

THE **idc** Industrial Development Corporation **REVIEW**

VOLUME 1 ISSUE No. 1
FIRST QUARTER, 2021

A quarterly magazine by the IDC

Industrializing Zambia



Creating the **ENERGY MIX**

IDC'S FIRST GREENFIELD SOLAR POWER PROJECTS CUSHION
THE COUNTRY'S EVER-RISING DEMAND FOR ELECTRICITY

Inside

IN THE BEGINNING
How and why the IDC was set up

IDC RESEARCH
Economic Watch

ZAFFICO
An IDC Reform Benchmark

NEW PROJECTS
New industries, more jobs

ABOUT THE IDC

The Industrial Development Corporation (IDC) Limited is charged with the mandate to spearhead the Zambian Government's commercial investment agenda aimed at strengthening Zambia's industrial base and job creation.

The IDC was incorporated in January 2014 and is wholly owned by the Government through the Minister of Finance pursuant to the Minister of Finance (Incorporation) Act Cap 349 of the Laws of Zambia.

The IDC was established to create and maximise long-term shareholder value as an active investor and shareholder of successful State-owned Enterprises, as well as undertake industrialisation and rural development activities through the creation of new industries.

IDC'S STRATEGIC FOCUS

IDC's strategic direction for the period 2021-2025 is focused on incremental advancement of the mission and goals. Strong congruence between the Corporation's ethos and mandate will position the IDC for more success, external focus and longterm orientation

Strategic focus has been enhanced to purposefully deliver greater value to the Group and the Shareholder by having a larger, more effective footprint in providing subsidiary support and oversight as well as in project design and operationalisation.

STRATEGIC OBJECTIVES

Objective 1

To achieve 15% growth in Group revenue year-on-year through enhanced Group oversight and support.

Objective 2

To create 35,000 direct and indirect jobs through investments in agriculture, manufacturing, energy and tourism ventures.

Objective 3

To attain 50% contribution of non-dividend revenues to total revenues and raise adequate capital to support the Corporation's transformation program and investments.

Objective 4

To ensure operational efficiency through retention of right talent and automation of business processes.

Objective 5

To derive value from strategic partnerships through co-investments and enhanced partner relationships.

VISION

To be Africa's best performing sovereign holding corporation and strategic investment partner.

MISSION

To spearhead industrialisation and value-addition for the creation of wealth, jobs and sustainable social economic growth.

GOAL

To enhance performance of enterprises, foster value-addition and support economic growth through transformation of subsidiaries and investments in key economic sectors.

VALUE STATEMENT

Our values reflect our purpose, our priorities and the beliefs by which we conduct ourselves. They define what it means to work at IDC, regardless of location or role.

Professionalism

We shall uphold the highest standards of professionalism and expect the same of those we do business with.

Transparency

We shall be open and accountable for our investments and business undertakings.

Integrity

We shall strive to adhere to the highest moral and ethical principles.

Distinction

We shall be committed to high standards and excellence.

Innovation

We shall foster an environment that nurtures creativity and continuous improvement.

Team work

We shall value and respect each other's contributions in the combined effort to achieve success.



Editor-in-Chief
Ms Namakau Mukelabai
Namakau.Mukelabai@idc.co.zm

Associate Editor
Mr Kingsley Kaswende
Kingsley.Kaswende@idc.co.zm

Comments or feedback
pr@idc.co.zm



Disclaimer

The articles and information contained in this magazine are copyrighted to the IDC Review Magazine. They may be used in other publications or reproduced on condition that credit is given to the source. While reasonable precautions have been taken to ensure accuracy of information given to the readers, the IDC Review Magazine, the publishers, its advertisers and printers cannot accept responsibility for any damages or inconvenience that may arise therefrom.

The views expressed herein are those of the Editorial Team.

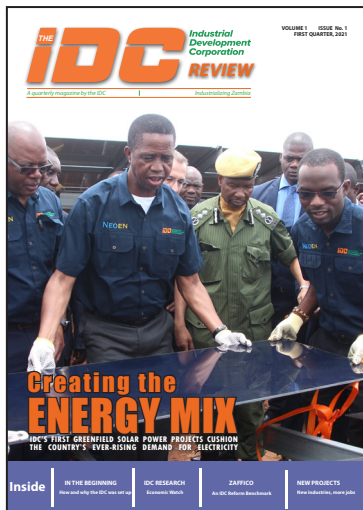
Published by
Industrial Development Corporation
61 Independence Avenue
Prospect Hill
Lusaka

POSTAL ADDRESS:
P.O Box 37232
Lusaka, ZAMBIA

TELEPHONE NUMBER:
+260 211 843567/8 +260 967 773007

EMAIL ADDRESS:
pr@idc.co.zm

www.idc.co.zm



Contents



7 The IDC Board

9 Setting up the IDC

10 Impact of the IDC

15 Restoring Zambia's Fruit processing

29 Photo Focus

30 IDC Subsidiaries

HIS EXCELLENCY PRESIDENT EDGAR CHAGWA LUNGU'S VISION OF THE INDUSTRIAL DEVELOPMENT CORPORATION

On September 9, 2015, President Edgar Chagwa Lungu, who is the Board Chairperson of the Industrial Development Corporation (IDC), transferred shares in 29 State-owned Enterprises (SOEs) to the IDC thereby giving IDC direct mandate and authorization to oversee performance and accountability of these companies on behalf of the State. IDC's oversight responsibilities include all aspects of governance, commercial, financing, operational and all matters incidental to the interests of the State as the shareholder.



“

My administration's goal is to ensure that all State-owned Enterprises start giving a good return on investment, so that the country can raise finances needed to meet other developmental objectives.

We will place high priority on industrializing the economy to create more jobs and wealth for our people. We can only share wealth not poverty, and therefore we must all rise to this challenge and create enough wealth to share.

In my inauguration speech on September 13, 2016, I stressed the need for our country to diversify away from copper to agriculture and manufacturing, among other sectors of the economy, to create wealth and prosperity for all.

Diversification and industrialization are important strategies Government will employ to attain sustainable economic growth. To this effect, during the first term of the Patriotic Front (PF) administration, the Government established the Industrial Development Corporation (IDC) to spearhead the development of our country's domestic industrial capacity, and in so doing, play a major role in creating jobs.

The IDC will hold the shares on behalf of the Government and supervise these State-owned Enterprises. In this regard, these enterprises will no longer be funded through the National

Budget. This action will reduce the burden on the Treasury significantly and help contain the fiscal deficit whilst freeing up the scarce resources towards poverty reduction programmes. All State-owned Enterprises shall contribute to the Sovereign Wealth Fund through dividends.

This intervention is consistent with industrialization strategies implemented by emerging economies such as Singapore, China, Malaysia and South Korea. These countries have all created corporations equivalent to the IDC to provide an additional source of revenue and be able to preserve the wealth of their countries for future generations.

In the coming years, the Government will, through the IDC, target to create jobs in the key growth areas of manufacturing, agriculture, infrastructure, tourism and information and communications technology in line with the PF's manifesto pledge on industrialization.

Another measure to empower our citizens is to enable them own shares in some of the State-owned Enterprises in the country. The IDC will be an important tool in achieving this goal. All State-owned Enterprises must ultimately list on the Lusaka Securities Exchange so that we create opportunities for citizens to own these companies. ”

Extracted from President Edgar Chagwa Lungu's speeches delivered at the official opening of the 5th Session of the 11th National Assembly (September 18, 2015) and the First Session of the 12th National Assembly (September 30, 2016). Photo credit: State House Press Office



TOP: President Edgar Chagwa Lungu shakes hands with IDC Group CEO Mr Mateyo Kaluba at a recent Exhibition.

ABOVE: President Edgar Chagwa Lungu is accompanied by Agriculture Minister Mr Michael Katambo at the recent commissioning of the Oil Palm Outgrower Scheme in Kanchibiya District.

Message from IDC Group CEO



Mr Mateyo C. Kaluba
Group CEO
INDUSTRIAL DEVELOPMENT CORPORATION



Esteemed Readers,

We are proud to introduce the inaugural issue of **The IDC Review**, our own external publication. I believe this publication will be a great platform that will enable the Industrial Development Corporation (IDC) to communicate key developments in our operations and enhance collaboration with you, our stakeholders.

It has been six years since the IDC was established and given the mandate to look after the State's commercial interests, ensure transformation of State-owned enterprises towards profitability, facilitate industrialization in the country, and in the process create sustainable job opportunities for Zambian citizens.

We are proud to note that we have scored some significant successes and achieved several milestones as we push towards advancing our mandate. It has not been an easy road, but we celebrate you, our stakeholders in various spheres, our Principals and Board of Directors, members of staff of the IDC and everyone who has contributed to building, growing and making the corporation what it is today.

This inaugural publication will showcase who we are, where we have come from and where we see ourselves going as an institution. Our vision is **"To be Africa's best performing**

sovereign holding corporation and strategic investment partner" with a mission **"To spearhead industrialization and value addition for the creation of wealth, jobs and sustainable social economic growth"**. This is a mission we have been living since inception and the contents of this publication will demonstrate the various aspects of what we have done, how we have been, and what we will be doing going forward to live our mandate.

It will also provide functional information on periodic economic research reports, forecasts, business trends, industry research, economic analyses and thought leadership from our perspective. We believe that the growth and sustainability of businesses today is dependent to a large extent on how knowledgeable we are about the macroeconomic environment in which we operate, and the identification of where the opportunities lie for us to maximize the value that can be realized from these opportunities.

It is our belief that if we all do our part as critical players in the Zambian economy, it will indeed culminate into the realization of a growing and thriving economy that we know Zambia can and will be.

We look forward to more collaboration with you to ensure the success of our corporation for the benefit of all stakeholders and consequently, the country at large.

Editor-in-Chief's Note



Dear Reader,

It is with great pride that we are launching the IDC Review, a quarterly magazine produced by the Industrial Development Corporation.

The publication will play a significant role in communicating IDC news and activities to you, our reader.

The IDC is a government-owned institution charged with the responsibility of industrializing the country and creating job opportunities for Zambian citizens. On behalf of the Minister of Finance, the IDC is the holding company for parastatal companies incorporated under the Companies Act.

Zambia has a long experience with State-owned Enterprises (SoEs), from the era of the newly independent Republic in the 1960s when they were seen as key institutions, to the 1980s when poor SoE performance as a result of an economic downturn led to calls for private-sector led growth, through to the privatization era of the 1990s.

Despite their past poor performance, SoEs continued to play an important role in the Zambian economy, which led to amplified discussions in the early 2000s around the reform agenda to see how best SoEs could be transformed from being heavily dependent on the Treasury, to being profitable and sustainable.

This was really the precursor to the establishment of the IDC, which would be critical in turning around the companies, making them profitable and contributing to the Treasury. In the process, more vibrant industries and job opportunities would be created.

So, we begin the edition by tracing and chronicling the events that led to the establishment of this institution and the strategic vision of the Head of State, who is the Chairman of the IDC.

Reading through this first issue, you will see how the IDC is now living up to its mandate of superintending over SOEs while transforming them into viable and profitable entities (Page 10).

We also show you some of the major milestones the IDC has achieved in its seven-year history, including the establishment of the first-ever solar power plants. The two solar plants power up an equivalent of over 45,000 homes, creating a cushion for the high energy demand.

This publication will be packed with many informative articles. Perhaps most importantly, it will contain the IDC Economic Watch - the quarterly research on Economic Trends by the IDC Research & Strategy Department. The IDC currently has 36 subsidiaries spread across 12 diverse industries, which makes it, effectively, an authority through this comprehensive research, on many aspects of the economy. We believe that we have a strong voice for business to know the trends they can rely on to thrive.

In this publication, you will meet people who are behind the works the IDC is doing, and so, on pages 17-18, we introduce our Group CEO Mr. Mateyo Kaluba. You will also get to learn more about our subsidiaries and what they do.

We are excited about this publication, and if you have any contribution, or indeed any feedback, please feel free to contact the Editor-in-Chief using contacts on Page 2.

For now, enjoy this maiden edition.

Ms. Namakau Mukelabai
Editor-in-Chief



VENOUS

CONVENIENT SECURE HEALTHCARE

venous@zamtel.co.zm

**ZCOM
SYSTEMS
LIMITED**

**ZAMTEL
DIGITAL
INNOVATION**

Venous, a digital platform that integrates systems and processes for convenient and secure healthcare provision.

THE IDC BOARD OF DIRECTORS

The IDC Board of Directors provides overall guidance and policy directions to the Management of the Corporation. The Board meets periodically to decide on matters pertaining to overall long-term strategic objectives, major investment and divestment proposals as well as major funding proposals.



HIS EXCELLENCY PRESIDENT EDGAR CHAGWA LUNGU - BOARD CHAIRMAN

3 CABINET MINISTERS & IDC GROUP CEO



HON. DR BWALYA NG'ANDU
Minister of Finance



HON. MICHAEL KATAMBO
Minister of Agriculture



HON. CHRISTOPHER YALUMA
Minister of Commerce, Trade & Industry



MR. MATEYO C. KALUBA
IDC Group Chief Executive Officer

7 PRIVATE SECTOR MEMBERS & 2 SENIOR PUBLIC SERVANTS



MR. DAVID KOMBE
Director & Chairman of the Finance & Administration Committee



FR. LEONARD CHITI
Director & Chairman of the Investments Committee



MR. ISAAC NGOMA
Director & Chairman of the Audit & Risk Management Committee



MR. ALEXANDER CHIKWANDA
Director



MRS. SYLVIA BANDA
Director



MR. GEOFFREY SAKULANDA
Director



MR. BEN SHOKO
Director



MR. FREDSON YAMBA
Secretary to the Treasury



MR. MUSHUMA MULENGA
Permanent Secretary - Ministry of Commerce, Trade & Industry

To assist the Board in its responsibilities, specific authority is delegated to various Board Committees chaired by a non-executive Director who is independent of management.

INVESTMENT COMMITTEE

Responsible for all investment decisions, including investment policies, investment strategy, and procedures as well as matters pertaining to the effective management and oversight of the IDC's portfolio and subsidiary companies

AUDIT & RISK COMMITTEE

Responsible for all audit and enterprise risk related matters i.e. internal audit matters as well as statutory audits and risk management pertaining to the IDC as a group including the approval of financial reports.

FINANCE & ADMIN COMMITTEE

Responsible for the IDC's Annual Budgets and Work Plans, financial management, Staffing and Human Capital Development and ensuring a high-performance work environment is established in the IDC

PROCUREMENT COMMITTEE

At the Management level, and in line with the Public Procurement Act, Management has also established a Procurement Committee which is chaired by the Group Chief Executive Officer.

MANAGEMENT EXECUTIVE COMMITTEE

Responsible for the day-to-day management of the corporation and operational issues pertaining to the IDC as a Group.

SETTING UP THE IDC

From the time the old custodian of parastatal companies – the Zambia Industrial and Mining Corporation (ZIMCO) – was shut down in the 1990s, State-owned Enterprises (SOEs) in various sectors had been operating under the direct supervision of relevant line Ministries within the Government.

But over the years, it was observed that while line Ministries were strong in providing policy guidance, there was need to further strengthen the companies' capital positions and commercial capabilities to ensure they performed efficiently and profitably.

In the years leading up to the establishment of the Industrial Development Corporation (IDC) in 2014, the story of parastatals was not positive. Many of them were making losses, had poor financial positions and had to survive through funding from the National Treasury.

The enterprises were often unable to give the Government a return on its investment or to contribute to the National Treasury by way of dividends and taxes. They ended up significantly burdening the Treasury, taking away resources needed to develop other competitive sectors.

Many of these enterprises had come from a history of being channels for guaranteeing State authority in the distribution of economic and sovereign wealth to the general public. The business models they had pursued then posed a challenge, as most of them were not oriented towards profit making.

The current IDC offices at No. 61, Independence Avenue, Lusaka



As part of the broader strategy to reorganize and reform the management of SOEs to maximize their contribution to job creation and industrial development in the country, the Government proposed to establish the IDC. The IDC model would be different from the ZIMCO model.

Under the new model of the IDC, the idea was to overhaul the business strategies of SOEs to make them profit-oriented and more efficient in order to unhook their survival from the National Treasury.

Instead of depending on State coffers, they would be turned around to contribute to the Treasury. The new IDC would, therefore, play a critical role as a co-investor in public and private entities, and operate on the principles of a private business model.

This would strengthen the industrial base and result in employment creation across the key priority sectors of manufacturing, infrastructure, agriculture and tourism.

During the official opening of the third session of the 11th National Assembly on 20th September 2013, the late President Michael Sata announced Government's intention to re-

organize and reform the system for overseeing and managing SOEs, assets and parastatals to ensure the State maximizes their contribution to job creation and economic development.

The Cabinet, at its 32nd meeting held on 16th December 2013, approved the establishment of the IDC and the transfer of Government shares in all SOEs incorporated under the Companies Act and the Banking and Financial Services Act, to the IDC. During the same meeting, Cabinet also approved the creation of a Sovereign Wealth Fund.

In February 2014, the IDC was incorporated as a company limited by shares under the Companies Act and is 100 per cent owned by the Minister of Finance pursuant to the Minister of Finance (Incorporation) Act Cap 349 of the Laws of Zambia.

The organization commenced operations in March, 2014. It does not receive any funding from the Treasury and, like any other commercial company, the IDC pays taxes to tax authorities, distributes dividends to its shareholder, and has its own Board of Directors and a professional Management Team.

IDC's First Management Team

The first Interim Management Team that was appointed following the establishment of the Industrial Development Corporation in March 2014 comprised the following staff:



Mr Andrew Chipwende
Executive Director - Operations



Mr Charles Mate
Executive Director - Corporate



Mr Mateyo Kaluba
Interim Corporate Planning Manager



Mrs Pamela Musepa
Interim Procurement Manager



Ms Cecilia Kongwa
Interim Finance Manager



Ms Precious Goma
Interim Company Secretary

IMPACT OF THE IDC

When the IDC was incorporated in 2014, it adopted its portfolio of subsidiary companies with significant liabilities on their books.

The Corporation then embarked on a transformation programme, which included expending a lot of effort in cleaning up the balance sheets of these companies to allow them to better attract private capital, longer dated financing and enhance their going concern status.

A performance-based culture was introduced within the IDC Group by way of introduction of clear key performance indicators (KPIs) through Performance Management Systems covering both financial and non-financial metrics.

Corporate governance was improved within subsidiaries. Each Subsidiary has a Board, and the Board now only has one representative of Government while the other members are drawn from the private sector.

The implementation of Performance Contracts between the IDC and Boards of Subsidiaries has resulted in effective monitoring of these companies and enabled the IDC to hold Boards accountable to set performance targets.

As a result of these measures, there has been an increase in profitable companies in the IDC Group from eight in 2015 to 15 in 2018. The transformation in subsidiaries is also evidenced by the increase in the number of companies declaring dividends to the IDC, from one in 2015 to eight in 2019, with a total amount of K633,837,000 declared as dividends. The Subsidiaries are moving from being predominantly dependent on the National Treasury, to delivering returns on investment to the Treasury.

Currently, there's no subsidiary receiving direct or indirect financial support from the Treasury, saving the Government significant funds which have been channelled to other areas of strategic socio-economic importance to the country.

Two subsidiaries namely ZSIC General Insurance Limited and Mpulungu Harbour Corporation Limited recorded profit for the first time in 2017. ZAFFICO successfully listed on the Lusaka Securities Exchange with millions raised for expansion of the company's forest plantations.

For the first time in the history of State-owned Enterprises, more than 70% of companies have audited financials within the year immediately preceding the financial year, from being 10 years behind in their financial reporting.

This is an indication that companies are now better governed and better managed than before. It is also an indication that Boards are taking an assertive stance in holding management accountable for financial performance.

THE EARLY DAYS

The first IDC offices were on the Third Floor at Mukuba Pension House along Dedan Kimathi Road.

As more employees joined and the organization grew, there was need to expand the space to accommodate the growing number of staff. New office space was identified at the Lusaka South Multi Facility Economic Zone (LS-MFEZ) and the organization moved there in December 2015.

The organization operated at the LS-MFEZ premises for a year until the current offices, which were more spacious and centrally located, were identified. The IDC moved into the current offices at No. 61 Independence Avenue, in December 2016.

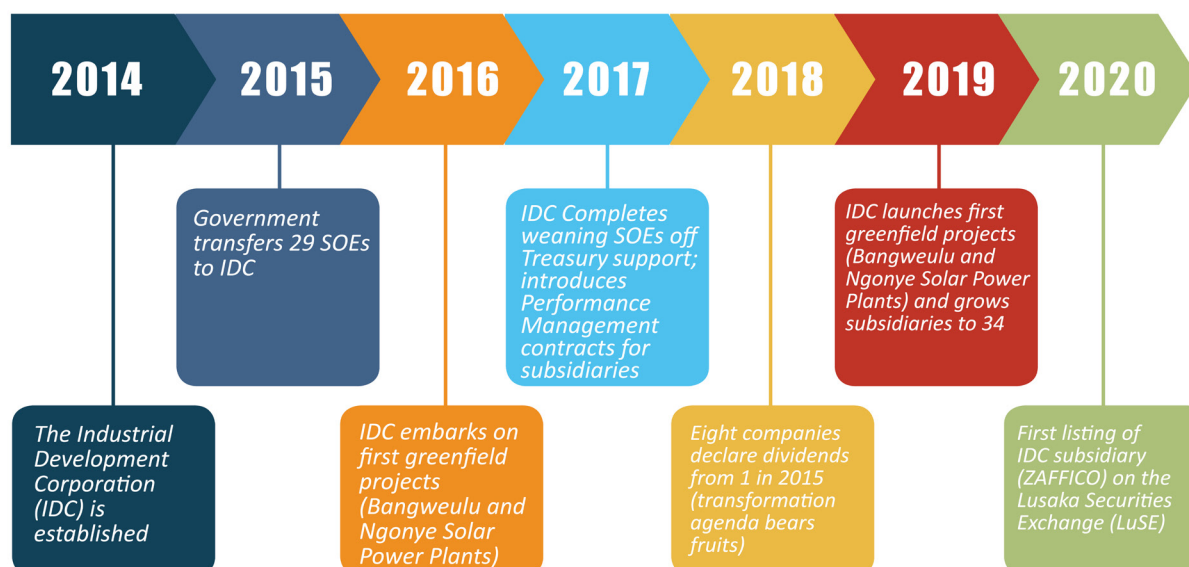


The first offices of the IDC were at Mukuba Pension House along Dedan Kimathi Road

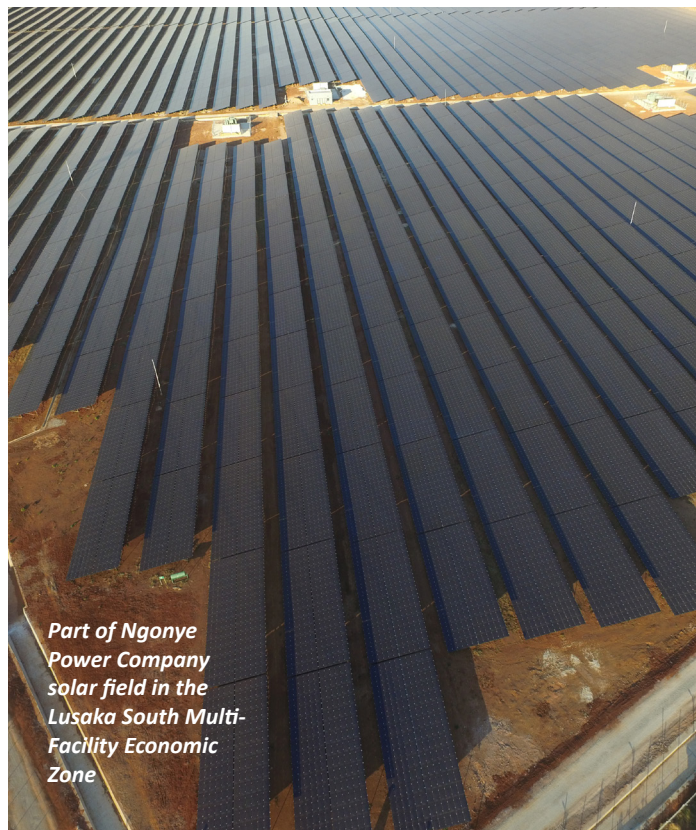
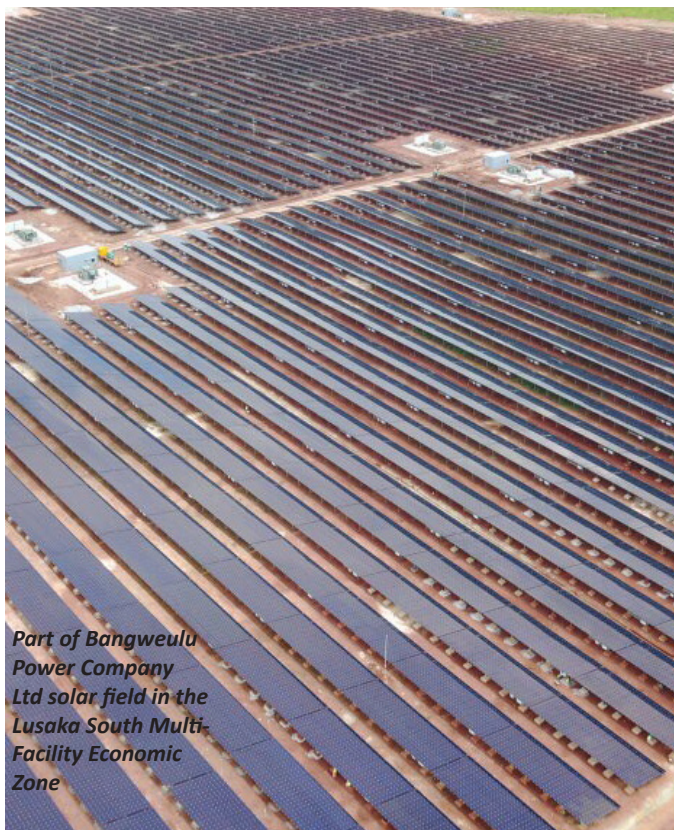


The former IDC offices in the Lusaka South Multi-Facility Economic Zone

IDC timeline



COVER STORY



BANGWEULU AND NGONYE SOLAR POWER PARKS

Creating the energy mix with IDC's first Greenfield projects

In 2015, Zambia faced a severe energy crisis caused by low water levels in Lake Kariba, the largest reservoir that generates hydro-electric power for the country.

The power deficit of about 600MW caused a significant strain on the economy. The problem was compounded by the fact that the country has been overly dependent on hydro-electric power for many years. Historically, around 99% of electricity in Zambia has been hydro-generated.

Following that energy crisis, President Edgar Chagwa Lungu tasked the Industrial Development Corporation (IDC) to create an energy mix and deploy at least 600 MW of alternative energy in order to diversify electricity generation sources.

Pursuant to its mandate of investing in greenfield projects on behalf of the State, the IDC immediately began seeking partners to develop up to 600MW of solar photovoltaic (PV) projects.

In collaboration with the World Bank Group, the Scaling Solar Initiative, a "one-stop-shop" for Governments to rapidly mobilize competitive privately-funded grid connected solar projects, was launched in 2016.

In this pursuit and through a competitive

tender process, the IDC identified Neoen, a French power company that specializes in renewable energy production as its first partner to develop a 54MWp Solar PV power plant.

The IDC and Neoen jointly created the Bangweulu Power Company Limited, to develop the US\$60 million solar PV plant located in the Lusaka South Multi-Facility Economic Zone.

Commissioned by H.E. President of the Republic of Zambia, Edgar C. Lungu in March 2019, the 54MWp Bangweulu solar photovoltaic plant is the first and largest solar photovoltaic plant to be commissioned in Zambia. It is owned 80% by Zambian Sunlight, the Zambian subsidiary of Neoen, while the rest of the shareholding – 20% - is owned by the IDC.

The Bangweulu Solar Park has a 25-year Power Purchase Agreement (PPA) with ZESCO at a rate of 6 US cents per kilowatt hour (KWh), a record low tariff in sub-Saharan Africa.

The solar power plant powers an equivalent of over 30,000 households, which has significantly increased per capita access to power in Zambia, apart from cushioning the high demand of electricity. The project created about 850 job opportunities for the

local Zambians during construction.

About US\$21 million of the project cost was financed through equity by the IDC and its partner Neoen while the rest was funded by the International Finance Corporation (IFC), the private sector financing arm and a member of the World Bank Group, and the Overseas Private Investment Corporation (OPIC), the United States government's development finance institution.

A further milestone achievement was another partnership with Enel Green Power (EGP) of Italy and IDC for an 80% and 20% shareholding respectively, into the 34MWp Ngonye Power Company solar PV plant.

The 34 MWp Ngonye Solar Park reached its commercial operations date (CoD) in May 2019 when it began selling its generated power to ZESCO.

The US\$40 million solar park was financed by the IFC and the European Investment Bank (EIB). Similarly, the IDC and EGP provided equity into the project.

Not only do these projects provide solutions to the diversification of the energy sources in Zambia, they also play a major role in stabilizing electricity supply while creating the much-needed jobs for Zambian citizens.



"This project represents what coordinated efforts can achieve. The collaboration and commitment shown by the key government institutions involved in this effort should be a model of how we can facilitate private sector growth. The growth of private sector investment in energy generation is an opportunity for us to focus on taking power lines to all parts of the country and beyond."

President Edgar Chagwa Lungu

*ABOVE: President Edgar Chagwa Lungu places a solar panel during the Commissioning of Bangweulu Power Company Ltd in the Lusaka South Multi-Facility Economic Zone
BELOW: A plaque at the Bangweulu Power Company Ltd*



"The introduction of solar to the national grid is a substantial reform. Lessons have been learned and necessary steps taken to integrate solar into the country's energy mix. The rising electricity demand can be met through investments by involving public and private sector participation as evidenced by the solar power plants that IDC is spearheading."

**IDC Group CEO,
Mr Mateyo C. Kaluba**

BANGWEULU SOLAR PARK THE FACTS

- The project installed 453,000 solar panels
- The project injects about 100 Gigawatts of power annually to the electricity grid.
- The project supplies power to 30,000 households
- ZESCO will buy power from the plant for 25 years at a tariff of 6 US cents per KWh, a record low tariff in sub-Saharan Africa.
- 850 local people participated in the construction of the project for a total of over 1 million man-hours worked.

NGONYE SOLAR PARK THE FACTS

- The solar PV plant has an output of 34 MWp
- The plant uses single-axis tracking solar panels, which tilt following the sun's rays
- At full capacity, the solar park will inject around 70 GWh per year
- The solar park will avoid the annual emissions of over 25,600 metric tonnes of carbon dioxide into the atmosphere.

POSITIVE TRANSFORMATION



ZAFFICO LISTING ON LUSE: THE IDC'S REFORM BENCHMARK

The Zambia Forestry and Forest Industries Corporation (ZAFFICO) has stood out as one of the best examples of the Industrial Development Corporation (IDC)'s transformation agenda for State-owned Enterprises (SOEs) to become profitable and sustainable. In 2020, the company became the first SOE to list its shares on the Lusaka Securities Exchange since the IDC was established in 2014. Here is how...

On February 12, 2020, the Zambia Forestry and Forest Industries Corporation (ZAFFICO) became the first subsidiary of the Industrial Development Corporation (IDC) to be listed on the Lusaka Securities Exchange (LuSE) since the IDC was established six years ago.

With this huge milestone, ZAFFICO beat the path for other IDC subsidiaries, except ZCCM-IH and ZANACO that were listed in 2002 and 2008, respectively, before IDC was established. The company took an important step towards increasing local empowerment through ownership of the company while raising capital for its forest plantation expansion programme.

ZAFFICO was incorporated in September 1982 following the commercialisation of the Industrial Plantations Division of the Forestry Department. Its business objective is to establish and manage pine and eucalyptus plantations. From these, it commercially

processes timber and supplies it to the local and foreign market.

The company is one of the IDC subsidiaries that has posted positive results from the transformation efforts instituted by the Corporation, which turned it into a profit-making and dividend-declaring company. Soon after becoming an IDC subsidiary, the company embarked on a turnaround programme that has yielded positive results so far.

As part of the turn-around programme, the IDC implemented Performance Management Contracts for its subsidiaries and strengthened corporate governance in their systems.

SOEs are now required to produce progress reports on a quarterly basis to facilitate constant monitoring of the implementation of programmes and measurement of performance.

Using this framework, the Boards of Directors, the chairpersons and CEOs are required to sign performance contracts, which spell out parameters or targets used as key performance indicators, including compliance to statutory obligations, use of financial ratios such as profitability, liquidity, efficiency, dividend pay-out and other industry specific ratios.

Other performance targets include cost saving measures implemented, growth in market share, innovations towards job creation across sector value chains, and implementation of shareholder directives on transformation and restructuring of the company.

With firm management in place, ZAFFICO instituted a Strategic Plan, another requirement by the IDC, and improved its business model. The 2014-2018 Strategic Plan was anchored on diversification, value addition and plantation expansion. Pursuant to this five-year strategic plan, the company established a pole-treatment plant to add value to its wood and, in order to manage the threat of the depletion of mature pine wood, it established new Plantations in Kawambwa District of Luapula Province and Shiwangandu District of Muchinga Province.

As part of diversification strategy, ZAFFICO also leveraged on its key competencies of managing large plantation projects by securing agreements to manage Kawambwa



Tea and the Cashew Plantation in Western Province.

Currently, ZAFFICO is the largest forestry company involved in establishing, managing and selling of exotic roundwood in Zambia.

It manages 51,659 hectares of pine and eucalyptus plantations. In addition, ZAFFICO owns approximately 50,000 hectares of unplanted land in Kawambwa, Shiwangandu, Lupososhi, Mpika, Kalumbila and Mushindamo.

As a result of the transformation agenda, the company has shown profitability over the last few years. For example, its net profits increased from K79.5 million in 2016 to K119.5 million in 2018. The company declared dividends of K3 million for the first time in 2015. Since then, it has consistently paid dividends, which peaked K40 million in 2017 before reaching K25.1 million in 2018.

As the company continued on its diversification path, it needed new capital to support the expansion programme, and LuSE presented great opportunities. Additionally, in line with IDC mandate, profitable entities are

"This is a great milestone for the corporation and greatly changes the way we will conduct our business. I wish to thank the investors who have chosen to invest in the company. My board is committed to delivering return for your investment and to follow through with great vigour the stringent compliance requirements that the listing status imposes on us"

**ZAFFICO Board chairperson
Mrs Anne Doma Gray-Kunda**

benchmarked for listing on the stock market as a way of raising new capital and facilitating ownership by the Zambian citizens in such companies.

Prior to listing, the IDC held the ZAFFICO shares on behalf of the Minister of Finance. On 5th November 2019, the Minister of Finance issued a written approval of the listing of ZAFFICO in accordance with section 3 of the Minister of Finance (Incorporation) Act, Cap

349 of the Laws of Zambia. On 6th November 2019, the Company was incorporated as a private company limited by shares and was converted to a public company.

The listing of ZAFFICO resulted in the company having capacity to raise its own resources and run profitably. Additionally, listing ZAFFICO on the stock market makes it liable to public disclosure, making the corporation's information easily accessible to the public.

Furthermore, the listing of ZAFFICO gave citizens the opportunity to directly co-own the asset and derive dividends from it, as espoused by His Excellency President Edgar Chagwa Lungu.

Since the subsequent listing of the Company, the shareholders of ZAFFICO Plc are the IDC (62.88%), National Pension Scheme Authority (25%), Worker's Compensation Fund Control Board (7%), ZSIC Life Plc (2%), the Secretary to the Treasury (0.83%), with the rest (2.30%) collectively owned by other local individual and intuitional investors. At the time of going to press, ZAFFICO Plc shares were trading at ZMW2.13 per share, up from the debut price of K2.06.



ZAFFICO leveraged on its experience of managing large plantations to manage Kawambwa Tea

IDC TO RESTORE COUNTRY'S FRUIT PROCESSING FORTUNES

Zambia's fruit processing plants and many other State-owned manufacturing industries around the country collapsed in the 1990s following the evolution of the country's industrial policy from the controlled model to the liberal market-oriented system. But the Industrial Development Corporation is changing the narrative and opening new fruit processing factories to add value to raw materials and create more jobs.

For several decades, North-Western Province has been well-known to produce pineapples. Mwinilunga district in particular has the highest potential to produce the tropical fruit in the country, together with other areas like Nyimba in Eastern Province and Kawambwa in Luapula Province.

However, most of the pineapples produced in the North-Western Province have been going to waste since the collapse of the pineapple processing plant in the 1990s.

The pineapple processing plant, like many other manufacturing plants in the country, closed following the evolution of the country's industrial policy from the controlled model to the liberal market-oriented system.

At the time the economy was liberalized to adopt a free market economy, a number of producing companies were not acclimatized to increased product competition, and hence were not so prepared for the new economic and market environment.

On this note, the pineapple cannery in Mwinilunga, along with many other companies around the country, were not spared. Statistics show that in the 1991/92 season, prior to the collapse of the



pineapple factory, the total area cultivated for pineapples was 1,421 hectares, with a production of 11,368 metric tonnes per annum.

But following the years of the closure of the processing plant, production stagnated, as most of the pineapple fields were left unattended to by most farmers because of lack of markets.

Currently, there are around 2,000 farmers registered by the district authorities currently growing pineapples, producing around 14,000 metric tonnes annually.

The Industrial Development Corporation (IDC), in line with its mandate to be a catalyst for industrialization and job creation in the country, is investing in a K100 million fruit processing plant in Mwinilunga called the Kalene Hills Fruit Company Limited.

The project underscores the need to restore the manufacturing glory of the North-Western Province.

This investment decision was driven by the IDC's mandate of industrialization, rural development, job creation as well as the imperative of ensuring value addition to

“The IDC is confident once operational, the fruit processing plants will contribute to the social and economic welfare of the local population of Northwestern and Eastern provinces through job creation and infrastructure development”



LEFT: IDC Group CEO Mr Mateyo C. Kaluba being shown pineapple fruits in the field by a farmer in Ikeleng'e

FAR LEFT: Pineapple fruit in the field

200 direct jobs and 7,000 indirect jobs. Additionally, over 1,500 small-scale farmers will participate in the out-grower scheme to be anchored through the IDC.

Not only will the plant help ramp up fruit production, it will also guarantee a ready market for fruit produce and provide a predictable income stream for the growers as they supply the processing plant. The project will also ensure household food security and sustainable economic empowerment for local people.

The factory's planned product range include pineapple and mango pulp, juice, pineapple rings, dry fruits, purees, sauces, chutney, high quality fresh fruit for sale, mineral water and flavoured drinks.

As at October 2020, the construction of the plant was at 80% and targeted completion was the first quarter of 2021.

A similar project is being developed in Katete District in Eastern Province, where the IDC is setting up the Eastern Tropical Fruit Company. The Katete project will provide a ready market for mangoes, oranges and other citrus fruits that go to waste due to lack of a market. The project will create both direct and indirect jobs for the people in the area.

Phase one recruitment of key staff for the two fruit processing plants has already commenced. As part of the project's operationalization, key employees will be sent out to India for expert training to enhance their production skills.

The IDC is confident once operational, the plants will contribute to the social and economic welfare of the local population of the two provinces through job creation and infrastructure development.

whatever local endowment there was in an area. Kalene Hills Fruit Company is expected to fill the nearly three decades void and facilitate the province's participation in the pineapple, mango and citrus value chain.

The company has potential to improve livelihoods and increase fortunes for fruit farmers in Mwinilunga and other surrounding districts such as Ikelenge and Lumwana.

The IDC has partnered with local institutional investors to finance the project while engaging local contractors for project

management and on-site construction labor.

It is envisaged that the fruit processing plant will have an installed capacity of 16 – 22,000 metric tonnes per annum. Its installed capacity of approximately 70 million liters of processed juices and water per year is expected to generate an estimated US\$5 million revenues per annum upon attainment of production stability.

It is also estimated that, once the processing plant is up and running, it will create



IDC GROUP CEO MR MATEYO C. KALUBA

DRIVING INDUSTRIAL GROWTH

Michael Jordan, arguably the greatest basketball player of all time, has been quoted as saying: “Talent wins games, but teamwork and intelligence win championships.” The same is true in business, and is the maxim that IDC Group CEO Mr Mateyo C. Kaluba firmly believes in.

A great team player all his life, Mr Kaluba believes that many leaders miss the point when they focus on themselves rather than on players that make the team. He says believing in the strength of a team is what has made him to be who he is today.

“I believe in driving the team towards a set goal and focusing the team on achieving that set goal. My style is to identify the strengths of my team and maximize those strengths to achieve our goal,” he says.

“Acknowledge that as a leader you are not really the best at somethings; acknowledge that as a leader you must find the best and work with them to achieve what you want to. If you want the best you must be willing to give the team members the room they need to be the best at what they do.”

He drives the point home with the analogy of a church choir: “Just because you are the leader of the choir doesn’t mean that you

are the best soloist, drummer, keyboard player, alto or tenor. Rather, knowing who the best soloist for a song is, or the best guitarist, keyboard player, alto, soprano and tenor is ultimately what makes the song good. It’s the same principle that I use in leading.”

He uses this analogy because he was a leader in a choir for a long time, having been brought up in a deeply Christian home. He was also part of high school and professional basketball teams from which he learned the value of a team.

“I have always appreciated the need for harmony in the team and the understanding that, unless every part of the team is doing its bit, then something is going wrong. My idea of a team was shaped largely by that experience. So, when I am leading a team, I expect that everybody must play their role and play it effectively,” he says.

In fact, Mr Kaluba so believes in the value of a team that if he were to write a book about leadership, its contents would anchor on articulating to his fellow leaders why teamwork is important.

“Many leadership books tend to focus on the leader, but I think leadership is about

the team. So, if I were to write a book about leadership, it would be about how a leader should position themselves in a team. A team can have crazy dynamics. The more talented you want your team to be, the more challenging it is to lead the team, but the greater and more exciting the things you achieve,” he says.

It is the principle he follows as IDC Group CEO, to make every team member play their role to achieve the Group’s set objectives. He says he has wanted -- and done -- the best for every institution he has worked for.

“Coming to the IDC was an important milestone in my career. I was part of the team that set up the IDC and when we were setting it up, I never imagined myself working in the IDC fulltime. It was always a job for other people. So, the day I was asked to take leadership in the IDC was significant because suddenly I was asked to lead an institution I had helped create. And being given an opportunity to be part of the growth, being part of the story of the IDC, is one of the greatest honours of my life,” he says.

Mr Kaluba believes in leaving footprints in the sands of his professional career. “At every point in every job I’ve held, I have



wanted to achieve something I can always look back to with pride and say when I was in that institution, this is what I achieved,” he proudly says.

When he worked in the Ministry of Science, Technology and Vocational Training, he was part of the team that ensured the government invested in establishing new Trades Training Institutes for the first time in over 20 years, as well as the reintroduction of artisan courses in training institutions that had focused only on business courses. At the Ministry of Commerce, Trade and Industry, he was part of the team that implemented the all-important Private Sector Development Reforms that changed many aspects of the business environment in Zambia, as well as the crafting the country's Industrial Policy.

“Coming to the IDC and seeing what we are doing today, I’m happy to be part of the coming to reality of that Industrial Policy I was working on in the Ministry about adding value to the natural resources of the country,” he says.

In this brief interview, Mr Kaluba shares his vision of the IDC in as far as wealth and job creation are concerned. He also shares the milestones that the corporation has achieved since it was established six years ago, and how the IDC is changing the narrative around State-owned Enterprises.

What is the mandate of the IDC?

The mandate of the IDC is twofold. Firstly, we are mandated to take care of State-

owned Enterprises that were previously owned by the Minister of Finance. In 2014 the Government decided that the supervision of State-owned Enterprises was not very effective and decided to create a body that would ensure that State-owned Enterprises focus on making returns to the shareholder. We take care of the Government's portfolio with respect to companies that are registered under the Companies Act.

The second mandate is that we are the government's Special Purpose Vehicle for greenfield investments. There is a lot of potential for investment in Zambia that for many years has remained untapped, but it has remained untapped because the private sector was unwilling to take the risk of investing beyond Lusaka and the Copperbelt. So, to ensure that development is national in character and that we are adding value to our resources and creating wealth and jobs from them, we are mandated to take that higher risk in terms of investments.

What is the vision of the IDC in as far as job creation and wealth creation are concerned?

Our vision is centered around value addition. We want to create jobs where the natural resources are found. For too long, what we have had is the resource sitting in one part of the country and the industry created in another part. Our vision is to have industries and create jobs wherever the resources we are exploiting are found.

For example, at the moment we are reviving the Mwinilunga Pineapple Cannery in North-Western Province to add value to the pineapple fruits grown in the area. In Katete, we are establishing another fruit processing plant to process citrus fruits and mangoes that have been going to waste in the area. In Western Province, we are taking advantage of the cashew nut development to invest in cashew nut production and processing. Our model is “what's the resource that is in a particular

area that we can add value to and create wealth and jobs?”

What major milestones has the IDC achieved so far?

Our foremost mandate was to ensure that the portfolio we were given was strengthened. You'll recall that before the IDC was created, nobody expected anything good to come out of any State-owned Enterprise. Our belief is that ownership should not influence whether a company is profitable or not. So, we immediately embarked on changing the culture of State-owned Enterprises. We introduced Performance Management Contracts for Boards and CEOs and that cascaded to the performance of the companies. We were given 29 companies that were in a desperate state and were reliant on the National Treasury for financing. This is the third year the government is not financing the companies, so they are no longer operating as government agencies, which is something we are very happy about because it has allowed the Ministry of Finance to commit these resources to other social and economic programmes. Also, over 50% of the companies under the IDC Group are now profitable. Previously, only those companies in which we were minority shareholders were profitable. Currently, over 16 companies in the group are now profitable. On top of that, we have more companies that are declaring dividends on a regular basis. The IDC has received over K600 million in dividends from companies that previously used to rely on the National Treasury for financing. The companies are now increasingly ensuring that they exist to make profits and to make a return on the investment that the government put in, and that's something we're proud of. **(Also see page 8)**

Would you say the story of State-owned Enterprises is now changing for the better?

The story of State-owned Enterprises is now certainly better, although we have a long way to go. There are companies that are still struggling but what gives us comfort is that they are struggling because of historical issues where they were failing to pay terminal benefits and to meet statutory obligations. In terms of their current performance most of these companies are meeting their obligations but they went for so many years relying on “Big Brother” to forgive or forget their debts, and that is what is still keeping them below the water. In the main, the story of State-owned Enterprises is changing and becoming positive.



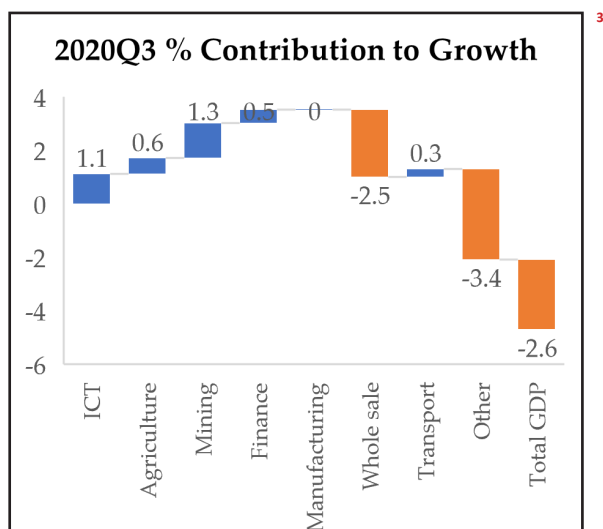
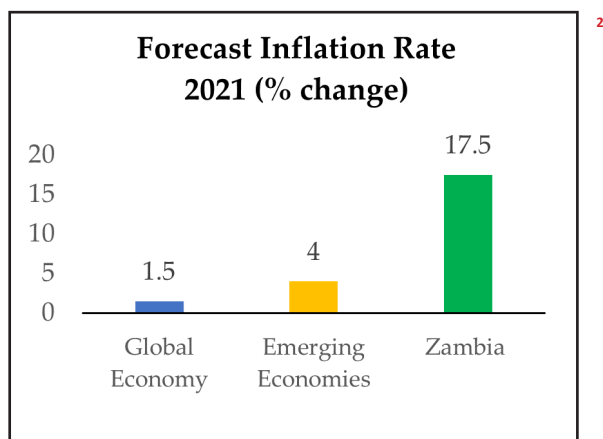
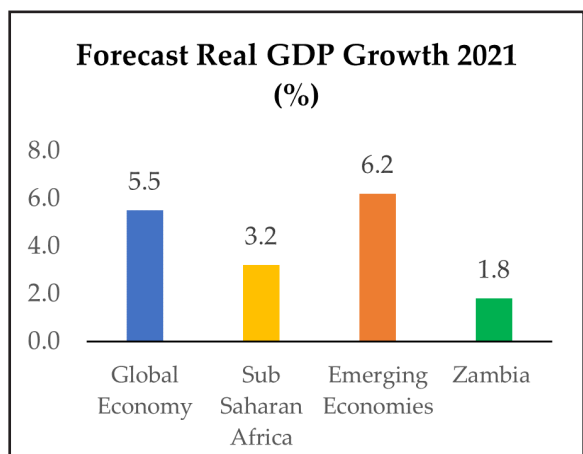
The IDC has received over K600 million in dividends from companies that previously used to rely on the National Treasury for financing



ECONOMIC WATCH: 2020 FOURTH QUARTER ECONOMIC REVIEW

COMPILED BY: IDC RESEARCH & STRATEGY DEPARTMENT

In our bid to keep you well informed about key factors that affect the IDCs Investments, please find below brief highlights on the global and local economy, and key updates on some of IDCs operating sectors for Quarter 4 of 2020.



GLOBAL ECONOMY

- After shrinking by 3.5% in 2020, the global economy to grow in 2021! However, it remains an incomplete and uneven recovery.
- Covid-19 Vaccine distribution and effectiveness of policy support key to expected positive outlook.

LOCAL ECONOMY

- Economy expected to grow by 1.8% after contracting by 4.8% in 2020.
- The rate of depreciation of Kwacha against US\$ reduced to 5.5%.
- Fiscal pressures heightened as the financing gap widens.

SECTOR DEVELOPMENTS

- Prices of agricultural products remain high despite good rains.
- Finance, Mining, ICT, and Agriculture Sectors continue to ease GDP contraction, while Tourism hangs in the balance.

GLOBAL ECONOMIC OVERVIEW

The global economy is expected to bounce back, albeit uneven after shrinking by about 3.5% in 2020. The negative effects of the Covid-19 pandemic have been devastating, resulting in 250 million job losses globally, representing 8.8% of the global workforce in 2020.

Data from the International Monetary Fund (IMF) indicates that the global economy is expected to grow by 5.5% in 2021. This expectation was revised upwards from 5.2% in October 2020 to reflect additional policy support in a few large economies and expectations of increased activity due to increased administration of the vaccine. Advanced economies are projected to recover with growth reaching 4.3% for the same reasons, which are expected to do more than offset the partial unwinding of fiscal support.

However, these projections are shrouded in uncertainty as the expected growth could be stifled if pandemic-control measures fail or if there are delays in the deployment of vaccines, which could exacerbate existing strains such as high unemployment levels.

Growth in Emerging Markets and Developing Economies (EMDEs) is expected to firm up around 6.3%. This growth could be significantly lower if China was excluded, whose effective containment measures, a forceful public investment response, and central bank liquidity support have facilitated a strong

¹ IMF, World Economic Outlook, January 2021

² IMF, Data Mapper, Accessed 25 January 2021

³ Zambia Statistics Agency, December 2020 bulletin

recovery, with its economy expected to grow by an estimated 8% in 2021 ⁴.

Data by the IMF indicates that inflation is expected to remain subdued during 2021–22 with a projected 1.5% and 4% in advanced and EMDEs, respectively. Clearly, with the second wave of the virus that hit at the end of the year, the outlook for global economy is that recovery is bound to remain uneven.

SUB-SAHARAN AFRICA ECONOMIC OVERVIEW

During 2020, the sub-Saharan economy activity reduced by 2.6%. The per capita income shrank by 6.1% during the year, setting average living standards back by at least a decade in a quarter of Sub-Saharan African economies. ⁵

This was due to countries like South Africa and Nigeria that were extensively hit by the Covid-19 outbreak that affected their transport and tourism sectors, and oil exports respectively. Nigeria's economy is estimated to have contracted by 4.1% while South Africa's output fell 7.8% in 2020.

According to the World Bank, the regional growth is forecast to increase to 3.2% in 2021. The forecast is premised on resumption in activity in major advanced and emerging economies and key trading partners of the region like China who have begun the rollout of the Covid-19 vaccine as well as new rounds of fiscal stimulus.

While risk sentiment is likely to remain fragile in the short term, Fitch Solutions expect depreciatory pressures on most of Sub-Saharan Africa's major currencies to lessen in 2021 relative to 2020.

ZAMBIAN ECONOMIC OVERVIEW

Local economy expected grow after shrinking by 4.8% in 2020. The Zambian economy experienced unprecedented contraction of -4.8% in 2020 down from a growth of 2.3% in 2019 and 4.0% in 2018. This was attributed to both internal and external factors experienced during the period. Increased foreign debt repayments and fluctuations in the price of copper were key contributors to the negative performance of the economy.

Additionally, weakening economic activity and declining exports contributed to revenue shortfalls by both the government and private sector players. All the above factors were exacerbated by the unprecedented impact of the covid-19 pandemic which crippled both the supply



The Zambian economy experienced unprecedented contraction of -4.8% in 2020 down from a growth of 2.3% in 2019 and 4.0% in 2018



and demand forces for most part of the year.

Impact of the above economic indicators on the operations of IDC and its subsidiaries resulted in reduced revenue especially in the case of ZESCO, the largest contributor to group revenue. Reduced generation capacity due to low water levels in the dams translated in reduced income while the operational costs remained constant.

The perception that the national debt was trending towards unsustainable levels of about USD16.2 billion resulted in international commercial banks exercising caution in the Zambia market making it difficult to access debt financing. A number of potential customers in subsidiaries cut down on expenditures as part of cost rationalisation resulting in reduced spending and subsequently constrained revenues directly impacting subsidiary capacity to pay management fees to the corporation.

Data by Fitch Solutions indicates that Zambia's economy is expected to grow by an estimated 1.8% in 2021. Key to this projection include completion of key projects by the government, recovery from the effects of covid-19 in 2020 leading to rapid increase in copper demand globally, and the tax relief announced in the agricultural sector and other parts of the economy which are likely to spur consumer demand locally. Furthermore, rainfall is expected to be normal to above normal, thus supporting the agricultural sector.

The downside risk to this forecast is that in the next coming quarters, we expect pressure to continue being exerted on the fiscal position due to uncertainties around the evolution of the COVID-19 pandemic, debt suspension and restructuring, as well as securing of external financing.

Therefore, there still remains the need for the Government to successfully navigate the debt restructuring process to restore debt sustainability and implementing fiscal and other structural reforms so as to

return to fiscal fitness and macroeconomic stability.

A LOOK AT THE SECTORS

The mining, ICT, agriculture and Financial sectors have continued to ease the extent to which the economy could have contracted. During Q3, the ICT sector had the highest growth rate of 19.3% while Agriculture and Mining had 16.7% and 13.5%, respectively. However, Mining had the highest economic growth contribution of 1.3% while ICT contributed 1.1%. Agriculture and Finance contributed 0.6% and 0.5% to the overall economic growth during Q3 respectively. Collectively, these sectors slowed a recession by a combined sum of 3.5%.

FINANCIAL SECTOR

Wavering inflation in 2020. During Q4, inflation averaged about 17.5% and closed at 19.2% in December 2020. ⁶ This has since increased to 21.5% in January 2021, largely on account of price increases on food items ⁷. Annual food inflation was recorded at 25.6% while Non-food inflation reduced from 18.1% in December to 16.7% in January. Going forward, we expect a periodic increase in inflationary pressure driven by food and transport as the costs of agricultural inputs and price of oil continue to escalate.

Rate of depreciation of kwacha slowed down during Q4. The Kwacha depreciated against other major trading currencies, albeit at a slower pace mainly on account of increased foreign exchange market interventions by the Bank of Zambia. The Kwacha depreciated by 5.5% against the US dollar closing at K21.17/US\$ while Q3 closed at 10% quarterly depreciation rate and K20/US. ⁸ The depreciation was due to subdued foreign exchange supply and slowdown of global economic activity amidst increased demand. Subsequently, gross international reserves dropped by 7.8% to US\$1.3 billion from US\$1.4 billion.

⁴ OECD Economic Outlook: Volume 2020 Issue 2, December 2020

⁵ World Bank, Global Economic Prospects, January 2021

⁶ Zambia Statistical Agency: December 2020 Bulletin

⁷ Zambia Statistical Agency: January 2020 Bulletin

⁸ Bank of Zambia, Historical Series of Daily ZMW/USD Exchange Rates, 31 January 2021

Bank of Zambia Monetary Policy Committee maintained the Monetary Policy rate at 8% to allow monetary policy measures implemented earlier during the year to take full effect. Consequently, interest rates declined further. Commercial banks' lending rates declined to about 25% during Q4 from 26.4% and 25.7% at the end of Q2 and Q3 respectively. Similarly, the average savings rates for 180-day deposits also reduced to 9.9% in Q4 from 10.7% in Q2 and 10.3% in Q3. Additionally, composite yield rates on Treasury bills declined to 22.7% from 26.3% while on Government bonds marginally increased to 32.3% from 31.8%.

We expect that the Monetary Policy Rate by BOZ will be maintained at around 8% which should lead to some level of stability in the lending rates by commercial banks.

Further, we remain optimistic that the Central Bank will continue stocking up gold and increase participation in the foreign exchange market so as to boost international reserves which have currently dwindled.

MANUFACTURING AND ENERGY SECTOR

Kafue Gorge Lower Hydro (KGLH) to alleviate the country's power deficit once fully operational. The 750-megawatt hydro power project that is scheduled to be commissioned in 5 phases of 150 MW each will be able to cater for the current national electricity deficit of 810 MW.

By the end of 2020, the filling of the water reservoir was completed in preparation for the commissioning of the first 150 MW. We expect significant reductions in load-shedding as the subsequent phase of the project are rolled out and the plant reaches full capacity.

As thermal energy has become increasingly important as a source of power supply in Zambia over the medium term, we could expect a significant contribution to ZCCM-IH's revenue from the profitable Maamba Collieries, in which the company holds 35% is currently profitable. However, realization of this assertion is challenged by significant cash-flow constraints owing to the historical non-payment of receivables from ZESCO.

AGRICULTURE SECTOR

Agricultural sector budget allocation increased by 49.7%. In order to support the agricultural sector and ensure food security across the country, government increased the 2021 budgetary allocation from K5.34 billion in 2020 to K7.99 billion in 2021. This



Mineral prices have shown a positive trajectory

increase in allocation was largely seen from the increase in funds channelled towards FRA and FISP for the 2020/2021 agricultural season.

We expect this increment to have a positive effect on the IDC Group through Nitrogen Chemicals of Zambia for the production and supply of fertilizers to farmers under FISP. Benefits directly accruing to NCZ through Governments allocations to the sector are evident with the 10,000MT supply contract during the 2020 farming season which enabled the company to make a first ever profit of K30.9 million.

Despite good rains during the 2019/2020 season, the prices of agricultural products remained higher than they were the previous year due to inflationary pressures and the Covid-19 pandemic's temporary disruption of supply chains.

MINING SECTOR

Copper export volumes increased by 11.9% in 2020 compared to the export volumes in 2019 while the price per MT continued on a positive trajectory. A total of 931,052 MT of refined copper was exported in 2020 against a total of 832,218 MT in 2019.

Since the easing of Covid-19 restrictions, copper demand has been increasing steadily. Demand is further characterized from the power and construction sectors, compounded by the proliferation of electric vehicles. Consequently, copper prices rose

by 36.8% between end of 2020 Q2 and Q4 from \$5,742/MT to \$7,755/MT⁹.

RMB markets indicate that copper production is likely to increase by about 10% as companies maximize on rising commodity prices. This, we expect will boost dollar reserves in the economy.

Gold prices averaged \$50.2/gram in 2019 and \$63/gram in 2020 with a global expectation of \$67.6/gram in 2021. Global demand for gold has primarily been driven by economic expansion for long term returns, uncertainty in markets for hedging purposes and strength of respective currencies influencing investor attitudes towards gold.¹⁰ The commercialization of gold mining in the country, through the operationalization of the Zambia Gold Company (ZGC), stands to yield immense benefits to the economy and to IDC as shareholder of ZCCM-IH. With over 72,000grams produced between Q3 and Q4 2020, we expect that the continued roll out of ZGL operations will present a valuable opportunity for the central bank to purchase gold in the country, thereby supporting efforts to increase and stabilize the country's international reserves in the long term.

HOSPITALITY AND TOURISM SECTOR

Value Added Tax (VAT) for hotels suspended. The introduction of the tax relief measures in the sector including time to pay agreements and reduction in income tax from 35% to 15%, are expected to mitigate the negative impact of Covid-19. The Ministry of Tourism and Arts further suspended VAT on hotels in Q4 for at least two years in view of stifled operations owing to travel restrictions.



Since the easing of Covid-19 restrictions, copper demand has been increasing steadily.



⁹ Zambia Statistical Agency: January 2020 Bulletin

¹⁰ Gold Outlook 2021, January 2021

President Edgar Chagwa Lungu chats with IDC Group CEO at the launch of the Economic Recovery Programme



Northern Circuit in a hospitality industry boost. In Efforts to boost the hospitality sector across the country and attracting investments in the northern region of the country, groundbreaking ceremony for an International Convention Centre, Shopping Mall and Three-Star Hotel was held at Samfya beach frontage in Samfya district, Luapula province.

Whereas this project aims to capitalize on Meetings, Incentives, Conferences and Exhibitions, it brings extra competition to IDC's investments in MICC which is already facing intense competition from Bonanza resort in terms of capacity to hold large conferences in Lusaka. Rehabilitation and upgrading of MICC facilities thus remain critical to ensuring the company's capacity to compete favourably.

KEY ECONOMIC HIGHLIGHTS: MEASURES TO STIMULATE ECONOMIC RECOVERY

Economic Recovery Program was launched by the Minister of Finance during the fourth quarter. This is a three-year long plan to restore macro-economic stability, attain fiscal debt sustainability, restore growth, dismantle domestic arrears and safeguard social sector spending.¹¹

The key targets outlined in the program are to:

- Attain real GDP growth of above 3 by 2022;
- Reduce fiscal deficit by no more than 4.9% of GDP by 2023;
- Increase domestic revenue to not less than 18% of GDP between 2021 to 2023;
- Reduce and sustain a single digit inflation by end of 2022;
- Raise international reserves to at least 3 months of import cover by 2023;
- Reduce the pace of debt accumulation; and;

- Significantly dismantle domestic arrears.

Attainment of these targets is premised on various structural and legal reforms, policy revisions and effective implementation of proposed measures all responsible Government Ministries and Agencies.

OUTLOOK

Growth projections for the global economy and emerging market and developing economies (EMDEs) of 5.5% and 6.2%, respectively, has been tied to the effectiveness of the Covid-19 vaccine and its swift distribution as well as strong policy support from respective governments across the globe which should support the resumption in activity in major advanced and emerging economies and key trading partners.

With a growth forecast of 1.8% for 2021, realization of this economic growth is dependent on several critical factors. Key to note would be the following:

- The effective implementation of the Economic Recovery Plan, primarily the successful creation and growth of international reserves as well as dismantling of domestic arrears.
- Successfully curbing of the spread of covid-19 in the country to minimise the economic impact of the second wave of the pandemic as demonstrated by China's example, whose strong recovery has been associated with

strong containment measures.

- The effective application of incentives in the agriculture, manufacturing and tourism sectors targeted at covid-19 relief.
- Strengthening systems of accountability in the implementation of projects while ensuring "value for money" considerations are adhered to.

Expected Sector movements:

- We remain confident that improved rainfall in the 2020/2021 farming season will likely boost agricultural output and slow inflation in 2021.
- Copper production to increase by about 10% as companies maximize on rising commodity prices. This, we expect that this will boost dollar reserves in the economy.
- We are confident that the expedition of the Zambia Gold Company roll out will be critical in supporting the growth of international reserves within the country as internal capacity is developed.
- We expect inflation to continue increasing as driven by consumption and reliance on imported products. Consequently, there must be a significant push for building local manufacturing capacity in the short to long term with a view to reduce long term reliance on imports.
- We expect a significant reduction in load-shedding into 2021 with the completion of the Kafue Gorge Lower Dam which will supply up to 750MW of electricity at full capacity. This should significantly contribute to the reduction in costs of production.
- Finance and ICT sectors are expected to continue to contribute positively to GDP performance as a result of providers of financial services increased use of digital platforms among others.

Concerns around the country's debt and well as the prolonged adverse impact of covid-19 remain the biggest threats to successful economic recovery.

Disclaimer

The IDC Research & Strategy Team used all the reasonable judgement and leading analysis by experts to comment on these projections. Therefore, the prospective users of these forecasts must take precaution and consult the IDC Research & Strategy Team when using this information.

¹¹ Government of Zambia, 2020 – 2023 Economic Recovery Programme, 2020

BOARD MEMBERS TOUR IDC COMPANIES



IDC Board members listen to a briefing during a visit at Mpulungu Harbour

Members of the IDC Board of Directors recently undertook a tour of IDC subsidiaries in Muchinga, Northern and Luapula Provinces. The companies visited were: Zampalm, Mpulungu Harbour Corporation, ZAFFICO (Kawambwa) plantation and Kawambwa Tea.

Prior to the tour of Zampalm, the Board members paid a courtesy call on senior Chief Kopa of Kanchibiya district in Muchinga Province. The senior Chief commended the IDC for investing in Zampalm as well as the establishment of the out-grower scheme in his area and that of Chief Kabinga, which had so far benefitted 479 households. He further said the funds the Kopa Trust receives from Zampalm supports various activities in the community such as paying school fees for children whose families are unable to support them.

At Zampalm, the Board members toured the plantation and the processing mill and acknowledged the need to upgrade the milling plant in order to address increasing national demand for edible oils.

Enroute to Mpulungu the Directors paid a courtesy call on the Northern Province Permanent Secretary. The PS highlighted areas that the province would like the IDC to consider investing in, such as agriculture and tourism. He said the province was prepared to offer the IDC land in the 200,000ha Kalungwishi Farm Block for development.

At Mpulungu Harbour, the Directors took a tour of the harbour which was preceded by a presentation from management on the financial performance of the company and business development.

In response, the Directors advised management to develop a five-year strategic plan that would communicate the ambitions of the company in a structured and phased manner ensuring attainability of the vision. They advised Management to prioritise its redevelopment projects in short term, medium term and long term in its strategic plan. They further advised that a detailed market study be undertaken to ensure Mpulungu Harbour has sustainable business. The final leg of the tour was a visit to Kawambwa Tea Estate and ZAFFICO Plantation.

The tour began with a presentation from management on the operations of the company. It was disclosed that installation of the new plant would be completed in December 2020. During the same year, Kawambwa tea, plans to enter the high value packaged tea market for both local and international markets.

Currently the bulk of the tea was sold in one ton bags to customers in DRC as well as locally, who use it for brewing beverages. Furthermore, the company plans to implement a tea out-grower scheme.

The Directors then toured the tea estate and the plant which was in full production but still using obsolete equipment.

The Directors concluded their tour of the northern circuit with a pit stop at ZAFFICO plantation which is adjacent to Kawambwa Tea Estate. The plantation is a 21,200ha plantation, with 2,190ha already planted with 31% Pine and 69% Eucalyptus.



"CREATE BUSINESS OPPORTUNITIES FOR EACH OTHER"

Finance Minister Dr Bwalya Ng'andu (right) has implored companies under the Industrial Development Corporation (IDC) to explore synergies and do business amongst themselves and keep wealth within.

Dr Ng'andu said, with the combined balance sheet value around K100 billion and Group revenue exceeding K15.6 billion annually, the IDC represents immense financial strength to exert a formidable presence in the country.

He was speaking at the IDC's 4th Annual Group Conference, which was held recently under the theme "Optimising Group Synergies for Business Growth". The conference deliberations were anchored around promoting synergies for intra-Group trade and exploring strategies for business collaboration.

Dr Ng'andu said IDC companies procured K9.9 billion worth of goods in 2019, making the Group one of the largest consumers of goods and services in the country, yet intra-Group trade was at 0.05% of total Group revenues.

"How is it possible that companies spread across a diversity of 12 sectors are unable to create business opportunities for each other?," he asked the delegates, who included Board Chairpersons, CEOs and Chief Financial Officers of the Group's 36 subsidiaries and investee companies.

Dr Ng'andu, however, noted that the companies needed to deal with attendant factors that would increase their capacity to trade within the Group, among them improving the quality of their goods and services and strengthening their financial positions.

He added that the Government was making necessary policies, regulations and laws that would facilitate companies to do business together, without inducing inefficiency and uncompetitive tendencies.

Meanwhile, member of the IDC Board of Directors, Father Leonard Chiti, said the IDC had made some tremendous strides over the last few years to transform the companies under its portfolio. He said the companies had improved corporate governance, with 14 new Boards created over the last three years.



Fr Chiti said because of improved oversight, the companies paying dividends has increased from one to eight over the last five years. He said the IDC operationalized nine additional companies in strategic sectors, increasing its asset base from the initial K42 billion to K107 billion and creating 13,834 jobs in the process.

He said in the next five years, the IDC planned to engage in US\$1 billion co-investments and to double investments in the agricultural, tourism and manufacturing sectors to create 35,000 new jobs.

And IDC Group CEO Mr Mateyo Kaluba said, while Covid-19 had impacted economies, companies and individuals, the companies in the IDC Group performed beyond the Group's initial fears, except for those in the Tourism and Hospitality industry.

Mr Kaluba welcomed new companies in the IDC Group, which include Marcopolo Tiles Limited, Kawambwa Tea Industries Limited and Zambia Reinsurance Plc.



2020 AWARDS: IDC NAMES TOP FIRMS

The Industrial Development Corporation (IDC) has awarded the Group's top performing enterprises for 2020 at the 4th IDC Annual Group Conference, held in Livingstone recently.

The awards recognise the efforts and performance of Boards and Management of enterprises in the Group as Champions of the transformation plan laid out by the IDC Board.

The awards were presented in the following categories:

Highest Dividend Declared

1. Indeni Petroleum Refinery Limited
2. ZCCM-IH
3. Indo Zambia Bank

Highest Dividend Declared by A Medium Enterprise

1. Mulungushi Village Complex Limited

Best Dividend Payer

1. Indo Zambia Bank Limited
2. ZCCM-IH
3. ZAFFICO

Best Performance Against Annual Targets

1. Mulungushi Village Complex Limited
2. Indeni Petroleum Refinery Limited
3. Zambia Industrial Commercial Bank

Best Governance Compliant Enterprise

1. Indo Zambia Bank Limited
1. Indeni Petroleum Refinery Limited
2. Mulungushi Village Complex Limited

Most Improved Enterprise

1. Zamtel Limited
2. ZSIC-GI
3. Mulungushi International Conference Centre

Most Innovative Enterprise

1. Zamtel – Velocity
2. ZICB – AgriCollect
3. ZANACO – QR Code (XAPAY)

Best Performing Enterprise

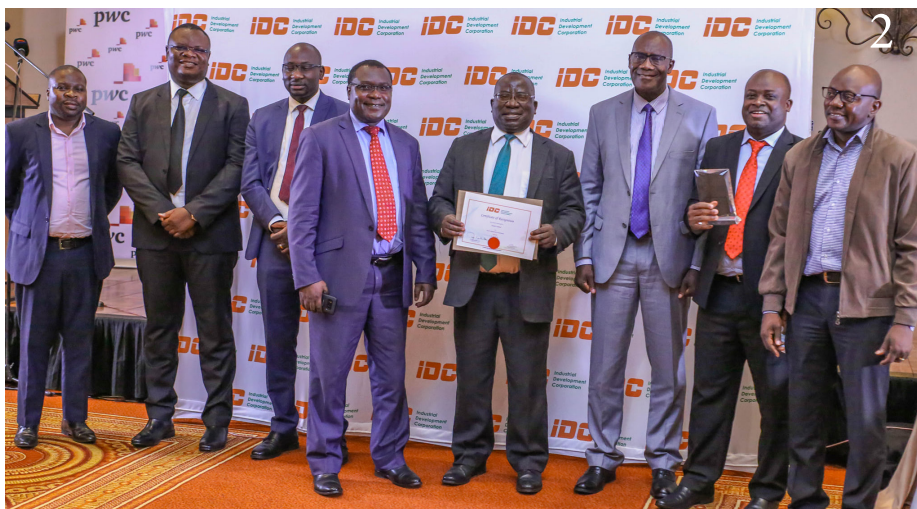
1. Indeni Petroleum Refinery Limited
2. Indo Zambia Bank
3. ZAFFICO

1. Indeni Petroleum Refinery Limited - Winner of the Best Performing Enterprise and Highest Dividend Declared awards, and runner-up in the Best Performance Against Annual Targets and Best Governance Compliant Enterprise awards.

2. ZAMTEL - Winner of the Most Improved Enterprise and Most Innovative Enterprise awards.

3. INDO ZAMBIA - Winner of the Best Governance Compliant Enterprise and Best Dividend Payer awards, runner up in the Best Performing Enterprise category and second runner up in the Highest Dividend Declared awards.

4. ZICB CEO Mr Ignatius Mwanza walks to receive the award of runner-up Best Innovative Enterprise. The bank also won the award of second runner-up - Best Performance Against Annual Targets.



PARLIAMENT COMMENDS IDC

The Parliamentary Committee on Parastatal Bodies says it is impressed with the improvement in the operations of State-owned Enterprises (SOEs) since they were placed under the supervision of the Industrial Development Corporation (IDC) five years ago.

Committee Chairperson Hon. Peter Daka



Hon. Peter Daka speaking at the 2nd Chief Financial Officers Academy and the 4th CFOs Forum in Chisamba

says the Committee continues to look to the IDC as a beacon of hope for parastatal companies.

“The Committee takes note of the fact that from the time the IDC took over the management of parastatals that have a business orientation, there has been some notable improvement in their operations,” Hon. Daka said.

He said the number of profitable companies in the IDC Group increased from eight in 2015 to 15 in 2019 while the number of companies declaring dividends increased from one in 2015 to eight in the same period.

Hon Daka was speaking at the IDC Group’s second Chief Financial Officers Academy and the fourth CFOs Forum under the theme “Consolidating Group Transformation gains – Growing from within” in Chisamba.

Speaking at the same event, member of the IDC Board of Directors, Mr David Kombe said the Board was happy with the tremendous improvement in timely financial reporting by IDC companies.

Mr Kombe, who is also Chairperson of the IDC Board Committee on Finance and Administration, said for the first time, over 70% of IDC companies had audited financial reports ready on time, a significant

improvement from being 10 years late in some cases.

Mr Kombe urged companies under the IDC Group to exercise prudence in financial management and avoid unnecessary expenditure. He also urged the companies to clean up their balance sheets to be able to attract capital.



Director David Kombe speaking at the 2nd Chief Financial Officers Academy and the 4th CFOs Forum in Chisamba

IDC WELCOMES NEW MEMBERS

The IDC Group has formally welcomed three companies that joined in 2020, bringing the total number of companies under the Group to 36. The new members are:

- **Kawambwa Tea Industries Limited** – (100% shareholding).
- **Zambia Re-insurance, formerly Prima-Re** – (28.17% shareholding).
- **Marcopolo Tiles Company** – (22.6% shareholding).

The IDC also welcomed **new CEOs** of subsidiaries and investee companies who

were appointed during the year. These include:

- **Mrs Shamo Njeleka** – General Manager Mukuba Hotel
- **Mrs Mukwandi Chibesakunda** – CEO ZANACO Plc
- **Mr Kangwa David Bwalya** – Managing Director ZAFFICO Plc
- **Mr Dominic Bwalya** – Managing Director Mpulungu Harbour Corporation Ltd
- **Mr William Mwale** – CEO Nitrogen Chemicals of Zambia Ltd
- **Mr Kowdichar Shashidhar** – Managing Director Indo Zambia Bank Ltd.

In welcoming the new entrants, IDC Board Director, Mrs Sylvia Banda, said the IDC board expected the Group to continually collaborate and provide business opportunities to each other, which would subsequently benefit the Zambian economy.

Another Director on the Board, Mr Ben Shoko, pledged the Board’s backing to ensure all members collectively fulfilled the duty of creating employment and wealth for Zambians, in line with the aspirations of the Seventh National Development Plan.



*Mrs Shamo Njeleka
MUKUBA HOTEL*



*Mrs Mukwandi Chibesakunda
ZANACO*



*Mr Kangwa David Bwalya
ZAFFICO*



*Mr Dominic Bwalya
MPULUNGU HARBOUR*



*Mr William Mwale
NCZ*



*Mr Kowdichar Shashidhar
INDO ZAMBIA*

CARING FOR OUR COMMUNITIES



This year, the Industrial Development Corporation (IDC) rose to the occasion to help Health authorities contain the Covid-19 pandemic, which the country has been grappling with.

As a responsible corporate citizen, the Corporation sprung to action as soon as Zambia started recording cases in March, 2020.

The initial donation, made by Group CEO Mr Mateyo Kaluba to the Ministry of Health in April, included Personnel Protective Equipment (PPE) for use by frontline health workers.

Mr Kaluba handed over the assortment to the Minister of Health, Dr Chitalu Chilufya, which comprised 5000 face masks, 5000 pairs of gloves, 500 eye protection goggles, 500 plastic aprons, 500 head nets, 500 pairs of overshoes and 50 medical gowns.

In August, 10 IDC subsidiaries put their efforts together and made contributions to donate assorted Sanitary and PPE materials to help

Surgical Society of Zambia (SSZ) members protect themselves from Covid-19.

The donated items include five ventilators, 5,000 pieces of surgical masks; 2,244 bottles of 400ml instant hand sanitizer; 288 bottles of 500ml instant hand sanitizer; 288 bottles of hand sanitizer spray; 100 litres of liquid hand sanitizer; 1,400 litres of methylated spirit; 400 face shields and 45 rolls of 500g cotton wool.

The Surgical Society had reached out to the IDC to solicit assistance in form of PPEs for essential health workers outside the COVID-19 centres, who run emergency and essential surgical services. The request had been made under the Society's "Caring for the Caregiver", initiative aimed at securing extra PPEs as a complimentary measure to efforts by the Ministry of Health.

The subsidiaries that collaborated and made contributions were: Indeni Petroleum Refinery, Zambia Daily Mail, Indo Zambia Bank, Superior Milling, ZSIC Life Assurance, ZSIC General Insurance, Mulungushi International Conference Centre, Mulungushi Village,



Nitrogen Chemicals of Zambia and Zanaco.

In the same month, the IDC also donated sanitary equipment for use by pupils and teachers at Rufunsa Girls Technical Secondary School to protect them against Covid-19. The equipment included 10 handwashing equipment, 100 tins of floor polish and 850 face masks.

Prior to the Covid-19 donations, the IDC had donated 840 litres of diesel to the Disaster Management and Mitigation Unit (DMMU) to help flood victims in Western province.

In the early part of 2020, the province experienced unprecedented flooding, which had devastating effects on residents. Heavy rainfall led to riverine and flash floods, which destroyed infrastructure and displaced several residents.

The DMMU used the fuel to provide relief support to flood victims, distributing food, tents and water treatment chemicals to affected populations



TOP LEFT: IDC Group CEO Mr Mateyo Kaluba hands over PPE to Minister of Health Dr Chitalu Chilufya

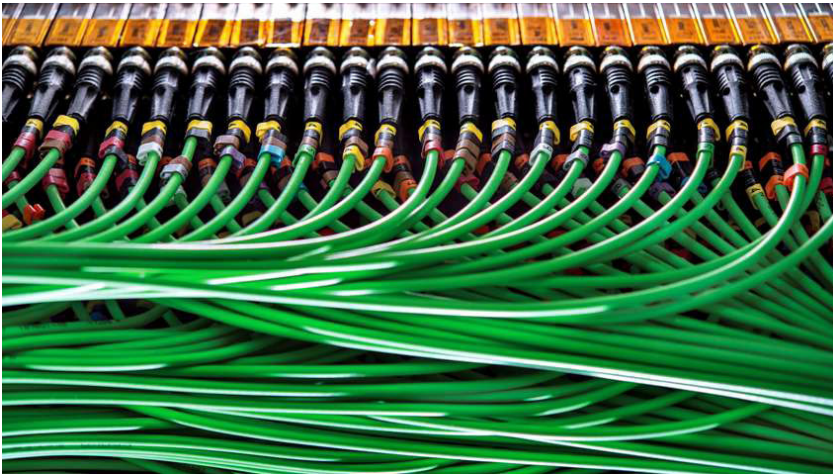
TOP RIGHT: A member of staff dons the PPE that was donated to the Ministry of Health by the IDC

ABOVE LEFT: An assortment of sanitary materials and PPE jointly donated to the Surgical Society of Zambia by IDC subsidiaries

ABOVE RIGHT: IDC staff hand over sanitary materials and PPE to Rufunsa Girls Technical School pupils and teachers

KEEPING ZAMBIA CONNECTED DURING A PANDEMIC & BEYOND

How Covid-19 boosted Zamtel's push for connectivity



Undoubtedly, Covid-19 has brought about unprecedented challenges to businesses world over. With most organisations having to force non-essential staff to work from home, an obvious surge in internet usage has been recorded.

Zamtel, like any other businesses has had to come up with Covid-19 specific measures to respond to this new business challenge.

As a business, at the center is a customer. Fully aware of the financial strain that this crisis has had on people from all economic spheres especially the low income earners, Zamtel has allowed free calling for customers on Tuesdays, Thursdays and Sunday which consists of 50MB of data, 10 SMS's and 10 minutes' free minutes to call any Zamtel Number in an effort to cushion the burden on customers and therefore enable to stay connected to family and friends.

Zamtel's innovation journey and its understanding of the Zambian market means it can play an instrumental role in this crisis by offering not only connectivity solutions but also digital solutions which enable customers to perform transactions while staying at home.

To marshal its digital growth path, Zamtel has now set up an Innovation Hub responsible for steer the company's future in the digital space. So far, a number of exciting digital products have been launched and there is more to come.

The network is robust and resilient to withstand any likely pressure resulting for the spike in data usage. Over the last few years, through the Industrial Development Corporation and the Ministry of Transport and Communications, Zamtel has invested

over US\$280 million to improve the network capacity and growing its footprint– and today, Zamtel has the largest network coverage in Zambia with well over 1,450 sites and counting. With the big spikes in data usage over the last few weeks, using its emergency protocols, the company has established dedicated business and quick response teams to respond to customer queries during this period. The network is operating at full capacity and all operations are moving on uninterrupted.

Small and Medium Enterprises (SMEs) must be interested in the 4G and 4.5G-enabled Velocity Unlimited Offer which gives superior internet experience and can service up to 32 users at a go. This service is particularly useful at this time when many of our customers are staying home with their children since schools are closed. There are also other dedicated internet solutions such as MiFi's suitable for small businesses and individuals.

Additionally, this gives employees who may not have a company mobile access to Unlimited data for a fixed amount starting from K349 per month. This is designed to help customers up and running at home super quickly.

With many children staying at home since schools closed on March 18th 2020, the need for digital learning solutions cannot be over emphasized. Working with its partners, the Ministry of Education and the Examinations Council of Zambia, Zamtel has developed an elearning portal and an examination revision platform called Smart Revision. The two digital products represent a full education cycle as it helps the learner stay connected academically and also prepare fully for exams without necessarily being in a classroom.

During the Covid-19 period, access to these platforms have been zero rated.

In times of a pandemic, access to credible information is critical. In efforts to help fight Infodemics, Zamtel has partnered with the Ministry of Health to send out credible and easy to read information via our Bulk SMS package to help demystify the virus. These messages are sent out for free across our entire base. There is also a dedicated Toll Free Line 0953 898941 to use for anyone wishing to contact the National Call Centre under the DMMU to access vital information on Covid-19. Zamtel is also utilising our social media channels which have thousands of followers to post authentic information around prevention of Covid-19 as prescribed by health authorities.

As a responsible Corporate Citizen, Zamtel made a cash donation of K200,000 and provided 500 mobile phone handsets to the Ministry of Health to help with the national Covid-19 response. All medical staff in the front line of the response are able to call each other for free using our Closed User Group functionality. The company has also helped the Ministry of Information and Broadcasting with financial resources to undertake mass sensitization of members of the public on Covid-19.

At Zamtel, the customer remains key. The company has taken steps to encourage social distancing in all our Customer Service Centres. These centres have all been fitted with hand washing and sanitizing facilities to promote hygiene practices. Our agents have all been trained to promote these practices and on what to do in an event a client presents symptoms of Covid-19 in store. Customers are all encouraged to wear face masks when entering the outlet.

As Zambia battles Covid-19, Zamtel is stretching every resource to ensure that the customers can stay connected, and that organisations in both the private and public sector can continue to operate efficiently whilst working remotely.





The IDC is constructing a fruit processing plant in Katete District. Due for commissioning in 2021 Q1, the project will provide a ready market for mangoes and citrus fruits that usually go to waste in Katete and surrounding districts.



The final product of the Kawambwa Tea Industries Limited. The company aims to produce 50,000 kg of tea leaves at full capacity once its new processing plant is completed.



IDC Group CEO Mr Mateyo Kaluba chats with Mr Kunda Mwelwa, site manager at Mununshi Fruit Company Ltd while inspecting banana suckers. The IDC has invested several millions of Kwacha to revive the fruit estate.



An areial view of the IDC's first greenfield project, the 54 MWp solar photovoltaic plant in Lusaka.



An areial view of Mpulungu Harbour Corporation Limited. The company recorded a profit for the first time in 2017 as a result of the IDC's transformation programme.



A technician installs solar panels at the Bangweulu solar park during construction phase.



IDC Portfolio at the end of 2020



ENERGY & INFRASTRUCTURE

Bangweulu Power Company	20%
INDENI	100%
INFRATEL	100%
Lusaka South MFEZ	100%
Ngonye Power Company	20%
ZESCO	100%



TRANSPORT & COMMUNICATION

ESCO	100%
Mpulungu Harbour Corporation	100%
Times Printpak	100%
Zambia Airways	55%
Zambia Cargo & Logistics	100%
Zambia Daily Mail	100%
Zambia Railways	100%
ZAMTEL	100%



BANKING & FINANCIAL SERVICES

Indo Zambia Bank	40%
Zambia Industrial Commercial Bank	71.18%
Zambia Re-insurance	28.17%
ZANACO Bank, Plc.	24.8%
ZSIC-GI	100%
ZSIC-LIFE	100%



MINING, AGRICULTURE, & FORESTRY

KAGEM Mining	25%
Kawambwa Tea Industries	100%
ZAFFICO, Plc.	62.88%
ZCCM-IH, Plc.	60.3%



MANUFACTURING

Marcopolo Tiles Company	22.6%
Mulungushi Textiles	100%
Mununshi Fruit Company	100%
Nitrogen Chemicals Zambia	100%
Superior Milling Company	76%
ZAMPALM	90%



HEALTH, TOURISM, & REAL ESTATE

Lusaka Trust Hospital	45%
Medical Stores	100%
Mukuba Hotel	100%
Mulungushi International Conference Centre	100%
Mulungushi Village Complex	100%
Zambia International Trade Fair	100%



Industrial Development Corporation

P.O Box 37232

Lusaka, ZAMBIA

+260 211 843567/8

+260 967 773007

info@idc.co.zm

www.idc.co.zm



@IDC Zambia



@IDC Zambia



Industrial Development
Corporation



www.idc.co.zm