

Economic Development And Job Creation In Zambia

Author(s): KAMINI KRISHNA

Source: *World Affairs: The Journal of International Issues*, WINTER (OCTOBER-DECEMBER) 2020, Vol. 24, No. 4 (WINTER (OCTOBER-DECEMBER) 2020), pp. 70-85

Published by: Kapur Surya Foundation

Stable URL: <https://www.jstor.org/stable/10.2307/48609810>

JSTOR is a not-for-profit service that helps scholars, researchers, and students discover, use, and build upon a wide range of content in a trusted digital archive. We use information technology and tools to increase productivity and facilitate new forms of scholarship. For more information about JSTOR, please contact support@jstor.org.

Your use of the JSTOR archive indicates your acceptance of the Terms & Conditions of Use, available at <https://about.jstor.org/terms>



Kapur Surya Foundation is collaborating with JSTOR to digitize, preserve and extend access to *World Affairs: The Journal of International Issues*

JSTOR

ECONOMIC DEVELOPMENT AND JOB CREATION IN ZAMBIA

THE APPROACH OF INDIAN INVESTORS 1964–2019

The bilateral trade between India and Africa and even between India and Zambia is not a new phenomenon. India has planned to invest about US \$90 billion in Africa for its overall development and to create a favourable environment for locals. Since 2002, there has been a steady improvement in the investment climate and business environment in Zambia as reflected in higher foreign direct investment. Due to the welcoming approach, many investors from India and people of Indian origin settled in Zambia have pumped money into diverse economic sectors. This article focuses on Zambia's economic policies aimed at creating employment by furthering friendly relations with India. It also examines the economic activities and assesses outcomes of companies from India as well as those owned by people of Indian origin in Zambia and by the Indian diaspora outside the country.

KAMINI KRISHNA

INTRODUCTION

This article begins by clarifying the words “Indian investors” as used in the title. These have been categorised into different groups such as the Indian government, Indian companies, the Indian diaspora (living in other countries) and Indian Zambians. Additionally, it looks into the channels

used by different organisations and individuals to develop the Zambian economy, especially in creating jobs for local people. These include agreements between governments, with regional blocks like the Common Market for Eastern and Southern Africa as well as individual initiatives. After World War Two, the world began integrating through the process generally called globalisation. (Kamini Krishna, "Trade and Commerce Relations between India and Zambia" in Vanaraj S Sheth (Ed), *India Africa Relations: Emerging Policy and Development Perspective*, New Delhi: Academic Excellence, 2008, p212) Different countries came together to create regional blocks to integrate by taking advantage of the comparative strengths of each country to face the rest of the world as a united entity with the pooled strength of the given region. Most modern policies towards economic integration try to ensure win-win outcomes.

Development in any country is a natural phenomenon but its pace differs from one country to the next. Apart from government to government, regional blocks and company investment, the diaspora too is important for a country's growth. One may argue that it is its duty and responsibility to boost the economic development of the country of residence from the grassroots level up. Development does not only mean in the economic sector or in industry, but rather covers different spheres like agriculture, culture, education, the medical field and so on. Both the indigenous population and the diaspora must collectively decide a way forward for the country's advancement. In the age of globalisation, diasporas around the world have played an important role in the domain of international economy and politics. They are even considered a contemporary global force, shaping policy direction in the interest of international development. Governments around the world too have increasingly focused on and engaged with their diasporas. They are regarded as a source of capital to enhance financial, intellectual, political and social development. They contribute generously and extensively to their adopted home country's development and therefore are considered a strategic asset.

ZAMBIAN ECONOMIC POLICIES

Although Zambia is a landlocked nation surrounded by eight countries, it has not locked its borders to foreigners for tourism, investment or any constructive venture. Moreover the people do not regard Zambia as landlocked, but rather as land-linked with eight countries with 400 million people. For several years after independence, the country's economic development fell drastically due to its heavy dependence on copper and neglect of other sectors. However, the country maintained political stability despite having seventy three ethnic groups. This was mainly due to the first president of independent Zambia, Kenneth Kaunda whose motto "One Zambia One Nation" worked as a sealant. As a result, the country did not experience any great political turmoil, unlike many other African nations.

After facing many ups and downs in the economic sphere, economic reforms were initiated in the early 1990s, which opened the doors to modern globalisation. The Zambian Privatisation Agency, an autonomous agency of the Government of the Republic of Zambia, was established through Privatisation Act 21 of 1992. Its main function was to implement and regulate the privatisation of state owned enterprises in cooperation with the government. These entities were sold to those more competent to run them with the required capital to do so. The agency carefully and successfully dealt with privatisation and was eventually merged with the Zambia Investment Centre, the Export Board of Zambia, the Zambia Export Processing Zone Authority and the Small Enterprises Development Board to form the Zambia Development Agency (online at <https://www.zda.org.zm>) under the Zambia Development Agency Act 11 of 2006. It has been operating as an institution since 1 January 2007.

Before 1991 the Zambian economy had been mainly state controlled and depended on the mining of copper. After 1991, the economy was liberalised and a number of state enterprises were privatised. Foreign direct investment (FDI) into the country however remained limited during the democratic transition from the system of one party government to multiparty government, as was the case in many other developing countries. Since then Zambia has taken continuous steps to improve the business climate and attract FDI in an effort to address diverse developmental challenges such as inadequate employment and income opportunities coupled with high poverty levels. FDI also serves as a channel for the transfer of capital, skills and technology, which are key factors for expanding a country's production capacity and generating growth. (*Foreign Private Investment and Perceptions in Zambia: Harnessing the*

Tourism Potential of Investment and Economic Diversification and Job Creation, Annual Report, 2013, p103) Foreign Direct Investment is a process by which a government, company or individual makes a physical investment in another country to assist the recipient country boost different economic sectors such as infrastructure, mining, etc. (*Balance of Payments Manual*, Fifth Edition, International Monetary Fund, Washington DC, 1993, online at <https://www.imf.org>) The Zambian government welcomes investors across sectors and laws relating to incentives for investment are included in the Zambia Development Agency Act. (*ibid*) They provide for allowances, concessions and exemptions aimed at increasing levels of investment and international trade, as well as for domestic economic growth.

Table 1: Zambia's FDI Inflows, 2008–19

Year	Zambia's FDI Inflows (US Dollar Million) 2008–19
2008	938.6
2009	694.8
2010	1,729.3
2011	1,108.5
2012	1,731.6
2013	2,100.1
2014	3,301.2
2015	1,582.1
2016	662.8
2017	1,108.0
2018	408.0
2019	753.0

Source: Bank of Zambia, *Foreign Private Investment and Investor Perceptions in Zambia*, Annual Reports, online at <https://www.boz.zm>

The Government of Zambia has paid extra attention to commerce, trade and industry as key elements for economic growth and job creation. In addition to FDI, it has encouraged domestic investment as well. (*Zambia Decent Work Country Programme 2013–16*, Ministry of Labour and Social Security, p13, online at <http://www.ilo.org>) The government views employment creation as the most important strategy for ensuring the stability of society and overall growth of the economy in all sectors. As such it has focussed on translating economic performance into substantial poverty reduction in the country and has accordingly taken measures to address the major problem of jobless growth in the formal economy. The Zambia Decent Work Country Programme (*ibid*) was established to attain the stated priorities of the government

and other cooperating partners. (*ibid*, pix) The economic development agenda has been guided by a National Vision through which the country aspires to become a prosperous middle income country by 2030 with at least a million jobs created for local Zambians. (*Strategy Paper on Industrialisation and Job Creation through Foreign and Local Investors*, July 2013, p10, online at <https://www.mcti.gov.zm>) Since 2007, FDI from India into the Zambian economy has amounted to three billion US dollars in total including a \$2.6 billion investment by Vedanta Resources in the Konkola Copper Mines, the establishment of a \$300 million manganese processing plant by Tourism Manganese and Bharti Airtel's establishment of Airtel Zambia after its acquisition of Zain Telecom's Africa business.

THE COMMON MARKET FOR EASTERN AND SOUTHERN AFRICA AND INDIA

Due to Zambia's liberal economic policies, countries from both within the African continent and from outside have shown an interest in investing in it through the Common Market for Eastern and Southern Africa (COMESA). The organisation was established in 1994 as a successor to the Preferential Trade Area for Eastern and Southern Africa, which had been in existence since 1981 within the framework of the Organisation of African Unity's (now African Union) Lagos Plan of Action and Final Act of Lagos. In brief, COMESA consists of twenty member countries, accounts for about forty per cent of Africa's geographical area and aims to foster sustainable growth and development by consolidating the strength and resources of each member nation. Its members have collectively agreed to promote regional integration through trade development and to develop natural and human resources for the mutual benefit of all their people. COMESA has created a fully integrated and internationally competitive region within which there is complete freedom of movements of capital, goods, people and services. (Charles L Chanthunya, "The COMESA Free Trade Area: Concept, Challenges and Opportunities" in Victor Murinde (Ed), *The Free Trade Area of the Common Market for Eastern and Southern Africa*, Aldershot: Ashgate, 2006, p13) It acts as a catalyst for the development of the production sectors of agriculture and industry through growing import from and export to member states and other nations. India is one of the countries from the Asian continent that has formed linkages with COMESA and has been working hand in hand to promote trade links.

Table 2: COMESA's Trade with India, (in US Dollar Million)

Years	Export	Import	Trade Balance
2010	2,392.3	6,436.0	4,043.7
2011	2,889.1	7,689.5	4,800.4
2012	3,575.2	10,392.9	6,817.7
2013	3,421.5	11,435.5	8,014.0
2014	3,992.3	12,445.5	8,453.2
2015	1,966.9	11,540.3	-9,573.4
2016	1,618.1	10,626.3	-9,008.2
2017	1,531.0	9,585.7	-8,054.7
2018	1,938.9	10,814.0	-8,871.0
2019	2,202.2	11,367.0	-9,164.8

Source: COMSTAT Database, COMESA Secretariat, online at <https://comstat.comesa.int>

Table 3: Export–Import between India and Zambia within COMESA (in US Dollar Million)

Years	Export	Import	Trade Balance
2010	19,022.9	144,053.1	125,030.2
2011	26,440.4	247,963.1	221,522.6
2012	69,470.5	305,407.0	236,000.0
2013	129,738.1	371,278.2	241,540.5
2014	35,969.1	377,616.4	341,647.2
2015	22.9	366.1	343.2
2016	70.6	316.7	246.0
2017	175.9	246.3	70.3
2018	185.9	442.9	257.0
2019	54.6	352.2	297.6

Source: COMSTAT Database, *ibid*

Table 4: COMESA's Top Export Products to India

SITC	SITC Description	US Dollar Million	As a per cent of the total
3330	Crude petroleum	2,985.3	74.8
2831	Copper ores and concentrates	167.2	4.2
27231	Natural calcium phosphates and phosphatic chalk, unground	57.4	1.4
0733	Other food preparations containing cocoa, in blocks, slabs/bars, whether/not filled	50.6	1.3
52379	Carbonates other than headings 52372–52374; peroxocarbonates (percarbonates)	46.9	1.2

27232	Natural calcium phosphates and phosphatic chalk, ground	46.7	1.2
07524	Cloves (whole fruit, cloves and stems)	42.6	1.1
2631	Cotton (other than linters), not carded/combed	35.3	0.9
05423	Beans, other than broad beans and horse beans, dried, shelled, whether/not skinned/split	33.4	0.8
68212	Refined copper	30.5	0.8
	Other products	496.1	12.4
	Total	3,992.0	100.0

Source: COMSTAT Database, *ibid*

Note: SITC = standard international trade classification which is a statistical classification of the commodities entering external trade. It is designed to provide commodity aggregates required for purpose of economic analysis and facilitate the international comparison of trade by commodity data

Table 5: COMESA's Top Import Products from India

SITC	SITC Description	US Dollar Million	As a per cent of the total
3346	Petroleum oils and oils obtained from bituminous minerals (other than crude)	3,659.7	29.4
54293	Medicaments, n.e.s. put up in measured doses/in forms/packing for retail sale	765.0	6.1
01122	Meat of bovine animals, frozen, boneless	659.1	5.3
7812	Motor vehicles for the transport of persons n.e.s.	336.3	2.7
65133	Cotton yarn (other than sewing thread), containing 85 per cent more by weight of cotton	238.0	1.9
04231	Rice, semi-milled/wholly milled, whether/not polished, glazed, parboiled/converted	210.5	1.7
06129	Other beet/cane sugar in solid form, other than flavoured/coloured	175.4	1.4
78513	Motor cycles (including mopeds) and cycles fitted with an auxiliary motor	175.2	1.4
76411	Telephone sets, including telephones for cellular networks/for other wireless networks	131.9	1.1
67413	Flat-rolled products of iron/non-alloy steel, plated/coated with zinc	122.4	1.0
	Other products	5,971.4	48.0
	Total	12,444.9	100.0

Source: COMSTAT Database, *ibid*

Note: SITC = standard international trade classification which is a statistical classification of the commodities entering external trade. It is designed to provide commodity aggregates required for purpose of economic analysis and facilitate the international comparison of trade by commodity data; n.e.s. = not elsewhere specified

Investment opportunities in COMESA include the utilisation of renewable and non-renewable energy (nuclear and solar) as well as physical infrastructure such as the development of multi-modal systems of transport (inland waterways, ports, railways, roads, etc). Other areas are the agro-industry and agro-processing and sectoral industrial clusters for example for hides and skins where one could set up manufacturing and packaging plants. Real estate development is also key, as there is a lack of affordable housing in the region against a huge demand for domestic and commercial infrastructure. Moreover, COMESA has created a conducive environment for business and made doing business in the region cheaper. To this end, private sector engagement on business development agendas that pertain to reducing business costs and creating a more competitive business environment have been regulated through the 1988 Common Investment Area.

Assistant Secretary General Programmes, Kipyego Cheluget, while addressing delegates at the India–Africa Project Partnership Conclave, 17–19 March 2013, New Delhi, called on Indian investors to take advantage of the conducive economic environment in the COMESA region and invest in various sectors of development. (“India called upon to Invest in Africa”, *e-COMESA Newsletter*, April 2013, online at <https://www.comesa.int>) He added that within COMESA there were ample opportunities for investment such as in the agroindustry, infrastructure, real estate, in new technologies and in the tourism sector. Cheluget emphasised that the private sector in the region was a good partner for the Indian business community as witnessed by the Intra-COMESA informal trade. He highlighted the importance of informal, crossborder trade as a significant factor in the planning and priorities of COMESA and assured delegates that the organisation would continue to reduce the cost of doing business through advocacy and strengthening political support on the harmonisation of legal and regulatory frameworks for company start-ups and the registration of all companies investing in the region.

Investment opportunities in COMESA include the utilisation of renewable and non-renewable energy as well as physical infrastructure such as the development of multi-modal systems of transport). Other areas are the agro-industry and agro-processing. Real estate development is also key, as there is a lack of affordable housing in the region against a huge demand for domestic and commercial infrastructure.

COMESA is committed to reducing the cost of doing business through the establishment and strengthening of appropriate, institutional structures to support business start-ups, one stop shops and investment promotion agencies through its specialised agency for investment promotion, the Regional Investment Authority. Interested partners can come to the region through various programmes like the African Agriculture Development Programme, the Alliance for Commodity Trade in Eastern and Southern Africa, the COMESA Monetary Institute and the COMESA Trade and Development Bank, formerly known as the Preferential Trade Area Bank. More than 500 projects, worth nearly US \$70 billion, were discussed during the three-day 2013 conclave. The projects covered various sectors ranging from agriculture, and infrastructure to mining and oil and gas, among others. Over 900 delegates from 45 countries participated in the ninth edition of the conclave organised by the Confederation of Indian Industry in association with the Export-Import (EXIM) Bank of India. Burundi, Ethiopia and Zambia were among COMESA member states that attended it.

COMESA and the Indian Ocean Community (IOC) celebrated a decade of close and intense cooperation in 2015. (*COMESA–IOC Relations Deepen*, online at <https://www.comesa.int>) The two institutions had signed a memorandum of understanding in July 2005, which underpinned an era of cooperation and mutual assistance in support of regional cooperation and integration in Eastern and Southern Africa and the Indian Ocean region. Secretary General Sindiso Ngwenya stated that IOC had created a model of functional cooperation across a wide array of sectors, complementary to COMESA's mandate which fundamentally supports regional economic integration. COMESA, IOC, the East African Community and the Intergovernmental Authority for Development work closely through the Inter-Regional Coordinating Committee mechanism.

ZAMBIA WELCOMES INDIAN INVESTMENT IN VARIOUS SECTORS

To increase the bilateral trade between India and Zambia five-fold and reach the billion dollar mark, the Zambian government invited Indian firms to invest in core sectors. The turnover would increase even if small sized companies made sizeable investment in Zambia and approvals to start a firm were being given in two days. (Special Correspondent, "Zambia High on Radar of Indian Investment

Explorations/Zambian Government keen on Increasing Trade Ties Manifold”, *The Hindu*, 7 February 2012, online at <https://www.thehindu.com>) He emphasised that Zambia was a liberalised economy, a politically peaceful country and rich in natural resources. Speaking on the attractive features of Zambia, J Jegathesan, Senior Economic Advisor to Japanese International Cooperation Agency and the Government of Zambia described it as a peaceful, religious country with no visible signs of poverty or religious or racial conflict. Leading a 21 member delegation to Mumbai and Chennai, Mwansa said that Zambia invited investment in areas such as agriculture, construction, education, energy, information and communication technology, infrastructure, manufacturing, mining, telecom and tourism to enhance its trade, investment and bilateral relations with India. Encouragingly, in the previous five years, Indian firms invested \$2.3 billion, thereby creating 13,000 jobs.

Economic Cooperation

India has for long extended credit to Zambia to facilitate its development and further trade between the two. Support has included soft loans from India’s EXIM Bank as well as donations of agricultural and transport equipment and emergency medical supplies. Lines of credit worth \$125 million were extended to Zambia for expanding its power generation capacity and to establish the 120 megawatt Itezhi-Tezhi joint venture hydropower project. Zambia is also part of the Duty Free, Quota Free Regime for its exports to India as a least developed country and part of the Government of India’s Lines of Credit Programme. New Delhi provides economic assistance to Lusaka and also assists in imparting a wide range of skill development courses and training programmes. Zambia avails of a large number of Indian Technical and Economic Cooperation Programme scholarships and many thousand Zambians have been trained in India under the programme in various disciplines.

Bilateral Trade

In May 2010, the Zambian Minister for Trade, Commerce and Industry signed a letter of intent to utilise India’s Duty Free Tariff Preference Scheme under

which *Zambian products* would be able to access up to 94 per cent of the Indian market. (*India–Zambia Relations*, Ministry of External Affairs, Government of India, January 2012, online at <http://www.mea.gov.in>) The export items include chemicals, cotton yarn and fabrics, drugs and pharmaceuticals, electronic goods, machinery and instruments, plastic, rubber and transportation equipment while import items from Zambia include non-ferrous metals, ores (copper and cobalt), raw cotton and semi-precious stones. The two countries have also set up a joint permanent commission at the ministerial level.

India has shown interest for trade with and investment in Zambia in diverse projects. The Pan African e-networking project was successfully inaugurated through video conferencing in August 2010 when Zambia's Minister of Communications and Transport Geoffrey Lungwangwa had interacted with the Indian External Affairs Minister at the tele-education facility installed under the project at Mulungushi University in Kabwe. Another e-networking project commissioned in November 2009 was completed by Telecommunications Consultants India Limited, Patient End Location Centre at University Teaching Hospital, Lusaka. A memorandum of understanding between the Golden Valley Agricultural Research Trust of Zambia and the Indian Council of Agricultural Research was signed in October 2009 in New Delhi envisaging professional cooperation and collaboration in agricultural research and education.

Indian investment in Zambia includes the Indo–Zambia Bank which was established in 1984, as a joint venture between the Government of Zambia and three Indian public sector banks—Bank of Baroda, Bank of India and Central Bank of India. The three Indian banks hold sixty per cent equity with the remaining forty per cent held by the *Zambian government*. The Indo–Zambia Bank operates the largest network of banks in the country and is a cornerstone of the *Zambian banking sector*. It has become a byword for banking in the country. Its setting up was a milestone in India's relations with Zambia and is an example of a mutually beneficial, solid joint venture partnership that has withstood the test of time.

Vedanta's Konkola Copper Mines invested around US \$2.2 billion in Zambia, which was expected to rise to three billion dollars. The Indian firm RJ Corporation has pledged to invest US \$30 million over a period of six years. Nava Bharat Singapore, a subsidiary of Nava Bharat Ventures, Hyderabad, purchased

sixty five per cent equity shares in Mamba Collieries with the Government of Zambia holding thirty five per cent shares through Zambia Consolidated Copper Mine Investment Holdings. Nava Bharat has invested US \$108 million in total as their capitalisation of Mamba Collieries and the installation of a new coal handling and washing plant. It also developed a coal fired power plant of a minimum generating capacity of 270 megawatts using the low grade coal of Mamba Collieries. Taurian Manganese part of Dharni Sampada invested about US \$20 million in 2010 in manganese mining and planned to invest another US \$200 million in the construction of a manganese processing plant in the Serenje District of the Central Province. It is one of the biggest manganese processing plants in Africa. NRB Pharma Limited started construction of a US \$10 million pharmaceutical plant in Lusaka South Multi-Facility Economic Zone in June 2013. Bharti Airtel launched its new brand Airtel Zambia in November 2010 and is now the leading mobile service provider in the country. Tata's investment includes the five-star hotel the Taj Pamodzi, managed by the Taj Hotels Group. A joint venture between Zambia Electricity Supply Company and Tata Africa Holdings called Itezhi-Tezhi Power Corporation Limited undertook the construction of the US \$200 million Itezhi-Tezhi power project. The Government of India provided a line of credit of US \$50 million to the Government of Zambia for this power project. In view of the growing economic and commercial relations and the steady growth in the volume of Indian investment in Zambia, the two countries have continued to engage on a range of issues and are constantly discussing ways and mechanisms to strengthen bilateral relations. ("India's Investments", *India-Zambia Bilateral Relations*, High Commission of India, Lusaka, Zambia, online at <https://www.hcizambia.gov.in>)

Lines of credit worth \$125 million were extended to Zambia for expanding its power generation capacity and to establish the 120 megawatt Itezhi-Tezhi joint venture hydropower project. Zambia is also part of the Duty Free, Quota Free Regime for its exports to India as a least developed country and part of the Government of India's Lines of Credit Programme. New Delhi provides economic assistance to Lusaka and also assists in imparting a wide range of skill development courses and training programmes.

Indian Community/People of Indian Origin

There are about 13,000 Indians (0.1 per cent of the total population) in Zambia including those who migrated before and after independence. ("Zambian Population 2015", *World Population Review*, online at <https://worldpopulationreview.com>) Most Indians who migrated to Zambia before independence have taken local or British citizenship and are engaged in different economic sectors. Others who came later maintain their Indian nationality. Zambians of Indian origin, whose fathers and forefathers had migrated from India as small traders and artisans play a significant role in the country's economy, especially in hospitality, industry, trade and transport. There has been a visible growth in the number of Indian professionals especially in Indian owned enterprises.

Many people of Indian origin have invested in agriculture, the chemicals industry, horticulture and the mining of precious stones. On 11 March 2009, a US \$10 million mobile phone assembly plant of the Melcom Group owned by a Zambian of Indian origin was inaugurated in Lusaka. This investment was under Japan's Triangle of Hope Initiative, which promotes economic development in third world countries. Another company owned by Zambian Indians called Trade Kings Zambia which manufactures confectionery beverage and detergent, has captured the market in nearby countries like Botswana, Congo, Malawi, South Africa and Zimbabwe. The company founded in 1992 and based in Lusaka also invested over US \$125 million in the first ever integrated steel plant in the country at Kafue. In July 2015, Mylon Laboratories Limited of India signed a 40-year land lease agreement to construct a state-of-the-art oral solid dosage pharmaceutical facility at a cost of four million US dollars in the Lusaka South Multi-Facility Economic Zone over the next three years. The facility was inaugurated by the Zambian health minister in September 2018. Other companies set up by persons of Indian origin include the Neelkantha Group of Companies; PLR Projects and Parrogate/Continental Ginnery Limited. In addition, a number of medium sized Indian companies such as Prasad Seeds and Vagmi Cottons have made sizeable investments in various fields of the Zambian economy and trade. (High Commission of India, Lusaka, *ibid*)

Developments in the Iron and Steel Sector in Zambia

Zambia has experienced dynamic development in steelmaking over the last decade. In 2008, a company called Good Time Steel was setup by investors from China. This was the first major steelmaking company in Zambia and it started operations by supplying steel bars. The beverage and detergent company Trade Kings Zambia mentioned previously established the Universal Mining and Chemical Industries Limited and constructed the largest steel mill. It installed the first electric furnace for steelmaking in the country and commenced operations in 2008. Using steel scrap from the domestic market as raw material, the company has been expanding production and now exports steel products to regional markets as well.

The Kafue Sugar Company commenced sugar production to cushion the impact of sugar shortage in the country and is expected to increase the production of sugar to over 40,000 metric tonnes from 28,000 metric tonnes, following the receipt of new machinery. The company spent an estimated US \$8 million on expanding the plant to enhance its competitiveness in the market.

(Sub Sector Profile: Iron and Steel, Zambia Development Agency, August 2012, pp1–2, online at <https://www.zda.org.zm>)

Until then, steel production had been limited to providing mill balls and spare parts to serve the copper belt mining companies.

Due to active copper mining in Zambia, cast iron makers were clustered in the copper belt. After the adoption of the economic liberalisation policy in 1991, the country faced stiff competition from imported products from China, India and South Africa. This affected the share of mill balls supply, which fell to a third of total consumption in 2011. To survive, these companies either upgraded the quality of products to forged mill balls or relying less on mill balls turned production towards capturing new demand emerging from mining and other sectors.

The Kafue Sugar Company commenced sugar production to cushion the impact of sugar shortage in the country and is expected to increase the production of sugar to over 40,000 metric tonnes from 28,000 metric tonnes, following the receipt of new machinery. The company spent an estimated US \$8 million on expanding the plant to enhance its competitiveness in the market. Apart from people of Indian origin in Zambia, the Indian diaspora settled outside Zambia

like Vedanta (United Kingdom) and Bharti Airtel (Singapore) has been financing Zambian businesses and conclusively providing jobs to indigenous people as shown in Table 6.

Table 6: Companies Opened and Sum of Pledged Employment 2007–19

Year	Companies Opened	Sum of Pledged Employment
2007	15	6,307
2008	28	6,173
2009	29	11,788
2010	34	17,225
2011	38	10,364
2012	44	11,994
2013	38	7,549
2014	33	4,130
2015	18	1,224
2016	10	100
2017	15	204
2018	15	600
2019	30	860
TOTAL	347	78,518

Source: Zambia Development Agency, *Annual Reports*, 2015 and 2019, online at <http://www.zda.org.zm>

Table 7: Companies Opened in Different Sectors since 2007

Different Business Sectors	Companies Opened
Agriculture	31
Manufacturing	111
Construction	17
Real State	12
Service	26
Tourism	15
Energy	03
Transport	06
Information and Communication Technology	05
Mining	28
Health	10
Total	264

Source: Zambia Development Agency, *Annual Report*, 2018, online at <http://www.zda.org.zm>

CONCLUDING REMARKS AND RECOMMENDATIONS

According to the records of the Zambia Development Agency by 2015, investment from India and by the Indian community was over US \$3.4 billion and had created more than 19,000 jobs. In addition, investment by people of Indian origin had created more than 5000 jobs. The sum of pledged jobs by Indian companies will help meet the targeted one million jobs for indigenous people guaranteed by Zambia's National Vision 2030. Although trade between India and Zambia has been established, it needs to be promoted for equal benefit. In reality, there is visible disparity in favour of India in the trade balance. This must be corrected with Zambia exporting more to India to bridge the gap for a win-win situation. Although, India has been contributing to Zambia's industrialisation through its private and public sectors, the Indian government must become more involved in the transfer of technology to Zambia for its further industrialisation and modernisation. 