investor Perception Survey, 2017

5.2 Private Sector External Debt Stock by Maturity and Type

The survey results indicated that, US \$11,338.9 million (77.9 percent) of the stock of PSED at end-2016 was in form of long-term borrowing, while US \$3,210.6 million (22.1 percent) was short-term borrowing. Comparatively, 78.9 percent of PSED stock in 2015 was long-term, while 21.1 percent was short-term (Figure 5.2). In 2016, the growth in PSED was driven by both long-term (5.7 percent) and short-term (12.0 percent) borrowing. In addition, the rise in PSED was due to exchange rate movements. (Table 5.1).

Figure 5.2: Private Sector Debt Stock by Maturity, 2014 – 2016



Source: Foreign and Private Investment and Investor Perception Survey, 2017

Table 5.1: Private Sector Debt Stock by Maturity (US \$ millions), 2015 –2016

Maturity	2015		2016			Stock
	Stock	Transactions	Exchange rate changes	Other Changes	Stock	
Long term	10,726.3	513.6	230.9	-132.5	11,338.9	
Short term	2,867.7	280.1	21.4	41.4	3,210.6	
Total	13,594.0	793.7	252.3	-91.1	14,549.5	

Source: Foreign Private Investment & Investor Perceptions Survey, 2017

Survey findings showed that as at end- 2016 loans were the main type of debt at US \$13,705.0 million representing 94.2 percent of the overall debt stock. This was followed by trade credits at 3.6 percent, while

¹⁰Private Sector External Debt Stock (PSED) constitutes long and short-term borrowing from affiliates (FDI related borrowing) and non-affiliates. Private Sector External Debt Stock includes loans, debt securities, trade credits and advances, currency and deposits, life and non-life insurance, technical reserves, pension entitlements, standardised guarantees and other accounts payable.



other accounts payable, debt securities, currency and deposits, and life and non-life insurance technical reserves, collectively accounted for 2.2 percent.

The stock of loans grew by 6.6 percent to US \$13,705.0 million at end-2016 from US \$12,853.4 million registered at end-2015. Trade credits and advances were 10.5 percent higher at US \$519.8 million from US \$470.5 million, whilst other accounts payable grew by 14.6 percent to US \$159.8 million from US \$139.4 million recorded the previous year. Currency and deposits as well as life and non-life insurance technical reserves grew by 36.3 percent and 10.9 percent to US \$133.8 million and US \$9.4 million respectively at end-2016. Debt securities however, declined by 10.9 percent to US \$21.7 million from US \$24.1 million during the same period.

Table 5.2: Private Sector Debt Stock by Type (US \$ millions), 2015 –2016

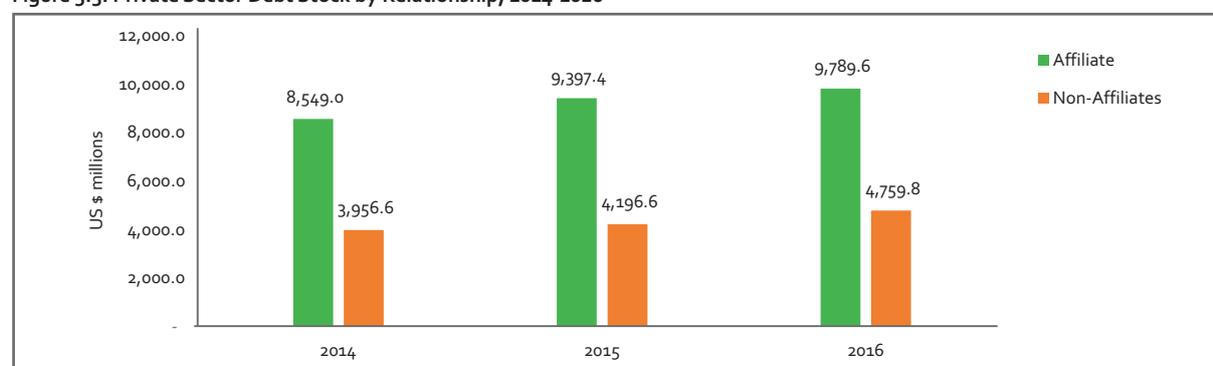
Debt Type	2015	Transactions	Exchange Rate Changes	Other Changes	2016
Currency and Deposits	98.1	15.8	9.6	10.3	133.8
Long Term	4.1	6.0	0.4	0.3	10.9
Short Term	94.0	9.8	9.2	9.9	122.9
Debt Security	24.1	-4.3	2.4	-0.6	21.7
Long Term	8.9	-2.9	0.9	-0.6	6.3
Short Term	15.3	-1.4	1.5	0.0	15.4
Life and Non-Life Insurance Technical Reserves	8.5	-0.6	0.9	0.6	9.4
Long Term	6.9	0.2	0.7	-	7.8
Short Term	1.6	-0.8	0.2	0.6	1.6
Loans	12,853.4	755.4	222.8	-127.1	13,705.0
Long Term	10,535.2	499.0	220.0	-131.4	11,123.3
Short Term	2,318.2	256.3	2.8	4.3	2,581.6
Other Accounts Payable	139.4	14.1	6.0	0.3	159.8
Long Term	49.5	5.7	5.2	-0.1	60.3
Short Term	89.9	8.4	0.8	0.4	99.5
Trade Credits and Advances	470.5	13.3	10.6	25.4	519.8
Long Term	121.8	5.5	3.6	-0.7	130.2
Short Term	348.7	7.8	6.9	26.1	389.6
Grand Total	13,594.0	793.7	252.3	-91.1	14,549.5

Source: Foreign and Private Investment and Investor Perception Survey, 2017

5.3 Private Sector External Debt Stock by Investor Relationship

The stock of PSED at end-2016 was largely from affiliates which increased by 4.2 percent to US \$9,789.6 million from US \$9,397.4 million recorded at end-2015, representing 67.3 percent of total stock. Debt from non-affiliates increased by 13.4 percent to US \$4,759.8 million from US \$4,196.6 million during the same period (Figure 5.3).

Figure 5.3: Private Sector Debt Stock by Relationship, 2014-2016



Source: Foreign and Private Investment and Investor Perception Survey, 2017

At end-2016, stock of debt from both affiliates and non-affiliates was mainly in form of loans. The loans from affiliates grew by 3.8 percent to US \$9,258.1 million representing 94.6 percent of the total debt stock from affiliates. Trade credits and advances increased by 9.3 percent to US \$388.0 million, representing 4.0 percent share of the debt stock. The value of other accounts payable, debt securities and currency and deposits, life and non-life technical reserves from affiliates collectively accounted for 1.4 percent. The PSED stock from non-affiliates loans increased by 12.9 percent to US \$4,446.8 million at end-2016,



accounting for 94.6 percent of total debt from non-affiliates. The share of trade credits was 2.8 percent of the total stock, an increase of 14.0 percent to US \$131.8 million at end-2016. Currency and deposits, other accounts payable, debt securities, and life and non-life technical reserves collectively contributed 3.8 percent of the debt stock during the period under review (Table 5.3).

Table 5.3: Private Sector Debt Stock by Type by Relationship (US \$ millions) 2015 - 2016

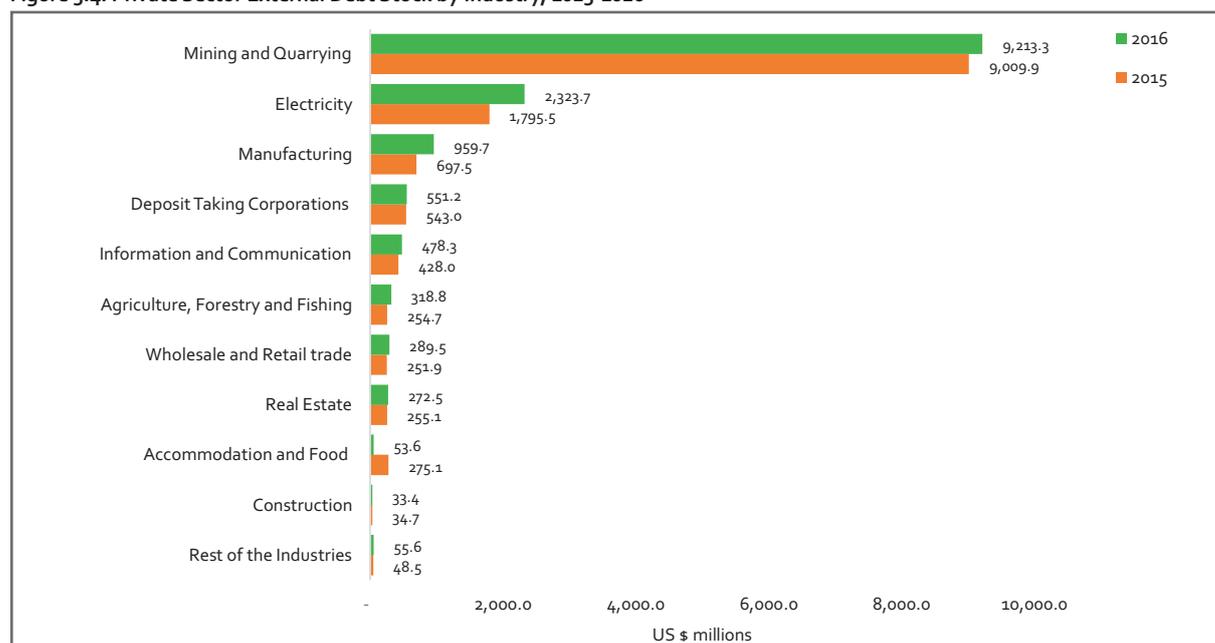
Instrument Type	2015	Transactions	Exchange Rate Changes	Other Changes	2016
Currency and Deposits	98.1	15.8	9.6	10.3	133.8
Affiliate	4.1	6.0	0.4	0.3	10.9
Non-Affiliates	94.0	9.8	9.2	9.9	122.9
Debt Security	24.1	-4.3	2.4	-0.6	21.7
Affiliate	16.4	-1.4	1.7	0.0	16.7
Non-Affiliates	7.7	-2.9	0.8	-0.6	5.0
Life and Non-Life Insurance Technical Reserves	8.5	-0.6	0.9	0.6	9.4
Affiliate	6.9	0.2	0.7	0.0	7.8
Non-Affiliates	1.6	-0.8	0.2	0.6	1.6
Loans	12,853.4	755.4	222.8	-127.1	13,705.0
Affiliate	8,915.3	362.5	61.6	-81.8	9,258.1
Non-Affiliates	3,938.1	392.9	161.3	-45.4	4,446.8
Other Accounts Payable	139.4	14.1	6.0	0.3	159.8
Affiliate	99.8	7.1	1.1	0.1	108.1
Non-Affiliates	39.6	7.0	4.9	0.2	51.7
Trade Credits and Advances	470.5	13.3	10.6	25.4	519.8
Affiliate	354.9	21.2	7.7	4.2	388.0
Non-Affiliates	115.6	-7.9	2.9	21.3	131.8
Grand Total	13,594.0	793.7	252.3	-91.1	14,549.5

Source: Foreign and Private Investment and Investor Perception Survey, 2017

5.4 Private Sector External Debt Stock by Industry

As at end-2016, the mining and quarrying industry's debt stock increased by 2.3 percent to US \$9,213.3 million, representing the largest share of 63.3 percent of the total stock of debt. This was followed by electricity, gas, and steam (16.0 percent), manufacturing at US \$959.7 (6.6 percent) and deposit taking corporations (3.8 percent). The rest of the industries collectively contributed 10.3 percent (Figure 5.4).

Figure 5.4: Private Sector External Debt Stock by Industry, 2015-2016



Source: Foreign and Private Investment and Investor Perception Survey, 2017

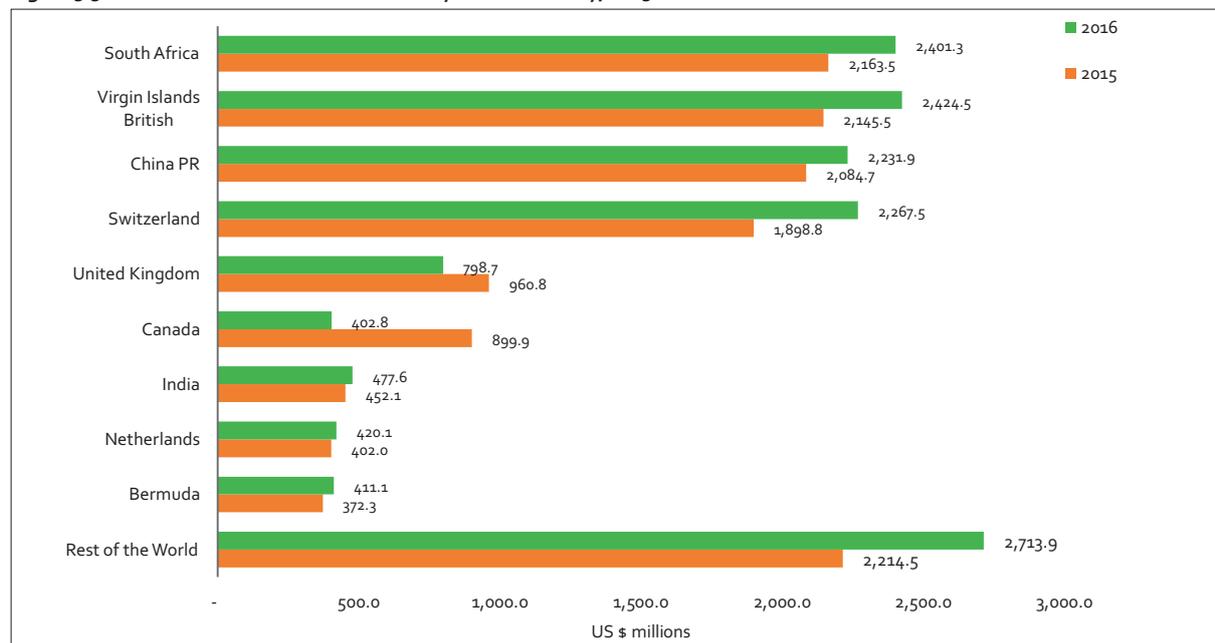


Opening of Kalumbila FNB Branch by Dr. Denny Kalyalya Governor, Bank of Zambia on 28 November 2017

5.5 Private Sector External Debt Stock by Source Country

The main creditors for the bulk of stock of PSED were British Virgin Islands (16.7 percent), South Africa (16.5 percent), Switzerland (15.6 percent), China (15.3 percent), collectively accounting for 64.1 percent (Figure 5.5).

Figure 5:5 Private Sector External Debt Stock by Source Country, 2015- 2016



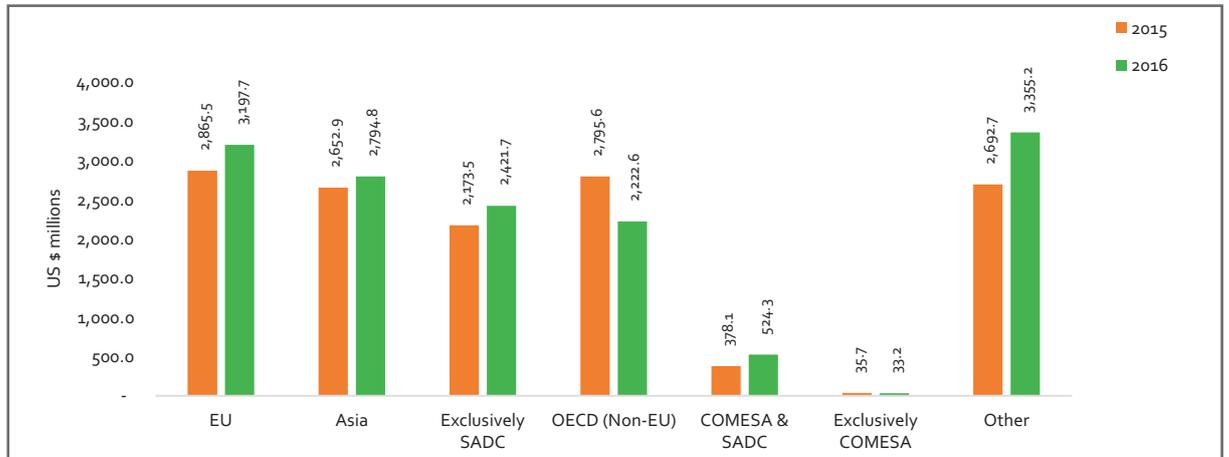
Source: Foreign and Private Investment and Investor Perception Survey, 2017

5.6 Private External Debt Stock by Region

The main source regions for the bulk of PSED stock at end-2016 were EU, Asia, SADC Exclusively and OECD (non-EU) which collectively accounted for 73.1 percent (Figure 5.6). The EU bloc accounted for 22.0 percent, followed by Asia (19.2 percent), SADC Exclusively (16.6 percent) and OECD (non-EU) (15.3 percent) of the stock.



Figure 5.6: Private Sector External Debt Stock by Region, 2015 - 2016



Source: Foreign and Private Investment and Investor Perception Survey, 2017

In terms of growth of PSED stock at end-2016, the highest movement was registered in the COMESA and SADC (dual membership countries)¹¹ whose stock edged up by 38.7 percent to US \$524.3 million, followed by the EU whose stock rose by 11.6 percent to US \$3,197.7 million. The Exclusively SADC and Asia regions also posted growths of 11.4 percent and 5.3 percent, respectively. The OECD and Exclusively COMESA regions however recorded declines in the PSED stock at end-2016.



Inside Stanbic Bank, Private Banking, Pamodzi Hotel, Lusaka

¹¹Countries with membership in both the Southern Africa Development Community (SADC) and the Common Market for Eastern and Southern Africa (COMESA)



6.0 PRIVATE SECTOR FOREIGN ASSETS





6.0 PRIVATE SECTOR FOREIGN ASSETS

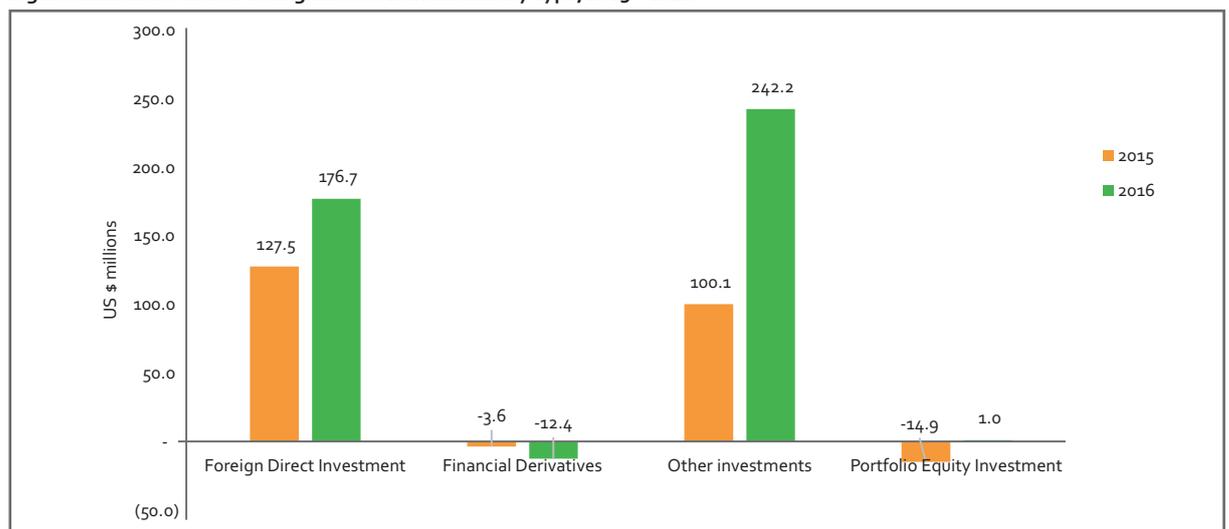
During the period under consideration, the private sector holdings of foreign assets abroad increased. These comprised Foreign Direct Investment (FDI), Portfolio Investment (PI), Financial Derivatives (FD) and Other Investments.

6.1 Private Sector Foreign Assets Flows by Type

In 2016, Zambia's private sector transactions in foreign assets increased by 94.9 percent to US \$ 407.5 million from US \$209.1 million recorded at end-2015. The increase in asset flows was mainly on account of increased accumulation of assets in form of other investments and foreign direct investment. In particular, other investments recorded an outflow of US \$ 242.2 million from US \$ 100.1 million recorded in 2015. This was followed by an increased flow of FDI assets by 37.2 percent to US \$ 176.7 million while portfolio equity investments outflows improved to US \$1.0 million from a drawdown of US \$14.9 million recorded in 2015.

Financial derivative assets flows on the other hand recorded a drawdown of US \$12.4 million in 2016 (Figure 6.1). The transactions were mainly explained by resident enterprises lending to both non-affiliates and to fellow enterprises abroad.

Figure 6.1: Private Sector Foreign Assets Transactions by Type, 2015 – 2016



Source: Foreign Private Investment and Investor Perceptions Survey, 2017

6.2 Private Sector Foreign Assets Stocks by Type

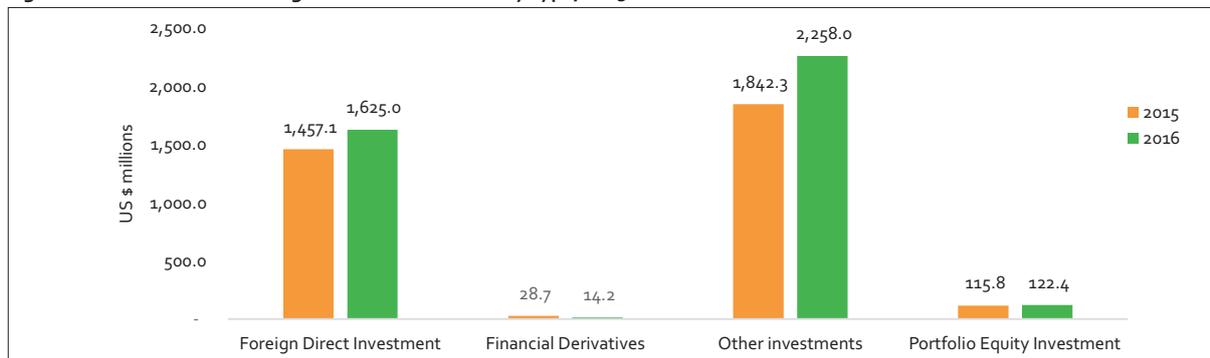
The stock of private sector foreign assets rose by 16.7 percent to US \$4,019.5 million from US \$3,443.9 million recorded at end-2015. This was largely driven by increases in foreign assets in form of other investments. The stock of other investment assets increased by 22.6 percent to US \$2,258.0 million from US \$1,842.3 million recorded at end-2015. Similarly, FDI assets and portfolio equity investment assets increased to US \$1,625.0 million and US \$122.4 million from US \$1,457.1 million and US \$115.8 million at end-2015, respectively. However, financial derivative assets declined by 50.4 percent to US \$14.2 million from US \$28.7 million recorded at end-2015 (Figure 6.2).



Kalumbila Township, Kalumbila, Mwinilunga



Figure 6.1: Private Sector Foreign Assets Transactions by Type, 2015 – 2016



Source: Foreign Private Investment and Investor Perceptions Survey, 2017

Table 6.1: Private Sector Foreign Assets Stocks by Type (US \$ million), 2015 -2016

Relationship	End 2015	Transactions	Exchange Rate Changes	Other Changes	End 2016
Foreign Direct Investment	1,457.1	176.7	7.6	-16.4	1,625.0
Other investments	1,842.3	242.2	101.0	72.5	2,258.0
Portfolio Equity Investment	115.8	1.0	-0.4	5.9	122.4
Financial Derivatives	28.7	-12.4	-2.7	0.6	14.2
Grand Total	3,443.9	407.5	105.5	62.6	4,019.5

Source: Foreign Private Investment & Investor Perceptions Survey, 2017

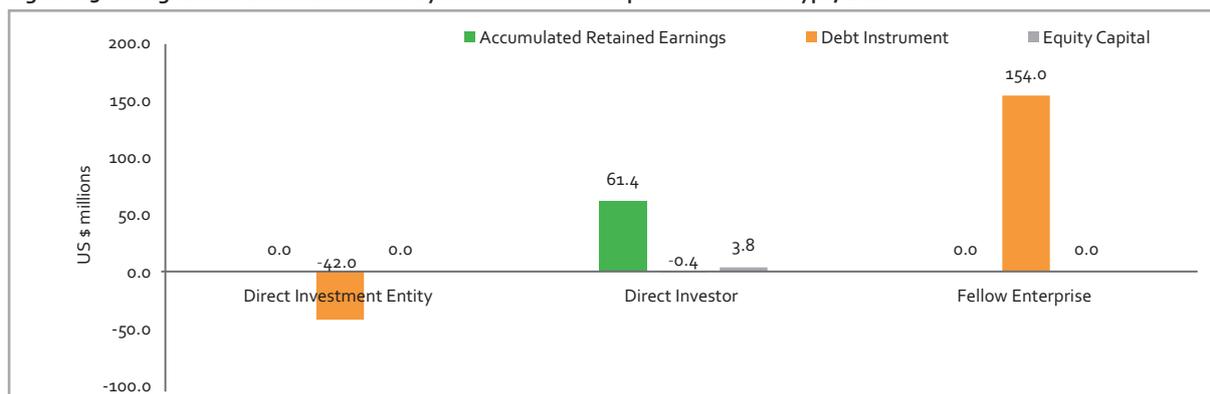


An efficient Transport system is key to promoting internal and external trade

6.3 Foreign Direct Investment Assets Flows by Investor Relationship

The total flows of Zambia's FDI assets increased by US \$176.7 million in 2016. The increase in flows of assets held by fellow enterprises (FE) and direct investors accounted for the increase while portfolio equity investments declined. FDI flows to fellow enterprises increased by US \$154.0 million while that to direct investors increased by US \$64.8 million at end-2016. However, the flow of FDI assets to direct investment entities declined by US \$42.0 million over the same period. These flows were largely in the form of trade credits and advances (Figure 6.3).

Figure 6.3: Foreign Direct Investment Flows by Investor Relationship and Instrument Type, 2016



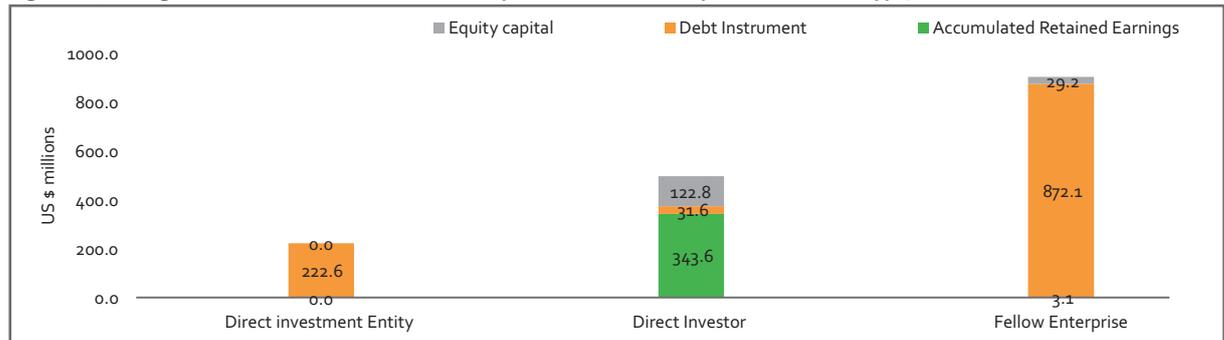
Source: Foreign Private Investment and Investor Perceptions Survey, 2017



6.4 Foreign Direct Investment Assets Stocks by Investor Relationship

The stock of FDI assets held by fellow enterprises (FE) accounted for the largest share at US \$904.4 million, representing an increase of 18.8 percent from US \$761.4 million recorded at end of 2015. This was followed by direct investors (US \$498.0 million) and direct investment entities (US \$222.6 million). The assets were mainly held in form of debt instruments (Figure 6.4).

Figure 6.4: Foreign Direct Investment Assets Stocks by Investor Relationship and Instrument Type, 2016

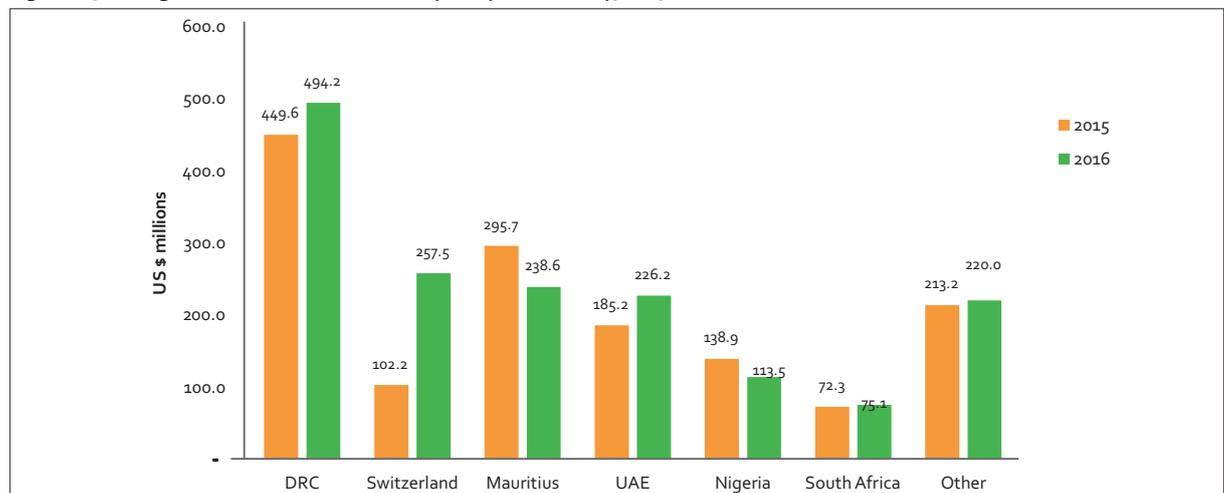


Source: Foreign Private Investment and Investor Perceptions Survey, 2017

6.5 Foreign Direct Investment Assets by Recipient Country

Survey findings show that FDI assets, by recipient country, were dominated by the DRC at US \$494.2 million. This was followed by Switzerland US \$257.5 million, Mauritius (US \$238.6 million), UAE (US \$226.2 million), Nigeria (US \$113.5 million) and South Africa (US \$75.1 million) (Figure 6.5).

Figure 6.5: Foreign Direct Investment Assets by Recipient Country, 2015-2016



Source: Foreign Private Investment and Investor Perceptions Survey, 2017

6.6 Portfolio Investments Abroad

Portfolio investments abroad increased by 5.6 percent to US \$122.4 million from US \$115.8 million recorded in 2015. The increase was largely attributed to a 50.2 percent rise in portfolio equity held in listed enterprises in Germany to US \$30.5 million from US\$20.3 million recorded in 2015. On the other hand, portfolio equity investments in listed enterprises in Botswana fell by 11.5 percent while that in Australia remained unchanged at US \$63.4 million in 2016 (Table 6.2).

Table 6.2: Stock of Portfolio Equity Investment Assets (US \$ millions), 2015- 2016

Country	End-2015	End-2016
Australia	63.4	63.4
Botswana	32.1	28.4
Germany	20.3	30.5
Total	115.8	122.4

Source: Foreign Private Investment & Investor Perceptions Survey, 2017



6.7 Financial Derivative Foreign Assets

During the period under review, financial derivative assets contracted by 50.4 percent to US \$14.2 million from US \$ 28.7 million at end-2015. This was driven by a decline in both forward contracts¹² and options held by investors in the United Kingdom and South Africa (Table 6.3).

Table 6.3: Financial Derivative Foreign Assets (US \$ millions), 2015- 2016

Destination Country	End 2015	Transaction	Valuation Changes	End 2016
South Africa	19.4	-13.7	-1	6.7
United Kingdom	9.3	1.3	-3	7.6
Total	28.7	-12.4	-2.1	14.2

Source: Foreign Private Investment & Investor Perceptions Survey, 2017

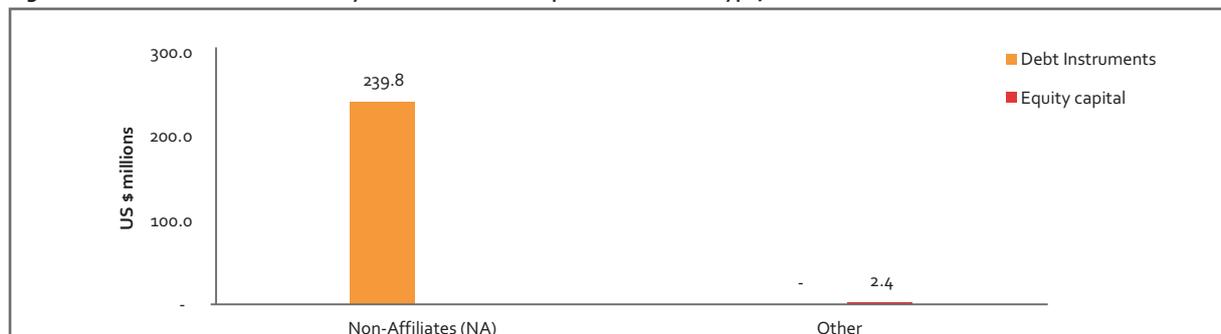
6.8 Other Investments Abroad

Other Investments (other than FDI, portfolio investment and financial derivatives) held by the private sector abroad, amounted to US \$2,258.0 million in 2016 from US \$1,842.3 million recorded in 2015 representing an increase of 22.6 percent. During the period under review, debt instruments, amounting to US \$2,247.0 million formed a significant share of other investments translating into 99.5 percent, while equity capital at US \$11.0 million constituted 0.5 percent.

6.8.1 Other Investment Assets Flows by Investor Relationship

The total flows of Zambia's other investment assets increased by US \$242.2 million in 2016. The increase in flows of assets held by non-affiliates (NA) accounted for 99.0 percent of the increase with others accounting for 1.0%. Similarly, debt instruments at US \$239.8 million accounted for 99.0% of other investment assets flows with equity capital accounting for the remainder (Figure 6.6).

Figure 6.6: Other Investment Flows by Investor Relationship and Instrument Type, 2016



Source: Foreign Private Investment and Investor Perceptions Survey, 2017

6.8.2 Other Investment Assets Stocks by Investor Relationship

The stock of other investment assets held by non-affiliates (NA) accounted for the largest share at US \$ 2,245.2 million (99.4 percent), representing an increase of 22.5 percent from US \$ 1832.8 million recorded at end of 2015 and was followed by other entities (US \$ 12.7 million). The other investment assets were mainly held in form of debt instruments (Table 6.4).

Table 6.4: Other Investment Assets Stocks by Investor Relationship, (US \$ millions), 2016

	2015	2016
Non-Affiliates	1,832.8	2,245.2
Debt Instruments	1,832.8	2,245.2
Equity capital	0.0	0.0
Other	9.5	12.7
Debt Instruments	1.8	1.8
Equity capital	7.7	11.0
Grand Total	1,842.3	2,258.0

Source: Foreign Private Investment & Investor Perceptions Survey, 2017

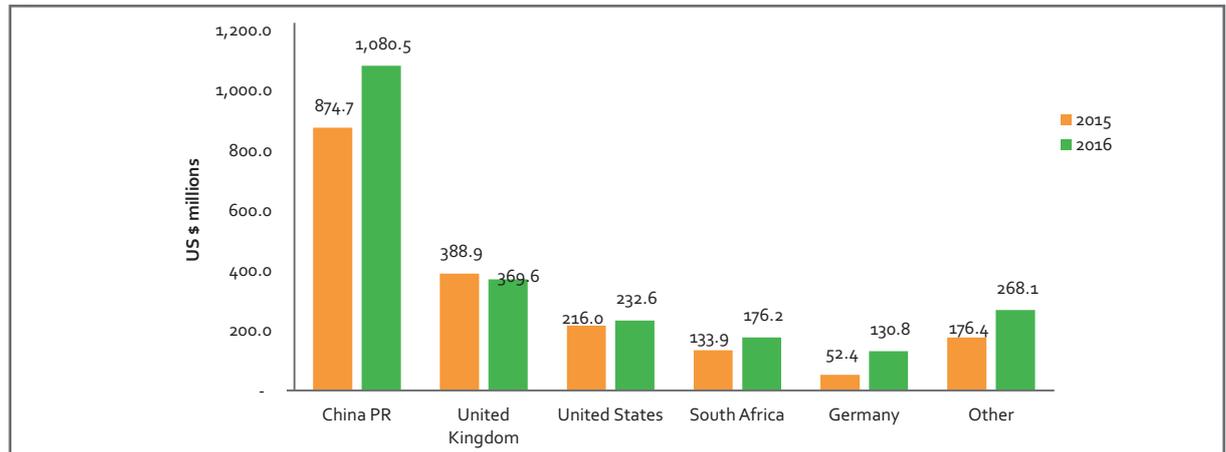
¹²A forward contract (forward) is an unconditional contract by which two counterparties agree to exchange a specified quantity of an underlying item (real or financial) at an agreed price (the strike price) on a specified date.



6.8.3 Other Investments Abroad by Recipient Country

The concentration of other investment assets was predominantly held in the People's Republic of China accounting for US \$1,080.5 million (47.9 percent), at end-2016. This was followed by the United Kingdom at US \$369.6 million, the United States of America at US \$232.6 million and South Africa US \$176.2 million (Figure 6.7).

Figure 6.7: Other Investments Abroad by Recipient Country, 2015- 2016

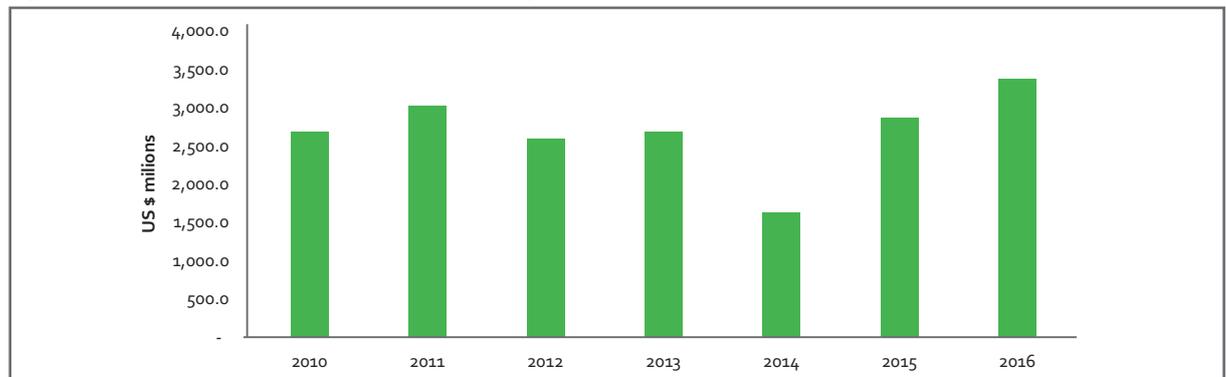


Source: Foreign Private Investment and Investor Perceptions Survey 2017

6.9 Private Sector External Lending (PSEL)

The stock of Private Sector External Lending (PSEL) recorded at end-2016 was US \$3,373.3 million compared to US \$2,858.3 million recorded at end-2015 representing an 18.0 percent rise. The increase in the stock of PSEL in 2016 was largely due to increased lending abroad to non-affiliates and fellow enterprises, which increased by 22.5 percent and 19.5 percent respectively. Lending to Non-Affiliates (NA) at US \$ 2,247.0 million accounted for 66.6 percent of total PSEL while that to Fellow Enterprises (FE) at US \$ 872.1 million accounted for 25.9 percent followed by direct investment entities at 6.6 percent. Private sector lending to direct investors increased marginally by 0.7 percent while that to direct investment enterprises declined by 15.3 percent. Major lending instruments included trade credits and advances (47.9 percent), currency and deposits (29.5 percent) and loans (18.9 percent). The countries that dominated PSEL included China (32.0 percent) and the United Kingdom (12.7 percent). Others were Switzerland (7.6 percent), United States (7.5 percent), South Africa (7.2 percent), United Arab Emirates (6.7 percent) and Mauritius (6.2 percent) (Figures 6.8, 6.9).

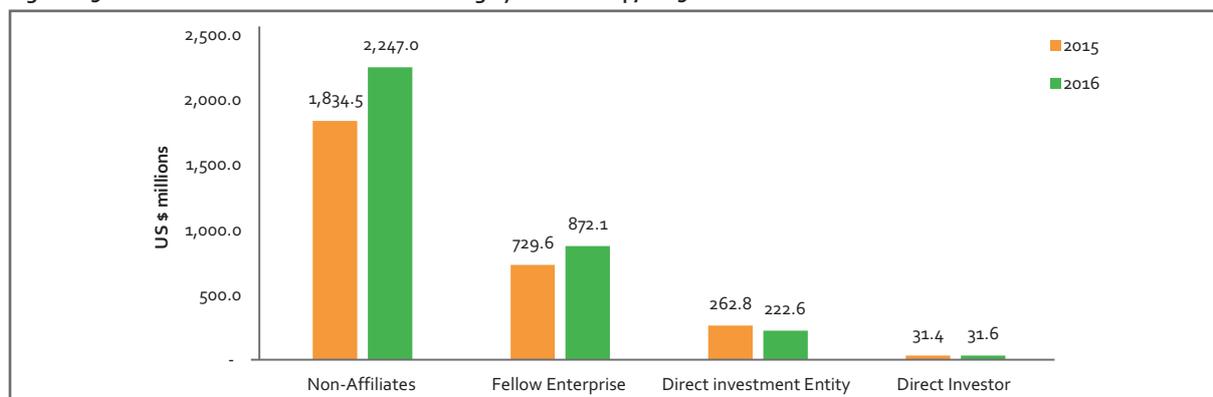
Figure 6.8: Total Stock of Private Sector External Lending, 2010- 2016



Source: Foreign Private Investment and Investor Perceptions Survey 2017



Figure 6.9: Stock of Private Sector External Lending by Relationship, 2015- 2016

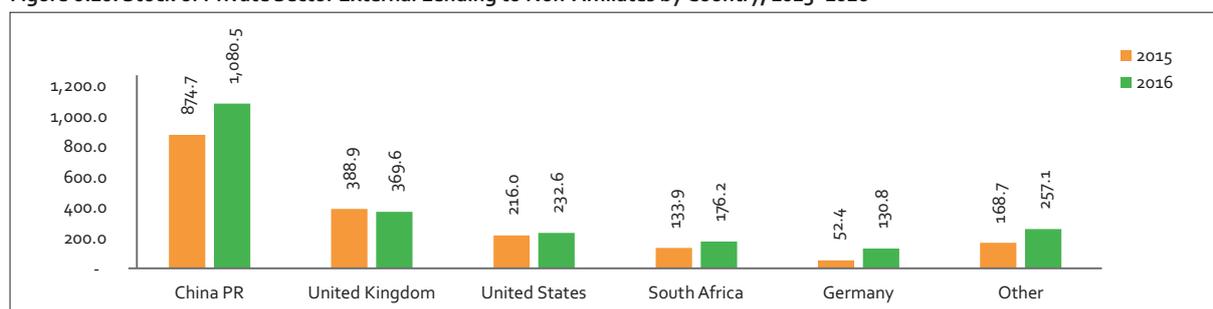


Source: Foreign Private Investment and Investor Perceptions Survey 2017

6.9.1 Stock of Private Sector External Lending to Non-affiliates

The stock of PSEL to non-affiliates increased by 22.5 percent and constituted the highest share of PSEL at 66.6 percent. In the year under review, the top destination country for PSEL to non-affiliates was China which accounted for 48.1 percent. This was followed by the United Kingdom (16.5 percent), United States (10.4 percent), South Africa (7.8 percent) and Germany (5.8 percent) (Figure 6.10).

Figure 6.10: Stock of Private Sector External Lending to Non-Affiliates by Country, 2015- 2016



Source: Foreign Private Investment and Investor Perceptions Survey 2017

6.9.2 Stock of Private Sector External Lending to Direct Investment Enterprises

The stock of PSEL to Direct Investment Enterprises (DIE) declined by 15.3 percent to US \$222.6 million from US \$262.8 million recorded in 2015. The PSEL to DIE was mainly to Mauritius (86.7 percent), South Africa (9.9 percent) and Nigeria (2.0 percent) (Table 6.5).

Table 6.5: Stock of Private Sector External Lending to DIE Recipient Country (US \$ millions) 2015- 2016

Recipient Country	End 2015	End 2016
Mauritius	236.1	192.9
South Africa	21.7	21.9
Nigeria	3.0	4.3
Serbia	2.0	2.8
Rest of the World	0.0	0.5
Grand Total	262.8	222.6

Source: Foreign Private Investment & Investor Perceptions Survey, 2017

6.9.3 Stock of Private Sector External Lending to Fellow Enterprises

The stock of PSEL to fellow enterprises rose to US \$872.1 million from US \$729.6 million recorded in 2015. This was mainly dominated by Switzerland (29.5 percent), United Arab Emirates (25.9 percent), Nigeria (12.5 percent) and Congo DR (10.5 percent) (Table 6.6).



Table 6.6: Stock of Private Sector External Lending to FE Recipient Country (US \$ millions), 2015- 2016

Recipient country	End 2015	End 2016
Switzerland	102.2	257.5
United Arab Emirates	185.2	226.2
Nigeria	135.7	109
Congo (DR)	120.4	91.3
United Kingdom	81.2	58.0
South Africa	40.3	38.2
France	0.0	22.8
Mauritius	17.2	15.9
Rest of the World	47.4	53.3
Grand Total	729.6	872.1

Source: Foreign Private Investment & Investor Perceptions Survey, 2017

6.9.4 Stock of Private Sector External Lending to Direct Investors

The stock of PSEL to Direct Investors (DI) marginally increased by 0.7 percent to US \$31.6 million from US \$31.4 million recorded in 2015. PSEL to DI was largely dominated by the United States (66.7 percent), South Africa (19.0 percent) and Botswana (6.9 percent) (Table 6.7).

Table 6.7: Stock of Private Sector External Lending to DI Recipient Country (US \$ millions), 2015- 2016

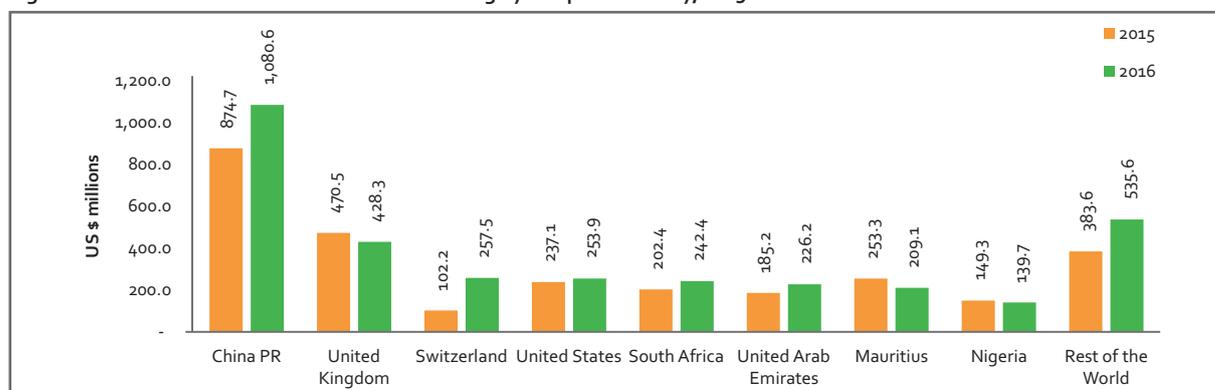
Destination Country	End 2015	End 2016
United States	21.1	21.1
South Africa	6.5	6.0
Botswana	2.0	2.2
Ireland	1.0	1.1
United Kingdom	0.4	0.6
Rest of the World	0.4	0.6
Total	31.4	31.6

Source: Foreign Private Investment & Investor Perceptions Survey, 2017

6.9.5 Private Sector External Lending by Recipient Country

Survey findings indicated that at end-2016, the stock of private sector external debt advanced by enterprises resident in Zambia were mainly to China (32.0 percent), United Kingdom (12.7 percent), Switzerland (7.6 percent), United States (7.5 percent), South Africa (7.2 percent), United Arab Emirates (6.7 percent), Mauritius (6.2 percent) and Nigeria (4.1 percent). The combined PSEL to these countries accounted for 84.1 percent of the total lending (Figure 6.11).

Figure 6.11: Stock of Private Sector External Lending by Recipient Country, 2015- 2016



Source: Foreign Private Investment and Investor Perceptions Survey 2017



7.0 FOREIGN AFFILIATES STATISTICS





7.0 FOREIGN AFFILIATES STATISTICS

In this chapter, an analysis of overall inward Foreign Affiliates Statistics (FATS) is made showing their contribution to the Zambian economy and other key indicators by partner country and sector. The survey captured all economic variables recommended by the Manual on Statistics of International Trade in Services (MSITS 2010). The variables include: number of enterprises, sales/turnover, output, employment, value added, exports and imports of goods and services, assets, total liabilities (excluding equity), net worth, compensation of employees, gross fixed capital formation, taxes on income, research and development expenditures, purchases of domestic goods and services. Other variables include net operating surplus (or loss), profits/loss after tax, management fees, payment of royalties and license fees, and total dividends distributed/declared.

7.1 Overall Foreign Affiliates Statistics

7.1.1 Main Findings

In 2016, 182 Majority-Owned Foreign Affiliates (MOFAs)¹³ were enumerated compared with 181 in 2015. Overall, the surveyed enterprises generated sales/turnover amounting to US \$11,147.1 million, 5.5 percent lower than US \$11,795.4 million recorded in the preceding year. In terms of employment levels, MOFAs accounted for 83,601 employees, 7.8 percent higher than 77,570 employees recorded in 2015. During the same period, assets of majority owned foreign affiliates, at US \$27,314.8 million, were 1.3 percent higher than registered in 2015.

The net worth of these enterprises, however, fell by 11.7 percent to US \$6,483.9 million during the period. In the year under review, overall, MOFAs, declared after tax profits of US \$264.3 million against net losses of US \$1,344.1 million in 2015. Consequently, MOFAs recorded net tax payments amounting to US \$264.3 million compared to net tax refunds of US \$35.0 million in 2015.

During the same period, MOFAs value added¹⁴ at US \$6,533.6 million was 57.8 percent higher than US \$4,141.3 million recorded in 2015. MOFAs exports of goods and services was US \$5,319.7 million, 7.5 percent lower than US \$5,753.9 million recorded in 2015. Similarly, MOFAs exports of goods while accounting for 80.3% of Zambia's exports declined by 8.9 percent to US \$5,226.7 million in 2016.

On the other hand, imports of goods and services at, US \$3,287.6 million were 2.0 percent higher than registered in 2015. Imports of goods constituted 38.5 percent of Zambia's total imports but fell by 12.1 percent in 2016. In addition, the compensation of employees was US \$1271.2 million compared to US \$1,278.8 million, recorded the preceding year (Table 7.1).



Copper Cathodes being readied

¹³These are resident enterprises with a single foreign enterprise, or an associated group of foreign investors acting in consent, owning more than 50.0 percent of the ordinary shares or voting power. The concept of majority ownership is used to ensure final management control of MOFAs by the foreign investors. Control in this context is the ability to determine the general policy of an enterprise by choosing appropriate directors, if necessary. In the context of Zambia, FATS like Foreign Direct Investment (FDI) other financial account statistics are compiled on an immediate partner country basis.

¹⁴Value added is defined as gross output minus operating expenditure, where gross output is defined as sales/turnover plus values of closing stock less opening stock.



Table 7.1: Summary of Inward Foreign Affiliates Statistics by Category (US \$ millions) 2014- 2016

DESCRIPTION	2014	2015	2016
Number of Enterprises	162	181	182
Sales/Turnover	14,473.1	11,795.4	11,147.1
Gross Output	14,614.9	11,337.5	11,165.8
Employment (Number of employees)	87,527.0	77,570.0	83,601.0
Assets at end of Year	26,918.5	26,977.1	27,314.8
Net Worth at end Year	6,987.1	7,343.2	6,483.9
Value-added	4,184.1	4,141.3	6,533.6
Exports of Goods & Services	6,133.0	5,753.9	5,319.7
Of which to foreign affiliates	2,052.5	2,131.4	2,149.5
Of Which Goods	6,092.1	5,734.7	5,226.7
Of Which Services	40.9	19.2	93.0
Imports of Goods & Services	3,081.8	3,223.2	3,287.6
Of which from foreign affiliates	1,638.1	391.5	334.4
Of Which goods	2,951.6	3,153.0	2,772.3
Of Which Services	130.2	70.1	515.3
Compensation of Employees	1,607.9	1,278.8	1271.2
Net Operating Surplus (or loss)	334.8	794.8	501.8
Taxes on Income	74.8	-35.0	203.8
Net Profit After Tax (Earnings)	395.7	-1,344.1	264.3
Total Dividends Distributed/Declared	395.7	149.3	129.3
Research and Development	12.6	132.0	390.3
Purchases of Domestic Goods and Services	3,560.3	4,426.1	4,105.8
Of which Goods	2,842.3	2,485.4	2,911.5
Of which Services	1,600.8	1,763.6	1,060.2
Gross Fixed Capital Formation	3,059.6	1,937.8	2,036.8
Of which: Machinery and Equipment	2,296.6	789.5	616.6
Payments for Royalties and License fees	266.3	391.1	131.5
Management Fees	199.9	91.6	89.4
Stock of domestic borrowing from banks as at 31st Dec	382.1	195.8	223.4

Source: Foreign Private Investment & Investor Perceptions Survey, 2017

7.1.2 Inward FATS Analysed by Immediate Investing Country

7.1.2.1 Sales/Turnover by Immediate Partner Country

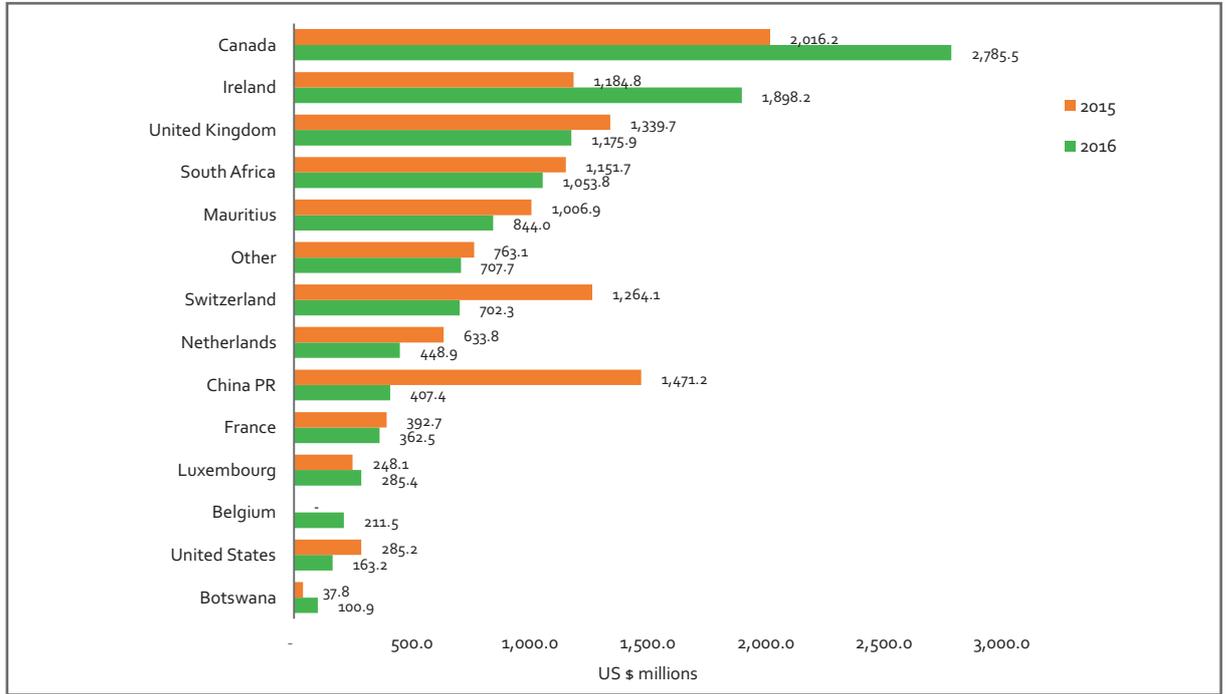
The survey findings show that sales by MOFAs were US \$11,147.1 million in 2016. For two consecutive years, Canada continued to account for the largest share of sales amounting to US \$2,785.5 million in 2016, representing 25.0 percent. This was followed by Ireland (17.0 percent), the United Kingdom (10.5 percent), South Africa (9.5 percent), and Switzerland (6.3 percent). During the period under review, sales decreased by 5.5 percent with MOFAs from China, Switzerland, Japan and the United States of America contributing to the decline. However, MOFAs originating from Ireland, Canada and Luxembourg recorded increase in sales in 2016 (Figure 7.1).



Neelkanth Cables Limited, electrical cables manufacturer in Masaiti on the Copperbelt Province



Figure 7.1: Sales/Turnover of MOFAs by Partner Country, 2015-2016

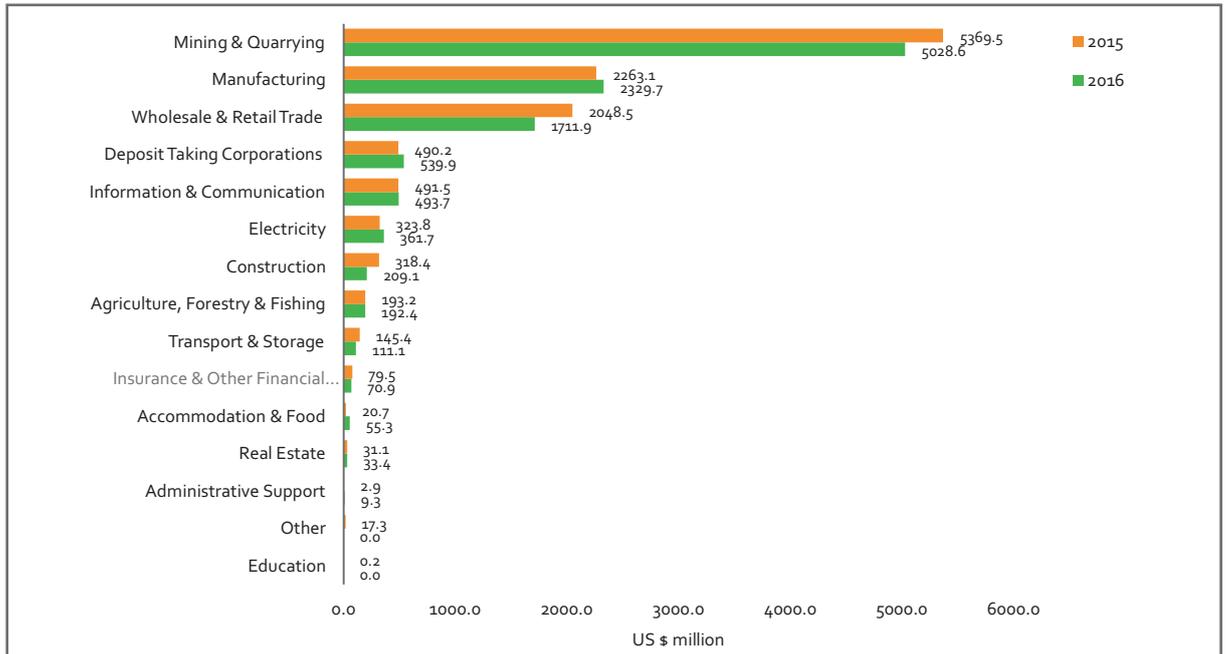


Source: Foreign Private Investment and Investor Perceptions Survey 2017

7.1.2.2 Sales/Turnover by Recipient Industry

Total sales/turnover declined by 5.5 percent across industries largely reflecting subdued economic activity during the year associated mainly with relatively lower copper prices and a weak Kwacha. However, the mining and quarrying industry continued to dominate in sales/turnover at US \$5,028.6 million, accounting for 45.1 percent in 2016. This was followed by manufacturing (20.9 percent), and wholesale and retail trade (15.4 percent). The mining and quarrying, wholesale and retail trade, insurance and other financial services, transport and storage and construction recorded decreases in sales/turnover in 2016 relative to 2015. However, electricity, manufacturing and deposit taking corporations recorded notable increases (Figure 7.2).

Figure 7.2: Sales/Turnover of MOFAs by Industry, 2015-2016



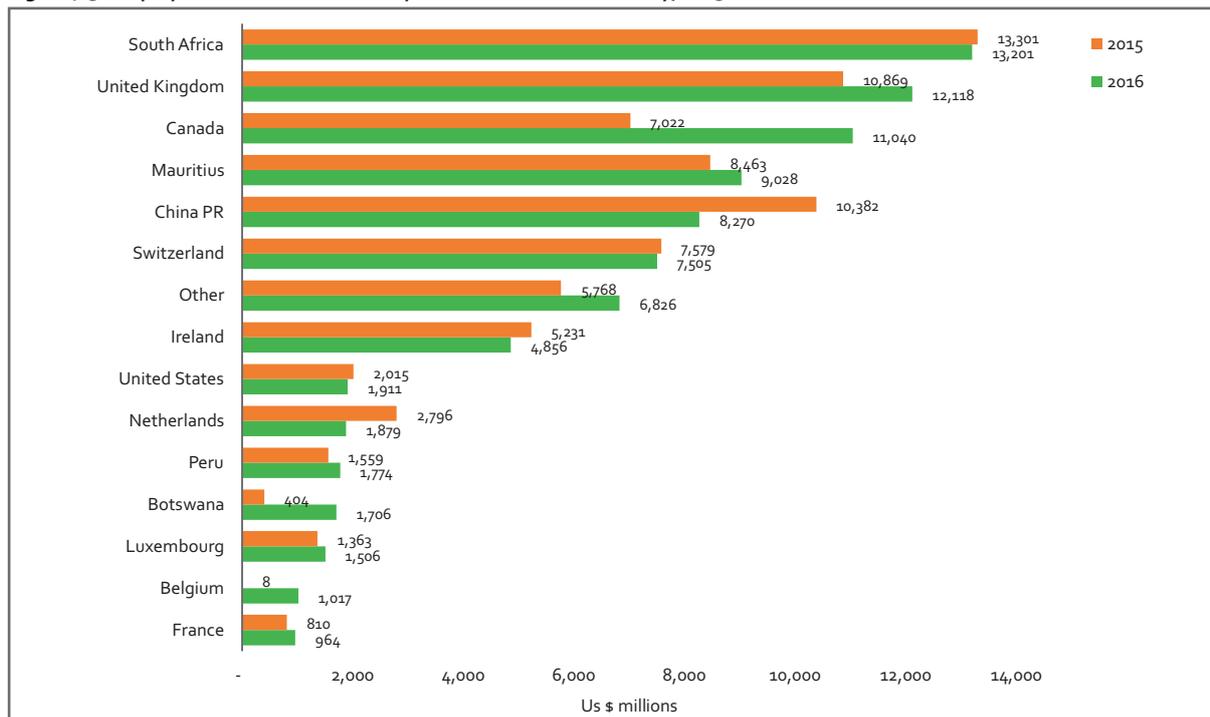
Source: Foreign Private Investment & Investor Perceptions Survey 2017



7.1.2.3 Employment Levels of MOFAs by Immediate Partner Country

Employment levels by Majority Owned Foreign Affiliates (MOFAs) in 2016 increased by 7.8 percent to 83,601 with South Africa, United Kingdom, Canada, Mauritius, China and Switzerland, collectively accounting for the largest share of 73.2 percent... Further, MOFAs from Belgium, Botswana, Canada and France recorded significant increases in employment in 2016 compared to 2015. However, MOFAs originating from the Netherlands, China, Ireland, USA, and South Africa recorded decreases in employment (Figure 7.3).

Figure 7.3: Employment Levels of MOFAs by Immediate Partner Country, 2015-2016



Source: Foreign Private Investment and Investor Perceptions Survey 2017

7.1.2.4 Employment Levels of MOFAs by Industry

The mining and quarrying industry continued to account for the largest share of employees, at 31,193 in 2016, representing 37.3 percent. This was followed by manufacturing (18.8 percent), and wholesale and retail trade (12.0 percent). Other industries that registered increases in employment in 2016 included agriculture, forestry and fishing (2,634), construction (988), accommodation and food (880), and deposit taking corporations (706). However, employment levels in mining and quarrying, transport, and storage declined (Figure 7.4).

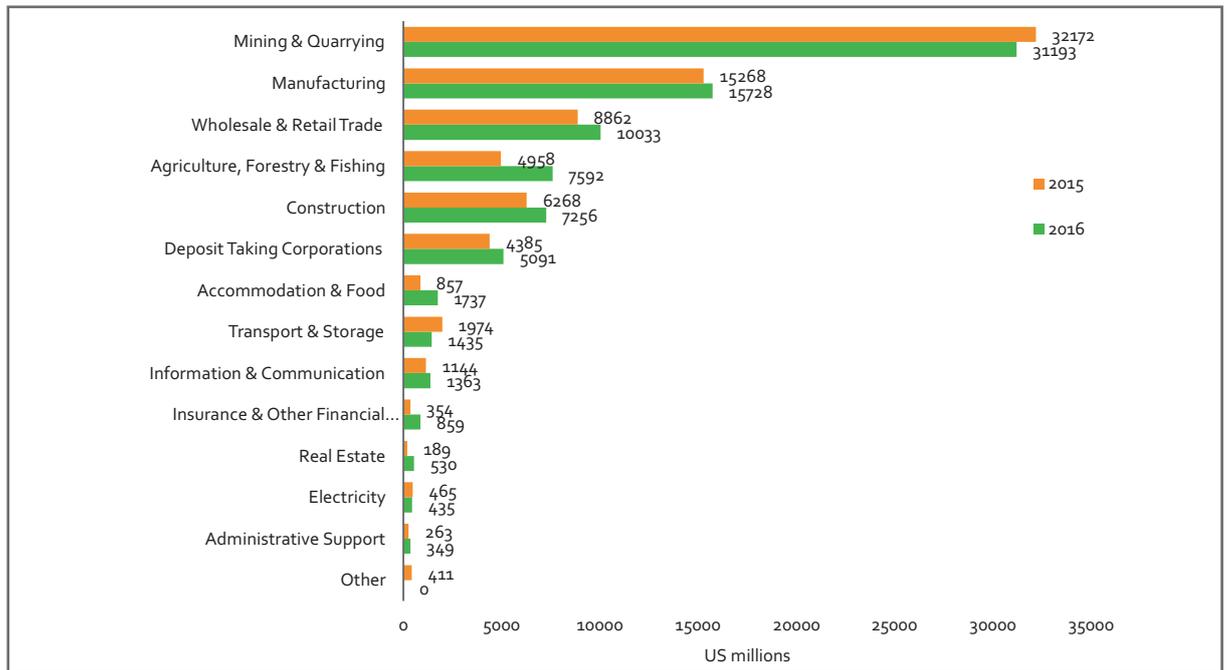


FDI in the mining sector continues to contribute to employment levels





Figure 7.4: Employment Levels of MOFAs by Industry, 2015-2016

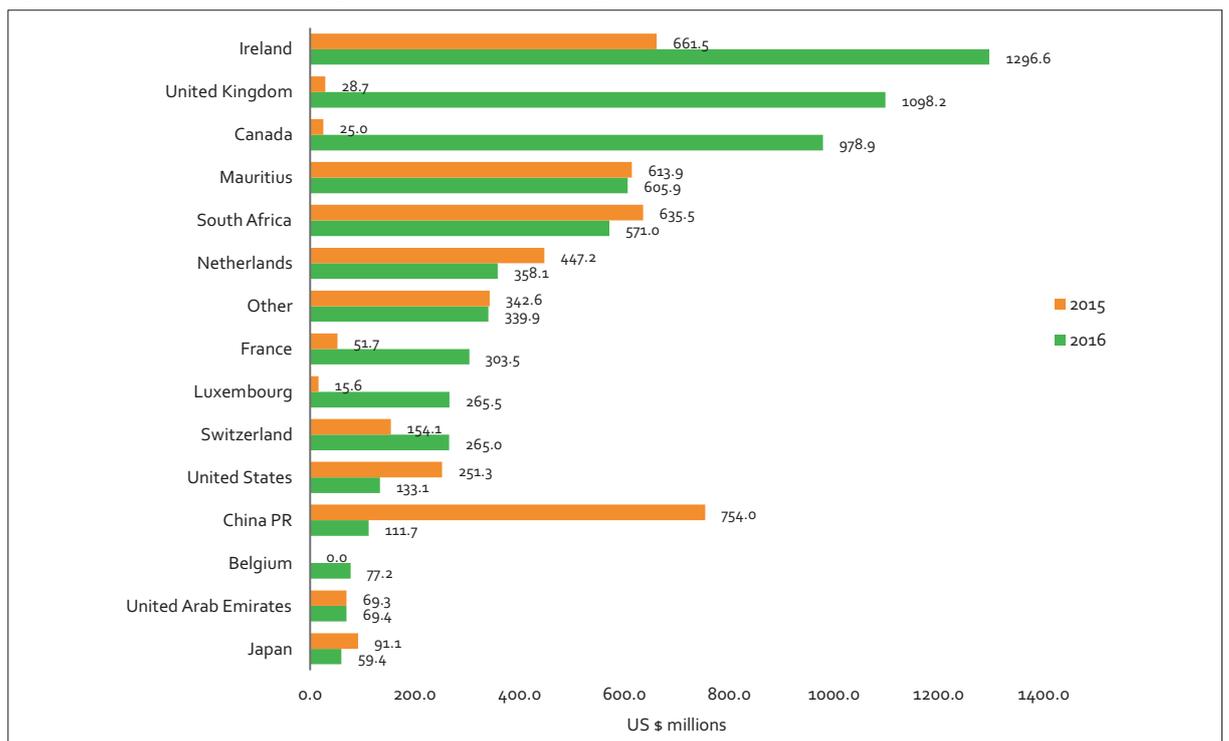


Source: Foreign Private Investment & Investor Perceptions Survey 2017

7.1.2.5 Value Added of MOFAs by Immediate Partner Country

In 2016, value added by MOFAs increased by 57.8 percent to US \$6,533.6 million. Canada, United Kingdom, Luxembourg and France showed significant increments in value added. However, China, United States of America, Japan and the Netherlands showed notable declines in value added. The share of Ireland, United Kingdom, Canada, Mauritius, South Africa and the Netherlands in value added was 75.1 percent (Figure 7.5).

Figure 7.5: Value Added of MOFAs by Immediate Partner Country, 2015-2016



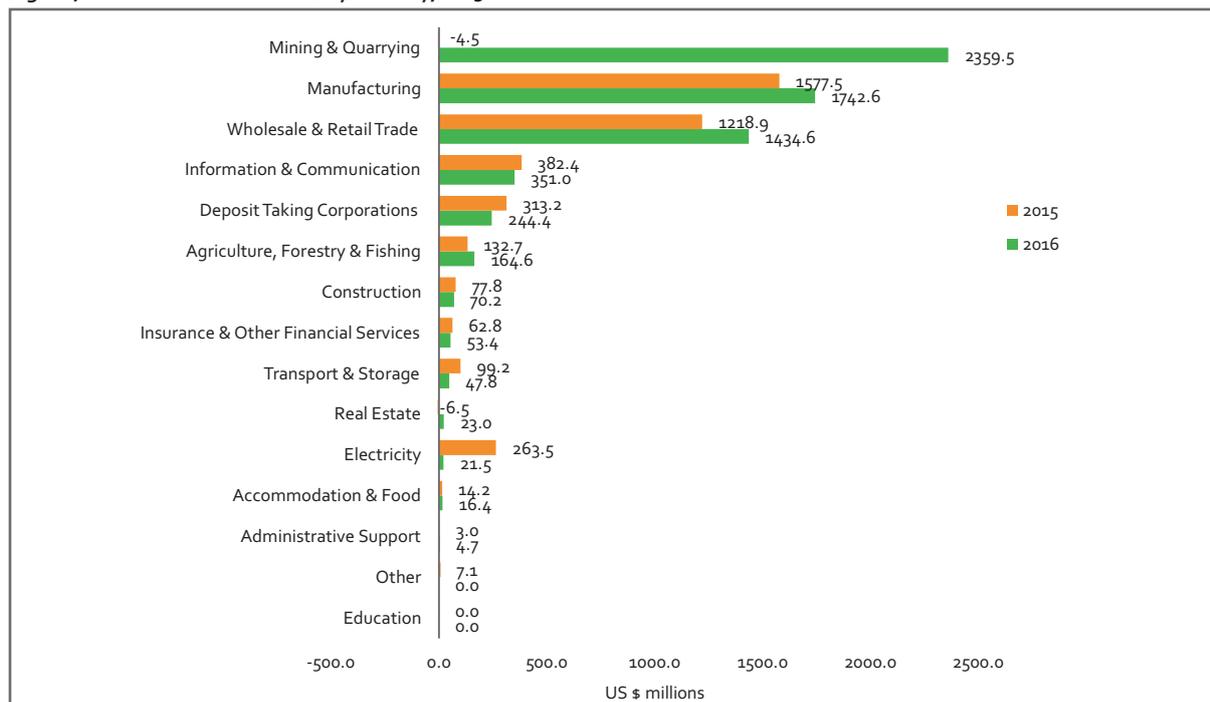
Source: Foreign Private Investment & Investor Perceptions Survey 2017



7.1.2.6 Value Added of MOFAs by Industry

The mining and quarrying, manufacturing, wholesale and retail trade industries recorded significant rises in value addition. The improvement in value addition was due to an improvement in the sales of the mining and quarrying. The largest share in value addition in 2016 was recorded in the mining and quarrying industry at 36.1%, followed by manufacturing (26.7%), wholesale and retail (22.0%), and information and communication (5.4%). However, electricity, deposit taking corporations, information and communication and transport and storage recorded declines (Figure 7.6).

Figure 7.6: Value Added of MOFAs by Industry, 2015-2016



Source: Foreign Private Investment & Investor Perceptions Survey 2017

7.1.2.7 Taxes on Income by MOFAs by Immediate Partner Country

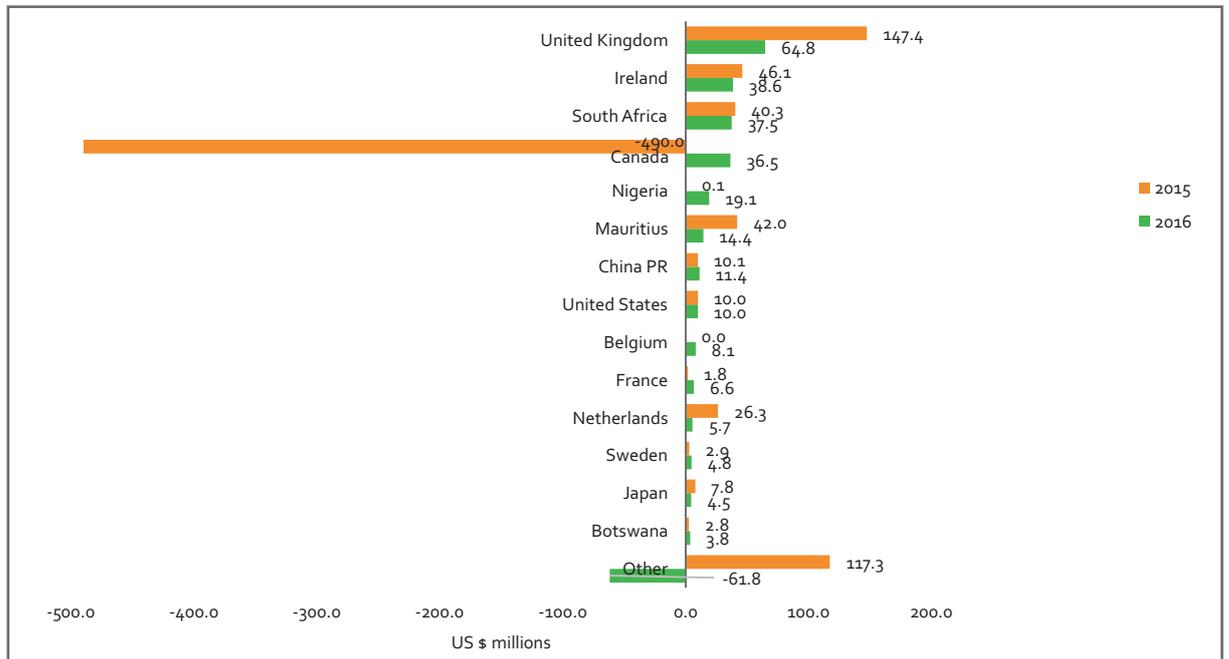
In 2016, MOFAs paid US \$203.8 million net taxes on their income compared to net tax refunds of US \$35.0 million in 2015. The United Kingdom, Ireland, South Africa, and Canada were the major contributors to corporate income tax in 2016. Canada, Nigeria, Belgium, France, Sweden, China and Botswana recorded increases in corporate tax payments in 2016. The United Kingdom, Mauritius, South Africa, Ireland, United States of America, Japan and the Netherlands, however, recorded reduced tax payments (Figure 7.7).



Mining Industry Major Contributor to Taxes



Figure 7.7: Taxes on Income of MOFAs by Immediate Partner Country, 2015-2016

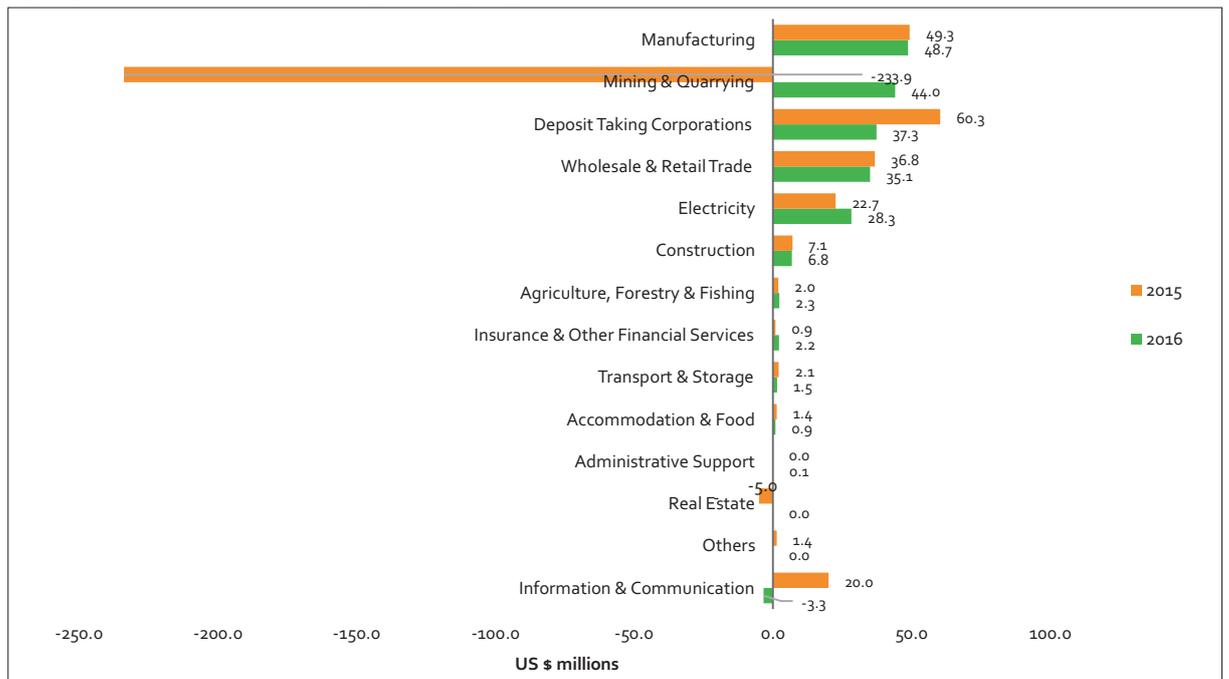


Source: Foreign Private Investment & Investor Perceptions Survey 2017

7.1.2.8 Taxes on Income of MOFAs by Industry

Corporate tax payments by the mining and quarrying significantly increased in 2016. However, manufacturing dominated in payment of taxes on income at US \$48.7 million, followed by mining and quarrying and deposit taking corporations. Nonetheless, deposit-taking corporations recorded significant reductions in tax payments, with the information and communication registering net tax repayments (Figure 7.8).

Figure 7.8: Taxes on Income of MOFAs by Industry, 2015-2016



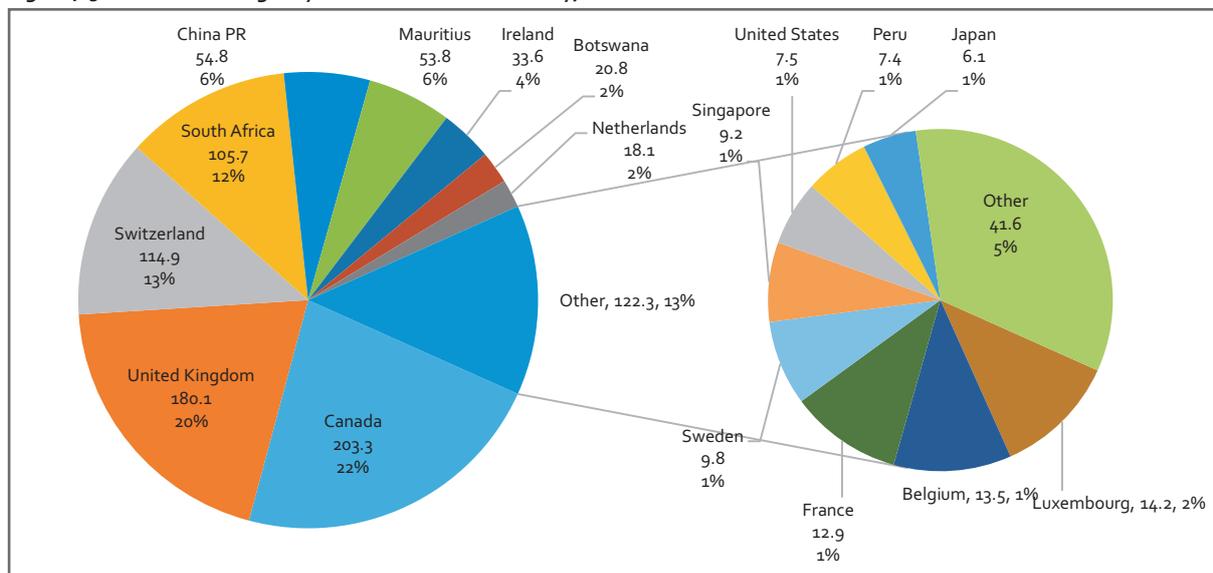
Source: Foreign Private Investment & Investor Perceptions Survey 2017

7.1.2.9 Salaries and Wages by Immediate Partner Country

In 2016, the total compensation of employees by MOFAs was US \$1,271.2 million with Canada, the United Kingdom, Switzerland, South Africa and China collectively accounting for 72.6 percent. Canada accounted for the highest share at 22.4 percent (Figure 7.9).



Figure 7.9: Salaries and Wages by Immediate Partner Country, 2016

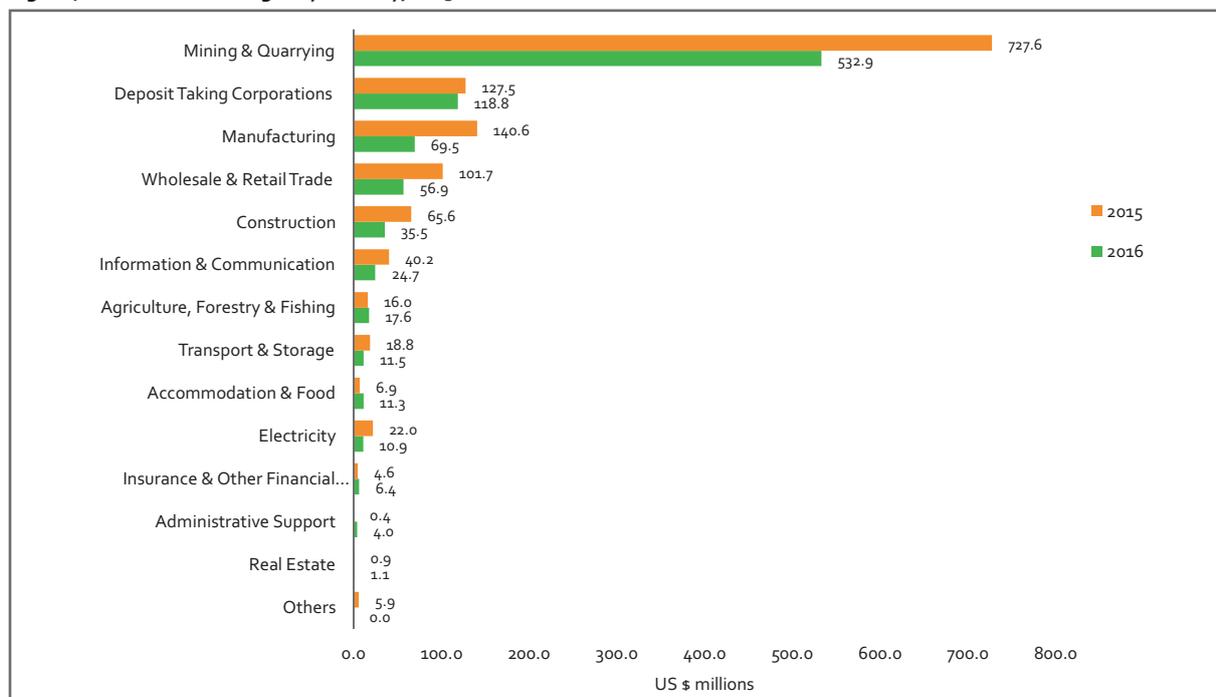


Source: Foreign Private Investment and Investor Perceptions Survey 2017

7.1.2.10 Salaries and Wages of Employees

The mining industry continued to dominate salaries and wages accounting for 58.6 percent, followed by deposit taking corporations (10.9 percent), manufacturing (10.8 percent), and wholesale and retail trade (8.2 percent). Manufacturing, construction, information, communication and electricity recorded notable reductions in 2016. However, mining and quarrying, and deposit taking corporations recorded significant growth in compensation of employees (Figure 7.10).

Figure 7.10 Salaries and Wages by Industry, 2015-2016



Source: Foreign Private Investment and Investor Perceptions Survey 2017

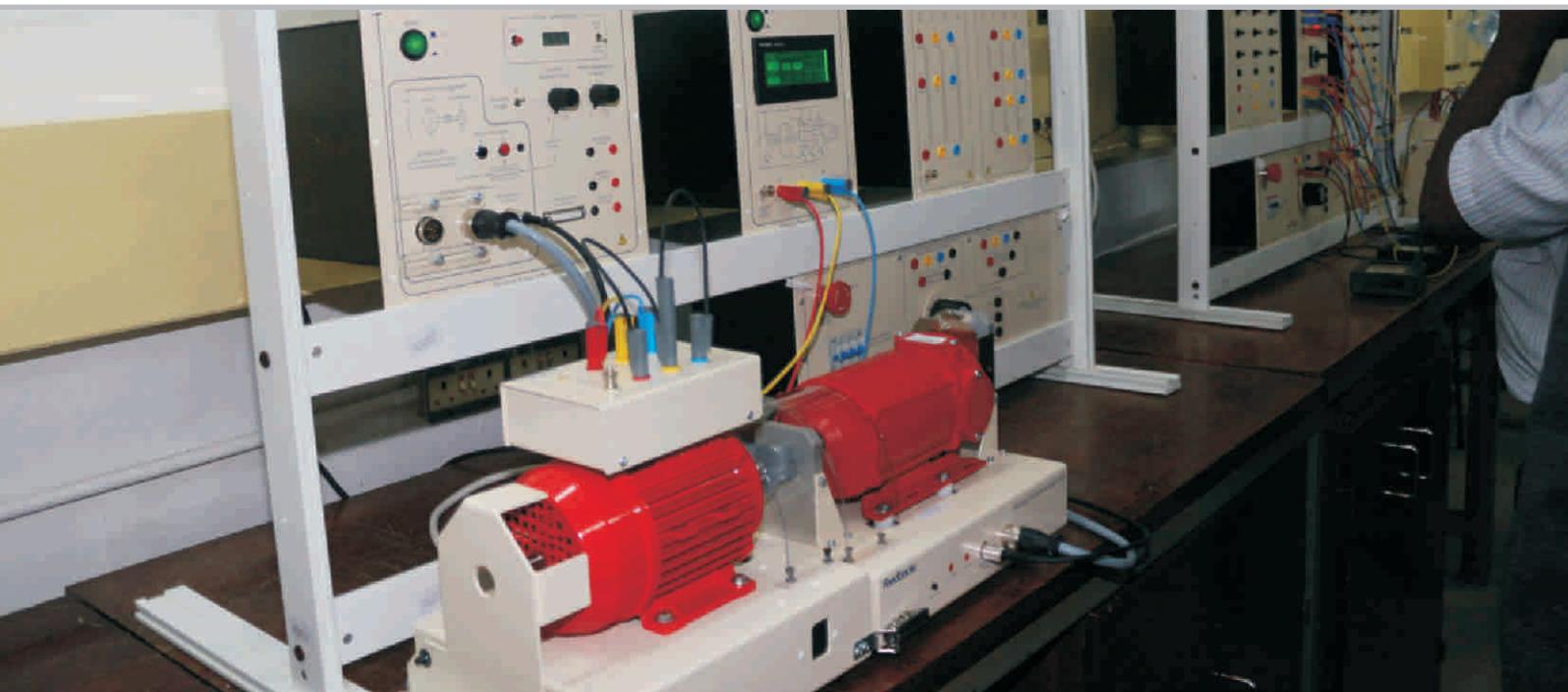
7.1.3 Pure Services Categories of Foreign Affiliates Statistics

The data on pure services categories i.e. ISIC, Rev.4 Categories for Foreign Affiliates in Services (ICFA, Rev.1), by partner country and by industry are presented in Table 14 and Table 15.

**Education is our
most sustainable
investment.**



8.0 CONTRIBUTION TO CORPORATE SOCIAL RESPONSIBILITY





8.0 CONTRIBUTION TO CORPORATE SOCIAL RESPONSIBILITY

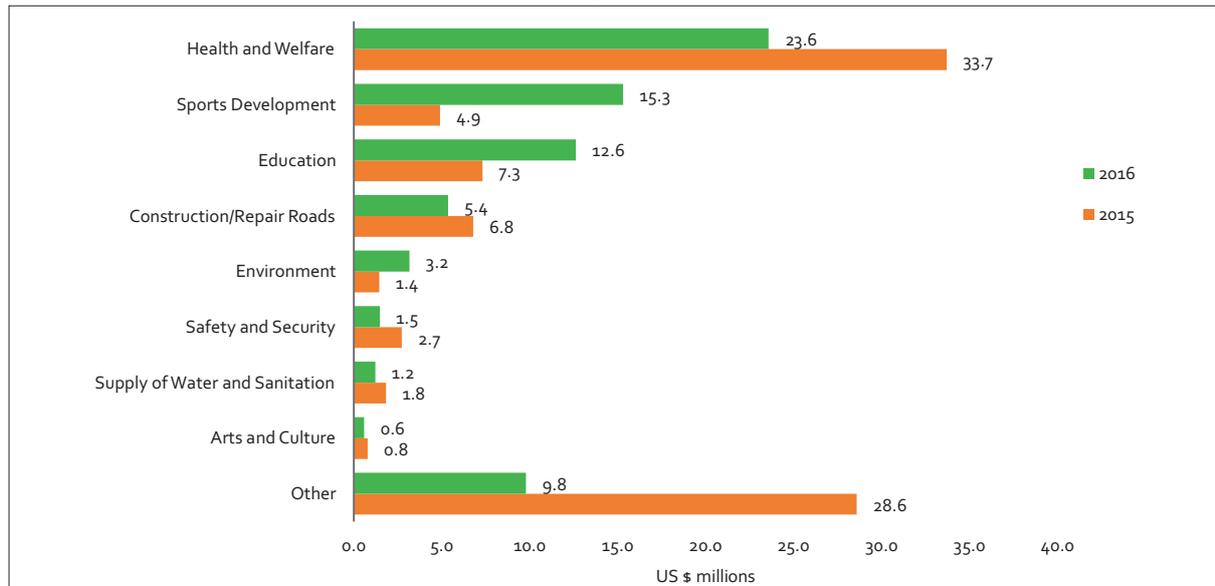
Surveyed companies continued to add value to the communities by volunteering time and resources towards achieving sustainable development. Corporate social responsibility (CSR) activities which included construction/repair of roads education and health, cultural and sporting events among others. In 2016, a total of US \$73.1 million was spent on CSR activities representing a fall of 17.0 percent from US \$88.1 million recorded in 2015.

8.1 Corporate Social Responsibility Expenditure by Category

Analysis of CSR expenditure showed that the health and welfare category recorded US \$23.5 million, representing 32.3 percent. This was followed by sport development (20.9 percent); education (17.3 percent); construction and road repair (7.3 percent) and environment category among others (4.3 percent).

Corporate Social Responsibility expenditure by category showed an overall decline in most categories. The health and welfare category recorded the highest decline to US \$23.6 million from US \$33.7 million while the sport development category recorded the highest increase in expenditure to US \$15.3 million from US \$4.9 million (Figure 8.1).

Figure 8.1: Corporate Social Responsibility Expenditure by Category, 2015 – 2016



Source: Foreign Private Investment and Investor Perceptions in Zambia 2017



To support investment in modern teaching aid, Zesco donated Lab equipment to UNZA

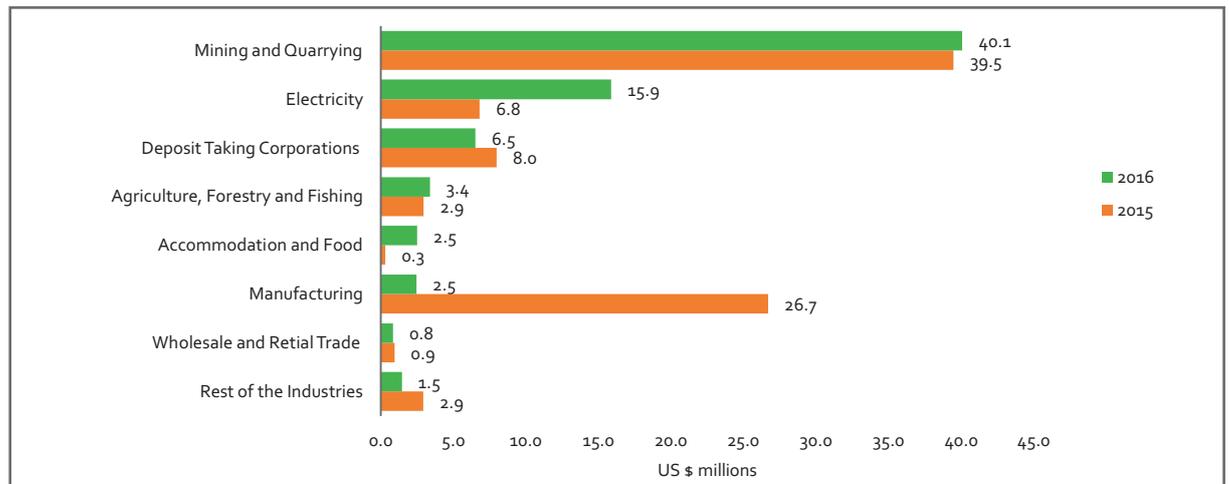


8.2 Corporate Social Responsibility Expenditure by Industry

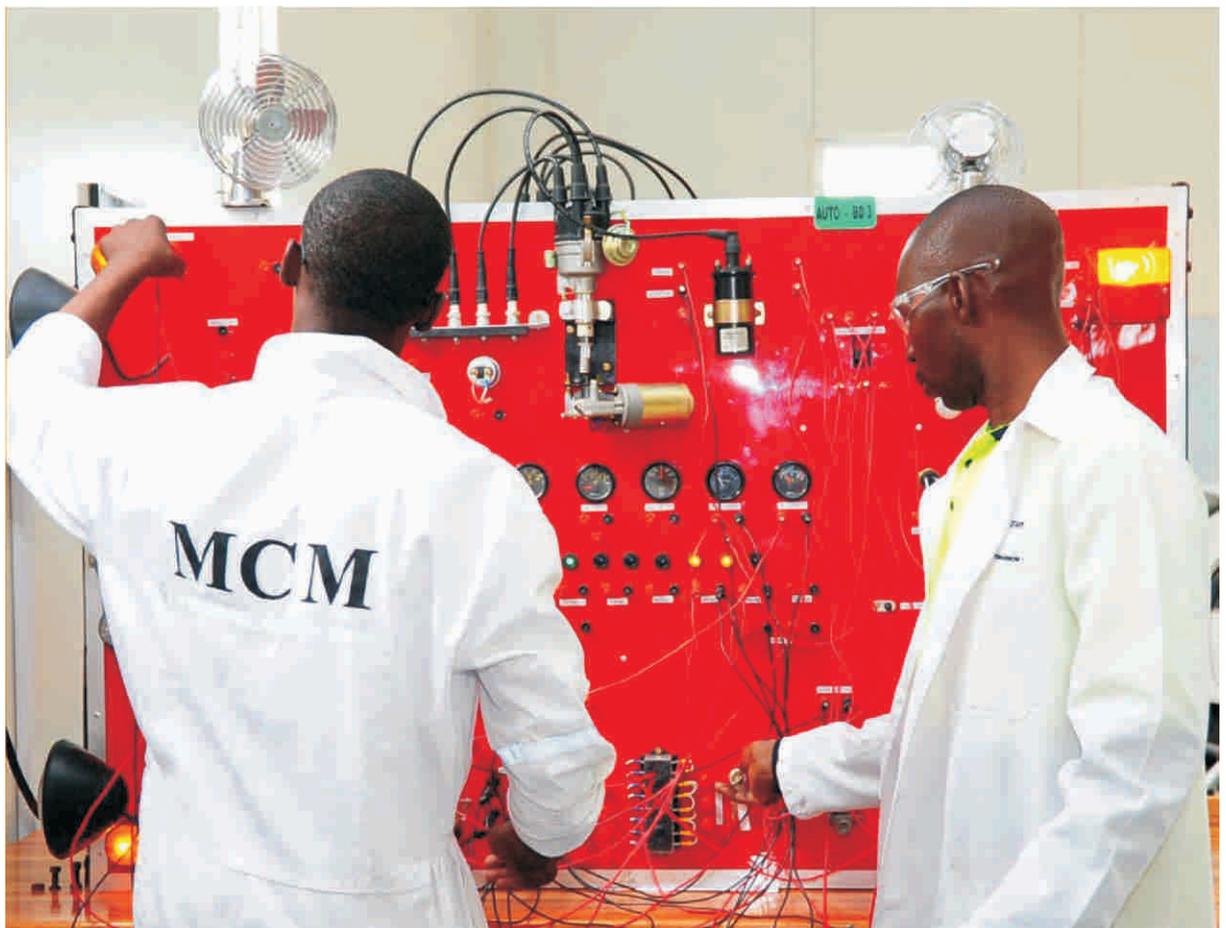
A disaggregation of CSR expenditure by industry indicates that the mining and quarrying industry had the highest contribution in 2016 with US \$40.1 million, representing 54.8 percent. This was followed by the electricity industry (21.7 percent) and deposit taking corporations (8.9 percent). The rest of the industries accounted for the remaining 14.5 percent.

In 2016, the electricity industry recorded the highest increase in CSR expenditure to US\$ 15.9 million from US\$6.8 million. This was followed by the accommodation and food industry that registered US \$2.5 million from US \$0.3 million in 2015. The manufacturing industry recorded the largest fall in CSR expenditure of 91.0 percent to US \$ 2.5 million in 2016 from US \$ 26.7 million in 2015 (Figure 8.2).

Figure 8.2: Corporate Social Responsibility Expenditure by Sector, 2015 – 2016



Source: Foreign Private Investment and Investor Perceptions in Zambia 2017



The Mopani Copper Mines Central Training Centre, investing in skills development in the Zambian mining sector



9.0 INVESTOR PERCEPTIONS





9.0. INVESTOR PERCEPTIONS

9.1 Introduction

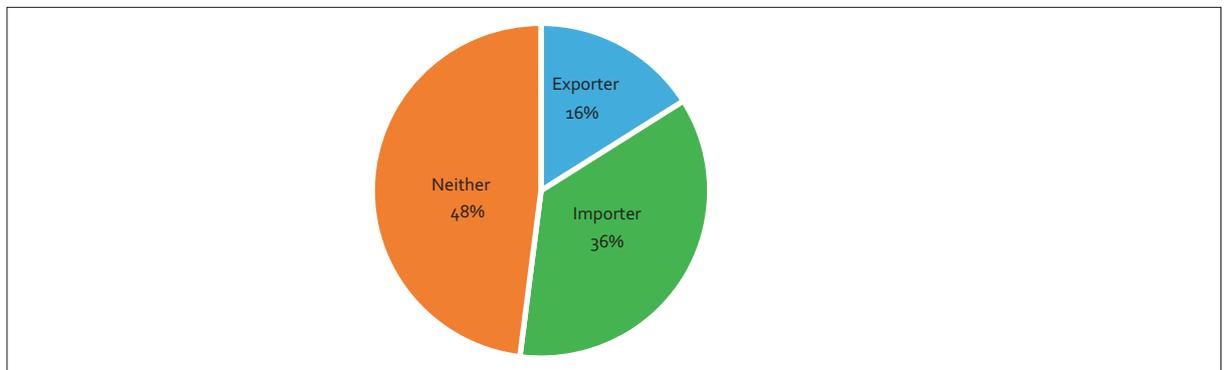
This Chapter analyses Investor perceptions on the investment climate and policy environment, and concludes with private industry investor outlook and expansion strategies.

9.2 Key Findings

9.2.1 Trade Exposure of Respondents

The 2016 survey findings showed that 16.0 percent (2015: 13.0 percent) of the respondents were predominantly exporters, 36.0 percent (39.0 percent) were importers, whilst 48.0 percent of the respondent enterprises in 2016 and 2015 were neither exporters nor importers (Figure 9.1).

Figure 9.1: Trade Exposure of Respondents (Percent), 2016



Source: Foreign Private Investment and Investor Perceptions Survey 2017

9.2.2 Product Market by Destination

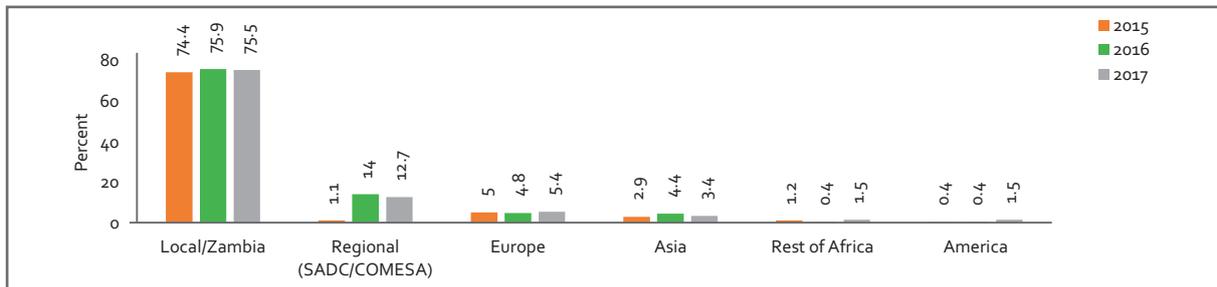
The survey findings indicated that 75.5 percent of the enterprises' market in 2016 was predominantly domestic, declining by 0.4 percentage points from the previous year. Similarly, the share of respondents indicating SADC and COMESA dual membership countries and Asia as their predominant export destinations declined by 1.3 percentage points and 1.0 percentage points to 12.7 percent and 3.4 percent respectively. However, there were increases in the shares of respondents indicating Europe, United States of America and the rest of Africa as their main export markets (Figure 9.2).



Packing of refined sugar at the Zambia Sugar Refinery Plant



Figure 9.2: Product Markets by Destination, 2015 - 2017

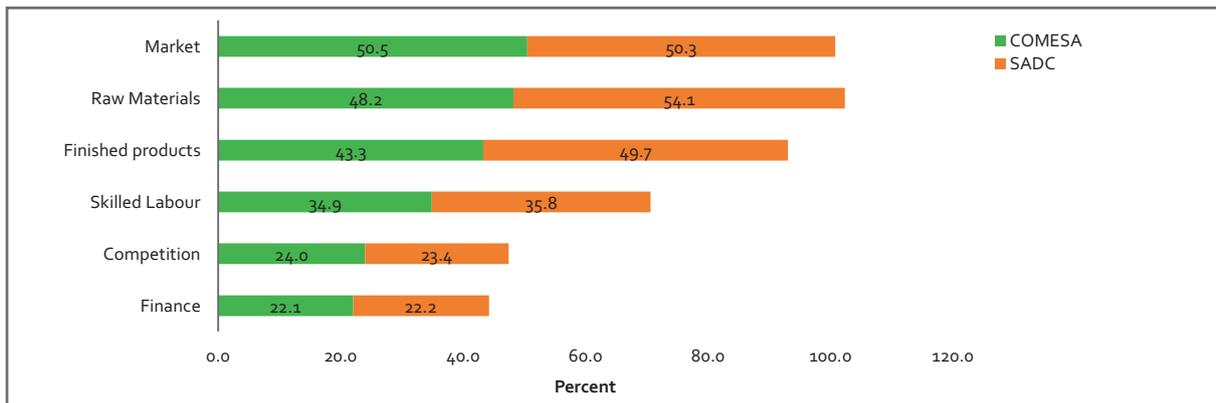


Source: Foreign Private Investment and Investor Perceptions Survey 2017

9.2.3 Impact of SADC and COMESA Membership

The majority of surveyed companies in 2017 indicated that they benefited from the SADC and COMESA bloc as a source and destination market for raw materials, skilled labour, finished products, competition and finance. In this regard, 50.5 percent (53.3 percent) of the respondent companies exported to COMESA while 50.3 percent (54.8 percent) to the SADC market. Further, 48.2 percent and 54.1 percent of respondents indicated having sourced their raw materials from the COMESA and SADC markets respectively (Figure 9.3).

Figure 9.3: Impact of SADC and COMESA Membership, 2017

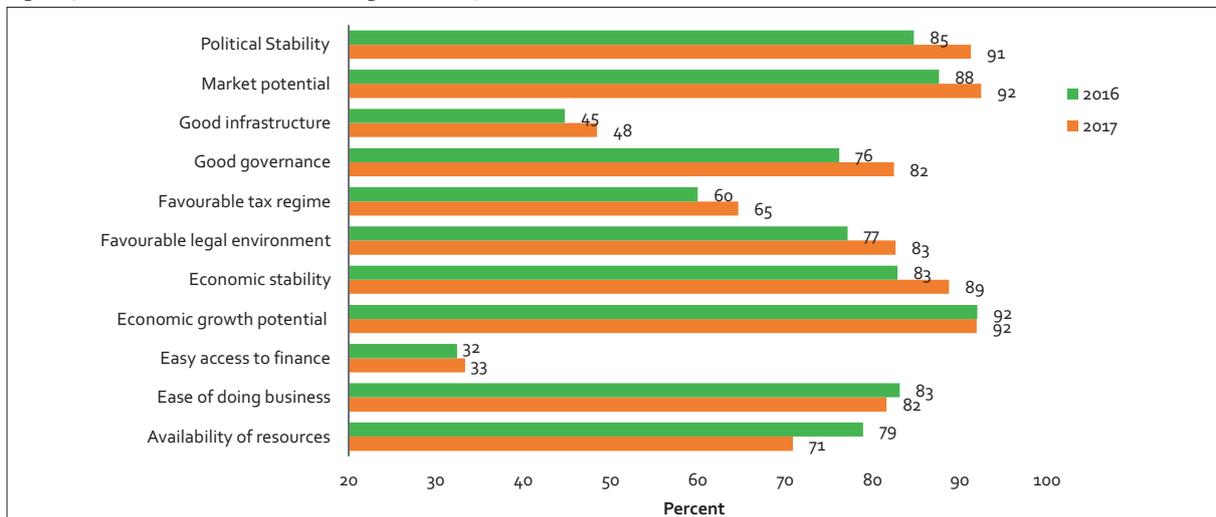


Source: Foreign Private Investment and Investor Perceptions Survey 2017

9.2.4 Main Motivation for Investing in Zambia

The main motivating factors for investing in Zambia were economic growth and market potential both at 92.0 percent, followed by political stability (91.0 percent), economic stability (89.0 percent) and ease of doing business, (82.0 percent) (Figure 9.4).

Figure 9.4: Main Motivation for Investing in Zambia, 2016 - 2017



Source: Foreign Private Investment and Investor Perceptions Survey, 2017

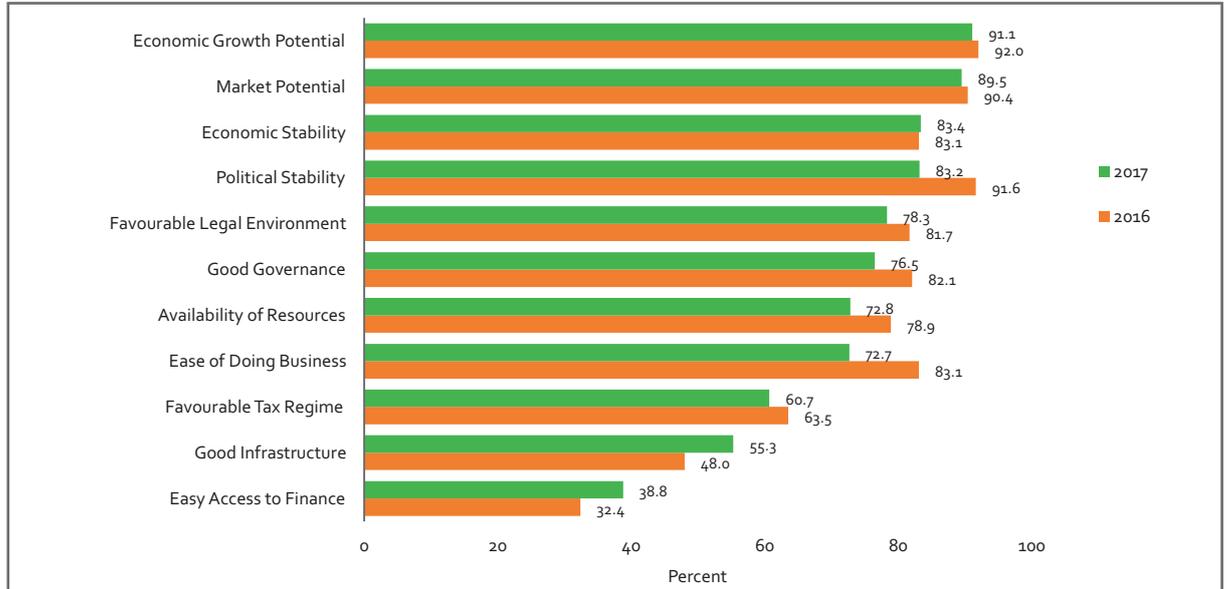




9.2.5 Motivation Factors for Continued Investing in Zambia

In the year under review, 91.1 percent of the surveyed firm's indicated that economic growth potential was the main motivating factor for their continued investment in Zambia. This was followed by market potential (89.5 percent), economic stability (83.4 percent), and political stability (83.2 percent) (Figure 9.4.1).

Figure 9.4.1: Main Motivation Factors for Continued Investing in Zambia, 2017

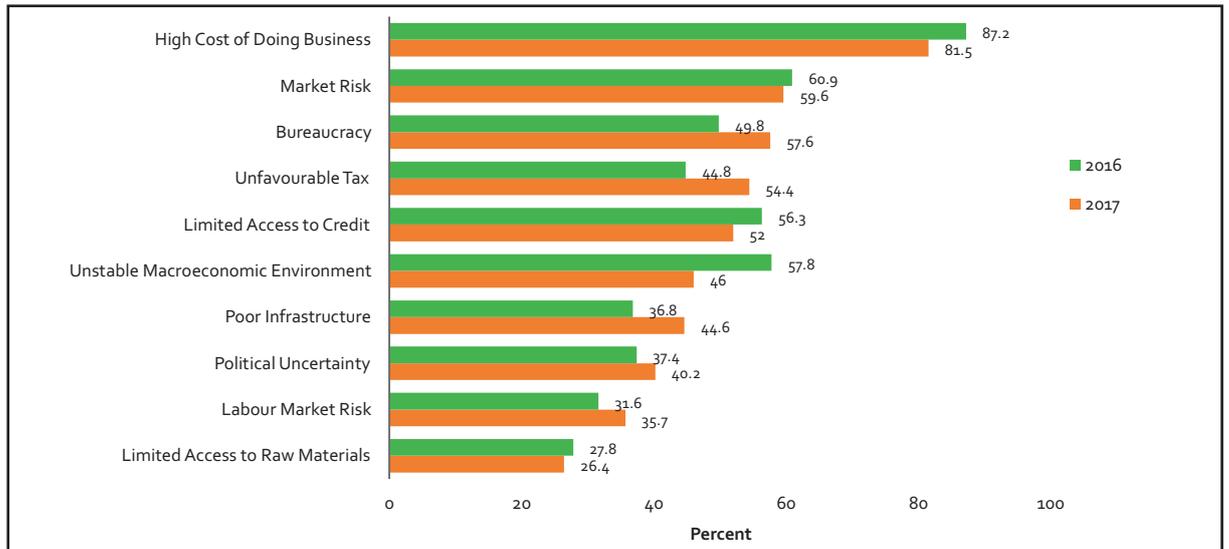


Source: Foreign Private Investment and Investor Perceptions Survey, 2017

9.2.6 Main Risks to Increased Investment

The main risks to increased investment in 2017 declined. The high cost of doing business at 81.5 percent was down from 87.2 percent, market risk 59.6 percent (60.9 percent), and limited access to credit 52.0 percent (56.3 percent) among others (Figure 9.5). However, the share of respondents indicating unfavourable tax as a main risk to investment increased to 54.4 percent from 44.8 percent. The general reduction in risk perceptions suggest an improvement in the investment climate and is expected to stimulate investment inflows.

Figure 9.5: Main Risks to Increased Investment, 2016 - 2017



Source: Foreign Private Investment and Investor Perceptions Survey 2017

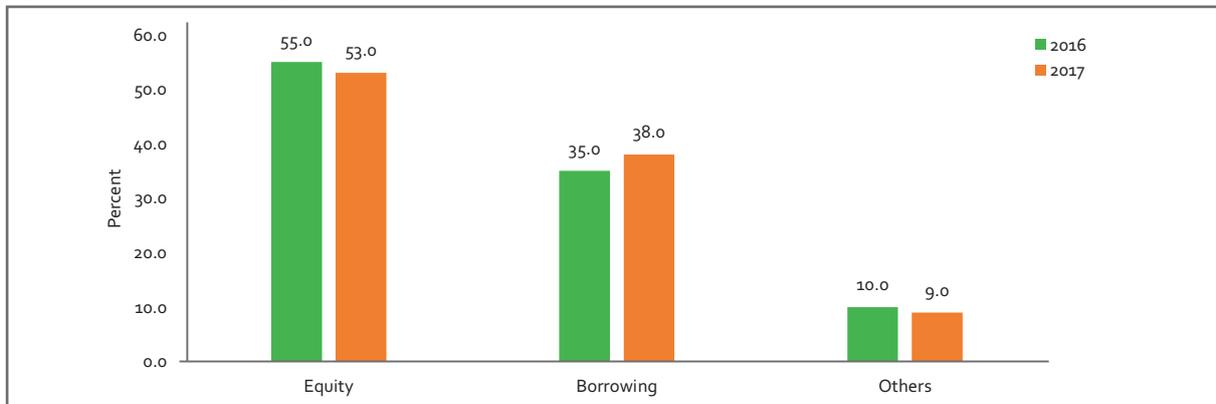
9.2.7 Source of Financing

The survey findings showed that enterprises' reliance on equity as a source of funding reduced while that for borrowing increased. Respondents indicated that equity was the main source of funding in 2017 at 53.0



percent down from 55.0 percent. This was followed by borrowing which increased to 38.0 percent from 35.0 percent while the other sources of funding category declined (Figure 9.6).

Figure 9.6: Source of Financing, 2016 - 2017

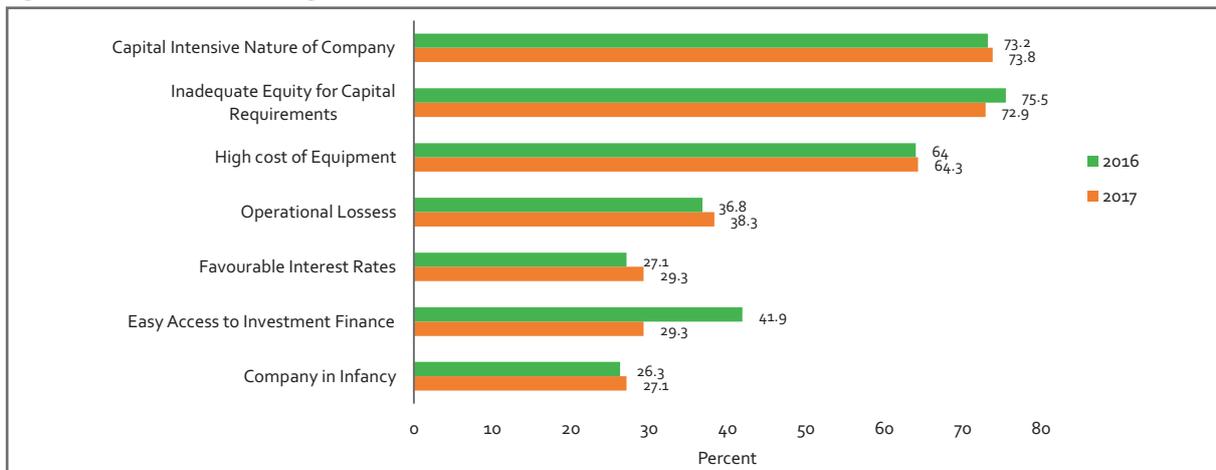


Source: Foreign Private Investment and Investor Perceptions Survey 2017

9.2.7.1 Reasons for Borrowing

The main reasons given by respondents for borrowing were that capital intensive nature of business (73.8 percent) followed by inadequate equity for capital requirements at 72.9 percent; and the high cost of equipment (64.3 percent) (Figure 9.7).

Figure 9.7: Reasons for Borrowing (Percent), 2016 - 2017



Source: Foreign Private Investment and Investor Perceptions Survey 2017



The Livestock sector of the Agriculture Industry in Zambia is expanding with more investment

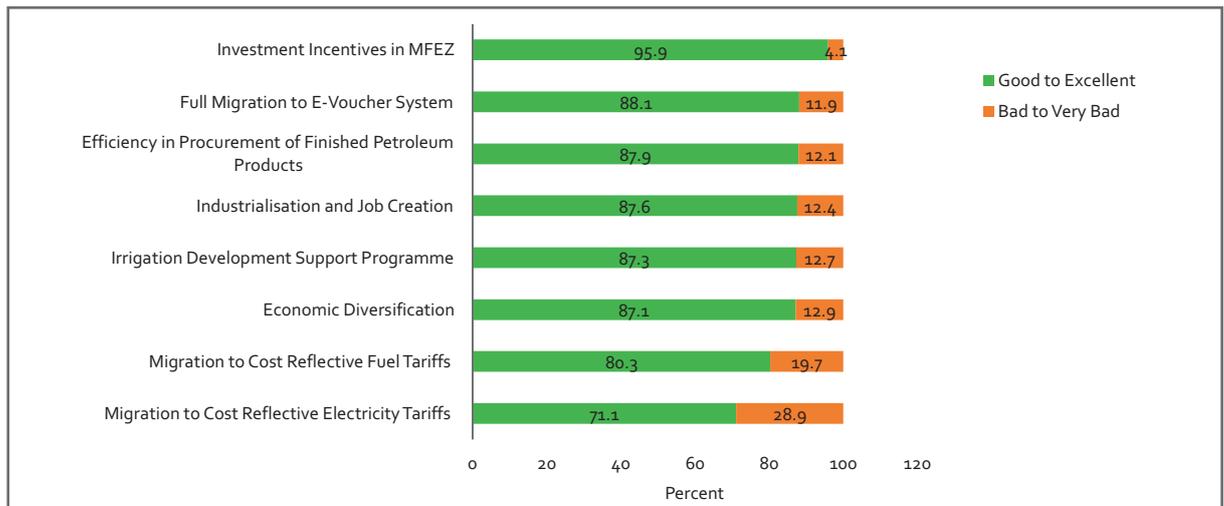




9.2.8 Assessment of Government Policies in Promoting Private Industry Growth and Investment Strategies in the 2017 National Budget

The Government's policy measures, as spelt out in the 2017 national budget were generally well received by the respondents. The survey findings indicated that 95.9 percent of the respondents were in favour of investment incentives in multi-facility economic zones. This was followed by full migration to E-voucher system for farm input support at 88.1 percent of the respondents, improving procurement efficiency of finished petroleum products (87.9 percent), industrialisation and job creation (87.6 percent), irrigation development support programme (87.3 percent), economic diversification (87.1 percent) (Figure 9.8).

Figure 9.8: Government Policies and Strategies in the 2017 National Budget

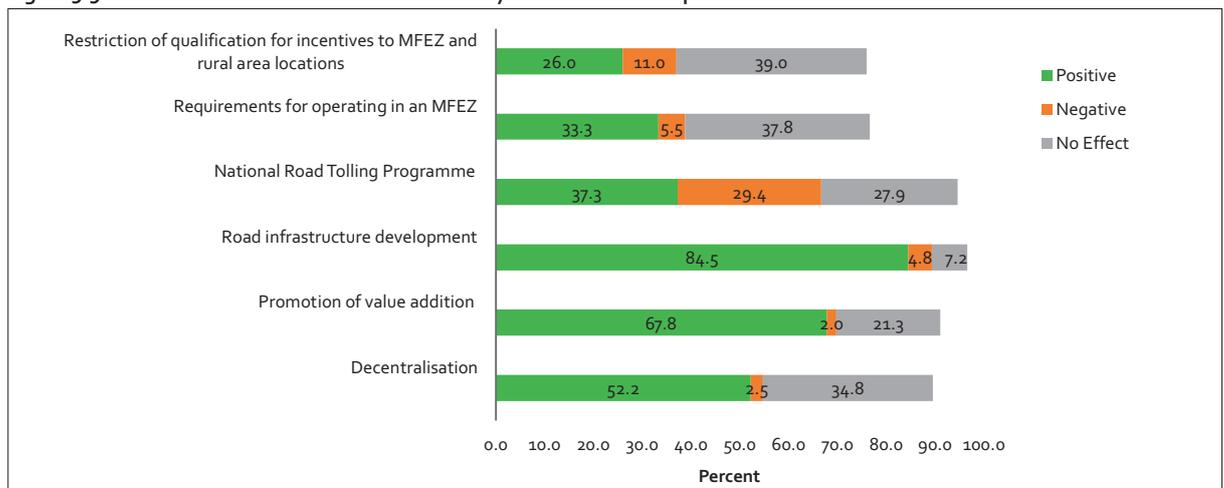


Source: Foreign Private Investment and Investor Perceptions Survey 2017

9.3 Assessment of effect of Government Policy Measures on Enterprise Business

The respondent's assessment of Government policy measures affecting business operations showed that road infrastructure development was positively rated at 84.5 percent, followed by promotion of value addition (67.8 percent) and decentralisation (52.2 percent) (Figure 9.9).

Figure 9.9: Assessment of Effect of Government Policy Measures on Enterprise Business



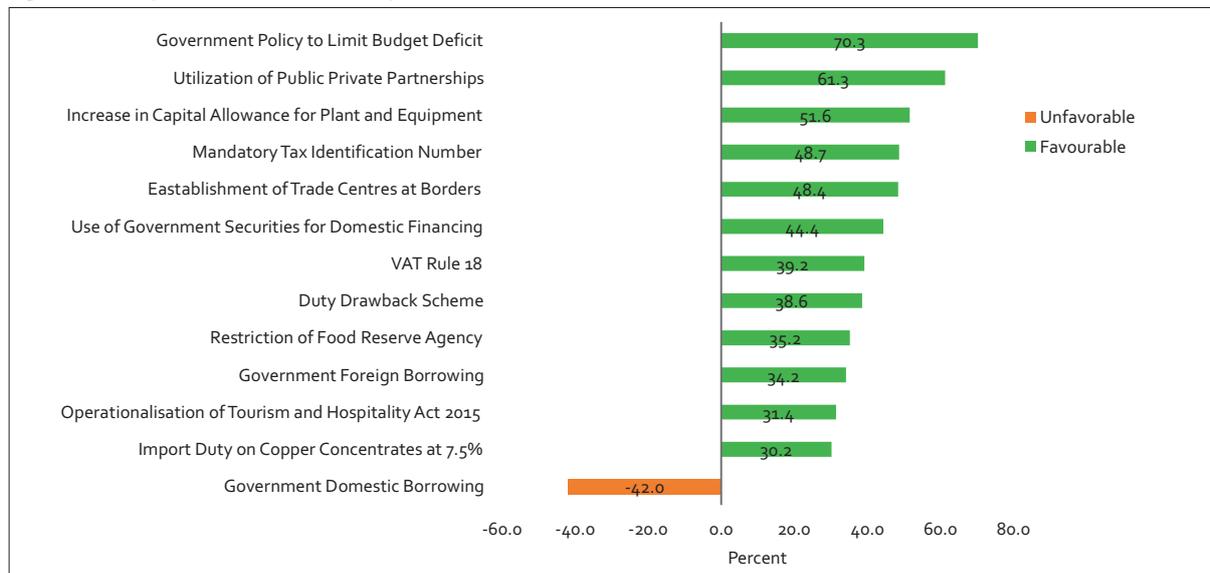
Source: Foreign Private Investment and Investor Perceptions Survey 2017

9.4 Assessment of the Impact of the recent Fiscal Policy Measures on Private Sector Investment

The overall responses to the effect of Government fiscal policy measures were positive. The policy to limit the budget deficit to 3.8 percent of GDP was the most appreciated with 70.3 percent of responses, followed by utilisation of public private partnerships to finance Government projects (61.3 percent), increase in capital allowance for plant and equipment for farming and agro products (51.6 percent) (Figure 9.10).



Figure 9.10: Impact of Recent Fiscal Policy Measures in Sustenance of the Private Sector Investment

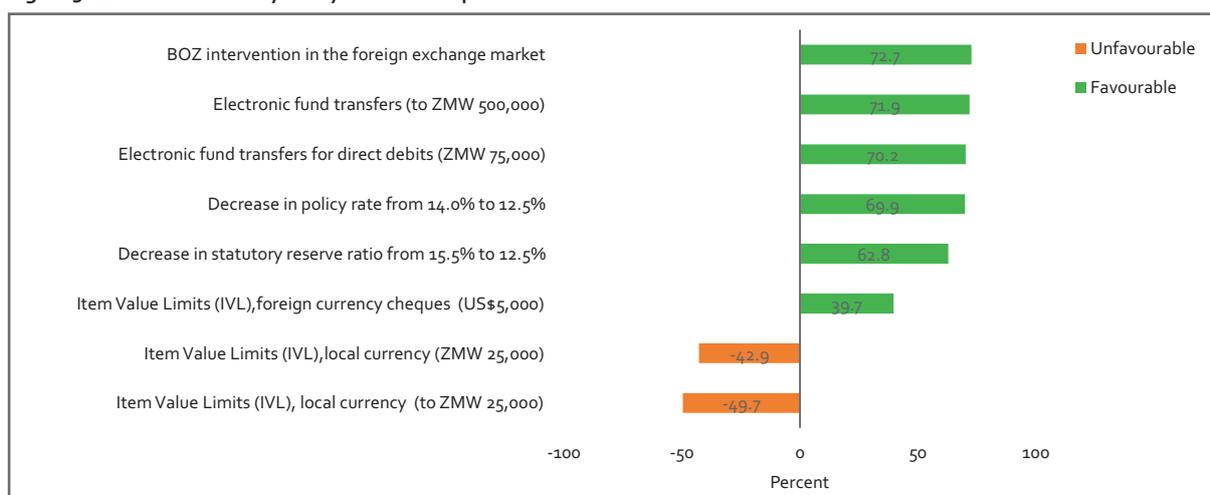


Source: Foreign Private Investment and Investor Perceptions Survey 2017

9.5 Assessment of impact of the recent Monetary Policy Measures on Private Sector Investment

The effects of recent monetary policy measures on business enterprises, were generally assessed to be favourable. The BoZ intervention in the foreign exchange market received the most favourable responses at 72.7 percent. This was followed by measures to increase the item value limits for direct credits and debits from ZMW50,000 to ZMW 75,000 and ZMW100,000 to ZMW 500,000 at 71.9 percent and 70.2 percent respectively. Further, the reduction in the BoZ policy rate and the reduction in the statutory reserve ratios were favoured by 69.9 percent and 62.8 percent of respondents, respectively. However, the revision of the Item Value Limits (IVL) for over the counter local currency denominated cheques (ZMW 25,000) and for local currency denominated cheques through clearing house (from K100,000 to ZMW 25,000) were assessed to have had a negative bearing on their business with 42.9 percent and 49.7 percent of the respondents (Figure 9.11).

Figure 9.11: Recent Monetary Policy Measures Impact on Private Sector Investment



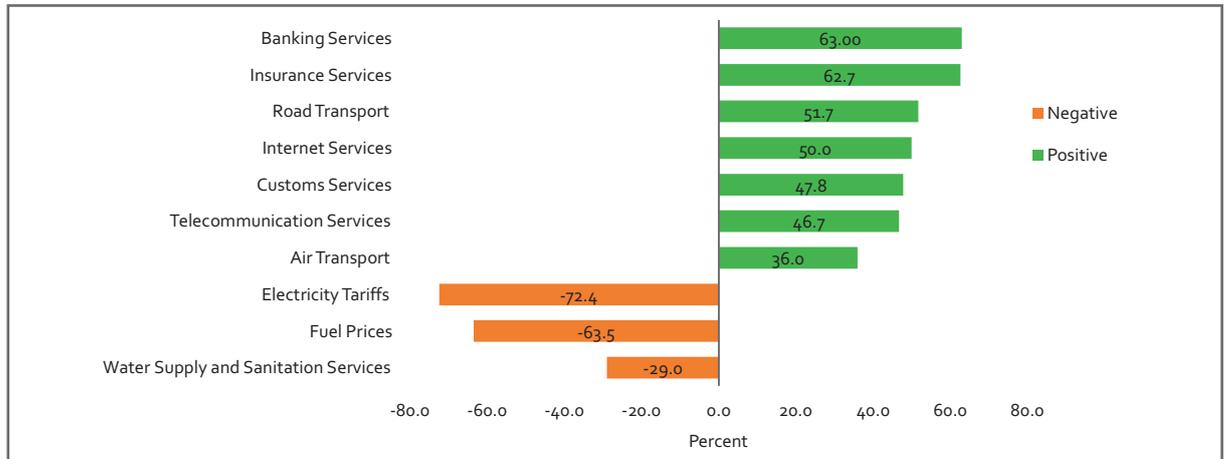
Source: Foreign Private Investment and Investor Perceptions Survey 2017

9.6 Efficiency and Cost of Infrastructure and Services

The survey findings showed that banking services were assessed favourably by 63.0 percent of respondents followed by insurance services (62.7 percent), road transport (51.7 percent) and internet services (50.0 percent). However, electricity tariffs and fuel prices posted negative responses at 72.4 percent and 63.5 percent, respectively (see Figure 9.12).



Figure 9.12: Effect of Transport and Energy Factors, 2017

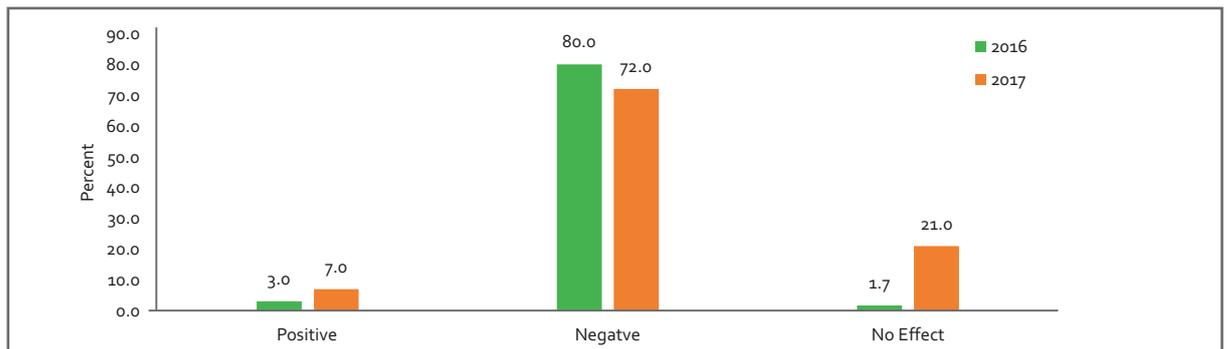


Source: Foreign Private Investment and Investor Perceptions Survey 2017

9.6.1 Effect of Traffic Congestion

According to survey findings, 72.0 percent of respondents indicated that traffic congestion adversely affected their business operations (Figure 9.13).

Figure 9.13: Effects of Traffic Congestion, 2016-2017



Source: Foreign Private Investment and Investor Perceptions Survey 2017

9.6.2 Measures to Reduce Traffic Congestion

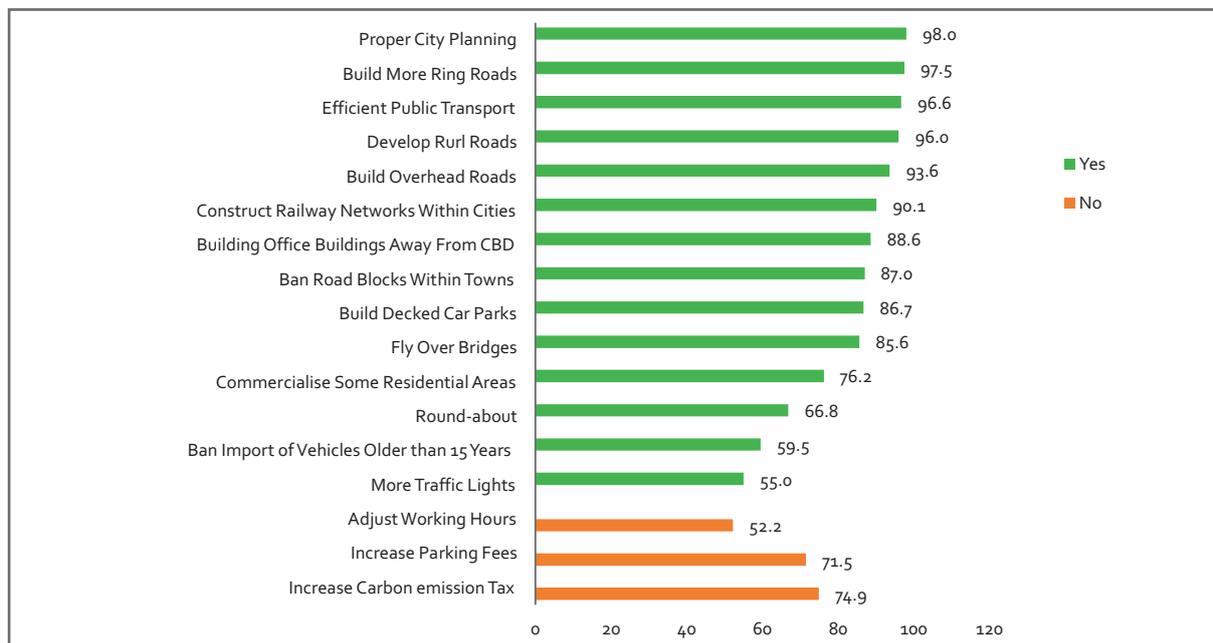
The proportion of respondents at 98.0 percent indicated that proper city planning could be a solution to address traffic congestion. This was followed by a proposal to build more ring roads at 97.5 percent, efficient public transport and development in rural areas both at (96.6 percent), build overhead roads (93.6 percent), and construct railway networks within cities (90.1 percent), (Figure 9.14).



Construction of road infrastructure, improving access to markets



Figure 9.14: Measures to Reduce Traffic Congestion, 2017

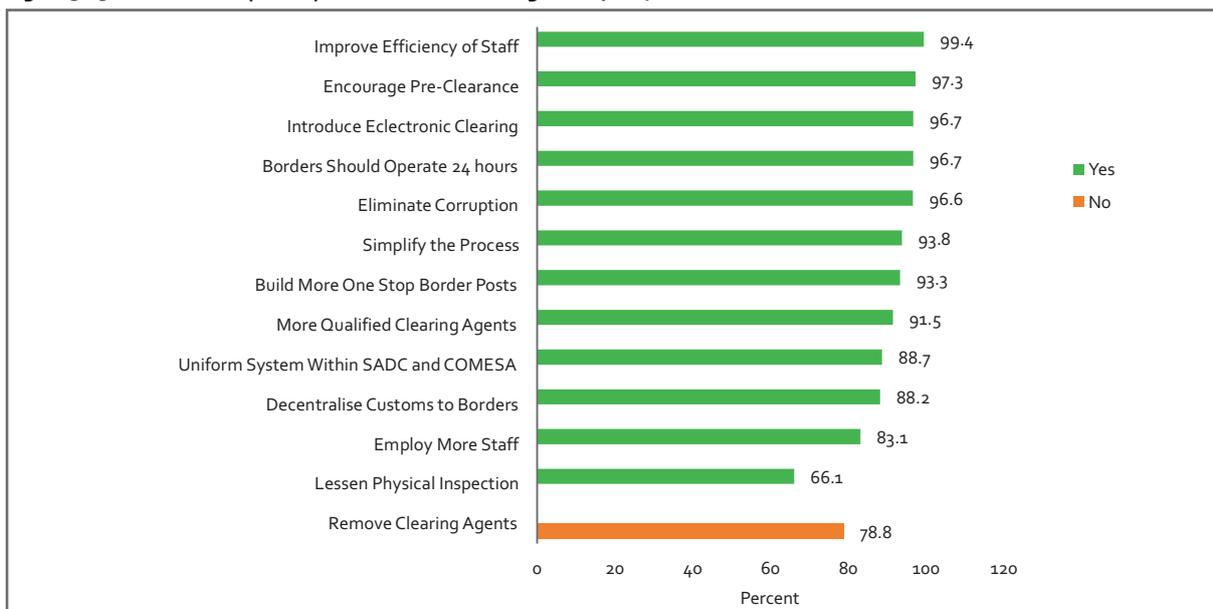


Source: Foreign Private Investment and Investor Perceptions Survey 2017

9.6.3 Time and Efficiency of Clearing Goods Process at the Border

The survey findings indicated that improving efficiency of staff at 99.4 percent were the most favoured measures aimed at speeding up the process of clearing goods, followed by encouraging preclearance (97.3 percent), operation of borders 24 hours daily and introducing electronic clearing both factors at 96.7 percent among other measures. However, the survey findings revealed that removing clearing agents posted a negative response of 78.8 percent (Figure 9.15).

Figure 9.15: Measures to Speed Up the Process of Clearing Goods, 2017



Source: Foreign Private Investment and Investor Perceptions Survey 2017

9.7 Service Delivery by Government Ministries and Statutory Bodies

The assessment of the Government Agencies' service delivery was generally favourable. The agencies whose service delivery was assessed as good to excellent included the Patents and Company Registration Agency (PACRA) with 90.5 percent of respondents, followed by the Bank of Zambia (BoZ) (88.1 percent),



National Pension Scheme Authority (NAPSA) (85.6 percent), Ministry of Finance and the Zambia Development Agency (ZDA) both at 77.1 percent.

The agencies that were ranked as poor in service delivery were Local Authorities (Councils) at 43.3 percent and Zambia Police Service (42.7 percent) was assessed the worst by the majority of respondents (Table 9.1).

Table 9.1: Service Delivery by Government Ministries and Statutory Bodies (Percent), 2015-2017

Institution	2015	2016	2017
Patents and Company Registration	87.0	91.3	90.5
Bank of Zambia	80.8	89.1	88.1
Ministry of Finance	62.9	67.5	77.1
Zambia Development Agency	79.4	80.4	77.1
Road Transport and Safety Agency	76.1	76.9	76.0
Zambia Revenue Authority	76.3	77.8	75.0
Zambia Information and communication Technologies Authority	69.3	68.1	71.6
Zambia Environmental Management Agency	69.1	65.9	69.7
Ministry of Commerce Trade and Industry	70.6	66.1	69.5
Road Development Agency	66.0	68.6	68.8
Energy Regulation Board	57.3	61.4	63.8
Utilities Companies	54.4	54.1	60.2
Ministry of Transport and Communication	57.4	53.7	58.1
Zambia Public Procurement Authority	53.8	51.1	52.0
Ministry of Works and Supply	57.4	50.4	48.5
Ministry of Tourism and Arts	56.1	48.7	46.5
Local Authorities (Councils)	46.3	42.4	43.3
Zambia Police	54.8	44.5	42.7

Source: Foreign Private Investment & Investor Perceptions Survey, 2017

9.8 Assessment of Ease of Doing Business

The surveyed respondents were asked to rate the ease of doing business in Zambia based on factors provided using a scale from excellent to very bad. To this effect, the results of the survey indicated that Government's efforts in promoting investment were rated favourably with starting a business receiving the highest approval rating at 84.7 percent of the respondents. The overall ease of doing business was second at 78.3 percent, labour market regulation (77.4 percent) and paying taxes (76.4 percent) (Table 9.2).

Figure 9.2: Assessment of Ease of Doing Business, 2013-2017

Doing Business Factors	2013	2014	2015	2016	2017
Starting a Business	73.0	80.3	81.3	83.8	84.7
Overall Ease of Doing Business	82.0	71.3	73.1	75.4	78.3
Labour Market Regulation	70.0	74.7	51.5		77.4
Paying Taxes	70.0	72.3	67.2	70.2	76.4
Protecting Investors	70.0	73.4	51.5	49.4	55.7
Registering Property	61.0	63.1	54.1	50.0	47.6
Trading Across Borders	51.0	59.6	59.1	48.5	45.5
Enforcing Contracts	53.0	59.6	59.1	46.4	43.7
Dealing with Permits	44.0	51.6	47.1	57.3	39.8
Getting Credit	48.0	47.6	50.0	39.5	39.7
Closing a Business	47.0	52.7		25.8	32.1

Source: Foreign Private Investment & Investor Perceptions Survey, 2017

*A new question introduced in the Doing Business 2016 Report for the first time.

9.9 Factors Discouraging Foreign Investment in Zambia

The survey findings showed that most respondents considered the following factors as having hindered investment in Zambia; High cost of borrowing at 92.9 percent, corruption (87.2 percent), high energy cost (82.6), contract litigations take too long (80.0 percent), exchange rate instability (78.4 percent), high tax burden (77.3 percent), inefficient public services (76.2 percent), access to credit is difficult (75.0 percent), too much red tape (73.5 percent), high licence requirements (68.9 percent) and power supply deficit (62.6 percent) (Table 9.3).



Table 9.3: Factors Discouraging Foreign Investment in Zambia (Percent), 2016 and 2017

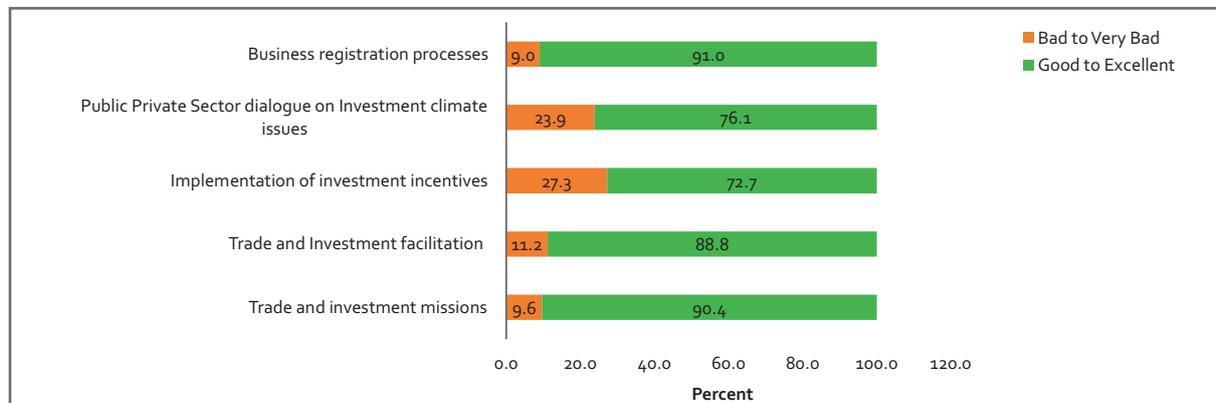
Factors	2016	2017
High Cost of Borrowing	91.7	92.9
Corruption	85.5	87.2
High Energy Cost	83.2	82.6
Contract Litigation Cases Take Too Long	72.7	80.0
Exchange Rate Instability	96.6	78.4
High Tax Burden	72.4	77.3
Inefficient Public Service	78.0	76.2
Access to Credit is Difficult	35.0	75.0
Too Much Red Tape	68.2	73.5
Too Many License Requirements	65.4	69.2
High License Requirements	60.8	68.9
Inconsistent Government Policies	70.4	65.3
Power Supply Deficit	91.0	62.6

Source: Foreign Private Investment & Investor Perceptions Survey, 2017

9.9.1 Government's efforts in Promoting Investment

Government's efforts in promotion of investment were well received by respondents. The most applauded factor was the business registration process, with 91.0 percent of respondents rating it as good to excellent. This was followed by trade and investment missions (90.4 percent), trade and investment facilitation (88.8 percent), public private sector dialogue on investment climate issues (76.1 percent), and implementation of investment incentives (72.7 percent), (Figure 9.16). In addition, most firms highlighted a number of other factors that are necessary for enhancing productivity and profitability. These included exchange rate stability, political stability, consistency in government policy, stable and sustainable tax system, efficiency in public service, fighting corruption, infrastructure development, and reduction of interest rates.

Figure 9.16 Government's Efforts in Promoting Investment, 2017



Source: Foreign Private Investment and Investor Perceptions Survey 2017



Tourism - An aerial view of Victoria Falls

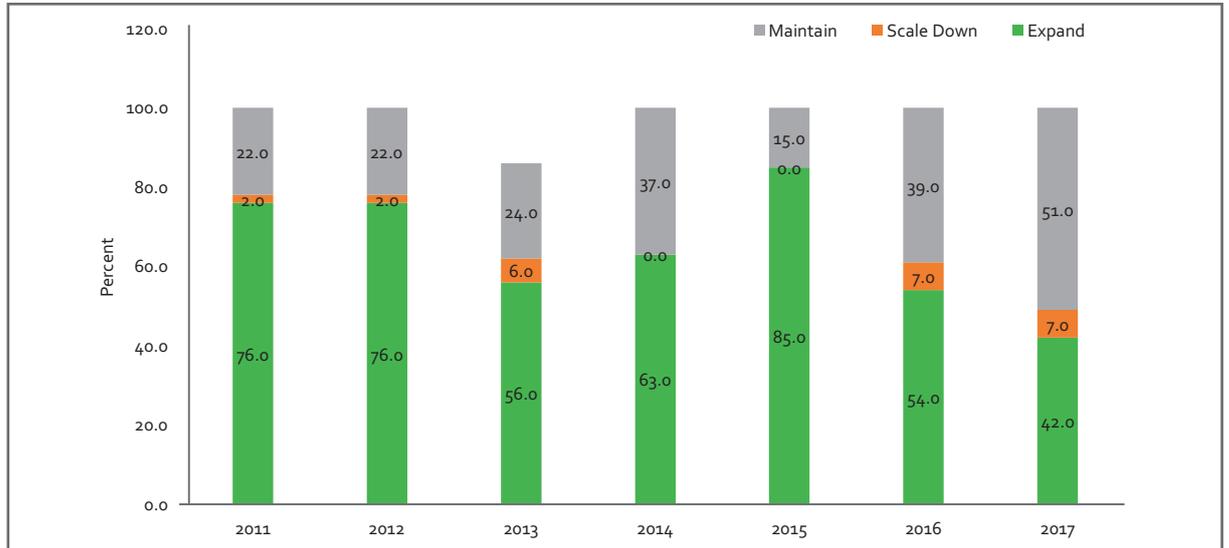


9.10 Investor Outlook and Expansion Strategies

9.10.1 Expansion Prospects and Strategies

The survey findings revealed that 51.0 percent of the respondents indicated that they would maintain the current size while 42.0 percent plan to expand their businesses (Figure 9.17).

Figure 9.17: Expansion Prospects, 2011-2017



Source: Foreign Private Investment and Investor Perceptions Survey 2017

In terms of expansion strategies, the most preferred ones were the expansion of the existing facility and value addition, both at 67.1 percent of the respondents, followed by the acquisition of machinery and equipment (62.6 percent), construction of new buildings (46.3 percent) and diversification (39.3 percent). The least preferred expansion strategies considered were through mergers (8.7 percent), investing outside (13.3 percent) and acquisition (21.0 percent) (Figure 9.18).

Figure 9.18: Expansion Strategies, 2017



Source: Foreign Private Investment and Investor Perceptions Survey 2017



**10. REPORT OF THE PROCEEDINGS OF
THE PCF DISSEMINATION WORKSHOP**





10. REPORT ON THE PROCEEDINGS OF THE PCF DISSEMINATION

Opening Remarks by the Deputy Governor - Operations

Dr. Bwalya Ng'andu, the Deputy Governor - Operations (DGO) officially opened the dissemination workshop and expressed his gratitude to the Balance of Payments Technical Committee for conducting the survey. The DGO also expressed his gratitude to the respondents of the survey and assured them that the survey design minimizes the inconvenience caused to them. The DGO also reiterated that fiscal and monetary policy in 2016 focused on stabilizing the macroeconomic environment, following the challenges experience in 2015. The DGO also summarized the main findings of the survey.

A. Discussion and comments on the quantitative survey findings

1. A representative from the Road Traffic and Safety Agency wanted to know the sampling criteria used to sample the over 300 companies that were sampled in the survey. Secondly, he asked the presenter to educate the meeting on what was meant by the terms FDI assets and liabilities.

Response

In his response, Mr. Zyuulu, assistant director in-charge the balance of payments and debt at the Bank of Zambia explained that in its sampling procedure, the Bank uses a two stage procedure utilizing both probability (or none purposive) and none-probability (or purposive sampling). Under none-purposive sampling, all companies that reported to have foreign assets and liabilities (FAL) in the previous survey are purposively returned to be part of the current sample while taking due care that companies with sizable FAL are all included. He emphasized that this ensured that the major stocks and transactions in FAL were captured. Under probability (or purposive) sampling, Mr. Zyuulu explained that the remainder of the sample is selected based on the "Kish method" of sampling. This method ensured that companies with bigger FAL stand a better chance of being selected than their smaller counterparts.

On the question of FDI assets and liabilities, Mr. Zyuulu explained that the Bank relied on standard definitions as defined in the latest IMF Balance of Payments and International Investment Position Manual (BPM6) and the UNCTAD's manual for Manual on Statistics of International Trade in Services (MSISTS 2010). In this regard, he clarified that foreign FDI inflows were referred to as FDI liabilities because they represented a future claim by foreigners on Zambia. These claims could be in various forms including profits, dividends, interest, dis-investment, etc. on the other hand Zambia's FDI assets were called as such because they represented Zambia's claim on the rest of the world. To simplify the two terminologies, he gave an example of Zambia's investment in Nigeria or Ghana. He said that such investments are Zambia's assets to these countries because Zambia expects future economic flows from these countries such as dividends and interest while these countries' investments in Zambia is Zambia's FDI liabilities because similar economic outflows are expected from Zambia to these countries in future.

2. A representative from Ecobank, asked the presenter what the impact of very big companies such as big mines was in case of none-responses from these mines. Specifically, he wanted to know if such none-response would skew the results of the survey.

Response

In his response, Mr. Zyuulu argued with the fact that indeed none response of a big company will have a skewing effect on the results of the survey. However, he assured the meeting that the Bank takes all possible measures to ensure that it does or happen, including escalating the situation to higher offices. He informed the meeting that the survey would not be completed without responses from big mining companies.

3. A representative from Cabinet Office wanted to know the kinds of jobs that were created in 2016.

Response

In responding to this question, Ms. Ngandwe of the Bank of Zambia explained that while it was possible to get details of the kinds of jobs that were being created, the draft report did not go into such detailed analysis. She informed the meeting that the technical team can avail the data on request.



4. A representative from DFID asked the presenter to detail further the type of manufacturing activities that were registering the high growth noted in the report. Secondly, he wanted to know which companies and what economic activities the companies from the British Virgin Islands are engaged in given its prominence as a source country for Zambia's FDI inflows.

Response

The presenter responded by saying that a good number of manufacturing activities registered growth in the review period. Chief among these was cement production, beverages and electricity generation. On the companies and economic sectors of companies from the British Virgin Islands, Mr. Zyuulu replied that Bank does not disclose specific company information for confidentiality purposes. He further clarified that the companies may not be physically located in the British Virgin Islands for production activities but that some companies tended to locate their offices there for management purposes and other economic considerations.

5. His Excellency, the Malawi High Commissioner to Zambia wanted to know what the incentive investment regime for Zambia was. He asked this question in view of the fact that most African countries tended to overprovide such incentives.

Response

In providing the answer to this question, Mr. Siffula from ZDA accepted that incentives tended to be high in LDC's generally as compared to advanced economies. He explained that this was so because the cost of doing business particularly infrastructure was relative higher in LDC's. For Zambia, he explained that the incentive regime currently in place takes into account priority sectors, amount of investment and the location of the investment. Among other things, companies investing in Government's identified priority sectors, above the threshold of USD500, 000 for foreigners and USD250, 000 for locals or in rural or MFEZ areas qualified for special incentives.

6. A representative from Zambia Information and Communications Technology Authority asked the presenter to share with the meeting what policy actions were authorities were taking to address the bottlenecks to FDI that the report highlighted.

Response

Dr. B. Ng'andu – the Deputy Governor Operations responded to Mr. Chisanga's question by highlighting that the main reason why this survey is undertaken was to inform policy making. He told the meeting that the Bank always took into account survey findings in its decision making process. He further expressed confidence that other relevant institutions also made use of the survey findings. In this regard, he gave an example of ZDA, which he said utilised the survey findings to inform various policy choices such as the review of the incentive regime.

B. Discussion and Comments on the Investor Perceptions Findings

1. A representative from the Irish embassy expressed concern on the quality and availability of skills in Zambia which in his view was not adequate and thus impacted on the quality of jobs that were being created in the country.

Response

In his response, Mr. Siffula agreed with the sentiments indicating that in the previous surveys some respondents had expressed similar concerns. He said that this was particularly so with technical skills in the mining and manufacturing sectors.



2. A representative from Alliance Finance Zambia wanted to know what was being done to address the drop in the FDI as revealed by the survey findings.

Response

Mr. Zyuulu addressed this question by stating that the drop in FDI flows in 2016 was as a result of a combination of both external and internal factors. On the external front, he gave an example of the slowdown in the global economy particularly the decline in commodity prices as the major factor that affected investment flows into Zambia. He added that the long term solution to mitigate some of these external vulnerabilities was to diversify the economy away from its traditional exports of metals to other goods and services. On the domestic front, he cited the challenges of inadequate infrastructure, power shortages, disease burden, technical skills and the macro instability that was experienced in the past few years. However, he pointed out that the central Bank had to undertake measures which successfully reigned in inflation and restored macro-economic stability. He urged other institutions to do the same in addressing some of the concerns by investors pertaining to their mandates.

3. A representative from First National Bank (FNB) expressed concern on the levels of Government debt and arrears which he said were crippling the economy. He therefore asked the presenter to tell the meeting whether enough measures were being taken to address these issues. He further expressed concern over the high levels of corruption which he said had been high for a very long time and was not showing any signs of coming down.

Response

In his response, Mr. Zyuulu agreed with the sentiments that the fiscal situation was impacting negatively on the economy. However, he stressed the fact that Government in its 2018 budget had officially committed to improving the fiscal situation by reducing the budget deficit, paying-off arrears and shifting from external to domestic borrowing. He expressed optimism that the measures put in place by the Government would bear fruit. On the question of corruption, Mr. Zyuulu noted that the relevant institutions such as the Anti-Corruption Commission and the Police needed to be strengthened and step-up the efforts to fight corruption.

4. A representative from the Lusaka City Council (LCC) wanted to find out whether the institutions that were identified by investors as having improved had been recognized or rewarded in some way so that it could provide an incentive for other institutions to do the same.

Response

Mr. Sifafula noted that this was a good suggestion. He noted that perhaps the relevant authorities could partner with the private sector to provide some incentive to improving institutions.

5. His Excellency, the Malawi High Commissioner to Zambia asked the presenter if the influence of Brexit was assessed in the survey. He also suggested that probably the influence of peace on Zambia's FDI inflows was being overplayed. He premised his suggestion on the fact that despite Zambia being peaceful since independence, the FDI inflows into the country are far much less than the levels obtaining in less peaceful nations. Thirdly, he requested the presenters if the impact of the tripartite arrangements between SADC, COMESA and the EAC was being assessed in the survey.

Response

The presenters well noted His Excellency the High Commissioner's comments and suggestions.



Presentation by the Managing Director – Zambia Sugar

The Managing Director highlighted the various phases that company had undergone over the years, with ownership changes. The company is now a public limited company. Recently between 2007 and 2009, the company spent US \$900 million on expansion projects. As part of its shared value project it launched an out grower scheme for the small-scale farmers within Mazabuka. However, she also highlighted weak economic fundamentals (such as high interest rates and volatile exchange rate), cane pests and diseases as the major challenges that the company was facing. She also noted the challenge of lower sugar prices on the international market.

Presentation by the Managing Director – Sulzer Pumps

Mr. Riaan Loots, the Managing Director showed a short film detailing the company's profile. He then explained the interventions that implemented to increase the company's profitability and highlighted the company's vision and future expansion plans.

Closing Remarks by the Acting Director General – Zambia Development Agency

In her closing remarks Ms. Cecilia Nyalugwe Acting Director General believed that the gathering was fruitful and the interactions beneficial for the public and private sectors, as well as the cooperating partners. Further, she stressed that monitoring and analyzing of capital flows as well as investor perceptions fed into a wide range of policy-making processes. She also thanked the various Government agencies who contributed to the success of the survey and the dissemination workshop.



11.0 CONCLUSION





11. CONCLUSION AND RECOMMENDATIONS

Consistent with the global trend, Zambia recorded a 58.7 percent decline in net FDI in 2016 mainly explained by a reduction in FDI liabilities by 49.2 percent to US\$ 662.8 million. However, net acquisition of FDI assets increased. The fall in net FDI liabilities was largely driven by reduced growth in foreign borrowing from related parties and retained earnings. This was attributed to high operation costs, low commodity prices on the international market, poor weather patterns, hydro power supply deficit and the uncertain political environment. Borrowing from affiliates continued to be the major form of FDI liabilities, with British Virgin Islands as the major source and the manufacturing industry was the major recipient of the total inflows.

In 2016, a net inflow of US\$ 15.0 million of portfolio equity investment, mainly from Ireland while net outflow of US\$ 1.1 million in form of forward derivatives from South Africa and the United Kingdom were recorded. Other investments inflows significantly reduced by 64.6 percent to US\$ 400.9 million and were mainly concentrated in the electricity, gas and steam industry which accounted for 48.2 percent. South Africa was the major source for other investment inflows.

Private sector debt rose by 7.0 percent to US\$ 14,549.5 million and was mainly long term debt. The mining and quarrying industry contributed the largest share of total debt stock whilst British Virgin Islands, South Africa, China, the United Kingdom and India were the major source countries.

Zambia's private sector recorded an increase in foreign assets transactions by 94.9 percent to US\$ 407.5 million, largely explained by an increased accumulation of assets in other investments and direct investments. Switzerland was the major destination country accounting for 87.7 percent of the flows, largely for the mining and quarrying industry.

During the period under review, surveyed enterprises spent a total of US\$ 73.1 million on CSR activities with health and welfare activities receiving the largest share of total CSR expenditure. Mining and quarrying industry contributed 54.8 percent of total CSR expenditure.

Sales/turnover by Majority Owned Foreign Affiliates (MOFAs) was 5.5 percent lower than US\$ 11,795.4 million, whilst their employment levels were 7.8 percent higher at 83,601 from 77,570 in registered in 2015. Contribution to taxes on income rose as declared profits after tax stood at US\$ 264.3 against losses of US\$ 1,344.1 million recorded the previous year. Further, value added increased by 57.8 percent to US\$ 6,533.6 million from US\$ 4,141.3 million recorded in 2015.

In assessing the ease of doing business factors, all factors were positively assessed with 'starting a business' factor ranked the highest, followed by 'ease of doing business', labor market regulation and paying taxes. However, dealing with permits, closing a business and getting credit were all rated low. The 2018 World Bank Doing Business Report, revealed that Zambia was ranked among the top ten (10) best performers globally as getting credit, paying taxes and trading across borders improved.

In terms of investor perceptions, the findings indicated that the overall ease of doing business in Zambia was good with respondents favourably rating most factors except closing business, getting credit, trading across borders and registering property. The major investment pull factors were economic growth, political stability, ease of doing business and good governance. The respondents perceived risks to increase investment levels were; high cost of doing business, market risk and unfavourable tax rates. In terms of service delivery, most service agencies were rated positively however, the ministries of Land and natural Resources and Livestock and Fisheries, Zambia police and utility companies were rated unfavourably. The main factors to increased investment levels however, were exchange rate instability, high cost of borrowing and electricity supply deficit. Other factors were high energy costs, delays in contract litigation, high tax burden, policy inconsistency and bureaucracy.

Despite governments' continued effort to promote export oriented production across sectors, the survey findings revealed that most enterprises were inward rather than outward looking for their markets for their products and services. Further, the findings indicated that enterprises relied on equity as opposed to borrowing for financing their business operations. With regard to investor outlook, about 55.0 percent of the respondents indicated their intention to expand, mainly through existing facilities and value addition.

From the survey findings it is clear that concerted effort is needed to diversify the sectoral distribution of inflows, which has continued to be dominated by the mining and quarrying industry. Government should step up its efforts of diversifying from an economy mainly dependant on mining by enhancing investments in other sectors such as agriculture and tourism, by promoting infrastructure development, mechanisation, value addition, increased access to finance for production and exports. Further, exports of value added products should be promoted as opposed to exports of primary products. Therefore, Government should promote trade and competitiveness in view of the changing global environment.



With the economic agenda driven by a strong macroeconomic environment, Government needs to maintain macroeconomic stability by adjusting fiscal policy (fiscal consolidation) to help stabilise the exchange rate. With continued improvements in the macroeconomic environment investor confidence would be heightened, subsequently leading to increased investment. Further, Government should address the identified constraints or challenges and improve on the positive factors affecting investment decisions as a way of promoting and enhancing the competitiveness of the local industries.

Government should continue to play its role of improving the policy and business environment in its pursuit to achieve economic diversification and job creation through value addition and industrialization in order to attain a diversified export base anchored on agriculture, mining and tourism driven by the private sector. Private sector investment remains key to this strategy as increased FDI flows are a major catalyst in the development process.

The 7th National Development Plan and the Zambia Plus economic programme are central policy pillars in the drive for diversification and inclusive growth. Their effective execution will be critical in enhancing investment for export promotion and industrialisation.



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12.0. REFERENCES

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13.0 Annex





13.0 ANNEX

Annex I: Survey Methodology

1.1 Introduction

This section of the report presents an outline of the activities that were undertaken during Phase X of the survey on Foreign Private Investment and Investor Perceptions in Zambia for 2016. It covers issues relating to the organization of the survey and survey techniques which includes sample design, survey instruments, field and data processing activities, and evaluation of coverage and response rate.

Phase X of the PCF was done on a sample basis. The primary objective of the survey was to obtain data on Foreign Assets and Liabilities (FAL) of the largest enterprises in Zambia. This accounted for nearly 95.0 percent of foreign assets and liabilities in the country. Currently, the survey on private capital flows is conducted on a quarterly and annual basis. The quarterly survey is conducted every first month of a quarter, with the reference period being the previous quarterly. The annual survey is conducted at the same time as the quarterly survey for quarter two, that is, in July.

The sample size for the quarterly survey is about 130 enterprises. This sample includes enterprises that have consistently contributed about 95 percent to total FDI. To ensure that good estimates are obtained from the survey, the results are uprated in order to account for non-response and under-coverage.

The sample size for the annual survey is about 300 companies. For this survey, all the companies that reported FAL in the previous survey are retained. Major new investments are purposively included in the sample. The remaining number is allocated to industries based on the square root method. The cut-off sampling method is then used to select the enterprises within the industries.

During the 2017 annual survey, enterprises that were on the quarterly sample were also given annual questionnaires. But going forward, enterprises covered in the quarterly surveys will not be covered in the annual survey, that is, the annual questionnaire will not be administered to them. This means the annual flows for these enterprises will be obtained by summing the four quarters. The annual stocks will be equal to the closing position for quarter four of that particular year.

1.2 Sample Design

1.2.1 Sampling Frame

The Bank of Zambia maintains a register of enterprises which is the main sampling frame for the survey. The register is continuously updated using a list of enterprises monitored by the Zambia Development Agency (ZDA), the Zambia Revenue Authority (ZRA) Value Added Tax (VAT) Register of large companies and the ZRA Trader database.

1.2.2 Sample size

The target sample size for Phase X of the survey was 300 enterprises (181 MOFAs included), taking into consideration available resources at the time. All companies known to have foreign assets and liabilities were included in the sample. The rest of the companies were sampled from the remaining companies on the frame to come up with a total target sample size of 300 enterprises.

1.2.3 Sample allocation and Stratification

The sampling frame was stratified by industry. The Square root method of allocation (Kish, 1988) was used to allocate companies to the various industries. This method of allocation ensured that large as well as smaller industries had a fair representation. The Kish allocation formula is given below

$$m_h = n * \alpha \sqrt{W_h^2 + \frac{1}{H^2}}$$

Where;

m_h = number of enterprises allocated in industry h

n = Number of companies to be allocated

α = Adjustment factor

W_h = Weight of industry h (turnover as the measure of size)

H = Number of industries on the frame



1.2.4 Sample Distribution

Distribution of the sample by industry shows that the Wholesale and Retail trade (19.3 percent), Manufacturing (19.0 percent), and Mining and Quarrying (9.7 percent), had the highest percentage of enterprises on the sample.

Table 1: Sample Distribution by Industry

Industry & Enterprise	Sampled	Percent share
Accommodation & Food service activities	18	6
Administrative and support service activities	7	2.3
Agriculture, forestry and fishing	18	6
Construction	18	6
Deposit Taking Corporations	19	6.3
Electricity	5	1.7
Information & Communication	15	5
Insurance & Other Financial services	22	7.3
Manufacturing	57	19
Mining and Quarrying	29	9.7
Professional, scientific and technical activities	9	3
Real estate activities	10	3.3
Transport & Storage	15	5
Wholesale & Retail trade	58	19.3
Grand Total	300	100

Source: BoZ Register, CSO Business register and ZDA Investment Register, 2017

1.3 Organization of the Survey

The Foreign Private Investment and Investor Perceptions 2017 Survey was conducted on the strength of legal mandates of the Bank of Zambia Act No. 43 of 1996, Census and Statistics Act Chapter 127 of the Laws of Zambia and the Zambia Development Agency Act Number 11 of 2006. These pieces of legislation not only give authority to the institutions to collect data, but also make provisions for the confidentiality of the data collected and stipulate penalties for non-compliance, for both data suppliers and collectors.

The field staff for the survey were mainly drawn from the Balance of Payments Statistical Committee (BoPSC) lead institutions (BoZ, CSO, ZDA). The Bank of Zambia, being the Chair and Secretariat of the committee as well as the compiler of Balance of Payments Statistics for Zambia, coordinated the survey.

The 2017 survey was jointly sponsored by the Bank of Zambia and Zambia Development Agency. The survey entirely depended on locally built technical expertise at all stages of the survey cycle from planning, questionnaire design, enumerator training, fieldwork, software update, data entry, analysis up to report writing.

1.4 Questionnaire Design

A structured questionnaire was designed to collect data at enterprise level on general information which included; location, shareholding structure, inward foreign affiliates trade in services (FATS), sector (industrial classification), employment, actual investments and profitability and corporate social responsibility. In addition, data on foreign assets and liabilities between residents and non-residents (both flows and stocks) for calendar years 2015 and 2016 as well as for the second Quarter of 2017 were collected.

Further, investor perceptions on selected financial, economic, political and other factors were incorporated. Respondent enterprises were given an option to indicate the most important factors that determined their decisions to invest in Zambia.

1.5 Training and Sensitization

The training of supervisors and enumerators was held in Lusaka from 5th to 7th July, 2017. The objective of the training was to equip the field staff with the background and purpose of the survey, understanding private investment components of the Balance of Payments (BoP) and International investment Position (IIP) in the context of the Balance of Payments and International Investment Position Manual 6th edition (BPM6); understanding the survey questionnaire; familiarization with investor perception questions and related issues; practical training on how to extract information from financial statements to complete the survey form and how to check for consistency in the data provided by the respondents.

Would be respondents were informed of the survey through emails and phone calls.



1.6 Data collection

Data collection was done in two phases namely the survey launch and follow-up. The launch was from 17th to 28th July 2017. A total of 28 staff comprising supervisors and enumerators participated in the two (2) weeks exercise. The follow-up survey was conducted from 7th to 18th August 2017, with the same number of participants. Thereafter, follow ups were made to deal with non-response, and address some inconsistencies in the data in order to improve data quality.

1.7 Data processing

Questionnaire editing and data entry was done during the period 11th to 22nd September 2017. CSPro¹⁶ software was used to capture the data. This was followed by a data cleaning and validation exercise from 25th to 29th September 2017. Data cleaning and validation involved running diagnostic tests to identify mistakes on aggregate; correcting input errors and inconsistencies in the database before producing data outputs.

Report writing took place from 1st October to 31st October 2017. Report editing was from 18th to 22nd December 2017.

1.8 Response rate

The survey targeted 300 enterprises of which 266 responded translating into a response rate of 88.7 percent. Out of the overall sample the wholesale and retail trade, manufacturing and mining sectors had the largest share in the sample. Of the total respondents, 100 percent response was recorded in the transport and storage, construction and administrative and support industries

1.9 Dissemination

The dissemination workshop was held on 6th December 2017. The workshop was aimed at strengthening the partnership between the lead institutions with the private sector and other stakeholders. Feedback from the workshop provides valuable input in the conduct of the survey. It also helps in the formulation of both policy and institutional reforms to enhance and facilitate growth in foreign private investment. Other than the dissemination workshop, the following were done to widen the coverage of dissemination:

- Posting of the final survey report with relevant policy recommendations on BoPSC member institutions' websites;
- Hand delivery of the Final FPIG-IP Report by the BoPSC to enumerated companies and other major stakeholders; and
- Distributing of the PCF Report by the BoPSC on demand to the private and public sectors, and answering queries as they occur.

1.10 Major Challenges and Limitations

A number of challenges encountered during the survey include the following:

- Accounting Period – Some companies had accounting periods that did not conform to January – December as required by the survey methodology. For data provided by such companies, adjustments were made to estimate for the calendar year positions and flows;
- A small proportion of respondents had limited understanding of certain survey questions, concepts and classifications was low, resulting in incomplete or inaccurate provision of information, leading to increasing the burden of data collection, cleaning and editing.
- Due to non-availability of financial statements for some enterprises, validation of numbers was a challenge.

¹⁶CSPro (Census and Survey Processing System), a public-domain data processing software package developed by the U.S. Census Bureau used for entering, editing, tabulating and disseminating census and survey data



1.11 Database Quality, Weaknesses and Up-rating

1.11.1 Data Quality

Data quality of survey response was directly related to:

- The quality of field enumeration and supervision (very good);
- Form design and in-build checks (rated excellent);
- Respondents' understanding of the concepts, classification and survey questions (rated good);
- Respondents' willingness in completing the return (rated good);
- Respondents' accuracy in completing the return (rated good);
- Technical editing skills by enumerators and their supervisors in the field (very good);
- Technical editing and validation skills by the data processing team (excellent);
- The availability of other indicators/tools to compare the data with, such as enterprise financial statements and previous BOP estimates (excellent);

1.11.2 Data Validation and Up-rating

Data validation was done by:

- Using financial statements to check for completeness and accuracy of the data provided;
- Requesting for additional information and clarifications from respondents;
- Using local knowledge supplied by senior BoPSC staff;
- Consistency checks by comparing with data submitted in the previous round.

Grossing up for non-responding units was done by using dummy questionnaires and then recording the estimates in the system. The individual estimates were derived using previous survey stock estimates and sector growth rates of the flows. However, this was only done for companies that responded in previous survey. Estimates were also done for responding companies that had missing data on some key variables and did not provide financial statements by using previous survey stock estimates and sector growth rates of flows.

1.12 Foreign Affiliates Statistics

Multinational enterprises/Foreign affiliates make notable contributions to economies of the host countries. With the rise in globalisation, enhanced regional integration and trade negotiations including in trade in services, there has been a rising interest in trade in services data. The General Agreement on Trade in Services (GATS) categorises trade in services according to four modes of supply - cross border, consumption abroad, commercial presence and presence of natural persons. Distinctions among these modes are based on whether the service supplier and the consumer are present in the same country or in different countries when the transaction is effected.

Statistics describing the overall operations of foreign-controlled affiliates are called foreign affiliates statistics (FATS). FATS are compiled in line with international statistical standards, especially those governing the measurement of foreign direct investment (FDI). A precondition for the establishment of a foreign affiliate is generally the development of investment flows leading to an FDI relationship. MSITS 2010 recommends that FATS should be compiled, as a first priority, for the foreign-controlled subset of foreign affiliates. "Control", as referred to in the Framework for Direct Investment Relationships (FDIR), is deemed to exist if there is majority ownership (that is, control of more than 50 per cent) of the voting power at each stage of the chain of ownership.

Foreign Affiliates Trade in Services (FATS) presented in this report measures mode three (3) of international trade in services (commercial presence), as classified by the GATS, through affiliates in foreign markets. In mode 3, the service provider through establishing affiliated companies in another economy provides services to the customers in that economy. Mode three (3) trade in services are not included in the conventional TIS statistics. Foreign Affiliates Statistics (FATS) encompass both inward and outward FATS data. Foreign affiliate's statistics (inward FATS) describe the activities of an economy's affiliates resident in that economy and their contribution while, outward FATS describe the activity of foreign affiliates abroad controlled by the compiling country. In simpler terms, outward FATS data describe, for example, how many



employees worked in affiliated companies that are resident outside Zambia and controlled by Zambian enterprises. Outward FATS give an idea of the economic impact of Zambian investments abroad.

Foreign affiliates are getting more and more important in the global economy. Such enterprises spread costs by producing or supplying goods or services across the world as well as bring greater range of products to consumers. In order to stay competitive, multinational enterprises are under constant pressure to decrease costs, increase product quality and create innovative solutions. As a result of this global phenomena, multinational enterprises (MNEs) have evolved and risen as important contributors to the world economy.

Overall inward FATS statistics examines the contribution made by these foreign affiliates to the Zambian economy and other key indicators by partner country and by sector. They are compiled from a subset of existing data on resident enterprises that are foreign-controlled enterprises. Under this approach, FATS are obtained as an aggregation of statistical variables across the foreign-controlled statistical population.

The analysed statistics include among others:

- The number of people employed;
- Sales/turnover;
- Contribution to taxes on income tax;
- Total assets;
- Profits after tax;
- Exports and imports of goods and services;
- Expenditure on research and development;
- Compensation of employees, training expenditure;
- Payment of royalties and license fees;
- Output and value added;



Annex II: Statistics on Foreign Private Capital Data

Table 1: Foreign Direct Investment Flows by Source Country, 2015 - 2016 (US \$ million)

Source Country	Accumulated Retained Earning/Loss	Debt	Equity Capital	Total 2015	Accumulated Retained Earning/Loss	Debt	Equity Capital	Total 2016
Australia	-12.4	17.8	0.0	5.4	3.2	3.0	0.0	6.2
Austria	0.0	7.6	0.0	7.6	0.0	0.0	0.0	0.0
Bangladesh	-0.3	0.0	0.0	-0.3	0.0	0.0	0.0	0.0
Bahamas	0.0	0.0	0.0	0.0	0.2	0.0	0.0	0.2
Belgium	0.0	0.1	0.0	0.1	11.3	0.0	0.0	11.2
Bermuda	-36.7	-0.4	0.0	-37.1	-4.4	22.9	0.0	18.5
Botswana	10.9	1.8	11.9	24.6	-7.9	5.0	7.9	5.0
Brazil	15.2	2.6	0.0	17.8	0.0	12.5	0.0	12.5
Bulgaria	0.0	0.1	0.0	0.1	0.0	0.0	0.0	0.0
Cameroon	-7.9	0.0	3.9	-4.0	0.0	0.0	0.0	0.0
Canada	-613.3	76.8	605.1	68.6	181.4	-498.6	0.0	-317.2
Cayman Islands	0.1	0.6	0.1	0.8	0.0	0.0	-0.2	-0.2
Channel Islands	-2.6	0.0	3.5	0.9	0.2	-0.2	0.2	0.2
China PR	-106.7	254.4	97.6	245.3	36.8	156.2	3.0	196.1
Congo DR	0.0	0.2	0.0	0.2	0.0	31.1	0.0	31.1
Cote d'Ivoire	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Cyprus	0.0	0.0	0.0	0.0	0.8	-0.2	0.0	0.6
Egypt	-0.8	1.8	0.0	1.0	0.8	0.5	0.0	1.3
Finland	0.0	-1.8	0.0	-1.8	0.0	0.0	0.0	0.0
France	218.5	1.1	0.5	220.1	6.4	10.6	2.4	19.4
Germany	-0.6	5.3	6.1	10.8	4.4	20.7	0.0	25.1
Ghana	0.0	0.8	0.0	0.8	0.0	0.0	0.0	0.0
Guernsey	0.0	0.0	0.0	0.0	0.9	0.0	0.0	0.9
Hong Kong	-5.1	0.0	-1.2	-6.3	0.0	-0.1	-0.1	-0.1
India	2.1	2.5	0.8	5.4	22.5	9.0	33.9	65.4
Indonesia	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Ireland	53.1	10.3	35.4	98.8	-57.4	25.8	10.8	-20.8
Israel	0.0	0.0	0.0	0.0	3.8	0.0	0.0	3.8
Italy	0.5	0.0	0.0	0.5	0.0	0.0	0.0	0.0
Japan	1.6	0.0	0.0	1.6	0.5	1.2	0.0	1.7
Kenya	-19.7	6.4	0.0	-13.3	13.3	-1.9	0.6	12.0
Lebanon	-1.3	0.0	-12.5	-13.8	2.6	0.1	0.0	2.7
Liechtenstein	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.1
Luxembourg	-42.1	-0.1	-0.2	-42.4	-4.8	9.9	12.4	17.4
Malawi	5.3	0.1	-5.4	0.0	-2.6	-0.3	3.0	0.1
Mauritania	0.0	0.0	0.0	0.0	0.0	-0.8	0.0	-0.8
Mauritius	499.2	20.6	13.5	533.3	34.4	68.5	18.6	121.4
Mozambique	0.0	0.1	0.0	0.1	0.0	0.8	0.0	0.8
Namibia	1.4	0.0	0.0	1.4	0.2	0.0	0.0	0.2
Netherlands	18.3	4.7	28.9	51.9	7.2	-19.1	1.2	-10.6
New Zealand	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Nigeria	-0.1	15.7	0.0	15.6	36.8	8.5	-0.1	45.2
Norway	-5.0	0.0	0.0	-5.0	9.9	42.4	0.0	52.3
Other	-0.2	-4.0	0.0	-4.2	0.5	2.2	0.0	2.7
Peru	1.8	0.7	0.0	2.5	1.7	0.7	-0.2	2.2
Poland	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Samoa	0.1	0.0	0.0	0.1	0.0	0.0	0.0	0.0
Saudi Arabia	0.0	1.1	0.0	1.1	0.0	0.2	0.0	0.2
Senegal	3.2	0.0	-0.5	2.7	0.3	0.0	0.0	0.3
Serbia	0.0	0.0	0.0	0.0	0.4	0.0	0.0	0.5
Seychelles	-3.2	0.2	-3.2	-6.2	-0.6	0.0	0.0	-0.6
Singapore	-127.7	69.0	0.0	-58.7	47.3	-42.5	5.8	10.6
South Africa	89.9	227.7	-2.0	315.6	18.8	8.0	12.0	38.9
Spain	0.0	0.0	0.0	0.0	0.0	0.8	0.0	0.8
Swaziland	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.1
Sweden	4.4	0.5	0.0	4.9	-3.1	-4.3	0.0	-7.4
Switzerland	-236.3	353.2	-3.1	113.8	-158.0	279.5	1.7	123.3
Tanzania	0.6	2.6	-4.7	-1.5	-4.3	-0.5	0.0	-4.8
Thailand	3.5	0.0	0.0	3.5	0.0	-0.3	0.0	-0.3

Source: Foreign Private Investment & Investor Perceptions Survey, 2017



Table 1: Foreign Direct Investment Flows by Source Country, 2015 - 2016 (US \$ million)...Cont'

Source Country	Accumulated Retained Earning/Loss	Debt	Equity Capital	Total 2015	Accumulated Retained Earning/Loss	Debt	Equity Capital	Total 2016
Togo	0.0	0.0	0.0	0.0	2.5	0.0	-0.4	2.1
Tunisia	0.0	0.0	0.0	0.0	-0.3	0.0	0.0	-0.3
Uganda	0.0	0.2	0.0	0.2	0.0	-0.3	0.0	-0.3
United Arab Emirates	23.8	1.4	0.0	25.2	4.0	9.1	0.0	13.1
United Kingdom	-315.9	89.9	5.4	-220.6	-88.8	-25.0	19.4	-94.3
United States	-49.6	-51.4	25.8	-75.2	6.3	-19.1	-0.6	-13.3
United States Virgin Islands	0.0	0.0	0.0	0.0	0.6	0.0	0.0	0.6
Virgin Islands British	1.7	0.6	0.0	2.3	-3.5	279.0	11.2	286.7
Zimbabwe	3.4	0.0	4.7	8.1	-0.1	0.4	0.0	0.3
Grand Total	-635.6	1,130.2	810.4	1,304.9	124.6	395.6	142.6	662.8

Source: Foreign Private Investment & Investor Perceptions Survey, 2017



Table 2: Foreign Direct Investment Stocks by Source Country, 2015 - 2016 (US \$ million)

Source Country	Accumulated Retained Earning/Loss	Debt	Equity Capital	Total 2015	Accumulated Retained Earning/Loss	Debt	Equity Capital	Total 2016
Australia	(7.0)	33.5	0.3	26.7	(6.2)	36.5	0.2	30.5
Bahamas	0.3		0.1	0.5	0.6		0.1	0.7
Belgium	44.0	0.3	37.1	81.5	60.9	0.2	38.8	99.9
Bermuda	(1.1)	372.3	6.3	377.5	(5.9)	411.1	7.0	412.3
Botswana	(7.4)	2.0	25.4	20.0	14.9	7.3	78.8	101.0
Brazil		253.4		253.4		280.5		280.5
Bulgaria		0.1		0.1		0.1		0.1
Cameroon		-		-		0.0		0.0
Canada	1,422.6	899.8	1,669.0	3,991.3	1,424.1	402.7	1,669.1	3,495.9
Cayman Islands	0.1	0.1	(0.0)	0.2	0.2	0.1	(0.2)	0.1
Channel Islands	(1.0)	1.8	5.5	6.4	(0.8)	1.8	5.8	6.9
China PR	215.2	997.0	454.7	1,666.8	309.2	1,156.5	503.3	1,969.0
Congo DR		165.0		165.0		196.3		196.3
Cote d'Ivoire		0.0		0.0		0.0		0.0
Cyprus	(1.1)	0.4	1.1	0.4	(0.3)	0.1	1.1	1.0
Egypt	0.8	9.9	3.2	13.9	17.6	10.4	3.2	31.3
Finland		0.0		0.0		0.0		0.0
France	27.5	11.0	32.2	70.7	37.3	21.1	38.5	96.9
Germany	356.6	43.1	23.0	422.6	357.9	65.8	26.1	449.9
Ghana		0.7		0.7		0.8		0.8
Guernsey	(1.4)	0.2	1.1	(0.1)	(0.6)	0.2	1.1	0.8
Hong Kong	0.0	0.2	(0.9)	(0.7)	0.0	0.1	(1.2)	(1.1)
India	3.1	417.5	45.1	465.7	26.2	461.2	46.7	534.2
Indonesia		-		-		0.0		0.0
Ireland	557.2	87.1	277.2	921.5	531.1	113.6	278.8	923.5
Israel	(0.1)		0.0	(0.1)	3.9		0.1	3.9
Italy	0.0	0.3	9.4	9.7	0.0	0.3	10.5	10.8
Japan	3.7	0.8	27.6	32.2	4.7	0.9	30.8	36.4
Kenya	1.8	17.5	6.6	25.9	16.3	14.8	8.0	39.0
Lebanon	7.6	5.9	11.5	24.9	3.7	6.5	0.2	10.4
Liechtenstein	(0.3)	0.1	0.0	(0.2)	(0.3)	0.2	0.0	(0.1)
Luxembourg	(397.0)	235.1	87.2	(74.7)	(401.6)	17.7	101.2	(282.7)
Malawi	3.6	0.7	0.3	4.5	1.2	0.5	5.8	7.4
Mauritania		0.9		0.9		0.0		0.0
Mauritius	(22.5)	151.0	240.2	368.7	27.5	212.8	302.3	542.6
Mozambique		0.0		0.0		0.9		0.9
Namibia	1.5		0.5	2.0	1.9		0.5	2.4
Netherlands	85.7	357.2	84.7	527.6	96.0	343.4	102.0	541.5
New Zealand	0.0		0.0	0.0	0.0		(0.0)	0.0
Nigeria	(70.4)	184.6	14.3	128.5	(39.9)	214.4	15.8	190.4
Norway	4.9	17.3	0.0	22.3	5.1	59.8	0.0	64.8
Other	1.1	5.6	0.2	6.9	1.7	8.3	0.2	10.2
Peru	1.4	1.2	2.7	5.3	3.4	2.0	2.8	8.2
Poland		0.0		0.0		0.0		0.0
Samoa	-	9.7	0.0	9.7	-	9.7	0.0	9.7
Saudi Arabia		1.8		1.8		1.8		1.8
Senegal	0.7		0.4	1.1	1.0		0.5	1.5
SERBIA	0.3	-	0.7	0.9	0.7	0.0	0.4	1.2
Seychelles	1.9		0.0	1.9	1.5		0.0	1.5
Singapore	(122.8)	111.1	75.0	63.3	(85.7)	79.7	90.1	84.1
South Africa	418.7	504.4	306.4	1,229.4	530.0	545.1	337.5	1,412.6
Spain		0.1		0.1		0.8		0.8
Swaziland	0.6	0.0	0.0	0.6	0.8	0.0	0.0	0.8
Sweden	37.2	12.0	4.3	53.5	33.1	8.2	4.3	45.5
Switzerland	261.0	1,898.1	121.7	2,280.8	161.9	2,260.6	123.0	2,545.5
Tanzania	0.5	7.0	38.2	45.7	4.4	7.3	37.5	49.2
Thailand		0.3		0.3		0.0		0.0
Togo	9.2		36.1	45.3	(7.3)		39.7	32.5
Tunisia	0.2		0.6	0.8	(0.2)		0.7	0.5

Source: Foreign Private Investment & Investor Perceptions Survey, 2017



Table 2: Foreign Direct Investment Stocks by Source Country, 2015 - 2016 (US \$ million) ...Cont'

Source Country	Accumulated Retained Earning/Loss	Debt	Equity Capital	Total 2015	Accumulated Retained Earning/Loss	Debt	Equity Capital	Total 2016
Uganda		0.3		0.3		0.0		0.0
United Arab Emirates	(8.5)	37.5	18.5	47.5	(5.2)	48.5	20.6	63.8
United Kingdom	(16.7)	327.8	551.7	862.8	(102.7)	303.0	565.4	765.7
United States	(6.5)	67.4	37.3	98.1	(0.7)	49.4	76.0	124.7
United States Virgin Islands	3.2		0.4	3.6	4.3		0.4	4.7
Virgin Islands British	(2.3)	2,145.5	14.6	2,157.8	(6.3)	2,424.5	27.8	2,446.0
Zimbabwe	0.2	1.4	12.8	14.3	0.0	2.0	14.2	16.2
Grand Total	2,806.4	9,397.4	4,284.3	16,488.2	3,019.7	9,789.6	4,615.6	17,425.0

Source: Foreign Private Investment & Investor Perceptions Survey, 2017

Table 3: Portfolio Equity Investment Stocks and Flows by Source country (US \$ million), 2015 - 2016

Source country	2015	Transactions	Exchange Rate Changes	Other Changes	2016
Ireland	8.8	5.6	0.3	-	14.8
Mauritius	0.2	0.0	0.0	0.0	0.3
South Africa	0.0	(0.0)	0.0	0.0	0.0
United Kingdom	5.5	3.5	0.2	-	9.1
United States	8.0	5.1	0.3	-	13.4
Other	4.4	2.1	0.4	-	6.9
Grand Total	27.0	16.3	1.2	0.0	44.6

Source: Foreign Private Investment & Investor Perceptions Survey, 2017

Table 4: Portfolio Equity Investment Stocks and Flows by Industry (US \$ million), 2015 - 2016

Industry	2015	Transactions	Exchange Rate Changes	Other Changes	2016
Accommodation & Food	0.3	0.0	-	0.0	0.4
Manufacturing	26.7	16.3	0.0	1.2	44.2
Wholesale & Retail trade	0.0	(0.0)	0.0	0.0	0.0
Grand Total	27.0	16.3	0.0	1.2	44.6

Source: Foreign Private Investment & Investor Perceptions Survey, 2017



Table 5: Other Investments Stocks and Flows by country (US \$ million), 2015 - 2016

Source country	2015	Transactions	Other Changes in Volume	Exchange Rate Changes	Other Price Changes	2016
AfDB	41.6	46.0	0.6	4.6	(1.1)	91.8
Australia	11.9	(5.8)	(0.1)	1.2	-	7.2
Belgium	0.0	0.3	0.0	0.0	0.0	0.3
Botswana	15.5	1.0	(0.9)	8.0	(0.0)	23.6
Burundi	0.5	(0.5)	0.1	0.0	(0.1)	0.0
Cameroon	-	0.0	0.0	-	-	0.0
Canada	0.1	(0.0)	(0.0)	0.0	-	0.1
Cayman Islands	-	45.0	-	-	-	45.0
Channel Islands	1.7	0.5	0.2	0.2	(0.4)	2.2
CHINA	-	0.1	-	-	-	0.1
China PR	731.4	(45.5)	(0.0)	61.9	-	747.8
Congo	-	0.0	0.1	-	-	0.1
Congo DR	1.5	(1.6)	(0.1)	0.2	-	0.0
Cote d'Ivoire	44.6	(4.7)	-	4.6	-	44.5
DBSA	9.4	117.9	1.1	5.6	-	134.0
Denmark	-	0.0	-	-	-	0.0
Egypt	0.8	(0.7)	-	-	-	0.1
EIB	15.0	38.6	0.1	3.5	-	57.3
Exim Bank of China	311.8	(17.6)	(41.5)	32.3	-	285.0
Exim Bank of India	48.2	(5.2)	-	5.3	-	48.3
Finland	67.9	31.2	0.1	8.9	0.0	108.2
France	34.6	31.5	2.3	0.4	(0.0)	68.7
Germany	72.2	(14.4)	(1.9)	(2.5)	(0.1)	53.5
Ghana	0.0	0.0	0.1	0.0	-	0.1
Hong Kong	0.3	(0.2)	-	0.0	-	0.1
IFC	10.0	(5.9)	-	0.9	-	5.0
India	35.6	(20.3)	(0.2)	1.5	-	16.6
Indonesia	0.0	0.0	-	-	-	0.0
Ireland	0.8	0.0	(0.1)	0.1	-	0.8
Italy	0.1	0.0	-	0.0	-	0.1
Japan	0.0	-	0.0	0.0	-	0.0
JICA	3.5	0.5	-	0.4	-	4.3
Jordan	3.6	2.1	-	0.5	-	6.2
Kenya	7.4	(0.0)	(0.4)	0.7	-	7.7
Luxembourg	5.0	1.6	0.2	0.6	(0.1)	7.3
Mauritius	50.0	48.8	(0.5)	4.1	0.1	102.5
Mozambique	0.2	(0.0)	0.0	0.0	-	0.2
Namibia	3.0	1.7	0.1	0.3	-	5.2
Netherlands	44.9	28.3	2.5	0.9	(0.0)	76.7
Nigeria	3.9	2.7	(0.1)	0.6	-	7.0
Norway	1.0	0.1	1.1	0.1	-	2.2
Oman	0.2	-	0.0	0.0	-	0.3
Other	65.1	42.8	26.7	(4.7)	-	130.0
Phillipines	-	0.0	-	-	-	0.0
PTA	30.6	20.4	-	-	-	51.0
Russian Federation	0.0	0.0	0.0	0.0	-	0.0
Senegal	-	0.0	0.0	-	-	0.0
Seychelles	-	0.0	-	-	-	0.0
Singapore	0.0	-	-	(0.0)	-	0.0
South Africa	1,659.2	178.1	(0.1)	19.1	0.0	1,856.3
Spain	-	0.3	-	-	-	0.3
Sweden	4.5	(4.5)	(0.0)	0.1	-	0.1
Switzerland	0.7	5.7	0.6	0.1	(0.0)	7.0
Tanzania	1.3	(1.1)	(0.0)	0.1	-	0.2
Togo	0.6	(0.1)	0.0	0.0	-	0.5
UAE	-	0.1	-	-	-	0.1
United Arab Emirates	2.3	(0.3)	0.0	0.2	-	2.3
United Kingdom	632.8	(130.6)	(12.6)	5.4	-	495.0
United States	195.0	30.2	6.4	2.3	-	234.0

Source: Foreign Private Investment & Investor Perceptions Survey, 2017



Table 5: Other Investments Stocks and Flows by country (US \$ million), 2015 - 2016...Cont'

Source country	2015	Transactions	Other Changes in Volume	Exchange Rate Changes	Other Price Changes	2016
United States Virgin Islands	0.0	0.0	-	0.0	-	0.0
Virgin Islands British	(0.0)	(0.0)	-	0.0	0.0	(0.1)
World Bank	77.5	(17.8)	-	8.1	-	67.8
Zimbabwe	0.1	2.3	0.3	0.0	-	2.7
Grand Total	4,247.9	400.9	(16.0)	176.2	(1.5)	4,807.5

Source: Foreign Private Investment & Investor Perceptions Survey, 2017

Table 6: Other Investments Flows and Stocks by Industry & Type, 2015 - 2016 (US \$ million)

Industry	2015	Transactions	Other Changes in Volume	Exchange Rate Changes	Other Price Changes	2016
Accommodation & Food	12.3	(4.2)	(0.0)	(0.0)	-	8.1
Accumulated Retained Earning/Loss	(2.4)	(0.1)	-	-	-	(2.5)
Debt	14.4	(4.1)	(0.0)	(0.0)	-	10.3
Equity Capital	0.3	-	-	-	-	0.3
Administrative and Support	0.1	(0.0)	0.0	0.0	-	0.1
Accumulated Retained Earning/Loss	0.0	(0.0)	-	0.0	-	0.0
Equity Capital	0.0	-	0.0	0.0	-	0.1
Agriculture, forestry and fishing	2.3	15.4	(0.5)	(0.3)	(0.0)	16.8
Accumulated Retained Earning/Loss	(3.2)	0.0	(0.0)	(0.4)	-	(3.5)
Debt	2.9	15.3	(0.4)	(0.2)	(0.0)	17.6
Equity Capital	2.5	0.1	(0.1)	0.3	-	2.8
Construction	6.9	(0.7)	0.1	0.6	0.1	7.0
Accumulated Retained Earning/Loss	2.1	1.1	-	0.2	-	3.4
Debt	4.1	(1.8)	0.1	(0.3)	0.1	2.3
Equity Capital	0.6	0.0	-	0.7	-	1.4
Deposit Taking Corporations	531.9	(46.0)	6.1	40.3	(0.2)	532.1
Accumulated Retained Earning/Loss	1.0	(0.1)	0.0	(1.5)	-	(0.5)
Debt	526.9	(45.9)	6.1	45.1	(0.2)	532.0
Equity Capital	4.0	-	(0.0)	(3.4)	-	0.6
Electricity	1,792.4	463.8	(30.9)	95.1	(1.1)	2,319.4
Debt	1,792.4	463.8	(30.9)	95.1	(1.1)	2,319.4
Information & Communication	283.9	(6.8)	(0.1)	6.9	-	283.9
Accumulated Retained Earning/Loss	(0.0)	0.0	-	(0.0)	-	(0.0)
Debt	283.9	(6.8)	(0.1)	6.9	-	283.9
Equity Capital	0.0	(0.0)	-	0.0	-	0.0
Insurance & Other Financial Services	61.6	4.2	(2.8)	2.9	0.1	66.0
Accumulated Retained Earning/Loss	0.9	(0.4)	-	0.1	-	0.7
Debt	20.0	4.2	0.6	1.9	0.1	26.8
Equity Capital	40.7	0.3	(3.4)	0.9	-	38.5
Manufacturing	272.0	112.4	(1.9)	10.2	-	392.7
Accumulated Retained Earning/Loss	0.9	0.0	(0.1)	(0.5)	-	0.3
Debt	267.1	110.2	(1.8)	10.3	-	385.9
Equity Capital	4.0	2.1	(0.0)	0.5	-	6.6
Mining and Quarrying	1,088.6	(127.8)	14.0	0.1	-	974.9
Accumulated Retained Earning/Loss	(0.6)	(0.3)	-	(0.0)	-	(1.0)
Debt	1,089.3	(127.4)	14.0	0.1	-	975.9
Equity Capital	0.0	-	-	0.0	-	0.0
Professional, scientific and technical activities	-	(0.0)	-	0.0	-	0.0
Accumulated Retained Earning/Loss	-	(0.0)	-	0.0	-	0.0
Equity Capital	-	(0.0)	-	0.0	-	0.0
Real estate activities	159.8	(13.5)	0.0	16.6	-	162.9
Accumulated Retained Earning/Loss	0.0	-	0.0	0.0	-	0.0
Debt	159.6	(13.5)	-	16.6	-	162.6
Equity Capital	0.2	-	-	0.0	-	0.2
Transport & Storage	14.5	(1.9)	(0.6)	1.5	(0.4)	13.2
Accumulated Retained Earning/Loss	0.0	0.0	-	0.0	-	0.0
Debt	14.5	(1.9)	(0.6)	1.5	(0.4)	13.2
Equity Capital	(0.0)	(0.0)	0.0	0.0	-	(0.0)
Wholesale & Retail trade	21.6	6.0	0.5	2.3	0.0	30.4

Source: Foreign Private Investment & Investor Perceptions Survey, 2017



Table 6: Other Investments Flows and Stocks by Industry & Type, 2015 - 2016 (US \$ million)...Cont'

Industry	2015	Transactions	Other Changes in Volume	Exchange Rate Changes	Other Price Changes	2016
Accumulated Retained Earning/Loss	0.2	0.0	0.0	0.0	0.0	0.3
Debt	21.4	5.9	0.5	2.3	-	30.1
Equity Capital	0.1	(0.0)	0.0	0.0	(0.0)	0.1
Grand Total	4,247.9	400.9	(16.0)	176.2	(1.5)	4,807.5

Source: Foreign Private Investment & Investor Perceptions Survey, 2017

Table 7: Foreign Direct Investment Stocks & Flows by Source country, Relationship and Type (US \$ millions), 2015 – 2016

Investment relationship & Instrument Type	2015	Transactions	Other Changes in Volume	Exchange Rate Changes	Other Price Changes	2016
Australia	26.7	6.2	2.7	(5.1)	0.0	30.5
Direct Investor (DI)	25.9	5.5	2.7	(5.2)	-	28.9
Accumulated Retained Earning/Loss	(7.0)	3.2	(0.7)	(1.6)	-	(6.2)
Debt	32.7	2.3	3.5	(3.5)	-	35.0
Equity Capital	0.3	0.0	-	(0.1)	-	0.2
Fellow Enterprise (FE)	0.8	0.7	0.0	0.0	0.0	1.5
Debt	0.8	0.7	0.0	0.0	0.0	1.5
Bahamas	0.5	0.2	-	0.1	0.0	0.7
Direct Investor (DI)	0.5	0.2	-	0.1	0.0	0.7
Accumulated Retained Earning/Loss	0.3	0.2	-	0.0	0.0	0.6
Equity Capital	0.1	-	-	0.0	(0.0)	0.1
Belgium	81.5	11.2	(2.4)	9.6	-	99.9
Direct Investor (DI)	81.2	11.4	(2.4)	9.7	-	99.8
Accumulated Retained Earning/Loss	44.0	11.3	-	5.5	-	60.9
Debt	-	0.2	0.0	-	-	0.2
Equity Capital	37.1	-	(2.4)	4.1	-	38.8
Fellow Enterprise (FE)	0.3	(0.2)	0.0	(0.0)	-	0.0
Debt	0.3	(0.2)	0.0	(0.0)	-	0.0
Bermuda	377.5	18.5	14.7	1.6	-	412.3
Direct Investor (DI)	365.6	(4.4)	13.5	0.4	-	375.0
Accumulated Retained Earning/Loss	(1.1)	(4.4)	-	(0.3)	-	(5.9)
Debt	360.4	-	13.5	-	-	373.8
Equity Capital	6.3	-	-	0.7	-	7.0
Fellow Enterprise (FE)	11.9	22.9	1.2	1.2	-	37.3
Debt	11.9	22.9	1.2	1.2	-	37.3
Botswana	20.0	5.0	(7.5)	83.5	-	101.0
Direct Investor (DI)	19.9	(0.0)	(7.5)	83.4	-	95.8
Accumulated Retained Earning/Loss	(7.4)	(7.9)	0.0	30.3	-	14.9
Debt	1.9	0.0	-	0.2	-	2.1
Equity Capital	25.4	7.9	(7.5)	52.9	-	78.8
Fellow Enterprise (FE)	0.1	5.0	(0.1)	0.1	-	5.1
Debt	0.1	5.0	(0.1)	0.1	-	5.1
Brazil	253.4	12.5	14.7	-	-	280.5
Direct Investor (DI)	253.4	12.5	14.7	-	-	280.5
Debt	253.4	12.5	14.7	-	-	280.5
Fellow Enterprise (FE)	-	-	-	-	-	-
Debt	-	-	-	-	-	-
Bulgaria	0.1	0.0	-	0.0	-	0.1
Fellow Enterprise (FE)	0.1	0.0	-	0.0	-	0.1
Debt	0.1	0.0	-	0.0	-	0.1
Cameroon	-	0.0	0.0	-	-	0.0
Fellow Enterprise (FE)	-	0.0	0.0	-	-	0.0
Debt	-	0.0	0.0	-	-	0.0
Canada	3,991.3	(317.2)	(175.6)	(2.6)	-	3,495.9
Direct Investor (DI)	3,991.3	(317.4)	(175.7)	(2.5)	-	3,495.6
Accumulated Retained Earning/Loss	1,422.6	181.4	(176.2)	(3.6)	-	1,424.1
Debt	899.7	(498.8)	0.5	1.0	-	402.4
Equity Capital	1,669.0	0.0	-	0.1	-	1,669.1
Fellow Enterprise (FE)	0.1	0.1	0.1	(0.1)	-	0.3

Source: Foreign Private Investment & Investor Perceptions Survey, 2017





Table 7: Foreign Direct Investment Stocks & Flows by Source country, Relationship and Type (US \$ millions), 2015 – 2016...Cont'

Investment relationship & Instrument Type	2015	Transactions	Other Changes in Volume	Exchange Rate Changes	Other Price Changes	2016
Debt	0.1	0.1	0.1	(0.1)	-	0.3
Cayman Islands	0.2	(0.2)	0.0	0.0	-	0.1
Direct Investor (DI)	0.2	(0.2)	0.0	0.0	-	0.1
Accumulated Retained Earning/Loss	0.1	0.0	-	0.0	-	0.2
Debt	0.1	0.0	0.0	0.0	-	0.1
Equity Capital	(0.0)	(0.2)	-	(0.0)	-	(0.2)
Channel Islands	6.4	0.2	-	0.3	-	6.9
Direct Investor (DI)	6.4	0.2	-	0.3	-	6.9
Accumulated Retained Earning/Loss	(1.0)	0.2	0.1	(0.1)	-	(0.8)
Debt	1.8	(0.2)	-	0.2	-	1.8
Equity Capital	5.5	0.2	(0.1)	0.2	-	5.8
China PR	1,666.8	196.1	57.9	47.6	0.0	1,969.0
Direct investment Entity (DIE)	0.8	0.0	-	(0.8)	-	0.0
Debt	0.8	0.0	-	(0.8)	-	0.0
Direct Investor (DI)	1,665.1	128.7	57.9	48.3	0.0	1,900.6
Accumulated Retained Earning/Loss	215.2	36.8	54.4	2.8	-	309.2
Debt	995.2	88.9	(0.8)	4.3	0.0	1,088.1
Equity Capital	454.7	3.0	4.4	41.2	-	503.3
Fellow Enterprise (FE)	1.0	67.3	(0.0)	0.1	-	68.4
Debt	1.0	67.3	(0.0)	0.1	-	68.4
Congo DR	165.0	31.1	0.1	0.0	-	196.3
Fellow Enterprise (FE)	165.0	31.1	0.1	0.0	-	196.3
Debt	165.0	31.1	0.1	0.0	-	196.3
Cote d'Ivoire	0.0	(0.0)	(0.0)	0.0	-	0.0
Fellow Enterprise (FE)	0.0	(0.0)	(0.0)	0.0	-	0.0
Debt	0.0	(0.0)	(0.0)	0.0	-	0.0
Cyprus	0.4	0.6	-	0.0	-	1.0
Direct Investor (DI)	0.4	0.6	-	0.0	-	1.0
Accumulated Retained Earning/Loss	(1.1)	0.8	-	(0.0)	-	(0.3)
Debt	0.4	(0.2)	-	-	-	0.1
Equity Capital	1.1	-	-	0.0	-	1.1
Egypt	13.9	1.3	15.3	0.8	-	31.3
Direct Investor (DI)	4.3	0.8	15.3	0.7	-	21.2
Accumulated Retained Earning/Loss	0.8	0.8	15.3	0.7	-	17.6
Debt	0.3	(0.0)	-	0.0	-	0.3
Equity Capital	3.2	-	-	0.0	-	3.2
Fellow Enterprise (FE)	9.6	0.5	0.0	0.0	-	10.1
Debt	9.6	0.5	0.0	0.0	-	10.1
Finland	0.0	(0.0)	-	-	-	0.0
Fellow Enterprise (FE)	0.0	(0.0)	-	-	-	0.0
Debt	0.0	(0.0)	-	-	-	0.0
France	70.7	19.4	(0.9)	7.7	-	96.9
Direct Investor (DI)	65.4	13.6	0.4	7.7	-	87.1
Accumulated Retained Earning/Loss	27.5	6.4	0.0	3.3	-	37.3
Debt	5.7	4.8	0.4	0.4	-	11.3
Equity Capital	32.2	2.4	(0.0)	4.0	-	38.5
Fellow Enterprise (FE)	5.4	5.8	(1.3)	0.0	-	9.8
Debt	5.4	5.8	(1.3)	0.0	-	9.8
Germany	422.6	25.1	4.1	(6.8)	4.9	449.9
Direct Investor (DI)	422.6	25.1	4.1	(6.8)	4.9	449.9
Accumulated Retained Earning/Loss	356.6	4.4	-	(3.0)	-	357.9
Debt	43.1	20.7	4.1	(6.9)	4.9	65.8
Equity Capital	23.0	-	-	3.2	-	26.1
Ghana	0.7	0.0	-	0.1	-	0.8
Fellow Enterprise (FE)	0.7	0.0	-	0.1	-	0.8
Debt	0.7	0.0	-	0.1	-	0.8
Guernsey	(0.1)	0.9	0.0	(0.0)	-	0.8
Direct Investor (DI)	(0.1)	0.9	0.0	(0.0)	-	0.8
Accumulated Retained Earning/Loss	(1.4)	0.9	-	(0.0)	-	(0.6)
Debt	0.2	0.0	0.0	0.0	-	0.2

Source: Foreign Private Investment & Investor Perceptions Survey, 2017



Table 7: Foreign Direct Investment Stocks & Flows by Source country, Relationship and Type (US \$ millions), 2015 – 2016...Cont'

Investment relationship & Instrument Type	2015	Transactions	Other Changes in Volume	Exchange Rate Changes	Other Price Changes	2016
Equity Capital	1.1	-	-	0.0	-	1.1
Hong Kong	(0.7)	(0.1)	(0.1)	(0.1)	-	(1.1)
Direct Investor (DI)	(0.9)	(0.1)	(0.1)	(0.1)	-	(1.2)
Accumulated Retained Earning/Loss	0.0	-	-	0.0	-	0.0
Equity Capital	(0.9)	(0.1)	(0.1)	(0.1)	-	(1.2)
Fellow Enterprise (FE)	0.2	(0.1)	(0.0)	0.0	-	0.1
Debt	0.2	(0.1)	(0.0)	0.0	-	0.1
India	465.7	65.4	(3.4)	6.5	-	534.2
Direct Investor (DI)	460.1	70.1	(3.2)	5.9	-	532.8
Accumulated Retained Earning/Loss	3.1	22.5	(1.8)	2.4	-	26.2
Debt	411.9	13.7	(0.2)	34.5	-	459.9
Equity Capital	45.1	33.9	(1.2)	(31.0)	-	46.7
Fellow Enterprise (FE)	5.6	(4.7)	(0.2)	0.6	-	1.3
Debt	5.6	(4.7)	(0.2)	0.6	-	1.3
Indonesia	-	0.0	-	0.0	-	0.0
Fellow Enterprise (FE)	-	0.0	-	0.0	-	0.0
Debt	-	0.0	-	0.0	-	0.0
Ireland	921.5	(20.8)	13.2	10.7	(1.1)	923.5
Direct Investor (DI)	921.5	(20.8)	13.2	10.7	(1.1)	923.5
Accumulated Retained Earning/Loss	557.2	(57.4)	27.5	3.8	-	531.1
Debt	87.1	25.8	0.5	1.3	(1.1)	113.6
Equity Capital	277.2	10.8	(14.8)	5.6	-	278.8
Israel	(0.1)	3.8	-	0.2	-	3.9
Direct Investor (DI)	(0.1)	3.8	-	0.2	-	3.9
Accumulated Retained Earning/Loss	(0.1)	3.8	-	0.2	-	3.9
Equity Capital	0.0	-	-	0.0	-	0.1
Italy	9.7	(0.0)	-	1.1	-	10.8
Direct Investor (DI)	9.4	(0.0)	-	1.1	-	10.5
Accumulated Retained Earning/Loss	0.0	(0.0)	-	0.0	-	0.0
Equity Capital	9.4	-	-	1.1	-	10.5
Fellow Enterprise (FE)	0.3	(0.0)	-	0.0	-	0.3
Debt	0.3	(0.0)	-	0.0	-	0.3
Japan	32.2	1.7	(1.2)	3.7	-	36.4
Direct Investor (DI)	32.2	1.7	(1.2)	3.7	-	36.4
Accumulated Retained Earning/Loss	3.7	0.5	-	0.5	-	4.7
Debt	0.8	1.2	(1.2)	0.1	-	0.9
Equity Capital	27.6	-	-	3.1	-	30.8
Fellow Enterprise (FE)	-	-	-	-	-	-
Debt	-	-	-	-	-	-
Kenya	25.9	12.0	(0.1)	1.9	(0.7)	39.0
Direct Investor (DI)	16.3	15.0	(0.1)	0.9	-	32.2
Accumulated Retained Earning/Loss	1.8	13.3	-	1.2	-	16.3
Debt	8.0	1.1	-	(1.1)	-	8.0
Equity Capital	6.6	0.6	(0.1)	0.8	-	8.0
Fellow Enterprise (FE)	9.5	(3.0)	0.0	1.0	(0.7)	6.8
Debt	9.5	(3.0)	0.0	1.0	(0.7)	6.8
Lebanon	24.9	2.7	-	(17.2)	-	10.4
Direct Investor (DI)	24.9	2.7	-	(17.2)	-	10.4
Accumulated Retained Earning/Loss	7.6	2.6	-	(6.6)	-	3.7
Debt	5.9	0.1	-	0.6	-	6.5
Equity Capital	11.5	-	-	(11.3)	-	0.2
Liechtenstein	(0.2)	0.1	0.0	(0.0)	-	(0.1)
Direct Investor (DI)	(0.2)	0.1	0.0	(0.0)	-	(0.1)
Accumulated Retained Earning/Loss	(0.3)	0.1	-	(0.0)	-	(0.3)
Debt	0.1	0.0	0.0	0.0	-	0.2
Equity Capital	0.0	-	-	0.0	-	0.0
Luxembourg	(74.7)	17.4	(205.3)	(20.1)	-	(282.7)
Direct Investor (DI)	(81.3)	14.7	(206.1)	(19.7)	-	(292.5)
Accumulated Retained Earning/Loss	(397.0)	(4.8)	0.3	0.0	-	(401.6)
Debt	228.5	7.2	(206.4)	(21.4)	-	7.9

Source: Foreign Private Investment & Investor Perceptions Survey, 2017



Table 7: Foreign Direct Investment Stocks & Flows by Source country, Relationship and Type (US \$ millions), 2015 – 2016...Cont'

Investment relationship & Instrument Type	2015	Transactions	Other Changes in Volume	Exchange Rate Changes	Other Price Changes	2016
Equity Capital	87.2	12.4	-	1.7	-	101.2
Fellow Enterprise (FE)	6.6	2.7	0.9	(0.4)	-	9.8
Debt	6.6	2.7	0.9	(0.4)	-	9.8
Malawi	4.5	0.1	0.1	2.8	(0.0)	7.4
Direct Investor (DI)	4.4	0.1	0.1	2.8	(0.0)	7.3
Accumulated Retained Earning/Loss	3.6	(2.6)	(0.0)	0.3	-	1.2
Debt	0.6	(0.3)	(0.0)	0.1	-	0.3
Equity Capital	0.3	3.0	0.1	2.4	(0.0)	5.8
Fellow Enterprise (FE)	0.1	0.0	0.0	0.0	-	0.1
Debt	0.1	0.0	0.0	0.0	-	0.1
Mauritania	0.9	(0.8)	-	-	-	0.0
Fellow Enterprise (FE)	0.9	(0.8)	-	-	-	0.0
Debt	0.9	(0.8)	-	-	-	0.0
Mauritius	368.7	121.4	29.9	39.5	(16.8)	542.6
Direct investment Entity (DIE)	0.0	0.8	(0.6)	0.0	0.0	0.2
Debt	0.0	0.8	(0.6)	0.0	0.0	0.2
Direct Investor (DI)	356.0	121.1	29.5	38.0	(16.8)	527.8
Accumulated Retained Earning/Loss	(22.5)	34.4	2.1	13.5	-	27.5
Debt	138.3	68.2	17.3	(8.9)	(16.8)	198.0
Equity Capital	240.2	18.6	10.1	33.4	-	302.3
Fellow Enterprise (FE)	12.6	(0.5)	1.0	1.4	-	14.6
Debt	12.6	(0.5)	1.0	1.4	-	14.6
Mozambique	0.0	0.8	0.0	0.0	-	0.9
Fellow Enterprise (FE)	0.0	0.8	0.0	0.0	-	0.9
Debt	0.0	0.8	0.0	0.0	-	0.9
Namibia	2.0	0.2	-	0.2	-	2.4
Direct Investor (DI)	2.0	0.2	-	0.2	-	2.4
Accumulated Retained Earning/Loss	1.5	0.2	-	0.2	-	1.9
Equity Capital	0.5	-	-	0.1	-	0.5
Netherlands	527.6	(10.6)	0.7	23.8	-	541.5
Direct Investor (DI)	227.5	(10.8)	0.7	23.7	-	241.1
Accumulated Retained Earning/Loss	85.7	7.2	(5.9)	9.0	-	96.0
Debt	57.1	(19.3)	-	5.1	-	43.0
Equity Capital	84.7	1.2	6.6	9.5	-	102.0
Fellow Enterprise (FE)	300.0	0.2	0.0	0.2	-	300.4
Debt	300.0	0.2	0.0	0.2	-	300.4
New Zealand	0.0	0.0	-	-	-	0.0
Direct Investor (DI)	0.0	0.0	-	-	-	0.0
Accumulated Retained Earning/Loss	0.0	0.0	-	-	-	0.0
Equity Capital	0.0	(0.0)	-	-	-	(0.0)
Nigeria	128.5	45.2	2.6	14.1	-	190.4
Direct Investor (DI)	128.5	45.2	2.6	14.1	-	190.4
Accumulated Retained Earning/Loss	(70.4)	36.8	0.0	(6.3)	-	(39.9)
Debt	184.6	8.5	2.6	18.8	-	214.4
Equity Capital	14.3	(0.1)	(0.0)	1.6	-	15.8
Fellow Enterprise (FE)	0.0	(0.0)	(0.0)	0.0	-	0.0
Debt	0.0	(0.0)	(0.0)	0.0	-	0.0
Norway	22.3	52.3	-	(9.8)	-	64.8
Direct Investor (DI)	22.2	52.0	-	(9.8)	-	64.4
Accumulated Retained Earning/Loss	4.9	9.9	-	(9.8)	-	5.1
Debt	17.3	42.1	-	-	-	59.4
Equity Capital	0.0	-	-	0.0	-	0.0
Fellow Enterprise (FE)	0.0	0.3	-	-	-	0.4
Debt	0.0	0.3	-	-	-	0.4
Other	6.9	2.7	0.0	0.6	-	10.2
Direct Investor (DI)	1.4	0.5	0.0	0.1	-	1.9
Accumulated Retained Earning/Loss	1.1	0.5	-	0.1	-	1.7
Debt	0.0	0.0	0.0	(0.1)	-	0.0
Equity Capital	0.2	(0.0)	-	0.0	-	0.2
Fellow Enterprise (FE)	5.5	2.2	-	0.6	-	8.3

Source: Foreign Private Investment & Investor Perceptions Survey, 2017



Table 7: Foreign Direct Investment Stocks & Flows by Source country, Relationship and Type (US \$ millions), 2015 – 2016...Cont'

Investment relationship & Instrument Type	2015	Transactions	Other Changes in Volume	Exchange Rate Changes	Other Price Changes	2016
Debt	5.5	2.2	-	0.6	-	8.3
Peru	5.3	2.2	0.2	0.5	-	8.2
Direct Investor (DI)	4.1	1.5	-	0.5	-	6.2
Accumulated Retained Earning/Loss	1.4	1.7	-	0.2	-	3.4
Equity Capital	2.7	(0.2)	-	0.3	-	2.8
Fellow Enterprise (FE)	1.2	0.7	0.2	(0.0)	-	2.0
Debt	1.2	0.7	0.2	(0.0)	-	2.0
Poland	0.0	0.0	-	0.0	-	0.0
Fellow Enterprise (FE)	0.0	0.0	-	0.0	-	0.0
Debt	0.0	0.0	-	0.0	-	0.0
Samoa	9.7	-	-	-	-	9.7
Direct Investor (DI)	9.7	-	-	-	-	9.7
Accumulated Retained Earning/Loss	-	-	-	-	-	-
Debt	9.7	-	-	-	-	9.7
Equity Capital	0.0	-	-	-	-	0.0
Saudi Arabia	1.8	0.2	-	(0.2)	-	1.8
Fellow Enterprise (FE)	1.8	0.2	-	(0.2)	-	1.8
Debt	1.8	0.2	-	(0.2)	-	1.8
Senegal	1.1	0.3	0.1	(0.0)	-	1.5
Direct Investor (DI)	1.1	0.3	0.1	(0.0)	-	1.5
Accumulated Retained Earning/Loss	0.7	0.3	0.1	(0.1)	-	1.0
Equity Capital	0.4	-	-	0.0	-	0.5
SERBIA	0.9	0.5	(0.3)	0.1	-	1.2
Direct Investor (DI)	0.9	0.4	(0.3)	0.1	-	1.2
Accumulated Retained Earning/Loss	0.3	0.4	-	0.1	-	0.7
Equity Capital	0.7	-	(0.3)	0.1	-	0.4
Fellow Enterprise (FE)	-	0.0	-	-	-	0.0
Debt	-	0.0	-	-	-	0.0
Seychelles	1.9	(0.6)	-	0.2	-	1.5
Direct Investor (DI)	1.9	(0.6)	-	0.2	-	1.5
Accumulated Retained Earning/Loss	1.9	(0.6)	-	0.2	-	1.5
Equity Capital	0.0	-	-	0.0	-	0.0
Singapore	63.3	10.6	(0.3)	10.5	-	84.1
Direct Investor (DI)	24.9	(15.4)	(2.5)	6.6	-	13.6
Accumulated Retained Earning/Loss	(122.8)	47.3	-	(10.2)	-	(85.7)
Debt	72.7	(68.5)	(2.4)	7.4	-	9.2
Equity Capital	75.0	5.8	(0.0)	9.3	-	90.1
Fellow Enterprise (FE)	38.4	26.0	2.2	3.9	-	70.4
Debt	38.4	26.0	2.2	3.9	-	70.4
South Africa	1,229.4	38.9	81.9	65.1	(2.8)	1,412.6
Direct investment Entity (DIE)	0.9	(0.9)	0.1	0.0	-	0.0
Debt	0.9	(0.9)	0.1	0.0	-	0.0
Direct Investor (DI)	1,113.5	57.9	78.5	53.2	(2.8)	1,300.3
Accumulated Retained Earning/Loss	418.7	18.8	59.4	33.1	-	530.0
Debt	388.4	27.0	8.2	9.2	(0.0)	432.8
Equity Capital	306.4	12.0	10.9	10.9	(2.8)	337.5
Fellow Enterprise (FE)	115.1	(18.1)	3.4	11.8	0.0	112.2
Debt	115.1	(18.1)	3.4	11.8	0.0	112.2
Spain	0.1	0.8	(0.0)	0.0	-	0.8
Fellow Enterprise (FE)	0.1	0.8	(0.0)	0.0	-	0.8
Debt	0.1	0.8	(0.0)	0.0	-	0.8
Swaziland	0.6	0.1	0.0	0.1	-	0.8
Direct Investor (DI)	0.6	0.1	-	0.1	-	0.8
Accumulated Retained Earning/Loss	0.6	0.1	-	0.1	-	0.8
Equity Capital	0.0	-	-	0.0	-	0.0
Fellow Enterprise (FE)	0.0	0.0	0.0	0.0	-	0.0
Debt	0.0	0.0	0.0	0.0	-	0.0
Sweden	53.5	(7.4)	(0.4)	(0.1)	-	45.5
Direct Investor (DI)	47.0	(5.8)	(1.1)	-	-	40.1
Accumulated Retained Earning/Loss	37.2	(3.1)	(1.1)	-	-	33.1

Source: Foreign Private Investment & Investor Perceptions Survey, 2017



Table 7: Foreign Direct Investment Stocks & Flows by Source country, Relationship and Type (US \$ millions), 2015 – 2016...Cont'

Investment relationship & Instrument Type	2015	Transactions	Other Changes in Volume	Exchange Rate Changes	Other Price Changes	2016
Debt	5.5	(2.7)	-	1.9	-	2.8
Equity Capital	4.3	-	-	(0.5)	-	4.3
Fellow Enterprise (FE)	6.5	(1.6)	0.7	0.2	-	5.4
Debt	6.5	(1.6)	0.7	2.2	-	5.4
Switzerland	2,280.8	123.3	131.6	(0.2)	-	2,545.5
Direct Investor (DI)	2,230.9	106.7	131.6	(0.2)	-	2,477.8
Accumulated Retained Earning/Loss	261.0	(158.0)	63.5	1.8	-	161.9
Debt	1,848.1	262.9	68.5	0.3	-	2,192.9
Equity Capital	121.7	1.7	(0.4)	0.3	-	123.0
Fellow Enterprise (FE)	50.0	16.6	(0.1)	1.5	-	67.7
Debt	50.0	16.6	(0.1)	(0.0)	-	67.7
Tanzania	45.7	(4.8)	(3.9)	0.1	-	49.2
Direct Investor (DI)	43.5	(4.9)	(3.9)	1.4	-	46.7
Accumulated Retained Earning/Loss	0.5	(4.3)	1.0	0.0	-	4.4
Debt	4.8	(0.6)	-	0.0	-	4.8
Equity Capital	38.2	0.0	(4.9)	272.3	-	37.5
Fellow Enterprise (FE)	2.2	0.1	0.0	-	-	2.5
Debt	2.2	0.1	0.0	-	-	2.5
Thailand	0.3	(0.3)	-	-	-	0.0
Fellow Enterprise (FE)	0.3	(0.3)	-	-	-	0.0
Debt	0.3	(0.3)	-	-	-	0.0
Togo	45.3	2.1	-	-	-	32.5
Direct Investor (DI)	45.3	2.1	-	-	-	32.5
Accumulated Retained Earning/Loss	9.2	2.5	-	-	-	(7.3)
Equity Capital	36.1	(0.4)	-	-	-	39.7
Tunisia	0.8	(0.3)	-	-	-	0.5
Direct Investor (DI)	0.8	(0.3)	-	-	-	0.5
Accumulated Retained Earning/Loss	0.2	(0.3)	-	-	-	(0.2)
Equity Capital	0.6	0.0	-	-	-	0.7
Uganda	0.3	(0.3)	(0.0)	-	-	0.0
Fellow Enterprise (FE)	0.3	(0.3)	(0.0)	-	-	0.0
Debt	0.3	(0.3)	(0.0)	-	-	0.0
United Arab Emirates	47.5	13.1	1.2	-	-	63.8
Direct Investor (DI)	21.3	1.7	-	-	-	26.9
Accumulated Retained Earning/Loss	(8.5)	4.0	-	-	-	(5.2)
Debt	11.3	(2.3)	-	-	-	11.6
Equity Capital	18.5	-	-	-	-	20.6
Fellow Enterprise (FE)	26.2	11.4	1.2	-	-	36.9
Debt	26.2	11.4	1.2	-	-	36.9
United Kingdom	862.8	(94.3)	9.6	-	-	765.7
Direct investment Entity (DIE)	1.0	(0.1)	(0.0)	-	-	0.9
Debt	1.0	(0.1)	(0.0)	-	-	0.9
Direct Investor (DI)	597.6	(73.9)	9.6	-	-	521.3
Accumulated Retained Earning/Loss	(16.7)	(88.8)	8.6	-	-	(102.7)
Debt	62.5	(4.5)	(0.2)	-	-	58.6
Equity Capital	551.7	19.4	1.2	-	-	565.4
Fellow Enterprise (FE)	264.2	(20.3)	(0.0)	-	-	243.5
Debt	264.2	(20.3)	(0.0)	-	-	243.5
United States	98.1	(13.3)	34.7	-	4.2	124.7
Direct Investor (DI)	88.6	(14.3)	34.6	-	4.2	113.4
Accumulated Retained Earning/Loss	(6.5)	6.3	-	-	-	(0.7)
Debt	57.8	(20.0)	1.2	-	4.2	38.1
Equity Capital	37.3	(0.6)	33.4	-	0.0	76.0
Fellow Enterprise (FE)	9.6	0.9	0.1	-	-	11.3
Debt	9.6	0.9	0.1	-	-	11.3
United States Virgin Islands	3.6	0.6	-	-	-	4.7
Direct Investor (DI)	3.6	0.6	-	-	-	4.7
Accumulated Retained Earning/Loss	3.2	0.6	-	-	-	4.3
Equity Capital	0.4	-	-	-	-	0.4
Virgin Islands British	2,157.8	286.7	(0.2)	-	-	2,446.0

Source: Foreign Private Investment & Investor Perceptions Survey, 2017



Table 7: Foreign Direct Investment Stocks & Flows by Source country, Relationship and Type (US \$ millions), 2015 – 2016...Cont'

Investment relationship & Instrument Type	2015	Transactions	Other Changes in Volume	Exchange Rate Changes	Other Price Changes	2016
Direct Investor (DI)	14.3	7.5	(0.2)		-	23.5
Accumulated Retained Earning/Loss	(2.3)	(3.5)	0.0		-	(6.3)
Debt	2.0	(0.1)	-		-	2.0
Equity Capital	14.6	11.2	(0.2)		-	27.8
Fellow Enterprise (FE)	2,143.5	279.2	-		-	2,422.5
Debt	2,143.5	279.2	-		-	2,422.5
Zimbabwe	14.3	0.3	(0.3)		-	16.2
Direct investment Entity (DIE)	-	0.1	(0.3)		-	0.1
Debt	-	0.1	(0.3)		-	0.1
Direct Investor (DI)	13.8	(0.1)	(0.0)		-	15.2
Accumulated Retained Earning/Loss	0.2	(0.1)	(0.0)		-	0.0
Debt	0.9	0.0	-		-	1.0
Equity Capital	12.8	0.0	-		-	14.2
Fellow Enterprise (FE)	0.5	0.3	0.0		-	0.9
Debt	0.5	0.3	0.0		-	0.9
Grand Total	16,488.2	662.8	13.5		(12.3)	17,425.0

Source: Foreign Private Investment & Investor Perceptions Survey, 2017

Table 8: Foreign Direct Investment Stocks & Flows by Industry, Relationship and Type (US \$ million), 2015 - 2016

Industry, Relationship and Instrument Type	2015	Transactions	Other Changes in Volume	Exchange Rate Changes	Other Price Changes	2016
Accommodation & Food	59.0	5.3	(207.7)	(17.6)	0.0	(160.9)
Direct Investor (DI)	47.6	2.5	(207.4)	(16.6)	0.0	(173.9)
Accumulated Retained Earning/Loss	(210.3)	(7.4)	(0.3)	2.4	-	(215.6)
Debt	249.3	8.3	(207.2)	(20.1)	0.0	30.4
Equity Capital	8.6	1.7	0.0	1.0	-	11.3
Fellow Enterprise (FE)	11.4	2.8	(0.3)	(1.0)	-	12.9
Debt	11.4	2.8	(0.3)	(1.0)	-	12.9
Administrative and support	0.8	2.2	0.0	(0.0)	-	3.1
Direct Investor (DI)	0.8	2.2	0.0	(0.0)	-	3.1
Accumulated Retained Earning/Loss	(4.3)	2.4	-	(0.1)	-	(2.0)
Debt	0.6	(0.2)	0.0	0.0	-	0.5
Equity Capital	4.5	-	-	0.0	-	4.5
Agriculture, forestry and fishing	281.8	47.5	(3.5)	15.6	3.8	345.3
Direct investment Entity (DIE)	1.0	(0.1)	(0.0)	0.0	-	0.9
Debt	1.0	(0.1)	(0.0)	0.0	-	0.9
Direct Investor (DI)	274.1	49.5	(3.5)	15.3	3.8	339.2
Accumulated Retained Earning/Loss	(42.9)	12.8	(1.4)	(5.6)	-	(37.1)
Debt	244.0	30.0	4.7	12.6	3.8	295.1
Equity Capital	73.0	6.6	(6.8)	8.3	-	81.1
Fellow Enterprise (FE)	6.8	(1.9)	-	0.3	-	5.2
Debt	6.8	(1.9)	-	0.3	-	5.2
Construction	104.0	40.4	15.4	8.3	0.0	168.1
Direct investment Entity (DIE)	0.8	0.0	-	(0.8)	-	0.0
Debt	0.8	0.0	-	(0.8)	-	0.0
Direct Investor (DI)	102.7	39.8	15.4	9.0	0.0	167.1
Accumulated Retained Earning/Loss	64.1	26.6	15.4	4.6	-	110.7
Debt	29.3	(2.0)	(0.1)	2.8	0.0	30.1
Equity Capital	9.3	15.2	0.1	1.7	-	26.2
Fellow Enterprise (FE)	0.5	0.5	0.0	0.0	-	1.0
Debt	0.5	0.5	0.0	0.0	-	1.0
Deposit Taking Corporations	601.3	65.2	(4.7)	107.7	(2.7)	766.7
Direct Investor (DI)	601.3	65.2	(4.7)	107.7	(2.7)	766.7
Accumulated Retained Earning/Loss	166.7	40.8	(16.0)	27.7	-	219.2
Debt	16.1	1.4	0.1	1.6	-	19.2
Equity Capital	418.4	23.0	11.1	78.4	(2.7)	528.3
Electricity	598.9	(16.7)	20.9	(33.3)	-	569.8
Direct Investor (DI)	598.8	(17.1)	20.9	(33.3)	-	569.4
Accumulated Retained Earning/Loss	459.4	(51.8)	28.9	0.9	-	437.4
Debt	3.1	0.8	-	-	-	3.9

Source: Foreign Private Investment & Investor Perceptions Survey, 2017





Table 8: Foreign Direct Investment Stocks & Flows by Industry, Relationship and Type (US \$ million), 2015 - 2016...Cont'

Industry, Relationship and Instrument Type	2015	Transactions	Other Changes in Volume	Exchange Rate Changes	Other Price Changes	2016
Equity Capital	136.4	33.9	(8.0)	(34.1)	-	128.2
Fellow Enterprise (FE)	0.0	0.3	-	-	-	0.4
Debt	0.0	0.3	-	-	-	0.4
Information & Communication	172.6	78.2	24.9	(4.8)	(16.7)	254.3
Direct Investor (DI)	151.2	56.3	26.4	(10.0)	(16.7)	207.3
Accumulated Retained Earning/Loss	(96.6)	17.3	(3.0)	(10.4)	-	(92.8)
Debt	122.7	38.4	13.6	(10.6)	(16.7)	147.3
Equity Capital	125.1	0.7	15.9	11.1	-	152.8
Fellow Enterprise (FE)	21.4	21.9	(1.5)	5.2	-	47.0
Debt	21.4	21.9	(1.5)	5.2	-	47.0
Insurance & Other Financial Services	24.1	(3.6)	(0.2)	2.6	(0.1)	22.9
Direct Investor (DI)	24.1	(3.6)	(0.2)	2.6	(0.1)	22.8
Accumulated Retained Earning/Loss	4.3	(6.2)	(0.0)	0.1	-	(1.7)
Debt	1.0	(0.0)	0.0	0.1	-	1.0
Equity Capital	18.7	2.6	(0.2)	2.4	(0.1)	23.5
Fellow Enterprise (FE)	-	0.0	0.0	-	-	0.0
Debt	-	0.0	0.0	-	-	0.0
Manufacturing	1,491.4	345.8	36.9	65.7	3.4	1,943.8
Direct investment Entity (DIE)	0.9	(0.8)	(0.2)	0.3	-	0.1
Debt	0.9	(0.8)	(0.2)	0.3	-	0.1
Direct Investor (DI)	1,415.2	230.9	35.9	65.6	4.0	1,752.1
Accumulated Retained Earning/Loss	706.0	207.1	(0.5)	18.3	-	930.9
Debt	354.1	(3.8)	4.1	23.3	4.0	382.2
Equity Capital	355.1	27.6	32.3	24.1	-	439.1
Fellow Enterprise (FE)	75.4	115.8	1.2	(0.2)	(0.7)	191.5
Debt	75.4	115.8	1.2	(0.2)	(0.7)	191.5
Mining and Quarrying	12,043.9	41.6	135.5	35.1	-	12,256.0
Direct Investor (DI)	9,058.5	(244.9)	132.4	25.3	-	8,971.3
Accumulated Retained Earning/Loss	1,575.4	(117.1)	17.6	(14.8)	-	1,461.2
Debt	4,935.3	(127.3)	113.3	31.3	-	4,952.7
Equity Capital	2,547.8	(0.5)	1.4	8.8	-	2,557.5
Fellow Enterprise (FE)	2,985.4	286.4	3.1	9.8	-	3,284.7
Debt	2,985.4	286.4	3.1	9.8	-	3,284.7
Professional, scientific and technical activities	251.6	(20.5)	(0.5)	28.8	0.0	259.3
Direct investment Entity (DIE)	0.0	0.8	(0.6)	0.0	0.0	0.2
Debt	0.0	0.8	(0.6)	0.0	0.0	0.2
Direct Investor (DI)	251.0	(21.3)	(0.0)	28.5	-	258.1
Accumulated Retained Earning/Loss	(0.6)	(21.0)	(0.0)	(0.1)	-	(21.8)
Debt	2.0	(0.1)	-	0.2	-	2.0
Equity Capital	249.6	(0.2)	-	28.4	-	277.8
Fellow Enterprise (FE)	0.6	-	0.1	0.3	-	1.0
Debt	0.6	-	0.1	0.3	-	1.0
Real estate activities	291.9	2.8	(10.5)	(4.9)	-	279.3
Direct Investor (DI)	291.9	2.8	(10.5)	(4.9)	-	279.3
Accumulated Retained Earning/Loss	5.6	(17.3)	1.0	(7.8)	-	(18.5)
Debt	95.5	13.1	0.0	1.2	-	109.9
Equity Capital	190.8	7.0	(11.5)	1.6	-	188.0
Transport & Storage	34.6	(0.3)	1.7	4.8	-	40.9
Direct Investor (DI)	29.7	(0.5)	1.7	4.5	-	35.4
Accumulated Retained Earning/Loss	7.2	0.3	1.0	1.1	-	9.6
Debt	4.8	0.1	-	0.5	-	5.3
Equity Capital	17.6	(0.8)	0.7	3.0	-	20.5
Fellow Enterprise (FE)	5.0	0.2	0.0	0.3	-	5.5
Debt	5.0	0.2	0.0	0.3	-	5.5
Wholesale & Retail trade	532.1	74.9	5.2	64.2	0.0	676.4
Direct Investor (DI)	442.5	74.9	(1.5)	59.0	0.0	575.0
Accumulated Retained Earning/Loss	172.4	38.0	3.6	26.1	0.0	240.1
Debt	141.0	11.2	(4.9)	10.7	-	157.9
Equity Capital	129.2	25.8	(0.2)	22.2	(0.0)	176.9
Fellow Enterprise (FE)	89.6	(0.1)	6.8	5.2	0.0	101.5
Debt	89.6	(0.1)	6.8	5.2	0.0	101.5
Grand Total	16,488.2	662.8	13.5	272.3	(12.3)	17,425.0

Source: Foreign Private Investment & Investor Perceptions Survey, 2017



Table 9: Foreign Direct Investment Stocks & Flows by Regional Grouping and Instrument Type (US \$ million), 2015 - 2016

Regional Grouping & Instrument Type	2015	Transactions	Other Changes in Volume	Exchange Rate Changes	Other Price Changes	2016
Asia	2,227.5	273.4	53.0	68.1	0.0	2,622.6
Accumulated Retained Earning/Loss	99.3	107.1	52.5	(4.5)	-	254.4
Debt	1,526.8	123.7	(2.6)	50.1	0.0	1,698.5
Equity Capital	601.5	42.6	3.1	22.6	-	669.8
COMESA & SADC	598.9	148.4	25.9	56.2	(16.8)	812.6
Accumulated Retained Earning/Loss	(17.6)	27.5	3.1	21.1	-	34.0
Debt	325.1	99.2	17.5	(6.2)	(16.8)	418.8
Equity Capital	291.5	21.6	5.3	41.4	(0.0)	359.8
EU	4,315.6	210.6	(59.4)	26.0	3.8	4,496.6
Accumulated Retained Earning/Loss	977.1	(184.1)	84.3	4.4	-	881.7
Debt	2,661.6	366.3	(132.7)	(7.4)	3.8	2,891.6
Equity Capital	676.9	28.4	(11.0)	29.0	-	723.3
Exclusively COMESA	39.8	13.3	15.3	2.6	(0.7)	70.3
Accumulated Retained Earning/Loss	2.5	14.1	15.3	1.9	-	33.9
Debt	27.4	(1.4)	0.0	(0.0)	(0.7)	25.2
Equity Capital	9.8	0.6	(0.1)	0.8	-	11.2
Exclusively SADC	1,253.3	44.3	74.4	149.0	(2.8)	1,518.3
Accumulated Retained Earning/Loss	414.7	10.5	59.4	63.8	-	548.3
Debt	506.4	13.9	11.6	21.3	0.0	553.2
Equity Capital	332.3	19.9	3.5	63.9	(2.8)	416.8
OECD (Non-EU)	5,615.2	(385.5)	(99.1)	(16.9)	4.2	5,117.8
Accumulated Retained Earning/Loss	1,392.7	99.4	(168.4)	(11.6)	-	1,312.1
Debt	1,955.2	(503.6)	34.7	(5.3)	4.2	1,485.3
Equity Capital	2,267.2	18.7	34.6	(0.0)	0.0	2,320.5
Other	2,437.9	358.3	3.4	(12.7)	0.0	2,786.8
Accumulated Retained Earning/Loss	(62.3)	50.1	0.2	(32.6)	0.0	(44.7)
Debt	2,395.0	297.6	3.8	20.7	-	2,717.1
Equity Capital	105.2	10.7	(0.6)	(0.9)	(0.0)	114.4
Grand Total	16,488.2	662.8	13.5	272.3	(12.3)	17,425.0

Source: Foreign Private Investment & Investor Perceptions Survey, 2017

Table 10: Private Sector External Debt by Source Country (US \$ million), 2015 – 2016

Source country	2015	Transactions	Other Changes in Volume	Exchange Rate Changes	Other Price Changes	2016	Interest Paid
AfDB	41.6	46.0	0.6	4.6	(1.1)	91.8	-
Australia	45.4	(2.8)	3.3	(2.2)	0.0	43.7	0.0
Belgium	0.3	0.2	0.0	(0.0)	0.0	0.5	-
Bermuda	372.3	22.9	14.7	1.2	-	411.1	-
Botswana	6.9	5.9	0.6	0.8	(0.0)	14.1	-
Brazil	253.4	12.5	14.7	-	-	280.5	-
Bulgaria	0.1	0.0	-	0.0	-	0.1	-
Burundi	0.5	(0.5)	0.1	0.0	(0.1)	0.0	0.0
Cameroon	-	0.0	0.0	-	-	0.0	-
Canada	899.9	(498.7)	0.7	0.9	-	402.8	0.0
Cayman Islands	0.1	45.0	0.0	0.0	-	45.1	-
Channel Islands	3.6	0.3	0.2	0.4	(0.4)	4.0	0.3
CHINA	-	0.1	-	-	-	0.1	-
China PR	1,725.5	109.6	(0.9)	64.5	0.0	1,899.4	43.6
Congo	-	0.0	0.1	-	-	0.1	-
Congo DR	166.5	29.5	0.1	0.2	-	196.3	0.0
Cote d'Ivoire	44.6	(4.7)	(0.0)	4.6	-	44.5	-
Cyprus	0.4	(0.2)	-	-	-	0.1	-
DBSA	9.0	117.9	1.1	5.6	-	133.6	-
Denmark	-	0.0	-	-	-	0.0	-
Egypt	10.7	(0.2)	0.0	0.0	-	10.6	-
EIB	15.0	38.6	0.1	3.5	-	57.3	-
Exim Bank of China	311.8	(17.6)	(41.5)	32.3	-	285.0	-
Exim Bank of India	47.4	(5.2)	-	5.2	-	47.4	-
Finland	67.9	31.2	0.1	8.9	0.0	108.2	0.1

Source: Foreign Private Investment & Investor Perceptions Survey, 2017





Table 10: Private Sector External Debt by Source Country (US \$ million), 2015 – 2016...Cont'

Source country	2015	Transactions	Other Changes in Volume	Exchange Rate Changes	Other Price Changes	2016	Interest Paid
AfDB	41.6	46.0	0.6	4.6	(1.1)	91.8	-
Australia	45.4	(2.8)	3.3	(2.2)	0.0	43.7	0.0
Belgium	0.3	0.2	0.0	(0.0)	0.0	0.5	-
Bermuda	372.3	22.9	14.7	1.2	-	411.1	-
Botswana	6.9	5.9	0.6	0.8	(0.0)	14.1	-
Brazil	253.4	12.5	14.7	-	-	280.5	-
Bulgaria	0.1	0.0	-	0.0	-	0.1	-
Burundi	0.5	(0.5)	0.1	0.0	(0.1)	0.0	0.0
Cameroon	-	0.0	0.0	-	-	0.0	-
Canada	899.9	(498.7)	0.7	0.9	-	402.8	0.0
Cayman Islands	0.1	45.0	0.0	0.0	-	45.1	-
Channel Islands	3.6	0.3	0.2	0.4	(0.4)	4.0	0.3
CHINA	-	0.1	-	-	-	0.1	-
China PR	1,725.5	109.6	(0.9)	64.5	0.0	1,899.4	43.6
Congo	-	0.0	0.1	-	-	0.1	-
Congo DR	166.5	29.5	0.1	0.2	-	196.3	0.0
Cote d'Ivoire	44.6	(4.7)	(0.0)	4.6	-	44.5	-
Cyprus	0.4	(0.2)	-	-	-	0.1	-
DBSA	9.0	117.9	1.1	5.6	-	133.6	-
DENMARK	-	0.0	-	-	-	0.0	-
Egypt	10.7	(0.2)	0.0	0.0	-	10.6	-
EIB	15.0	38.6	0.1	3.5	-	57.3	-
Exim Bank of China	311.8	(17.6)	(41.5)	32.3	-	285.0	-
Exim Bank of India	47.4	(5.2)	-	5.2	-	47.4	-
Finland	67.9	31.2	0.1	8.9	0.0	108.2	0.1
France	45.7	42.1	1.3	0.8	(0.0)	89.9	-
Germany	86.0	6.2	4.1	(2.7)	4.9	98.4	0.4
Ghana	0.7	0.0	0.1	0.1	-	0.9	-
Guernsey	0.2	0.0	0.0	0.0	-	0.2	-
Hong Kong	0.4	(0.3)	(0.0)	0.0	-	0.2	-
IFC	10.0	(5.9)	-	0.9	-	5.0	-
India	452.1	(11.2)	(0.5)	37.2	-	477.6	0.0
Indonesia	0.0	0.1	-	0.0	-	0.1	-
Ireland	87.6	25.8	0.5	1.3	(1.1)	114.1	2.0
Italy	0.3	(0.0)	-	0.0	-	0.3	-
Japan	0.8	1.2	(1.2)	0.1	-	0.9	-
JICA	3.5	0.5	-	0.4	-	4.3	-
Kenya	25.0	(2.0)	(0.4)	0.7	(0.7)	22.6	0.3
Lebanon	5.9	0.1	-	0.6	-	6.5	-
Liechtenstein	0.1	0.0	0.0	0.0	-	0.2	-
Luxembourg	242.1	11.6	(205.4)	(21.1)	(0.1)	27.1	1.0
Malawi	0.7	(0.3)	(0.0)	0.1	-	0.5	-
Mauritania	0.9	(0.8)	-	-	-	0.0	-
Mauritius	201.1	117.2	17.2	(3.3)	(16.7)	315.5	2.0
Mozambique	0.2	0.8	0.0	0.0	-	1.0	-
Namibia	3.0	1.7	0.1	0.3	-	5.2	-
Netherlands	402.0	9.3	2.5	6.3	(0.0)	420.1	0.6
Nigeria	188.4	11.1	2.5	19.4	-	221.5	-
Norway	18.3	42.5	1.1	0.1	-	62.0	-
Other	66.0	45.1	26.7	0.5	-	138.2	-
Peru	1.2	0.7	0.2	(0.0)	-	2.0	0.0
Phillipines	-	0.0	-	-	-	0.0	-
Poland	0.0	0.0	-	0.0	-	0.0	-
PTA	30.6	20.4	-	-	-	51.0	-
Russian Federation	0.0	0.0	0.0	0.0	-	0.0	-
Samoa	9.7	-	-	-	-	9.7	-
Saudi Arabia	1.8	0.2	-	(0.2)	-	1.8	-
Senegal	-	0.0	0.0	-	-	0.0	-
SERBIA	-	0.0	-	-	-	0.0	-
Seychelles	-	0.0	-	-	-	0.0	-

Source: Foreign Private Investment & Investor Perceptions Survey, 2017



Table 10: Private Sector External Debt by Source Country (US \$ million), 2015 – 2016...Cont'

Source country	2015	Transactions	Other Changes in Volume	Exchange Rate Changes	Other Price Changes	2016	Interest Paid
Singapore	111.1	(42.5)	(0.3)	11.3	-	79.7	-
South Africa	2,163.5	186.2	11.5	40.1	0.0	2,401.3	32.5
Spain	0.1	1.1	(0.0)	0.0	-	1.1	-
Swaziland	0.0	0.0	0.0	0.0	-	0.0	-
Sweden	16.5	(8.8)	0.6	(0.0)	-	8.3	0.4
Switzerland	1,898.8	285.2	69.0	14.5	(0.0)	2,267.5	0.7
Tanzania	8.3	(1.6)	(0.0)	0.9	-	7.5	0.0
Thailand	0.3	(0.3)	-	0.0	-	0.0	-
Togo	0.6	(0.1)	0.0	0.0	-	0.5	0.0
Uganda	0.3	(0.3)	(0.0)	0.0	-	0.0	-
United Arab Emirates	39.8	8.9	1.2	0.9	-	50.8	-
United Kingdom	960.8	(154.9)	(12.8)	5.7	-	798.8	9.1
United States	262.7	11.1	7.7	(1.9)	4.2	283.7	2.8
Virgin Islands British	2,145.5	279.0	-	(0.0)	-	2,424.5	-
World Bank	77.5	(17.8)	-	8.1	-	67.8	-
Zimbabwe	1.5	2.7	(0.0)	0.4	-	4.6	-
Grand Total	13,594.0	793.7	(80.1)	252.3	(11.0)	14,549.5	95.9

Source: Foreign Private Investment & Investor Perceptions Survey, 2017

Table 10.1: Private Sector External Debt by Industry (US \$ million), 2015 – 2016

INDUSTRY	2015	Transactions	Exchange Rate Changes	Other Changes	2016
Mining and Quarrying	9,009.90	31.7	41.2	130.5	9,213.30
Electricity, Gas and Steam	1,795.50	465	95.1	-31.9	2,323.70
Manufacturing	697.5	221.3	33.7	6.7	959.7
Deposit Taking Corporations	543	-44.6	46.8	6	551.2
Information & Communication	428	53.5	1.5	-4.7	478.3
Agriculture, forestry and fishing	254.7	43.4	12.7	8	318.8
Wholesale & Retail trade	251.9	17	18.1	2.4	289.5
Real estate activities	255.1	-0.4	17.8	0	272.5
Accommodation & Food service activities	275.1	7	-21.1	-207.4	53.6
Construction	34.7	-3.2	1.7	0.2	33.4
Other	48.5	3	4.8	-0.8	55.6
Grand Total	13,594.00	793.7	252.3	-91.1	14,549.50

Source: Foreign Private Investment & Investor Perceptions Survey, 2017

Table 11: Foreign Direct Investment by Destination Country (US \$ million), 2015 - 2016

Recipient country	2015	Transactions	Other Changes in Volume	Exchange Rate Changes	Other Price Changes	2016
Angola	0.0	-	-	(0.0)	-	0.0
Australia	2.5	(1.7)	-	0.0	-	0.8
Belgium	-	0.1	0.0	-	-	0.1
Botswana	5.0	0.0	-	0.2	-	5.3
Burkina Faso	0.5	(0.0)	-	0.1	-	0.6
Canada	2.3	2.1	-	-	-	4.4
China PR	-	0.1	0.0	-	-	0.1
Congo	18.8	-	-	-	-	18.8
Congo DR	449.6	67.2	(23.6)	0.9	-	494.2
Eritrea	0.0	-	-	0.0	-	0.0
Ethiopia	0.0	(0.0)	0.0	-	-	-
Finland	0.0	(0.0)	-	-	-	-
France	-	22.8	-	-	-	22.8
Ghana	1.1	0.0	(0.0)	0.0	-	1.1
Guinea-Bissau	0.0	-	-	0.0	-	0.0
India	-	1.7	-	0.1	-	1.7
Ireland	1.0	0.0	-	0.1	-	1.1
Italy	-	0.0	-	-	-	0.0
Japan	0.0	-	-	0.0	-	0.0

Source: Foreign Private Investment & Investor Perceptions Survey, 2017





Table 11: Foreign Direct Investment by Destination Country (US \$ million), 2015 - 2016...Cont'

Recipient country	2015	Transactions	Other Changes in Volume	Exchange Rate Changes	Other Price Changes	2016
Kenya	34.9	(0.1)	-	0.2	-	35.0
Malawi	1.1	1.5	0.0	0.0	-	2.7
Mali	0.0	(0.0)	0.0	0.0	-	0.0
Mauritania	0.2	(0.2)	-	-	-	0.0
Mauritius	295.7	(57.1)	-	0.0	-	238.6
Mozambique	3.2	(2.2)	-	0.3	-	1.3
Namibia	0.7	0.0	-	-	-	0.7
Netherlands	5.8	0.2	-	0.4	-	6.4
Nigeria	138.9	(25.9)	-	0.5	-	113.5
Other	10.5	1.6	0.0	1.3	-	13.4
Panama	4.2	(4.0)	0.1	(0.0)	-	0.2
Peru	-	0.8	-	0.0	-	0.8
Serbia	2.0	-	0.3	0.6	-	2.8
Seychelles	2.4	0.3	-	(0.1)	-	2.6
Singapore	-	0.1	-	0.0	-	0.1
South Africa	72.3	(6.4)	7.7	1.7	(0.2)	75.1
Swaziland	0.0	0.0	-	0.0	-	0.0
Sweden	0.0	0.5	0.0	0.0	-	0.6
Switzerland	102.2	155.3	-	-	-	257.5
Tanzania	9.1	0.4	0.1	0.5	(0.8)	9.3
Uganda	0.4	0.9	-	0.1	-	1.5
United Arab Emirates	185.2	41.0	0.0	-	-	226.2
United Kingdom	81.6	(23.0)	-	0.1	-	58.7
United States	21.1	0.2	0.0	0.0	-	21.3
Zimbabwe	4.8	0.5	0.0	0.5	-	5.8
Grand Total	1,457.1	176.7	(15.4)	7.6	(1.0)	1,625.0

Source: Foreign Private Investment & Investor Perceptions Survey, 2017

Table 12: Private Sector External Lending by Destination Country (US \$ million), 2015 – 2016

Recipient country	2015	Transactions	Other Changes in Volume	Exchange Rate Changes	Other Price Changes	2016	Interest Paid
Angola	0.0	-	-	(0.0)	-	0.0	-
Australia	2.6	(1.1)	0.0	0.0	-	1.6	-
Belgium	0.1	1.5	0.0	0.1	-	1.6	-
Botswana	4.4	19.9	0.0	1.4	-	25.7	-
burkina Faso	0.5	(0.0)	-	0.1	-	0.6	-
Canada	2.4	2.0	0.0	0.0	-	4.5	-
China PR	874.7	204.4	0.1	1.4	-	1,080.6	0.1
Congo	0.2	(0.2)	-	0.0	-	0.0	-
Congo (Democratic Republic of the)	126.7	(8.9)	(23.6)	1.0	-	95.2	7.0
Czech Republic	0.0	(0.0)	-	-	-	-	-
Denmark	0.0	(0.0)	-	-	-	-	-
Egypt	0.0	-	-	0.0	-	0.0	-
Eritrea	0.0	-	-	0.0	-	0.0	-
Ethiopia	0.0	(0.0)	0.0	-	-	-	-
Finland	0.0	0.0	-	-	-	0.1	-
France	1.3	22.9	(1.0)	0.1	-	23.2	-
Germany	52.4	18.8	50.4	9.2	-	130.8	0.0
Ghana	0.1	0.1	0.1	0.0	-	0.4	-
Guinea-Bissau	0.0	-	-	0.0	-	0.0	-
India	19.9	2.2	-	1.6	-	23.7	-
Indonesia	0.3	(0.3)	-	-	-	-	-
Ireland	1.0	0.0	-	0.1	-	1.1	-
Italy	0.4	0.1	-	0.0	-	0.5	-
Japan	0.0	(0.0)	0.0	0.0	-	0.0	-
Kenya	6.7	4.9	(0.0)	0.4	-	12.0	-
Malawi	0.2	2.1	(0.0)	0.0	-	2.3	-
Mali	0.0	(0.0)	0.0	0.0	-	0.0	-
Mauritania	0.2	(0.2)	-	-	-	0.0	-

Source: Foreign Private Investment & Investor Perceptions Survey, 2017



Table 12: Private Sector External Lending by Destination Country (US \$ million), 2015 – 2016...Cont'

Recipient country	2015	Transactions	Other Changes in Volume	Exchange Rate Changes	Other Price Changes	2016	Interest Paid
Mauritius	253.3	(44.3)	-	0.0	-	209.1	-
Morocco	0.0	-	-	0.0	-	0.0	-
Mozambique	3.2	(2.2)	-	0.3	-	1.3	-
Namibia	4.4	0.0	-	0.5	1.2	6.0	-
Netherlands	5.8	15.1	-	1.2	-	22.0	-
New Zealand	0.0	(0.0)	0.0	0.0	-	0.0	-
Nigeria	149.3	(13.1)	1.1	2.4	-	139.7	0.0
Other	131.9	(37.7)	29.3	12.1	-	135.6	-
Panama	4.2	(4.0)	0.1	(0.0)	-	0.2	-
Peru	-	0.8	-	0.0	-	0.8	-
Phillipines	0.1	(0.0)	-	-	-	0.1	-
Serbia	2.0	-	0.3	0.6	-	2.8	0.0
Seychelles	0.4	-	-	0.0	-	0.4	-
Singapore	-	21.1	-	0.0	-	21.1	-
South Africa	202.4	(21.3)	43.5	17.6	0.1	242.4	0.2
Spain	0.0	(0.1)	-	0.0	-	-	-
Swaziland	0.0	0.0	0.0	0.0	-	0.0	-
Sweden	0.4	0.1	0.0	0.0	-	0.6	-
Switzerland	102.2	155.3	-	-	-	257.5	-
Tanzania	6.4	6.2	0.1	0.5	-	13.1	0.0
Uganda	0.4	0.9	-	0.1	-	1.5	0.0
United Arab Emirates	185.2	41.0	0.0	-	-	226.2	-
United Kingdom	470.5	(77.3)	(0.4)	34.6	0.9	428.3	1.2
United States	237.1	41.4	(48.4)	21.0	2.8	253.9	0.4
Virgin Islands British	-	0.4	-	0.0	-	0.5	-
Zimbabwe	4.7	0.8	0.0	0.6	-	6.1	-
Grand Total	2,858.3	351.4	51.6	106.9	5.0	3,373.3	9.0

Source: Foreign Private Investment & Investor Perceptions Survey, 2017



Table 13: Inward Foreign Affiliates Statistics by Partner country (US \$ million, 2016)

Description	Australia	Belgium	Botswana	Canada	Cayman Islands	Channel Islands	China PR
2.1. Total assets at end 2016	25.4	250.2	670.8	8,359.3	1.3	17.5	1,931.4
2.2. Total liabilities (excluding Equity) at end 2016	33.1	80.8	555.3	4,705.1	1.4	12.4	1,572.8
2.3. Net worth at end 2016 =Total Assets(2.1) - Total liabilities [excluding equity](2.2)	(7.7)	169.3	115.5	3,654.2	(0.1)	5.1	358.6
2.4. Sales or turnover in 2016	0.4	211.5	100.9	2,785.5	1.0	24.0	407.4
2.5. Operating Surplus (or loss)	3.0	30.8	(32.6)	283.0	0.4	0.7	31.2
2.6. Taxes on Income	-	8.1	3.8	36.5	-	0.6	11.4
2.7. Net Profit After Tax (Earnings/Loss)	3.0	18.8	(28.5)	236.6	(0.3)	0.3	57.2
2.8. Total dividends declared	-	5.4	-	-	-	-	4.3
2.9. Realised gains and losses	0.1	0.0	-	15.4	-	0.5	23.9
2.10. Compensation of Employees	0.4	13.5	20.8	292.0	14.4	2.6	54.8
2.10.1 Of which: Salaries and wages paid	0.4	12.3	19.5	193.0	0.1	2.5	45.4
2.10.2 Of which: Employer's Social Contributions (See definition 37)	0.0	1.2	1.2	10.3	-	0.1	9.4
2.11. Total purchases of domestic goods and services	1.7	84.4	-	1,579.1	0.0	2.7	87.3
2.11.1 Of which: goods	0.2	75.9	2.6	791.6	0.0	0.6	65.0
2.11.2 Of which: services	1.6	8.5	-	787.5	-	2.1	14.1
2.12. Total imports of goods	-	-	-	523.7	0.0	13.3	44.9
2.12.1 Of which: from foreign affiliates	-	55.3	0.6	138.3	0.0	0.4	5.7
2.13. Total imports of services	0.5	-	7.7	13.2	-	0.0	0.3
2.13.1 Of which: from foreign affiliates	0.5	9.9	4.3	6.2	-	0.0	0.3
2.14. Total exports of goods	-	-	-	1,473.3	-	0.6	24.8
2.14.1 Of which: to foreign affiliates	-	-	-	1,158.7	-	0.6	24.8
2.15. Total exports of services	-	-	-	-	-	-	-
2.15.1 Of which: to foreign affiliates	-	-	-	-	-	-	-
2.16. Gross Fixed Capital Formation (2.16.1 + 2.16.2 + 2.16.3+2.16.4 + 2.16.5)	(0.1)	38.8	5.4	616.3	0.0	0.1	731.3
2.16.1 Of which: Research and Development Expenditures	-	-	-	-	-	-	371.7
2.16.2 Of which: Acquisition less Disposal of Buildings and other Structures	-	-	0.0	(0.3)	0.0	-	144.7
2.16.3 Of which: Land improvements	-	-	0.1	2.2	-	-	-
2.16.4 Of which: Acquisition less Disposal of Machinery and equipment	(0.1)	-	2.9	73.7	0.0	0.1	213.9
2.16.5 Of which: Acquisition less Disposal of Other fixed assets	-	38.8	2.3	540.7	0.0	0.0	1.1
2.17. Training Expenditure	-	0.2	0.0	1.6	-	0.0	0.2
2.18. Payments for royalties and license fees	0.0	-	-	55.3	-	0.0	0.0
2.18.1 Of Which: Non-Residents	-	5.8	-	6.9	-	-	-
2.19. Value of Closing Stock of Finished Products	-	6.3	-	149.7	0.2	4.0	15.9
2.20. Value of Opening Stock of Finished Products	-	4.7	-	167.2	0.2	3.7	11.6
2.21. Gross Output (value)=(Turnover + Value of Closing Stock - Opening Stock)	0.4	212.5	100.9	2,768.0	0.9	23.9	410.7
2.22. Management fees	-	4.1	0.1	-	-	0.1	9.2
2.23. Operating Expenditure	0.4	135.2	126.8	1,789.1	-	4.7	299.0
2.24. Value-added = Gross Output (2.21) - Operating Expenditure (2.23)	0.0	77.2	(25.9)	978.9	1.0	19.2	111.7
2.25. Total Employment (Number of employees) as at 31st December 2016	31.0	1,017.0	1,706.0	11,040.0	14.0	209.0	8,270.0
2.26. Stock of domestic borrowing from banks as at 31st December 2015	-	-	20.7	-	-	5.0	-
2.27. Stock of domestic borrowing from banks as at 31st December 2016	-	18.2	27.3	-	-	3.1	45.0

Source: Foreign Private Investment & Investor Perceptions Survey, 2017



Table 13: Inward Foreign Affiliates Statistics by Partner country (US \$ million, 2016)...Cont'

Description	Egypt	France	Germany	Hong Kong	India	Ireland	Italy	Japan
2.1. Total assets at end 2016	25.3	159.6	80.3	5.5	30.0	2,338.2	23.0	42.4
2.2. Total liabilities (excluding Equity) at end 2016	17.2	118.0	81.0	6.7	35.5	1,572.0	8.5	20.1
2.3. Net worth at end 2016 =Total Assets(2.1) - Total liabilities [excluding equity](2.2)	8.2	41.6	(0.7)	(1.2)	(5.5)	766.2	14.4	22.3
2.4. Sales or turnover in 2016	9.5	362.5	16.4	0.4	30.6	1,898.2	36.7	59.5
2.5. Operating Surplus (or loss)	1.1	14.0	4.8	-	4.3	(46.0)	1.0	10.9
2.6 Taxes on Income	-	6.6	0.7	-	0.0	38.6	-	4.5
2.7 Net Profit After Tax (Earnings/Loss)	1.1	8.1	(1.0)	(0.1)	4.2	(83.8)	(0.0)	6.4
2.8 Total dividends declared	-	1.1	-	-	-	2.7	-	8.5
2.9 Realised gains and losses	-	6.0	6.4	(2.7)	(1.2)	0.8	(0.0)	0.6
2.10 Compensation of Employees	1.3	12.9	3.7	0.0	3.7	51.8	3.4	6.3
2.10.1 Of which: Salaries and wages paid	1.3	12.2	3.6	0.0	3.6	30.7	3.1	-
2.10.2 Of which: Employer's Social Contributions (See definition 37)	0.0	0.7	0.2	0.0	0.1	2.9	0.3	-
2.11 Total purchases of domestic goods and services	-	225.7	0.2	0.5	18.4	1,218.4	3.3	-
2.11.1 Of which: goods	0.7	162.5	0.1	-	14.0	1,117.7	2.0	-
2.11.2 Of which: services	0.1	61.7	0.1	-	4.4	66.4	1.3	-
2.12 Total imports of goods	3.5	69.1	-	0.2	-	328.0	11.1	-
2.12.1 Of which: from foreign affiliates	1.2	59.3	-	-	1.6	112.4	-	-
2.13 Total imports of services	-	4.3	-	-	-	1.8	2.0	-
2.13.1 Of which: from foreign affiliates	-	4.1	-	-	-	3.1	-	-
2.14 Total exports of goods	-	34.7	-	0.0	8.1	1,192.6	0.7	-
2.14.1 Of which: to foreign affiliates	-	-	-	-	6.0	123.0	-	-
2.15 Total exports of services	-	-	-	-	-	-	-	-
2.15.1 Of which: to foreign affiliates	-	-	-	-	-	-	-	-
2.16. Gross Fixed Capital Formation (2.16.1 + 2.16.2 + 2.16.3+2.16.4 + 2.16.5)	0.0	7.4	5.6	0.2	2.2	51.2	-	-
2.16.1 Of which: Research and Development Expenditures	-	0.5	-	-	-	-	-	-
2.16.2 Of which: Acquisition less Disposal of Buildings and other Structures	-	4.5	1.3	-	0.1	26.2	-	-
2.16.3 Of which: Land improvements	-	0.6	1.5	-	-	5.1	-	-
2.16.4 Of which: Acquisition less Disposal of Machinery and equipment	0.0	1.6	1.5	0.2	1.6	19.7	-	-
2.16.5 Of which: Acquisition less Disposal of Other fixed assets	0.0	0.2	1.4	-	0.5	0.3	-	-
2.17 Training Expenditure	0.0	0.2	7.7	-	-	0.5	-	-
2.18 Payments for royalties and license fees	-	0.2	0.3	-	-	0.2	-	-
2.18.1 Of Which: Non-Residents	-	-	45.1	-	-	-	-	-
2.19 Value of Closing Stock of Finished Products	5.0	30.5	2.9	1.5	4.0	31.3	2.5	2.0
2.20 Value of Opening Stock of Finished Products	5.0	24.1	3.0	1.7	2.5	36.8	1.6	1.9
2.21 Gross Output (value) =(Turnover + Value of Closing Stock - Opening Stock)	9.5	365.9	15.9	0.1	32.3	1,890.1	37.5	59.4
2.22 Management fees	-	0.8	1.1	-	-	15.2	0.1	-
2.23. Operating Expenditure	8.0	62.4	6.8	0.0	8.0	593.5	35.2	-
2.24. Value-added = Gross Output (2.21) - Operating Expenditure (2.23)	1.6	303.5	9.1	0.0	24.3	1,296.6	2.2	59.4
2.25. Total Employment (Number of employees) as at 31st December 2016	94.0	964.0	623.0	200.0	484.0	4,856.0	427.0	265.0
2.26 Stock of domestic borrowing from banks as at 31st December 2015	0.3	1.4	-	-	4.2	7.2	-	-
2.27 Stock of domestic borrowing from banks as at 31st December 2016	4.1	5.6	-	-	1.8	4.6	-	-

Source: Foreign Private Investment & Investor Perceptions Survey, 2017



Table 13: Inward Foreign Affiliates Statistics by Partner country (US \$ million, 2016)...Cont'

Description	Kenya	Luxembourg	Malawi	Mauritius	Namibia	Netherlands	Nigeria
2.1. Total assets at end 2016	24.0	339.9	29.0	1,014.7	7.2	1,292.6	425.1
2.2. Total liabilities (excluding Equity) at end 2016	13.0	433.9	26.9	673.2	4.5	1,154.5	453.7
2.3. Net worth at end 2016 =Total Assets(2.1) - Total liabilities [excluding equity](2.2)	11.0	(93.9)	2.1	341.5	2.7	138.1	(28.6)
2.4. Sales or turnover in 2016	55.4	285.4	22.7	844.0	12.7	448.9	75.9
2.5. Operating Surplus (or loss)	4.4	(2.9)	0.8	63.0	0.4	72.9	56.0
2.6. Taxes on Income	1.5	2.0	0.3	14.4	0.2	5.7	19.1
2.7. Net Profit After Tax (Earnings/Loss)	2.9	(2.0)	0.3	21.0	0.2	41.0	36.8
2.8. Total dividends declared	-	-	-	7.7	-	36.8	-
2.9. Realised gains and losses	0.6	1.8	0.2	(28.1)	(0.2)	12.3	-
2.10. Compensation of Employees	0.4	17.1	1.7	77.7	1.0	52.6	1.9
2.10.1 Of which: Salaries and wages paid	0.4	13.3	1.6	50.5	1.0	16.3	1.9
2.10.2 Of which: Employer's Social Contributions (See definition 37)	0.0	0.9	0.2	3.3	-	1.8	0.1
2.11. Total purchases of domestic goods and services	-	(162.9)	-	508.9	0.2	15.6	3.6
2.11.1 Of which: goods	49.3	(38.5)	-	174.3	0.0	44.4	0.2
2.11.2 Of which: services	-	(125.8)	-	66.2	0.1	9.7	3.4
2.12. Total imports of goods	-	(333.5)	-	84.5	-	47.2	-
2.12.1 Of which: from foreign affiliates	-	(338.6)	-	58.0	-	16.9	-
2.13. Total imports of services	-	(25.2)	-	4.9	-	0.2	0.4
2.13.1 Of which: from foreign affiliates	-	(25.7)	-	1.5	-	-	-
2.14. Total exports of goods	-	249.7	-	90.3	-	3.7	-
2.14.1 Of which: to foreign affiliates	-	249.7	-	14.0	-	19.6	-
2.15. Total exports of services	-	-	-	0.8	-	0.2	-
2.15.1 Of which: to foreign affiliates	-	-	-	-	-	0.1	-
2.16. Gross Fixed Capital Formation (2.16.1 + 2.16.2 + 2.16.3+2.16.4 + 2.16.5)	0.5	3.8	0.3	66.4	-	49.3	5.2
2.16.1 Of which: Research and Development Expenditures	0.5	-	-	(0.1)	-	-	-
2.16.2 Of which: Acquisition less Disposal of Buildings and other Structures	-	-	-	8.5	-	7.2	2.1
2.16.3 Of which: Land improvements	0.0	0.6	-	0.3	-	21.8	-
2.16.4 Of which: Acquisition less Disposal of Machinery and equipment	(0.0)	1.6	0.2	55.1	-	21.0	2.1
2.16.5 Of which: Acquisition less Disposal of Other fixed assets	0.0	1.5	0.1	2.5	-	(0.8)	1.0
2.17. Training Expenditure	-	0.7	-	0.2	-	0.7	0.2
2.18. Payments for royalties and license fees	-	-	-	1.5	0.1	0.8	-
2.18.1 Of Which: Non-Residents	-	3.8	-	0.5	-	-	-
2.19. Value of Closing Stock of Finished Products	5.5	7.1	-	116.8	-	73.4	10.0
2.20. Value of Opening Stock of Finished Products	0.6	7.0	-	89.0	-	73.0	28.5
2.21. Gross Output (value)=(Turnover + Value of Closing Stock - Opening Stock)	60.0	285.5	22.7	860.7	12.7	446.7	55.1
2.22. Management fees	0.1	0.8	-	14.5	0.1	-	-
2.23. Operating Expenditure	1.7	19.9	3.9	254.8	-	88.6	17.1
2.24. Value-added = Gross Output (2.21) - Operating Expenditure (2.23)	58.3	265.5	18.8	605.9	12.7	358.1	38.0
2.25. Total Employment (Number of employees) as at 31st December 2016	23.0	1,506.0	79.0	9,028.0	33.0	1,879.0	316.0
2.26. Stock of domestic borrowing from banks as at 31st December 2015	0.0	-	-	15.3	-	7.5	-
2.27. Stock of domestic borrowing from banks as at 31st December 2016	-	-	-	15.3	-	13.1	-

Source: Foreign Private Investment & Investor Perceptions Survey, 2017



Table 13: Inward Foreign Affiliates Statistics by Partner country (US \$ million, 2016)...Cont'

Description	Norway	Other	Peru	Samoa	Serbia	Seychelles	Singapore	South Africa
2.1. Total assets at end 2016	19.4	12.2	28.7	4.6	3.5	11.7	747.6	2,417.0
2.2. Total liabilities (excluding Equity) at end 2016	14.5	11.1	23.4	9.7	1.8	13.2	729.8	1,928.8
2.3. Net worth at end 2016 =Total Assets(2.1) - Total liabilities [excluding equity](2.2)	4.9	1.0	5.3	(5.1)	1.7	(1.5)	17.8	488.2
2.4. Sales or turnover in 2016	4.2	27.1	24.0	1.9	9.1	23.3	50.9	1,053.8
2.5. Operating Surplus (or loss)	0.8	13.8	2.1	0.3	-	-	80.5	132.2
2.6. Taxes on Income	0.4	3.1	0.0	-	-	0.2	2.8	37.5
2.7. Net Profit After Tax (Earnings/Loss)	9.9	0.2	1.6	0.3	0.6	0.4	75.0	84.7
2.8. Total dividends declared	-	-	-	-	-	-	1.0	6.5
2.9. Realised gains and losses	1.1	(0.0)	0.0	(0.0)	0.5	-	38.4	3.6
2.10. Compensation of Employees	2.1	5.9	11.1	0.6	0.5	1.1	9.2	174.6
2.10.1 Of which: Salaries and wages paid	2.0	5.6	7.2	0.6	0.5	1.1	8.9	82.1
2.10.2 Of which: Employer's Social Contributions (See definition 37)	0.1	0.3	0.3	0.0	-	-	0.3	23.6
2.11. Total purchases of domestic goods and services	7.0	7.2	-	1.1	-	16.3	27.4	154.1
2.11.1 Of which: goods	7.0	4.5	5.8	0.3	-	14.5	21.4	196.4
2.11.2 Of which: services	-	2.7	0.2	0.8	-	1.8	1.0	88.6
2.12. Total imports of goods	-	1.4	0.0	-	-	-	9.3	55.4
2.12.1 Of which: from foreign affiliates	-	1.4	0.1	-	5.7	-	0.2	88.4
2.13. Total imports of services	0.3	2.0	-	0.1	-	-	0.2	10.4
2.13.1 Of which: from foreign affiliates	0.3	2.0	-	-	-	-	0.1	18.7
2.14. Total exports of goods	-	-	-	-	-	-	0.7	12.5
2.14.1 Of which: to foreign affiliates	-	0.2	-	-	0.8	-	-	12.4
2.15. Total exports of services	-	-	-	-	-	-	-	5.5
2.15.1 Of which: to foreign affiliates	-	-	-	-	-	-	-	13.0
2.16. Gross Fixed Capital Formation (2.16.1 + 2.16.2 + 2.16.3+2.16.4 + 2.16.5)	0.0	1.1	5.1	0.1	-	(0.0)	84.8	137.1
2.16.1 Of which: Research and Development Expenditures	-	-	0.0	-	-	-	-	10.7
2.16.2 Of which: Acquisition less Disposal of Buildings and other Structures	-	0.4	0.0	0.0	-	0.0	1.7	55.7
2.16.3 Of which: Land improvements	-	-	0.0	-	-	-	0.7	3.2
2.16.4 Of which: Acquisition less Disposal of Machinery and equipment	-	0.4	5.0	0.1	-	(0.1)	82.5	55.9
2.16.5 Of which: Acquisition less Disposal of Other fixed assets	0.0	0.3	(0.0)	-	-	0.0	(0.1)	11.5
2.17. Training Expenditure	0.0	0.2	0.0	0.0	-	0.0	0.1	1.2
2.18. Payments for royalties and license fees	-	0.0	-	-	-	-	0.1	14.9
2.18.1 Of Which: Non-Residents	-	-	-	-	-	-	-	1.8
2.19. Value of Closing Stock of Finished Products	-	2.2	1.2	-	-	0.5	28.8	74.5
2.20. Value of Opening Stock of Finished Products	-	3.1	1.2	-	-	0.5	28.1	57.2
2.21. Gross Output (value) =(Turnover + Value of Closing Stock - Opening Stock)	4.2	25.9	23.9	1.9	9.1	23.2	48.4	1,064.7
2.22. Management fees	0.3	0.4	-	-	-	-	3.2	16.1
2.23. Operating Expenditure	11.7	19.0	18.3	1.8	2.8	9.5	18.7	499.4
2.24. Value-added = Gross Output (2.21) - Operating Expenditure (2.23)	(7.5)	6.9	5.6	0.1	6.3	13.7	29.7	571.0
2.25. Total Employment (Number of employees) as at 31st December 2016	81.0	329.0	1,774.0	43.0	65.0	140.0	860.0	13,201.0
2.26. Stock of domestic borrowing from banks as at 31st December 2015	-	-	0.5	0.0	-	-	18.8	32.7
2.27. Stock of domestic borrowing from banks as at 31st December 2016	-	-	0.4	0.1	-	-	17.9	17.5

Source: Foreign Private Investment & Investor Perceptions Survey, 2017





Table 13: Inward Foreign Affiliates Statistics by Partner country (US \$ million, 2016)...Cont'

Description	Swaziland	Sweden	Switzerland	Tanzania	Togo	United Arab Emirates
2.1. Total assets at end 2016	15.0	51.9	2,804.9	37.2	153.6	122.4
2.2. Total liabilities (excluding Equity) at end 2016	14.0	16.1	2,936.6	16.0	121.9	107.3
2.3. Net worth at end 2016 =Total Assets(2.1) - Total liabilities [excluding equity](2.2)	1.1	35.8	(131.8)	21.2	31.7	15.1
2.4. Sales or turnover in 2016	8.8	65.7	702.3	31.6	16.7	64.6
2.5. Operating Surplus (or loss)	0.2	17.0	(244.2)	4.5	4.1	4.7
2.6. Taxes on Income	-	4.8	(76.4)	-	1.6	0.7
2.7. Net Profit After Tax (Earnings/Loss)	0.2	(3.1)	(170.3)	(4.4)	2.5	4.0
2.8. Total dividends declared	-	-	1.2	-	-	-
2.9. Realised gains and losses	0.1	0.4	(0.0)	1.5	3.9	0.3
2.10. Compensation of Employees	1.3	9.8	219.5	1.0	3.5	1.7
2.10.1 Of which: Salaries and wages paid	1.2	9.0	109.4	1.0	3.3	1.6
2.10.2 Of which: Employer's Social Contributions (See definition 37)	0.0	0.8	5.5	0.0	0.1	0.1
2.11. Total purchases of domestic goods and services	-	7.6	68.6	20.7	-	43.8
2.11.1 Of which: goods	-	4.5	56.5	-	-	43.8
2.11.2 Of which: services	-	3.0	11.9	-	-	-
2.12. Total imports of goods	-	30.1	10.6	-	-	1.3
2.12.1 Of which: from foreign affiliates	-	30.1	9.1	-	-	-
2.13. Total imports of services	-	0.2	1.1	-	-	-
2.13.1 Of which: from foreign affiliates	-	0.2	1.1	-	-	-
2.14. Total exports of goods	-	1.5	508.7	4.9	-	13.1
2.14.1 Of which: to foreign affiliates	-	1.5	508.7	-	-	13.1
2.15. Total exports of services	-	0.0	-	-	-	-
2.15.1 Of which: to foreign affiliates	-	0.0	-	-	-	-
2.16. Gross Fixed Capital Formation (2.16.1 + 2.16.2 + 2.16.3+2.16.4 + 2.16.5)	(0.9)	(2.1)	185.6	-	0.3	3.9
2.16.1 Of which: Research and Development Expenditures	-	-	-	-	-	-
2.16.2 Of which: Acquisition less Disposal of Buildings and other Structures	-	0.8	3.1	-	-	0.5
2.16.3 Of which: Land improvements	0.1	-	131.7	-	-	-
2.16.4 Of which: Acquisition less Disposal of Machinery and equipment	(1.0)	(0.0)	50.6	-	-	3.2
2.16.5 Of which: Acquisition less Disposal of Other fixed assets	-	(2.9)	0.1	-	0.3	0.2
2.17. Training Expenditure	0.0	0.1	1.6	-	0.1	-
2.18. Payments for royalties and license fees	0.0	-	12.1	0.0	-	-
2.18.1 Of Which: Non-Residents	-	-	2.1	-	-	-
2.19. Value of Closing Stock of Finished Products	-	17.4	168.5	14.7	-	37.0
2.20. Value of Opening Stock of Finished Products	-	20.4	145.2	10.6	-	12.8
2.21. Gross Output (value) =(Turnover + Value of Closing Stock - Opening Stock)	8.8	62.7	712.6	34.3	16.7	86.3
2.22. Management fees	0.2	-	5.7	0.0	0.8	-
2.23. Operating Expenditure	7.5	8.2	447.6	-	10.2	16.9
2.24. Value-added = Gross Output (2.21) - Operating Expenditure (2.23)	1.3	54.4	265.0	34.3	6.6	69.4
2.25. Total Employment (Number of employees) as at 31st December 2016	92.0	276.0	7,505.0	317.0	124.0	774.0
2.26. Stock of domestic borrowing from banks as at 31st December 2015	0.0	-	-	11.9	-	6.9
2.27. Stock of domestic borrowing from banks as at 31st December 2016	-	-	-	5.6	-	7.4

Source: Foreign Private Investment & Investor Perceptions Survey, 2017



Table 13: Inward Foreign Affiliates Statistics by Partner country (US \$ million, 2016)...Cont'

Description	United Kingdom	United States	United States Virgin Islands	Virgin Islands British	Zimbabwe	Grand Total
2.1. Total assets at end 2016	3,393.0	355.4	6.2	12.5	25.4	27,314.8
2.2. Total liabilities (excluding Equity) at end 2016	3,010.8	283.2	1.6	4.8	6.8	20,830.9
2.3. Net worth at end 2016 =Total Assets(2.1) - Total liabilities [excluding equity](2.2)	382.2	72.2	4.6	7.8	18.7	6,483.9
2.4. Sales or turnover in 2016	1,175.9	163.2	5.3	12.3	16.9	11,147.1
2.5. Operating Surplus (or loss)	(47.9)	27.2	0.8	0.6	3.9	501.8
2.6. Taxes on Income	64.8	10.0	0.2	0.1	-	203.8
2.7. Net Profit After Tax (Earnings/Loss)	(79.0)	18.2	0.6	0.4	-	264.3
2.8. Total dividends declared	38.2	15.9	-	-	-	129.3
2.9. Realised gains and losses	15.1	(4.3)	0.1	-	-	97.1
2.10. Compensation of Employees	180.1	11.4	0.2	2.4	1.2	1,271.2
2.10.1 Of which: Salaries and wages paid	176.2	7.3	0.2	2.3	1.2	833.1
2.10.2 Of which: Employer's Social Contributions (See definition 37)	3.9	0.2	0.0	0.1	-	68.1
2.11. Total purchases of domestic goods and services	103.0	51.9	-	1.3	8.8	4,105.8
2.11.1 Of which: goods	38.0	46.3	-	3.2	6.6	2,911.5
2.11.2 Of which: services	41.6	3.6	-	1.3	2.3	1,060.2
2.12. Total imports of goods	62.4	0.8	-	4.2	-	967.4
2.12.1 Of which: from foreign affiliates	50.7	0.8	-	-	-	297.5
2.13. Total imports of services	485.1	0.6	-	-	5.1	515.3
2.13.1 Of which: from foreign affiliates	3.9	1.3	-	-	5.1	36.9
2.14. Total exports of goods	0.7	26.9	-	0.3	-	3,647.8
2.14.1 Of which: to foreign affiliates	-	2.5	-	-	-	2,135.6
2.15. Total exports of services	86.4	-	-	-	-	93.0
2.15.1 Of which: to foreign affiliates	0.8	-	-	-	-	13.9
2.16. Gross Fixed Capital Formation (2.16.1 + 2.16.2 + 2.16.3+2.16.4 + 2.16.5)	31.8	6.1	0.2	0.1	-	2,036.8
2.16.1 Of which: Research and Development Expenditures	6.8	0.0	0.1	-	-	390.3
2.16.2 Of which: Acquisition less Disposal of Buildings and other Structures	2.7	2.0	-	(0.0)	-	261.1
2.16.3 Of which: Land improvements	0.0	-	-	-	-	168.1
2.16.4 Of which: Acquisition less Disposal of Machinery and equipment	20.5	4.0	0.1	0.1	-	616.6
2.16.5 Of which: Acquisition less Disposal of Other fixed assets	1.6	0.1	0.0	0.0	-	600.8
2.17. Training Expenditure	1.9	0.0	0.0	0.0	0.1	17.4
2.18. Payments for royalties and license fees	45.8	0.1	-	-	-	131.5
2.18.1 Of Which: Non-Residents	2.5	-	-	-	-	68.6
2.19. Value of Closing Stock of Finished Products	63.7	5.0	0.4	4.9	6.6	893.9
2.20. Value of Opening Stock of Finished Products	66.3	4.1	0.2	2.9	6.5	821.1
2.21. Gross Output (value) =(Turnover + Value of Closing Stock - Opening Stock)	1,172.5	163.6	5.6	13.8	16.3	11,165.8
2.22. Management fees	15.8	0.6	0.1	-	-	89.4
2.23. Operating Expenditure	82.1	30.5	4.8	1.7	-	4,645.7
2.24. Value-added = Gross Output (2.21) - Operating Expenditure (2.23)	1,098.2	133.1	0.8	12.2	16.3	6,533.6
2.25. Total Employment (Number of employees) as at 31st December 2016	12,118.0	1,911.0	147.0	316.0	464.0	83,601.0
2.26. Stock of domestic borrowing from banks as at 31st December 2015	34.0	7.3	0.2	0.9	-	174.7
2.27. Stock of domestic borrowing from banks as at 31st December 2016	34.7	0.5	0.1	1.1	-	223.4

Source: Foreign Private Investment & Investor Perceptions Survey, 2017



Table 14: Inward Pure Services Categories Affiliates Statistics by Industry (US \$ million, 2016)

ICFA Headings/Elements	2.1. Total assets at end 2016	2.2. Total liabilities (excluding Equity) at end 2016	2.3. Net worth at end 2016 = Total Assets(2.1) - Total liabilities [excluding equity](2.2)	2.4. Sales or turnover in 2016	2.5. Operating Surplus (or loss)	2.6 Taxes on Income	2.7 Net Profit After Tax (Earnings/ Loss)
Accommodation & Food	83.4	64.0	19.4	55.3	(4.4)	0.9	(5.6)
Accommodation & Food service activities	83.4	64.0	19.4	55.3	(4.4)	0.9	(5.6)
Administrative Support	8.1	6.5	1.6	8.9	1.1	0.1	(0.4)
Accounting, bookkeeping and auditing activities; tax consultancy	3.0	2.8	0.2	3.3	(0.0)	0.0	(0.0)
Advertising	2.9	2.0	1.0	1.6	(0.2)	-	(0.2)
Architectural and engineering activities; technical testing and analysis	2.1	1.5	0.7	4.0	1.3	0.1	(0.1)
Management consultancy activities	0.0	0.3	(0.3)	-	(0.0)	-	(0.0)
Agriculture, Forestry & Fishing	180.7	179.9	0.8	157.6	8.0	2.2	2.4
Support services to agriculture & Post harvest crop activities	180.7	179.9	0.8	157.6	8.0	2.2	2.4
Construction	221.4	177.6	43.8	209.1	29.6	6.8	27.6
Construction	221.4	177.6	43.8	209.1	29.6	6.8	27.6
Financial service activities, except insurance and pension funding	5,074.6	4,418.3	656.3	539.9	130.6	37.3	71.1
Monetary intermediation	5,074.6	4,418.3	656.3	539.9	130.6	37.3	71.1
Electricity	624.8	301.7	323.1	361.7	(78.4)	28.3	(111.9)
Electric power generation, transmission & distribution	624.8	301.7	323.1	361.7	(78.4)	28.3	(111.9)
Information & Communication	834.2	753.7	80.6	493.7	87.2	(3.3)	38.5
Telecommunications	834.2	753.7	80.6	493.7	87.2	(3.3)	38.5
Insurance & Other Financial Services	95.8	80.4	15.3	70.9	1.8	2.2	(0.0)
Activities auxiliary to financial service activities, except insurance and pension funding							
Activities auxiliary to insurance and pension funding	7.9	6.1	1.7	3.6	(0.1)	(0.1)	(0.2)
Life Insurance	24.4	19.8	4.6	23.0	(0.2)	0.0	(0.2)
Non-life insurance	50.6	43.0	7.7	41.4	2.5	1.1	1.3
Other financial service activities, except insurance and pension funding activities	12.9	11.6	1.3	2.9	(0.4)	1.2	(0.9)
Manufacturing	69.8	7.9	61.9	81.9	20.7	1.4	20.7
Repair and installation of machinery and equipment	69.8	7.9	61.9	81.9	20.7	1.4	20.7
Mining & Quarrying	56.3	42.6	13.7	72.5	11.9	3.6	7.8
Mining support service activities	56.3	42.6	13.7	72.5	11.9	3.6	7.8
Real Estate	467.3	292.3	175.1	33.4	8.3	0.0	6.9
Real estate activities	467.3	292.3	175.1	33.4	8.3	0.0	6.9
Transport & Storage	72.1	61.1	11.0	111.1	11.2	1.5	3.4
Air transport	5.7	3.6	2.1	3.0	0.8	0.2	0.7
Freight transport by road	25.2	23.0	2.2	58.3	1.6	1.1	1.1
Postal and courier activities	5.8	0.9	4.9	3.6	(0.8)	-	(0.8)
Warehousing & support activities for transportation	35.5	33.6	1.8	46.2	9.6	0.3	2.5
Wholesale & Retail Trade	948.1	598.7	349.4	1,711.9	100.3	35.1	42.1
Retail trade, except for motor vehicles & motor cycles	849.9	546.9	303.0	1,596.8	83.3	29.4	33.4
Wholesale & retail trade and repair of motor vehicles & motor cycles	98.2	51.8	46.5	115.0	17.0	5.7	8.7
Grand Total	8,736.7	6,984.7	1,752.0	3,908.1	328.1	116.1	102.5

Source: Foreign Private Investment & Investor Perceptions Survey, 2017



Table 14: Inward Pure Services Categories Affiliates Statistics by Industry (US \$ million, 2016)...Cont'

ICFA Headings/Elements	2.8 Total dividends declared	2.9 Realised gains and losses	2.10 Compensation of Employees	2.10.1 Of which: Salaries and wages paid	2.10.2 Of which: Employer? Social Contributions (See definition 37)	2.11 Total purchases of domestic goods and services	2.11.1 Of which: goods
Accommodation & Food	0.4	(0.7)	17.3	10.5	0.8	19.9	7.4
Accommodation & Food service activities	0.4	(0.7)	17.3	10.5	0.8	19.9	7.4
Administrative Support	-	0.1	3.9	3.6	0.3	2.0	0.4
Accounting, bookkeeping and auditing activities; tax consultancy	-	0.1	1.3	1.1	0.2	0.4	0.3
Advertising	-	-	0.2	0.2	0.0	1.3	-
Architectural and engineering activities; technical testing and analysis	-	-	2.0	2.0	0.1	-	-
Management consultancy activities	-	-	0.4	0.4	0.0	0.4	0.1
Agriculture, Forestry & Fishing	-	(0.4)	11.9	11.6	0.4	74.2	104.9
Support services to agriculture & Post harvest crop activities	-	(0.4)	11.9	11.6	0.4	74.2	104.9
Construction	-	(4.8)	35.5	28.4	7.1	73.8	52.8
Construction	-	(4.8)	35.5	28.4	7.1	73.8	52.8
Financial service activities, except insurance and pension funding	46.1	6.6	138.0	108.0	10.8	74.8	6.9
Monetary intermediation	46.1	6.6	138.0	108.0	10.8	74.8	6.9
Electricity	0.0	0.4	10.9	10.8	0.1	228.7	227.6
Electric power generation, transmission & distribution	0.0	0.4	10.9	10.8	0.1	228.7	227.6
Information & Communication	10.5	(14.9)	40.1	23.7	1.0	67.0	10.3
Telecommunications	10.5	(14.9)	40.1	23.7	1.0	67.0	10.3
Insurance & Other Financial Services	0.7	0.0	8.1	5.9	0.5	7.3	0.0
Activities auxiliary to financial service activities, except insurance and pension funding	-	-	0.7	-	-	-	-
Activities auxiliary to insurance and pension funding	-	-	1.7	-	-	-	-
Life Insurance	-	-	1.3	1.2	0.1	5.9	-
Non-life insurance	0.7	(0.0)	4.4	4.1	0.3	1.3	0.0
Other financial service activities, except insurance and pension funding activities	-	0.1	-	0.7	0.0	0.1	0.0
Manufacturing	-	(1.4)	-	2.0	0.1	3.1	0.7
Repair and installation of machinery and equipment	-	(1.4)	-	2.0	0.1	3.1	0.7
Mining & Quarrying	6.1	0.2	249.7	22.1	14.9	18.0	17.9
Mining support service activities	6.1	0.2	249.7	22.1	14.9	18.0	17.9
Real Estate	-	(0.0)	1.4	1.1	0.0	-	-
Real estate activities	-	(0.0)	1.4	1.1	0.0	-	-
Transport & Storage	2.3	0.0	11.5	11.0	0.6	36.3	19.0
Air transport	-	0.1	0.4	0.4	0.0	0.8	0.8
Freight transport by road	1.1	-	6.1	6.1	0.1	27.1	17.5
Postal and courier activities	-	-	0.6	0.5	0.1	-	-
Warehousing & support activities for transportation	1.2	(0.0)	4.4	4.0	0.4	8.3	0.7
Wholesale & Retail Trade	15.0	10.3	104.0	51.4	5.5	839.6	638.7
Retail trade, except for motor vehicles & motor cycles	6.0	7.6	91.2	45.0	5.4	815.5	618.2
Wholesale & retail trade and repair of motor vehicles & motor cycles	9.1	2.8	12.8	6.4	0.1	24.1	20.5
Grand Total	81.1	(4.4)	632.4	290.1	42.1	1,444.6	1,086.6

Source: Foreign Private Investment & Investor Perceptions Survey, 2017





Table 14: Inward Pure Services Categories Affiliates Statistics by Industry (US \$ million, 2016)...Cont'

ICFA Headings/Elements	2.11.2 Of which: services	2.12 Total imports of goods	2.12.1 Of which: from foreign affiliates	2.13 Total imports of services	2.13.1 Of which: from foreign affiliates	2.14 Total exports of goods	2.14.1 Of which: to foreign affiliates
Accommodation & Food	7.7	6.2	0.2	4.9	4.3	-	-
Accommodation & Food service activities	7.7	6.2	0.2	4.9	4.3	-	-
Administrative Support	1.7	0.0	0.0	0.0	0.0	-	-
Accounting, bookkeeping and auditing activities; tax consultancy	0.1	-	-	-	-	-	-
Advertising	1.3	-	-	-	-	-	-
Architectural and engineering activities; technical testing and analysis	-	0.0	0.0	0.0	0.0	-	-
Management consultancy activities	0.3	-	-	-	-	-	-
Agriculture, Forestry & Fishing	7.9	2.1	1.0	5.9	5.7	6.4	24.5
Support services to agriculture & Post harvest crop activities	7.9	2.1	1.0	5.9	5.7	6.4	24.5
Construction	11.7	39.1	3.2	-	-	-	0.2
Construction	11.7	39.1	3.2	-	-	-	0.2
Financial service activities, except insurance and pension funding	67.9	1.5	-	500.9	13.3	-	-
Monetary intermediation	67.9	1.5	-	500.9	13.3	-	-
Electricity	1.0	0.2	-	0.2	0.1	-	-
Electric power generation, transmission & distribution	1.0	0.2	-	0.2	0.1	-	-
Information & Communication	57.5	27.1	14.2	2.0	5.2	-	-
Telecommunications	57.5	27.1	14.2	2.0	5.2	-	-
Insurance & Other Financial Services	7.3	-	-	-	0.3	-	-
Activities auxiliary to financial service activities, except insurance and pension funding	-	-	-	-	-	-	-
Activities auxiliary to insurance and pension funding	-	-	-	-	-	-	-
Life Insurance	5.9	-	-	-	-	-	-
Non-life insurance	1.3	-	-	-	-	-	-
Other financial service activities, except insurance and pension funding activities	0.1	-	-	-	0.3	-	-
Manufacturing	2.4	18.9	18.9	-	-	3.7	3.7
Repair and installation of machinery and equipment	2.4	18.9	18.9	-	-	3.7	3.7
Mining & Quarrying	6.1	1.4	0.1	-	-	-	-
Mining support service activities	6.1	1.4	0.1	-	-	-	-
Real Estate	-	-	-	-	-	-	-
Real estate activities	-	-	-	-	-	-	-
Transport & Storage	17.3	1.0	0.4	-	-	29.6	-
Air transport	-	-	-	-	-	-	-
Freight transport by road	9.6	0.7	-	-	-	29.6	-
Postal and courier activities	-	-	-	-	-	-	-
Warehousing & support activities for transportation	7.7	0.4	0.4	-	-	-	-
Wholesale & Retail Trade	72.4	406.1	369.7	11.4	19.1	12.5	5.2
Retail trade, except for motor vehicles & motor cycles	70.4	380.1	369.4	11.4	19.1	11.2	4.6
Wholesale & retail trade and repair of motor vehicles & motor cycles	2.0	26.0	0.3	-	-	1.3	0.6
Grand Total	260.7	503.7	407.6	525.4	48.0	52.2	33.6

Source: Foreign Private Investment & Investor Perceptions Survey, 2017



Table 14: Inward Pure Services Categories Affiliates Statistics by Industry (US \$ million, 2016)... Cont'

ICFA Headings/Elements	2.15 Total exports of services	2.15.1 Of which: to foreign affiliates	2.16. Gross Fixed Capital Formation (2.16.1 + 2.16.2 + 2.16.3 + 2.16.4 + 2.16.5)	2.16.1 Of which: Research and Develop- ment Expendi- tures	2.16.2 Of which: Acquisition less Disposal of Buildings and other Structures	2.16.3 Of which: Land improve- ments	2.16.4 Of which: Acquisi- tion less Disposal of Machinery and equipment
Accommodation & Food	-	-	2.9	-	0.1	0.6	0.6
Accommodation & Food service activities	-	-	2.9	-	0.1	0.6	0.6
Administrative Support	0.8	0.8	0.1	-	-	-	-
Accounting, bookkeeping and auditing activities; tax consultancy	-	-	-	-	-	-	-
Advertising	-	-	0.0	-	-	-	-
Architectural and engineering activities; technical testing and analysis	0.8	0.8	0.1	-	-	-	-
Management consultancy activities	-	-	-	-	-	-	-
Agriculture, Forestry & Fishing	-	-	1.3	-	0.2	-	0.6
Support services to agriculture & Post harvest crop activities	-	-	1.3	-	0.2	-	0.6
Construction	-	-	45.5	0.1	0.7	0.1	44.4
Construction	-	-	45.5	0.1	0.7	0.1	44.4
Financial service activities, except insurance and pension funding	-	-	19.2	-	5.9	-	10.8
Monetary intermediation	-	-	19.2	-	5.9	-	10.8
Electricity	-	-	7.4	-	-	-	8.5
Electric power generation, transmission & distribution	-	-	7.4	-	-	-	8.5
Information & Communication	-	7.5	124.8	-	2.4	21.3	100.6
Telecommunications	-	7.5	124.8	-	2.4	21.3	100.6
Insurance & Other Financial Services	-	-	0.8	-	-	-	0.7
Activities auxiliary to financial service activities, except insurance and pension funding	-	-	-	-	-	-	-
Activities auxiliary to insurance and pension funding	-	-	-	-	-	-	-
Life Insurance	-	-	0.1	-	-	-	0.1
Non-life insurance	-	-	0.7	-	-	-	0.6
Other financial service activities, except insurance and pension funding activities	-	-	0.0	-	-	-	-
Manufacturing	5.5	5.5	2.6	-	-	-	-
Repair and installation of machinery and equipment	5.5	5.5	2.6	-	-	-	-
Mining & Quarrying	-	-	5.1	0.0	0.0	0.0	5.1
Mining support service activities	-	-	5.1	0.0	0.0	0.0	5.1
Real Estate	-	-	0.7	-	0.5	-	0.2
Real estate activities	-	-	0.7	-	0.5	-	0.2
Transport & Storage	-	-	5.6	0.4	0.4	2.7	1.2
Air transport	-	-	0.7	-	-	-	0.0
Freight transport by road	-	-	0.5	0.4	0.1	-	(0.0)
Postal and courier activities	-	-	0.5	-	-	-	0.5
Warehousing & support activities for transportation	-	-	3.9	-	0.3	2.7	0.8
Wholesale & Retail Trade	1.0	0.1	31.7	0.5	11.2	1.6	11.3
Retail trade, except for motor vehicles & motor cycles	1.0	0.1	30.4	0.5	11.1	1.0	11.1
Wholesale & retail trade and repair of motor vehicles & motor cycles	-	-	1.3	-	0.1	0.7	0.2
Grand Total	7.4	13.9	247.8	1.0	21.3	26.4	184.0

Source: Foreign Private Investment & Investor Perceptions Survey, 2017



Table 14: Inward Pure Services Categories Affiliates Statistics by Industry (US \$ million, 2016)...Cont'

ICFA Headings/Elements	2.16.5 Of which: Acquisition less Disposal of Other fixed assets	2.17 Training Expenditure	2.18 Payments for royalties and license fees	2.18.1 Of Which: Non- Residents	2.19 Value of Closing Stock of Finished Products	2.20 Value of Opening Stock of Finished Products	2.21 Gross Output (value) =(Turnover + Value of Closing Stock - Opening Stock)
Accommodation & Food	1.6	0.7	0.1	-	1.1	2.2	43.6
Accommodation & Food service activities	1.6	0.7	0.1	-	1.1	2.2	43.6
Administrative Support	0.1	0.1	0.4	0.3	-	-	8.9
Accounting, bookkeeping and auditing activities; tax consultancy	-	0.1	0.3	0.3	-	-	3.3
Advertising	0.0	0.0	-	-	-	-	1.6
Architectural and engineering activities; technical testing and analysis	0.1	-	0.1	-	-	-	4.0
Management consultancy activities	-	-	-	-	-	-	-
Agriculture, Forestry & Fishing	0.5	0.1	1.2	1.2	62.8	50.9	166.2
Support services to agriculture & Post harvest crop activities	0.5	0.1	1.2	1.2	62.8	50.9	166.2
Construction	0.2	0.1	0.0	-	11.9	10.1	209.6
Construction	0.2	0.1	0.0	-	11.9	10.1	209.6
Financial service activities, except insurance and pension funding	2.6	3.1	3.7	1.9	-	-	539.9
Monetary intermediation	2.6	3.1	3.7	1.9	-	-	539.9
Electricity	(1.1)	0.5	0.1	-	2.3	4.2	359.9
Electric power generation, transmission & distribution	(1.1)	0.5	0.1	-	2.3	4.2	359.9
Information & Communication	0.5	0.3	5.4	-	14.4	15.9	490.5
Telecommunications	0.5	0.3	5.4	-	14.4	15.9	490.5
Insurance & Other Financial Services	0.1	0.0	0.1	0.0	-	-	70.9
Activities auxiliary to financial service activities, except insurance and pension funding	-	-	-	-	-	-	-
Activities auxiliary to insurance and pension funding	-	-	-	-	-	-	3.6
Life Insurance	-	-	-	-	-	-	23.0
Non-life insurance	0.1	0.0	0.1	0.0	-	-	41.4
Other financial service activities, except insurance and pension funding activities	0.0	0.0	0.0	-	-	-	2.9
Manufacturing	2.6	0.0	0.2	0.2	-	-	81.9
Repair and installation of machinery and equipment	2.6	0.0	0.2	0.2	-	-	81.9
Mining & Quarrying	0.0	0.0	0.0	-	1.2	1.2	72.4
Mining support service activities	0.0	0.0	0.0	-	1.2	1.2	72.4
Real Estate	0.0	0.0	0.0	-	-	-	33.4
Real estate activities	0.0	0.0	0.0	-	-	-	33.4
Transport & Storage	0.9	0.1	1.4	1.4	2.1	2.0	111.1
Air transport	0.7	0.0	0.0	-	-	-	3.0
Freight transport by road	0.0	0.0	-	-	2.0	2.0	58.1
Postal and courier activities	-	-	-	-	-	-	3.6
Warehousing & support activities for transportation	0.1	0.1	1.4	1.4	0.1	0.0	46.3
Wholesale & Retail Trade	7.1	0.7	9.0	5.9	286.3	227.9	1,747.7
Retail trade, except for motor vehicles & motor cycles	6.8	0.6	9.0	5.9	266.5	206.6	1,636.4
Wholesale & retail trade and repair of motor vehicles & motor cycles	0.3	0.0	-	-	19.8	21.2	111.3
Grand Total	15.0	5.6	21.5	10.8	382.2	314.4	3,936.1

Source: Foreign Private Investment & Investor Perceptions Survey, 2017



Table 14: Inward Pure Services Categories Affiliates Statistics by Industry (US \$ million, 2016)...Cont'

ICFA Headings/Elements	2.22 Management fees	2.23. Operating Expenditure	2.24. Value-added = Gross Output (2.21) - Operating Expenditure (2.23)	2.25. Total Employment (Number of employees) as at 31st December 2016	2.26 Stock of domestic borrowing from banks as at 31st December 2015	2.27 Stock of domestic borrowing from banks as at 31st December 2016
Accommodation & Food	1.0	27.2	16.4	1,737.0	2.6	2.5
Accommodation & Food service activities	1.0	27.2	16.4	1,737.0	2.6	2.5
Administrative Support	-	4.2	4.7	325.0	-	-
Accounting, bookkeeping and auditing activities; tax consultancy	-	-	3.3	133.0	-	-
Advertising	-	0.4	1.2	8.0	-	-
Architectural and engineering activities; technical testing and analysis	-	3.7	0.3	179.0	-	-
Management consultancy activities	-	0.0	(0.0)	5.0	-	-
Agriculture, Forestry & Fishing	0.6	29.9	136.4	3,221.0	4.6	4.3
Support services to agriculture & Post harvest crop activities	0.6	29.9	136.4	3,221.0	4.6	4.3
Construction	4.0	139.5	70.2	7,256.0	0.7	0.7
Construction	4.0	139.5	70.2	7,256.0	0.7	0.7
Financial service activities, except insurance and pension funding	9.7	295.6	244.4	5,091.0	31.2	31.1
Monetary intermediation	9.7	295.6	244.4	5,091.0	31.2	31.1
Electricity	-	338.4	21.5	435.0	-	-
Electric power generation, transmission & distribution	-	338.4	21.5	435.0	-	-
Information & Communication	7.5	139.5	351.0	1,363.0	31.3	15.9
Telecommunications	7.5	139.5	351.0	1,363.0	31.3	15.9
Insurance & Other Financial Services	0.8	17.5	53.4	859.0	-	-
Activities auxiliary to financial service activities, except insurance and pension funding	-	-	-	-	-	-
Activities auxiliary to insurance and pension funding	-	-	3.6	44.0	-	-
Life Insurance	-	9.6	13.4	575.0	-	-
Non-life insurance	0.6	6.3	35.1	173.0	-	-
Other financial service activities, except insurance and pension funding activities	0.2	1.6	1.2	67.0	-	-
Manufacturing	-	(5.1)	87.0	165.0	-	-
Repair and installation of machinery and equipment	-	(5.1)	87.0	165.0	-	-
Mining & Quarrying	0.4	57.0	15.4	2,389.0	0.5	0.4
Mining support service activities	0.4	57.0	15.4	2,389.0	0.5	0.4
Real Estate	1.3	10.4	23.0	530.0	14.1	13.7
Real estate activities	1.3	10.4	23.0	530.0	14.1	13.7
Transport & Storage	4.7	63.3	47.8	1,435.0	1.1	1.1
Air transport	0.0	1.2	1.9	18.0	1.1	1.1
Freight transport by road	-	43.8	14.3	636.0	-	-
Postal and courier activities	-	4.4	(0.8)	152.0	-	-
Warehousing & support activities for transportation	4.7	13.8	32.5	629.0	-	-
Wholesale & Retail Trade	17.7	326.6	1,434.6	10,033.0	30.4	34.4
Retail trade, except for motor vehicles & motor cycles	15.0	308.6	1,341.3	9,326.0	10.3	19.6
Wholesale & retail trade and repair of motor vehicles & motor cycles	2.7	18.0	93.4	707.0	20.1	14.8
Grand Total	47.7	1,443.9	2,505.7	34,839.0	116.4	104.1

Source: Foreign Private Investment & Investor Perceptions Survey, 2017



Table 15: Inward Pure Services Categories Affiliates Statistics by source country (US \$ million, 2016)

DESCRIPTION	Botswana	Canada	Cayman Islands	Channel Islands	China PR	France	Germany
2.1. Total assets at end 2016	670.8	13.6	1.3	17.5	1,042.6	159.6	21.2
2.2. Total liabilities (excluding Equity) at end 2016	555.3	27.4	1.4	12.4	891.9	118.0	18.1
2.3. Net worth at end 2016 =Total Assets(2.1) - Total liabilities [excluding equity](2.2)	115.5	(13.8)	(0.1)	5.1	150.7	41.6	3.1
2.4. Sales or turnover in 2016	100.9	2.4	1.0	24.0	230.8	362.5	6.6
2.5. Operating Surplus (or loss)	(32.6)	-	0.4	0.7	56.6	14.0	1.9
2.6. Taxes on Income	3.8	-	-	0.6	11.2	6.6	0.6
2.7. Net Profit After Tax (Earnings/Loss)	(28.5)	-	(0.3)	0.3	48.5	8.1	(1.2)
2.8. Total dividends declared	-	-	-	-	4.3	1.1	-
2.9. Realised gains and losses	-	-	-	0.5	(2.9)	6.0	0.2
2.10. Compensation of Employees	20.8	0.2	14.4	2.6	39.9	12.9	2.7
2.10.1. Of which: Salaries and wages paid	19.5	0.2	0.1	2.5	32.8	12.2	2.6
2.10.2. Of which: Employer's Social Contributions (See definition 37)	1.2	0.0	-	0.1	7.1	0.7	0.1
2.11. Total purchases of domestic goods and services	-	-	0.0	2.7	69.3	225.7	0.2
2.11.1. Of which: goods	2.6	-	0.0	0.6	47.8	162.5	0.1
2.11.2. Of which: services	-	-	-	2.1	13.2	61.7	0.1
2.12. Total imports of goods	-	0.3	0.0	13.3	42.3	69.1	-
2.12.1. Of which: from foreign affiliates	0.6	0.3	0.0	0.4	3.1	59.3	-
2.13. Total imports of services	7.7	-	-	0.0	0.3	4.3	-
2.13.1. Of which: from foreign affiliates	4.3	-	-	0.0	0.3	4.1	-
2.14. Total exports of goods	-	-	-	0.6	-	34.7	-
2.14.1. Of which: to foreign affiliates	-	-	-	0.6	-	-	-
2.15. Total exports of services	-	-	-	-	-	-	-
2.15.1. Of which: to foreign affiliates	-	-	-	-	-	-	-
2.16. Gross Fixed Capital Formation (2.16.1 + 2.16.2 + 2.16.3+2.16.4 + 2.16.5)	5.4	0.1	0.0	0.1	46.0	7.4	1.4
2.16.1. Of which: Research and Development Expenditures	-	-	-	-	0.1	0.5	-
2.16.2. Of which: Acquisition less Disposal of Buildings and other Structures	0.0	-	0.0	-	0.4	4.5	1.3
2.16.3. Of which: Land improvements	0.1	-	-	-	-	0.6	-
2.16.4. Of which: Acquisition less Disposal of Machinery and equipment	2.9	0.1	0.0	0.1	45.4	1.6	0.1
2.16.5. Of which: Acquisition less Disposal of Other fixed assets	2.3	-	0.0	0.0	0.1	0.2	-
2.17. Training Expenditure	0.0	-	-	0.0	0.2	0.2	0.1
2.18. Payments for royalties and license fees	-	-	-	0.0	0.0	0.2	0.3
2.18.1. Of Which: Non-Residents	-	-	-	-	-	-	-
2.19. Value of Closing Stock of Finished Products	-	-	0.2	4.0	11.9	30.5	-
2.20. Value of Opening Stock of Finished Products	-	-	0.2	3.7	8.2	24.1	-
2.21. Gross Output (value) =(Turnover + Value of Closing Stock - Opening Stock)	100.9	2.4	0.9	23.9	233.4	365.9	6.6
2.22. Management fees	0.1	-	-	0.1	5.4	0.8	1.0
2.23. Operating Expenditure	126.8	-	-	4.7	134.9	62.4	1.5
2.24. Value-added = Gross Output (2.21) - Operating Expenditure (2.23)	(25.9)	2.4	1.0	19.2	98.5	303.5	5.1
2.25. Total Employment (Number of employees) as at 31st December 2016	1,706.0	49.0	14.0	209.0	6,822.0	964.0	398.0
2.26. Stock of domestic borrowing from banks as at 31st December 2015	20.7	-	-	5.0	-	1.4	-
2.27. Stock of domestic borrowing from banks as at 31st December 2016	27.3	-	-	3.1	-	5.6	-

Source: Foreign Private Investment & Investor Perceptions Survey, 2017



Table 15: Inward Pure Services Categories Affiliates Statistics by source country (US \$ million, 2016)...Cont'

DESCRIPTION	Ireland	Japan	Kenya	Luxembourg	Malawi	Mauritius	Namibia	Nether-lands
2.1. Total assets at end 2016	822.5		24.0	51.8	29.0	662.2	7.2	1,218.0
2.2. Total liabilities (excluding Equity) at end 2016	410.2	42.4	13.0	24.6	26.9	479.5	4.5	1,078.8
2.3. Net worth at end 2016 =Total Assets(2.1) - Total liabilities [excluding equity](2.2)	412.3		11.0	27.2	2.1	182.7	2.7	139.1
2.4. Sales or turnover in 2016	678.5	20.1	55.4	35.7	22.7	575.4	12.7	410.8
2.5. Operating Surplus (or loss)	(77.1)	22.3	4.4	(6.0)	0.8	33.9	0.4	78.3
2.6. Taxes on Income	30.0		1.5	0.2	0.3	7.5	0.2	5.7
2.7. Net Profit After Tax (Earnings/Loss)	(115.9)	59.5	2.9	(6.2)	0.3	19.6	0.2	46.4
2.8. Total dividends declared	2.7		-	-	-	-	-	36.8
2.9. Realised gains and losses	0.1	10.9	0.6	(0.4)	0.2	(31.3)	(0.2)	12.5
2.10. Compensation of Employees	13.1		0.4	9.7	1.7	33.5	1.0	49.9
2.10.1 Of which: Salaries and wages paid	12.0	4.5	0.4	6.3	1.6	28.9	1.0	13.5
2.10.2 Of which: Employer's Social Contributions (See definition 37)	0.9	6.4	0.0	0.4	0.2	1.4	-	1.8
2.11. Total purchases of domestic goods and services	331.7		-	13.2	-	436.4	0.2	15.6
2.11.1 Of which: goods	330.2	8.5	49.3	5.6	-	153.8	0.0	44.4
2.11.2 Of which: services	1.5		-	6.2	-	14.2	0.1	9.7
2.12. Total imports of goods	108.2	0.6	-	5.1	-	73.3	-	47.2
2.12.1 Of which: from foreign affiliates	108.2		-	-	-	54.5	-	16.9
2.13. Total imports of services	0.3	6.3	-	4.3	-	3.1	-	0.2
2.13.1 Of which: from foreign affiliates	3.1		-	3.8	-	1.3	-	-
2.14. Total exports of goods	-		-	-	-	-	-	3.7
2.14.1 Of which: to foreign affiliates	-		-	-	-	-	-	19.6
2.15. Total exports of services	-		-	-	-	0.8	-	0.2
2.15.1 Of which: to foreign affiliates	-		-	-	-	-	-	0.1
2.16. Gross Fixed Capital Formation (2.16.1 + 2.16.2 + 2.16.3+2.16.4 + 2.16.5)	8.3		0.5	3.8	0.3	48.7	-	40.1
2.16.1 Of which: Research and Development Expenditures	-		0.5	-	-	(0.1)	-	-
2.16.2 Of which: Acquisition less Disposal of Buildings and other Structures	5.5		-	-	-	0.8	-	1.8
2.16.3 Of which: Land improvements	-		0.0	0.6	-	-	-	21.5
2.16.4 Of which: Acquisition less Disposal of Machinery and equipment	3.6		-	1.6	0.2	45.7	-	17.7
2.16.5 Of which: Acquisition less Disposal of Other fixed assets	(0.8)		(0.0)	1.5	0.1	2.2	-	(0.9)
2.17. Training Expenditure	0.5		0.0	0.7	-	0.2	-	0.7
2.18. Payments for royalties and license fees	0.2		-	-	-	1.1	0.1	0.8
2.18.1 Of Which: Non-Residents	-		-	3.8	-	0.5	-	-
2.19. Value of Closing Stock of Finished Products	20.9		-	0.7	-	98.0	-	54.3
2.20. Value of Opening Stock of Finished Products	24.0		5.5	2.2	-	73.8	-	44.0
2.21. Gross Output (value) =(Turnover + Value of Closing Stock - Opening Stock)	673.2		0.6	34.2	22.7	590.3	12.7	418.4
2.22. Management fees	2.7		60.0	-	-	10.5	0.1	-
2.23. Operating Expenditure	350.8		0.1	19.9	3.9	170.0	-	44.8
2.24. Value-added = Gross Output (2.21) - Operating Expenditure (2.23)	322.4		1.7	14.3	18.8	420.3	12.7	373.6
2.25. Total Employment (Number of employees) as at 31st December 2016	561.0		58.3	780.0	79.0	5,924.0	33.0	1,769.0
2.26. Stock of domestic borrowing from banks as at 31st December 2015	7.2		23.0	-	-	14.1	-	7.5
2.27. Stock of domestic borrowing from banks as at 31st December 2016	4.6		0.0	-	-	13.7	-	13.1

Source: Foreign Private Investment & Investor Perceptions Survey, 2017



Table 15: Inward Pure Services Categories Affiliates Statistics by source country (US \$ million, 2016)...Cont'

DESCRIPTION	Nigeria	Other	Peru	Samoa	Serbia	Seychelles
2.1. Total assets at end 2016	59.3	12.2	28.7	4.6	3.5	11.7
2.2. Total liabilities (excluding Equity) at end 2016	48.2	11.1	23.4	9.7	1.8	13.2
2.3. Net worth at end 2016 =Total Assets(2.1) - Total liabilities [excluding equity](2.2)	11.1	1	5.3	-5.1	1.7	-1.5
2.4. Sales or turnover in 2016	6.4	27.1	24	1.9	9.1	23.3
2.5. Operating Surplus (or loss)	0	13.8	2.1	0.3	-	-
2.6. Taxes on Income	-0.1	3.1	0	-	-	0.2
2.7. Net Profit After Tax (Earnings/Loss)	0	0.2	1.6	0.3	0.6	0.4
2.8. Total dividends declared	-	-	-	-	-	-
2.9. Realised gains and losses	-	0	0	0	0.5	-
2.10. Compensation of Employees	1.9	5.9	11.1	0.6	0.5	1.1
2.10.1. Of which: Salaries and wages paid	1.9	5.6	7.2	0.6	0.5	1.1
2.10.2. Of which: Employer?s Social Contributions (See definition 37)	0.1	0.3	0.3	0	-	-
2.11. Total purchases of domestic goods and services	3.6	7.2	-	1.1	-	16.3
2.11.1. Of which: goods	0.2	4.5	5.8	0.3	-	14.5
2.11.2. Of which: services	3.4	2.7	0.2	0.8	-	1.8
2.12. Total imports of goods	-	1.4	0	-	-	-
2.12.1. Of which: from foreign affiliates	-	1.4	0.1	-	5.7	-
2.13. Total imports of services	0.4	2	-	0.1	-	-
2.13.1. Of which: from foreign affiliates	-	2	-	-	-	-
2.14. Total exports of goods	-	-	-	-	-	-
2.14.1. Of which: to foreign affiliates	-	0.2	-	-	0.8	-
2.15. Total exports of services	-	-	-	-	-	-
2.15.1. Of which: to foreign affiliates	-	-	-	-	-	-
2.16. Gross Fixed Capital Formation (2.16.1 + 2.16.2 + 2.16.3+2.16.4 + 2.16.5)	5.2	1.1	5.1	0.1	-	0
2.16.1. Of which: Research and Development Expenditures	-	-	0	-	-	-
2.16.2. Of which: Acquisition less Disposal of Buildings and other Structures	2.1	0.4	0	0	-	0
2.16.3. Of which: Land improvements	-	-	0	-	-	-
2.16.4. Of which: Acquisition less Disposal of Machinery and equipment	2.1	0.4	5	0.1	-	-0.1
2.16.5. Of which: Acquisition less Disposal of Other fixed assets	1	0.3	0	-	-	0
2.17. Training Expenditure	0.2	0.2	0	0	-	0
2.18. Payments for royalties and license fees	-	0	-	-	-	-
2.18.1. Of Which: Non-Residents	-	-	-	-	-	-
2.19. Value of Closing Stock of Fininshed Products	-	2.2	1.2	-	-	0.5
2.20. Value of Opening Stock of Finished Products	-	3.1	1.2	-	-	0.5
2.21. Gross Output (value) =(Turnover + Value of Closing Stock - Opening Stock)	6.4	25.9	23.9	1.9	9.1	23.2
2.22. Management fees	-	0.4	-	-	-	-
2.23. Operating Expenditure	3.6	19	18.3	1.8	2.8	9.5
2.24. Value-added = Gross Output (2.21) - Operating Expenditure (2.23)	2.8	6.9	5.6	0.1	6.3	13.7
2.25. Total Employment (Number of employees) as at 31st December 2016	124	329	1,774.0	43	65	140
2.26. Stock of domestic borrowing from banks as at 31st December 2015	-	-	0.5	0	-	-
2.27. Stock of domestic borrowing from banks as at 31st December 2016	-	-	0.4	0.1	-	-

Source: Foreign Private Investment & Investor Perceptions Survey, 2017



Table 15: Inward Pure Services Categories Affiliates Statistics by source country (US \$ million, 2016)...Cont'

DESCRIPTION	Singapore	South Africa	Swaziland	Sweden	Switzerland	Togo
2.1. Total assets at end 2016	76.1	1,933.10	15	51.9	97.3	154
2.2. Total liabilities (excluding Equity) at end 2016	28	1,616.40	14	16.1	150.4	122
2.3. Net worth at end 2016 =Total Assets(2.1) - Total liabilities [excluding equity](2.2)	48.1	316.7	1.1	35.8	-53.1	31.7
2.4. Sales or turnover in 2016	41.2	702.5	8.8	65.7	108	16.7
2.5. Operating Surplus (or loss)	8.2	107.5	0.2	17	7.2	4.1
2.6. Taxes on Income	2.4	28.5	-	4.8	0.6	1.6
2.7. Net Profit After Tax (Earnings/Loss)	3.3	65.1	0.2	-3.1	4.1	2.5
2.8. Total dividends declared	1	6.1	-	-	1.2	-
2.9. Realised gains and losses	1.8	1.5	0.1	0.4	0	3.9
2.10. Compensation of Employees	6.3	114.7	1.3	9.8	219.5	3.5
2.10.1 Of which: Salaries and wages paid	6	70.2	1.2	9	7.1	3.3
2.10.2 Of which: Employer's Social Contributions (See definition 37)	0.3	23.1	0	0.8	0.3	0.1
2.11. Total purchases of domestic goods and services	27.4	118.9	-	7.6	68.6	-
2.11.1 Of which: goods	21.4	166.8	-	4.5	56.5	-
2.11.2 Of which: services	1	82.9	-	3	11.9	-
2.12. Total imports of goods	9.3	43.8	-	30.1	10.6	-
2.12.1 Of which: from foreign affiliates	0.2	68.2	-	30.1	9.1	-
2.13. Total imports of services	0.2	10.4	-	0.2	1.1	-
2.13.1 Of which: from foreign affiliates	0.1	18.7	-	0.2	1.1	-
2.14. Total exports of goods	0.7	8.4	-	1.5	-	-
2.14.1 Of which: to foreign affiliates	-	8.3	-	1.5	-	-
2.15. Total exports of services	-	5.5	-	0	-	-
2.15.1 Of which: to foreign affiliates	-	13	-	0	-	-
2.16. Gross Fixed Capital Formation (2.16.1 + 2.16.2 + 2.16.3+2.16.4 + 2.16.5)	1.6	67.3	-0.9	-2.1	0.7	0.3
2.16.1 Of which: Research and Development Expenditures	-	-	-	-	-	-
2.16.2 Of which: Acquisition less Disposal of Buildings and other Structures	0.1	0.8	-	0.8	0	-
2.16.3 Of which: Land improvements	0.7	2.7	0.1	-	-	-
2.16.4 Of which: Acquisition less Disposal of Machinery and equipment	1	53.2	-1	0	0.5	-
2.16.5 Of which: Acquisition less Disposal of Other fixed assets	-0.1	10.6	-	-2.9	0.1	0.3
2.17. Training Expenditure	0.1	1.1	0	0.1	0	0.1
2.18. Payments for royalties and license fees	0.1	12	0	-	2.1	-
2.18.1 Of Which: Non-Residents	-	1.8	-	-	2.1	-
2.19. Value of Closing Stock of Finished Products	9.6	49.6	-	17.4	19.4	-
2.20. Value of Opening Stock of Finished Products	12.6	34.4	-	20.4	25	-
2.21. Gross Output (value) =(Turnover + Value of Closing Stock - Opening Stock)	36.9	713.9	8.8	62.7	89.4	16.7
2.22. Management fees	3.2	12.8	0.2	-	5.7	0.8
2.23. Operating Expenditure	11.6	299.2	7.5	8.2	17.4	10.2
2.24. Value-added = Gross Output (2.21) - Operating Expenditure (2.23)	25.3	420.4	1.3	54.4	72	6.6
2.25. Total Employment (Number of employees) as at 31st December 2016	609	6,703.00	92	276	1,896.00	124
2.26. Stock of domestic borrowing from banks as at 31st December 2015	16.1	32.7	0	-	-	-
2.27. Stock of domestic borrowing from banks as at 31st December 2016	13.5	17.5	-	-	-	-

Source: Foreign Private Investment & Investor Perceptions Survey, 2017



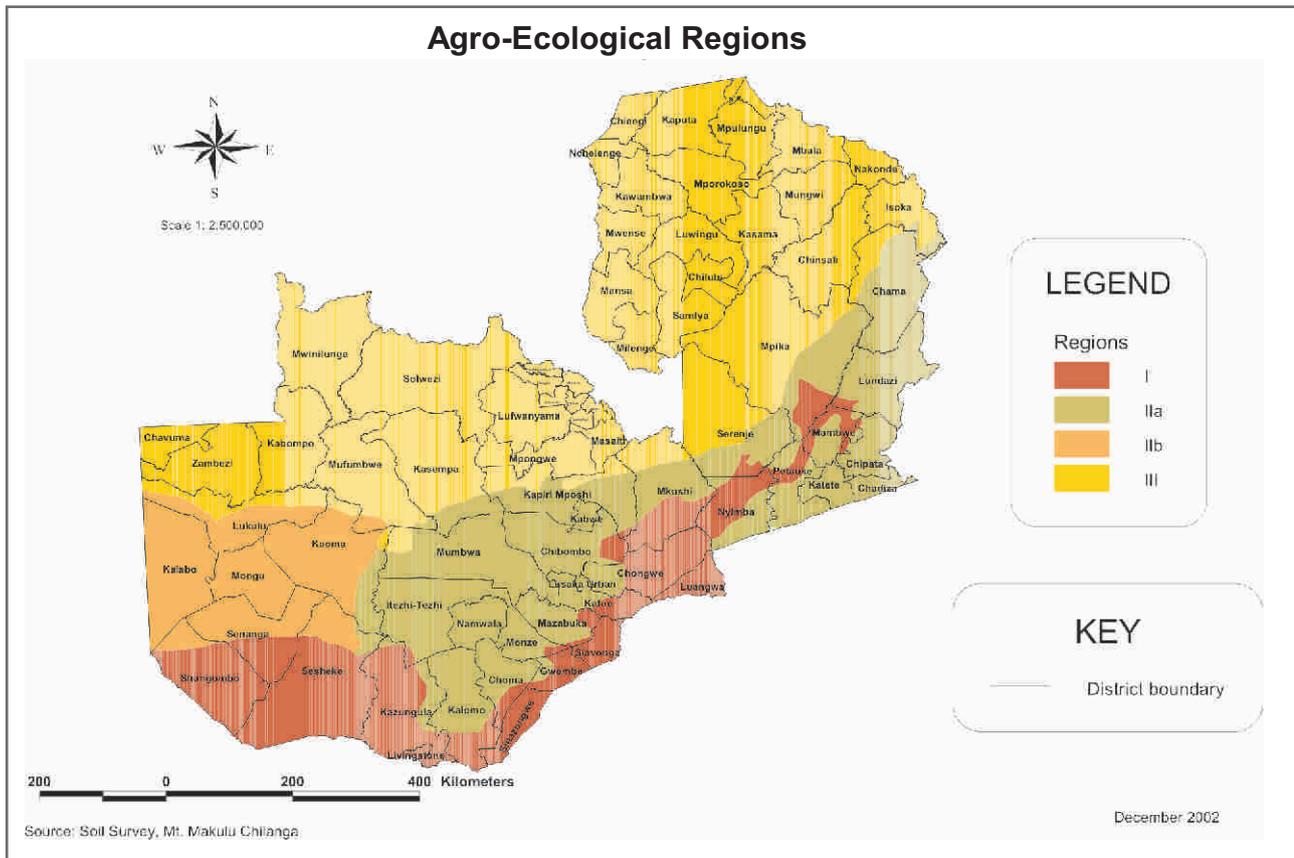
Table 15: Inward Pure Services Categories Affiliates Statistics by source country (US \$ million, 2016)...Cont'

DESCRIPTION	United Arab Emirates	United Kingdom	United States	Virgin Islands	British Zimbabwe	Grand Total
2.1. Total assets at end 2016	52.3	1,152.30	273.2	2.9	25.4	8,736.70
2.2. Total liabilities (excluding Equity) at end 2016	50.8	994	194.9	2	6.8	6,984.70
2.3. Net worth at end 2016 =Total Assets(2.1) - Total liabilities [excluding equity](2.2)	1.5	158.3	78.2	1	18.7	1,752.00
2.4. Sales or turnover in 2016	16.8	199.8	59.5	1.6	16.9	3,908.10
2.5. Operating Surplus (or loss)	2	49.5	25.8	-0.2	3.9	328.1
2.6. Taxes on Income	0.7	-8.3	10	-	-	116.1
2.7. Net Profit After Tax (Earnings/Loss)	1.3	29.7	15.8	-0.2	-	102.5
2.8. Total dividends declared	-	3.6	15.9	-	-	81.1
2.9. Realised gains and losses	0	1.2	0.5	-	-	-4.4
2.10. Compensation of Employees	0.2	40.3	5.5	0.2	1.2	632.4
2.10.1. Of which: Salaries and wages paid	0.1	37.9	3.7	0.2	1.2	290.1
2.10.2. Of which: Employer's Social Contributions (See definition 37)	0	2.4	0.1	0	-	42.1
2.11. Total purchases of domestic goods and services	-	80.4	8.7	1.3	8.8	1,444.60
2.11.1. Of which: goods	-	5.4	3.1	-	6.6	1,086.60
2.11.2. Of which: services	-	37	3.6	1.3	2.3	260.7
2.12. Total imports of goods	-	48.8	0.8	-	-	503.7
2.12.1. Of which: from foreign affiliates	-	48.8	0.8	-	-	407.6
2.13. Total imports of services	-	485.1	0.6	-	5.1	525.4
2.13.1. Of which: from foreign affiliates	-	2.7	1.2	-	5.1	48
2.14. Total exports of goods	-	-	2.5	-	-	52.2
2.14.1. Of which: to foreign affiliates	-	-	2.5	-	-	33.6
2.15. Total exports of services	-	0.8	-	-	-	7.4
2.15.1. Of which: to foreign affiliates	-	0.8	-	-	-	13.9
2.16. Gross Fixed Capital Formation (2.16.1 + 2.16.2 + 2.16.3+2.16.4 + 2.16.5)	-	6.7	0.9	0	-	247.8
2.16.1. Of which: Research and Development Expenditures	-	-	-	-	-	1
2.16.2. Of which: Acquisition less Disposal of Buildings and other Structures	-	2.3	0.6	-	-	21.3
2.16.3. Of which: Land improvements	-	0	-	-	-	26.4
2.16.4. Of which: Acquisition less Disposal of Machinery and equipment	-	3.5	0.2	-	-	184
2.16.5. Of which: Acquisition less Disposal of Other fixed assets	-	0.9	0.1	0	-	15
2.17. Training Expenditure	-	1.2	0	0	0.1	5.6
2.18. Payments for royalties and license fees	-	4.6	0	-	-	21.5
2.18.1. Of Which: Non-Residents	-	2.5	-	-	-	10.8
2.19. Value of Closing Stock of Finished Products	14.8	29.7	3.3	-	6.6	382.2
2.20. Value of Opening Stock of Finished Products	-	25.4	2.6	-	6.5	314.4
2.21. Gross Output (value) =(Turnover + Value of Closing Stock - Opening Stock)	30.9	203.6	59.8	1.6	16.3	3,936.10
2.22. Management fees	-	3.2	0.6	-	-	47.7
2.23. Operating Expenditure	14.9	73.9	24.3	0.4	-	1,443.90
2.24. Value-added = Gross Output (2.21) - Operating Expenditure (2.23)	16.1	137.4	35.6	1.2	16.3	2,505.70
2.25. Total Employment (Number of employees) as at 31st December 2016	181	1,513.00	902	8	464	34,839.00
2.26. Stock of domestic borrowing from banks as at 31st December 2015	-	4	7.3	-	-	116.4
2.27. Stock of domestic borrowing from banks as at 31st December 2016	-	4.7	0.5	-	-	104.1

Source: Foreign Private Investment & Investor Perceptions Survey, 2017



Annex III: Ecological Map of Zambia



Number of Agricultural Households Per Agro-ecological Zone

Zone	Number of Agric Households
I	98,316
IIa	562,097
IIb	114,385
III	615,923
Unallocated households	27,450
Total	1,418,171

Source: 2012 Rural Agricultural Livelihoods Survey

Note:

The 27,450 households that are missing from this mapping. They will be added once the mapping of the SEAs is complete

CHARACTERISTICS OF AGRO-ECOLOGICAL ZONES - ZAMBIA

The country is divided into three major agro-ecological regions, namely Regions I, II and III. Rainfall as well as the quality of soils differ across these regions.

Region I: This region receives less than 800mm of rainfall annually and constitutes 12% of Zambia's total land area. It consists of loamy to clayey soils on the valley floor and coarse to fine loamy shallow soils on the escarpment. It covers the Southern province and parts of Eastern and Western provinces. The Region is suitable for production of drought resistant crops like Cotton, Sesame, Sorghum and Millet and has potential for production of irrigated crops, like Winter Maize. This Region is also suitable for extensive cattle production and has limited potential for Cassava cultivation. The valley part of the region is on a low altitude and is consequently hot and humid: these areas are not suitable for cattle rearing because of Tsetse Flies.

Region II: The Region receives between 800 to 1000mm of annual rainfall and constitutes 42% of the country. It is sub divided into two namely, Region **IIa** and **IIb**. Region **IIa** covers the Central, Lusaka, Southern and Eastern fertile plateaux of the country and generally contain inherent fertile soils. Permanent settled systems of



agriculture are practised. A variety of crops are grown in this Region and these include Maize, Cotton, Tobacco, Sunflower, Soya beans, irrigated Wheat, Groundnuts and other arable crops. The area is also highly suitable for flowers, Paprika and vegetable production. Region **IIb** covers Western province and consists of sandy soils. It is suitable for production of Cashew nut, Rice, Cassava and Millet, including vegetable and timber production. The Region is also highly suitable for Beef, Dairy and Poultry production.

Region III: The region receives more than 1000mm up to 1500mm of rainfall annually and constitutes 46% of the country's total land area comprising the Copperbelt, Luapula, Northern and North-western provinces. With the exception of the Copperbelt, the Zone is characterized by highly leached, acidic soils. It has good potential for the production of Millet, Cassava, Sorghum, Beans and Groundnuts. Coffee, Sugarcane, Rice and Pineapples are also grown in this area. The agricultural potential of the Region can be enhanced by application of lime and its perennial streams can be utilized for small-scale irrigation. Increased exploitation of the fisheries resources and introduction of fish farming, offer good opportunities for development





Annex IV: List of Survey Team

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Bank Of Zambia



Republic of Zambia

