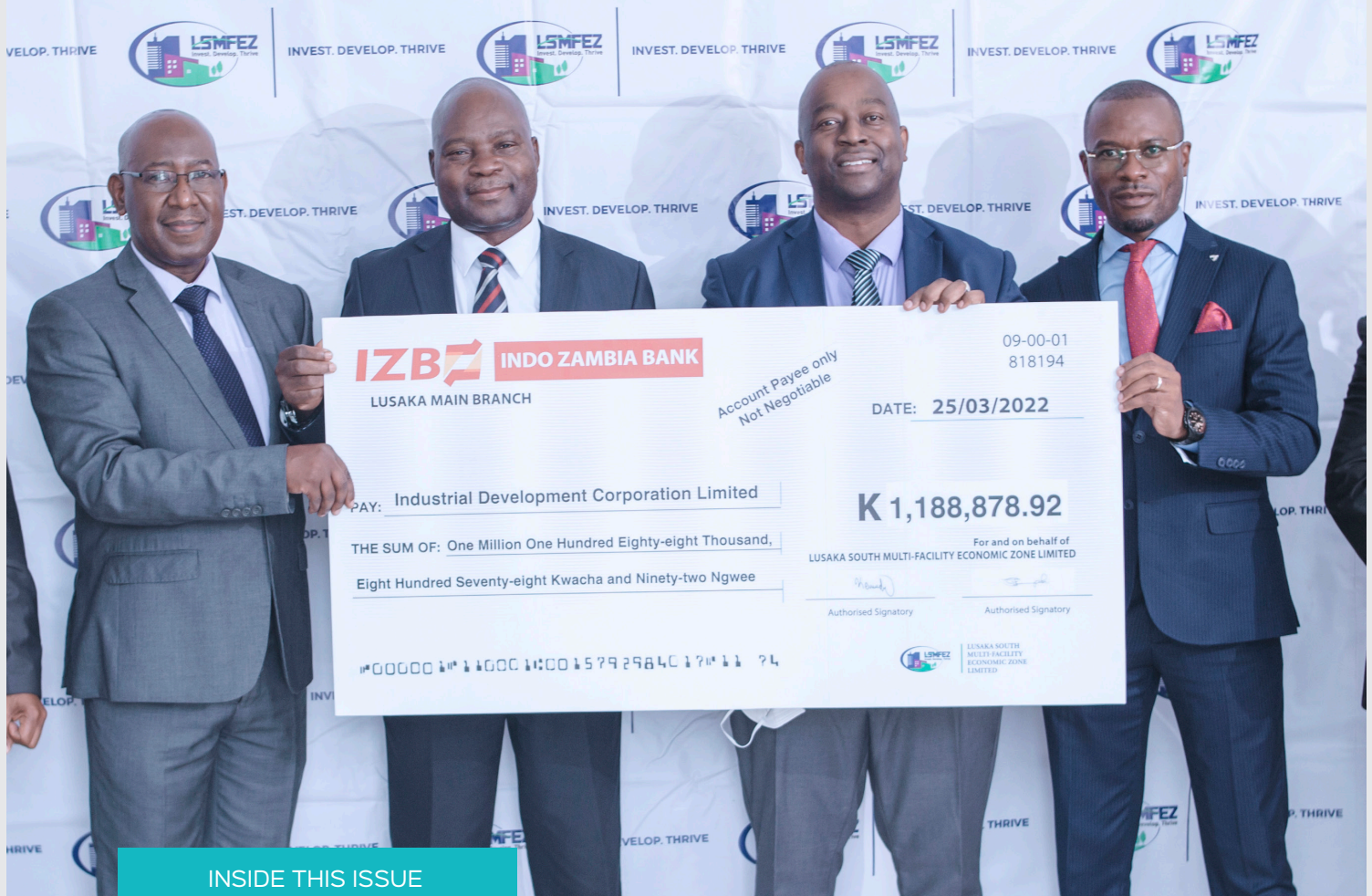




LUSAKA SOUTH  
MULTI-FACILITY  
ECONOMIC ZONE  
LIMITED

# THE INVESTMENT VOICE

## LS-MFEZ CELEBRATES 10<sup>TH</sup> YEAR ANNIVERSARY: DECLARES DIVIDEND FOR THE FIRST TIME IN 10 YEARS



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## About Us

We are a Special Economic Zone designed to drive economic diversification & development

The Lusaka South Multi-Facility Economic Zone is being developed as a mixed-use facility with various land uses such as; Industrial, Commercial, Research and Development, Housing, Institutions, and Parks. The mixed-use development is planned to attract both local and foreign firms to invest in the Zone which in turn will promote manufacturing, stimulate export activities, technological development, skills transfer, job and wealth creation.

## Vision

Leading the way in the diversification of Zambia's economy.

## Mission

To develop, operate and manage the Lusaka South Multi Facility Economic Zone (LS-MFEZ)

## Our Values

- **Service:** We endeavor to provide an acclaimed Investment environment to all investors.
- **Professionalism:** We perform our duties in a respectable manner with competence and thoroughness.
- **Accountability:** We take responsibility for our decisions and actions.
- **Collaboration:** Continuous strengthening of partnerships with all the stakeholders through stronger and effective coordination.
- **Innovation:** We embrace new ideas and develop skills that meet current and future challenges
- **Integrity:** We pledge to discharge our responsibilities honestly, transparently and sincerely.



## EDITORS NOTE



**Welcome to the first edition of the 2022 newsletter by the LS MFEZ, documenting developments within the Zone and updating on progress made for the first half of the year 2022.**

**In the first quarter of 2022, the LS MFEZ investment portfolio grew by an additional 7 investments.**

These investments saw the investment portfolio increase from 63 approved investments to 70. In monetary terms to date, the Zone has attracted a total of USD 977 Million in investment.

The investment portfolio of the LS MFEZ has met the projected investment documented in its five-year corporate strategic plan in just 18 months of its execution. Amongst the businesses attracted, the LS MFEZ boasts the approval of an aerodrome park, a golf course, shopping malls, etc. This is all in attempt to actualize a modern town. With the accelerated achievement in the last 18 months, the LS MFEZ is set to have its mid-year review by

June 30th, 2022, to refine its goals further in line with its mandate to lead in diversifying the Zambian Economy.

Having highlighted the achievements for the first half of the year, it is our hope that this publication will make good reading but more so will help the reader conceptualize the developments on ground in the LS MFEZ and bring clarity to the mandate of the LS MFEZ.

Areas to pay particular attention to are the new investor who has completed construction and LS MFEZ 10th year anniversary. The reader is also encouraged to indulge in the financial focus for the first half of the year as we note how, for the first time, in 10 years of operations, the LS MFEZ declared a dividend of over ZMW 1.2 million to the IDC. This milestone achievement did not go unnoticed as the LS MFEZ shareholders applauded the achievement and encouraged the team to continue pursuing its mandate and remain profit making.

We see an investor in agro-processing actualizing their investment/development within 4 months of sector approvals and stating their readiness to commence production by September 2022.

It has been a catalytic first half of 2022 and we hope the reader will enjoy the read!!

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# DIRECTORS FOREWARD



**The Lusaka South MFEZ is a government prototype, designated as the only state-owned economic zone in June 2010 under statutory instrument No. 47 of 2010. The Zone is in extent of 2100 Hectares of land delineated for multiple uses or as a mixed development, under a 50-year master plan; and currently in its 10th year of development, with a total investment of USD 977 Million.**

Our Country which is strategically positioned in Southern Africa and is a land linked country surrounded by 10 countries with a market size of over 400 million consumers, creates an advantageous investment environment for our zone and its investors.

In view of this, the LS MFEZ Limited has embarked on deliberate projects to take advantage of tax incentives and the surrounding market size. Two projects of focus for 2022/2023 are the development of an export processing park and an aerodrome park.

## ***Export processing Park***

Our economic zone has set aside land in extent of 50 hectares for the development of an export processing park. Recent incentives accorded by the Government of Zambia on export of local goods produced within Zambia, makes it timely for this development.

The export processing park is projected to take advantage of backward and forward linkages in the value chain and will also source raw materials locally with the intention to produce finished products within the Zone for export outside Zambia. This will contribute greatly to the country's gross domestic product (GDP) and will further the mandate for job and wealth creation for the citizenry.

## ***Aerodrome Park***

Strategic to the export processing zone is the development of an aerodrome park for convenient movement of goods and people within Zambia.

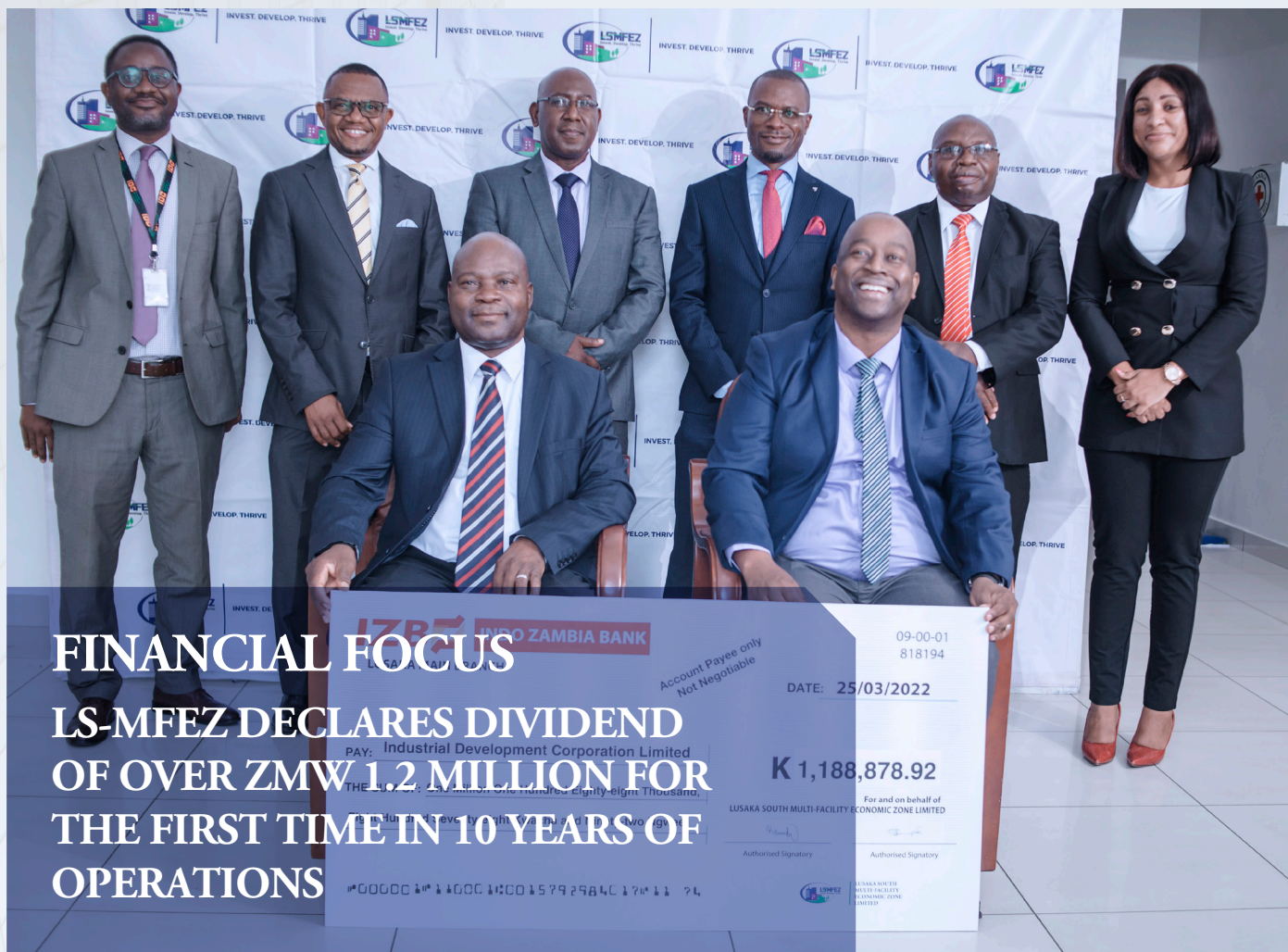
The aerodrome park is expected to consist of multiple facilities, including a gravel top airstrip, private hangers, airport, airport hotel and conference center, commercial hangers, approved maintenance organization (AMO), flight school, cargo handling depot, license administration, fuel depot and high-tech industrial cubicals. These two developments will break ground in 2022 with development time of about 24 months.

**Mr. Kennedy Mwila**  
**Managing Director**

***“50 hectares for the development of an export processing park. Recent incentives accorded by the Government of Zambia on export of local goods produced within Zambia, makes it timely for this development.”***

***Aerodrome park ...multiple facilities, including a gravel top airstrip, private hangers, airport, airport hotel and conference center, commercial hangers, approved maintenance organization***





## FINANCIAL FOCUS

### LS-MFEZ DECLARES DIVIDEND OF OVER ZMW 1.2 MILLION FOR THE FIRST TIME IN 10 YEARS OF OPERATIONS

The LS-MFEZ Limited declared a dividend of ZMW 1,200,887.8 to the Industrial Development Corporation and a profit before taxes of ZMW 4.98 million for the first time in its 10th year of operations.

The Zone recorded the most investment accounting for USD 309 Million in 2021 alone against a cumulative of USD 567 Million from inception to 2020.

Speaking at the declaration ceremony held at the Industrial Development Corporation premises, the Board Chairperson of the LS-MFEZ- Mr. Gomeli Litana said, “The change in administration created more impetus for the LS-MFEZ. Waivers on taxes on dividends and import related profits improved investor confidence and certainly accelerated

investment prospects within the LS-MFEZ. The Directorship of the Zone remains hopeful that under the leadership of His Excellency Hakainde Hichilema and the new dawn administration discretionary consideration towards policies specifically in the areas of corporate tax and other tax incentives will be given as a way of accelerating investments.” Mr. Litana further commended the Management of the Zone for their unrelenting effort in ensuring that the LS-MFEZ Limited is turned around into a profit-making entity under the Industrial Development Corporation Zambia Group. Taking advantage of the platform, he encouraged the Team to continue this trajectory and to ensure that the LS-MFEZ is fully converted into a modern satellite city as it is intended to be.

The Industrial Development Corporation Zambia speaking through the Acting Group Chief Executive Officer- Mr. Henry Sakala assured the LS-MFEZ that the dividend received would be put to good use especially in the areas of actualizing various national projects that are in the pipeline. Mr. Sakala called for deliberate strategies to be put in place by the zone to attract more investment and ensure that it became a game changer in the areas of innovation, manufacturing, industrialization and technological advancements



# LS-MFEZ CELEBRATES 10<sup>TH</sup> YEAR ANNIVERSARY



## HISTORY OF THE LS MFEZ

The Lusaka South Multi Facility Economic Zone (LS-MFEZ) was designated as an economic Zone in June 2010. Though the planning process and other steps to ensure that the concept was introduced was started earlier than that. The area where LS-MFEZ is located used to be a degraded forest that was invaded by squatters whose activities had damaged the forestry. The idea was to create an economic activity that was going to create greater impact on the Zambian economy at the same time preserve the local forestry. That was how part of the land was designated as a national park and the other part a special economic zone. Hence the creation of the Lusaka National Park and the Lusaka South Multi Facility Economic Zone.

The concept of Special Economic Zones was new to Zambia at the time, and it necessitated the establishment of a Local Expert Team that was constituted to help the consultant who was preparing the LS-MFEZ

Master Plan. The preparation of the master plan included various studies on the proposed site, local and region markets. A team of local experts consisting of between 15 to 20 experts from various sectors. These experts were exposed to countries that had special economic zones like China, Malaysia, Vietnam and within Africa to learn how Special Economic Zones were developed and operated. Japan International Cooperation Agency (JICA) also engaged some consultants who also helped the Local expert team and the Kulim High Tech Park who prepared the LS-MFEZ master plan.

The LS-MFEZ Planning process was not free from opposition. At the time there were sentiments that an arts center should be set up for music instead of an economic zone. There were some environmentalists who were uncomfortable with the development in relations to environmental degradations. However, did not justify the need for manufacturing and diversification of the Zambian economy, away from reliance on mining. The team also ensured that all environmental issues were addressed in the plan. The Local expert Team stood its ground and ten years there is an emerging center that will the local and regional markets with high quality products and will continue grow its economic share. The government registered a Special Purpose Vehicle (SPV) to develop, manage and operate the Economic Zone. The Lusaka South Multi

Facility Economic Zone Limited (LS MFEZ Ltd) was then registered in 2012 with the mandate to develop, operate and manage the Lusaka South Multi Facility Economic Zone (LS MFEZ). Infrastructure development had already started around 2013 such as roads and other infrastructure followed later like water and sewerage development.

The government then appointed an interim Board of Directors that took over the running of the zone around 2014 and a team of officers with different expertise were also mobilized mostly seconded from government departments and agencies. In 2015 it was then realized that full time staff were required, at this stage members were contracted to work from the zone and oversee the developments. The initial site office was a temporal structure set up at what is now the east gate of the economic zone. At the time there was a sentiment that the economic zone was for foreigners and foreign investment and therefore the uptake for investment was low. The first three investors were NRB Pharmaceuticals, Zambia Breweries and Roland Imperial Tobacco. Today the LS-MFEZ Ltd has attracted more than 100 different types of investors both local and foreign and has 70 approved investments with an investment portfolio of USD 1 billion. These achievements have not been without challenges like policy inconsistencies particularly on the incentives, legal frameworks that posing to be a challenge in the



overall development of the zone and the approved investors and the.

### **ACHIEVEMENTS AT 10 YEARS**

The LS MFEZ has contributed an investment total of USD 1 Billion to the Zambian economy, with 5000 new direct jobs created from 18 operating companies. The 70 approved companies to invest in the Zone are projected to create more than 13, 000 new direct jobs during construction and operation. This will bring other benefits to the Zambian economy in terms tax, GDP growth and wealth creation.

Most entrepreneurs have realized that LS-MFEZ was a space where Zambians can also participate for the benefit of the country, and we have seen their participation in residential land and in relation to setting up industries. With more than 70 approved investments and 80% of industrial land occupied, at least 60% of the approved investments are Local, including SME. Which is a clear indicator that the impact of the special economic zone is now beginning to be felt. The LS MFEZ Limited now boasts an investment portfolio of USD 1 Billion. The uptake of industrial has been very impressive constituting 90% of the total land that has been leased in the zone. So, far out of 2100 hectares of land has been allocated to investors and it is including residential development 756 hectares of land has been allocated. For the first time in its 10th year the LS MFEZ Limited has declared a dividend of over ZMW 1.2 million.

The LS MFEZ limited has also taken the initiative to participate directly in the investment within the Zone by registering special purpose vehicles in the areas of solar

energy and aviation. Currently the company is a minority owner in Lusanje Power and Kulenga Airpark Development. These are all projects that are set to directly contribute towards job creation and value addition.

### **THE NEXT 10 YEARS**

The development pace of the zone is expected to rapidly pick up with coming of residential development. We expect the development of the commercial and Institutional land to be focus of the Zone in the next 10 years. At full capacity the LS-MFEZ is expects to create close to 100,000 new direct jobs. We also think the LS-MFEZ in the next ten years it would have reached more than 90% development in all the areas. That is the development of the commercial which include shopping malls, office parks; Institutional developments which include specialized hospitals, schools, regulatory institutions, and recreational areas like amusement parks etc. Therefore, the LS MFEZ commenced the sale of residential land in November 2021 and has already sold over 300 plots. The next 10 years will see the zone become a fully fledged modern town with decent planned settlements. “I would encourage Zambians to advantage now and take up their spot within the economic zone before the land is depleted and before the city becomes fully functional. The idea is to buy into the vision and reap the benefits when the vision becomes a reality.” Mr. Zulu Said.

The next 10 years will witness the development of an export processing park, a manufacturers park, vertical cities where we envision high rise apartment complex with supporting services housed in the same sky

scraper that is, shopping malls, office space, recreational facilities etc. As part of its mandate, the LS MFEZ will also continue to pursue partnerships to provide quality and efficient services to its investors. To do this, it will continue to call on the private sector and government to assist the development of backbone and critical infrastructure in the areas of treated water, road network, sewer and drainage as well as energy. In the next 24 months, the zone expects to actualize a 25 mega watt solar powered plant under the special purpose vehicle deemed Lusanje, which is a partnership between LS MFEZ Limited and Serenje PVT.

**Mr. Maxwell Zulu**  
**Head of Planning & Compliance**





## NEW INVESTOR- QUEENS OIL REFINERY LIMITED

Queens Oil Refinery is locally registered Zambian company currently producing edible oils and is relocating their factory into the Lusaka South Multi Facility Economic Zone. The total project cost is USD 1.6 million and is expected to create 64 jobs.

Construction of the edible oil refinery began 4 months ago, and the Investor is near completion with a set production target of September 2022.

In Just four months of construction the investor has managed to put up all buildings and install machinery. Machinery is to be commissioned in the month of September 2022 when production is set begin

## INVESTOR ACHIEVEMENT- TRADE KINGS WINS SADC QUALITY AWARDS PRODUCT OF THE YEAR

Trade Kings scooped award at the 2022 SADC Quality Awards product of year for the Boom Bubble Plus product in the Large Enterprise Category. Speaking at the awards ceremony, Group General Manager- Mr. Lux Subramanian said, “the awards drive the key objective to facilitate trade through the harmonization of

standards based on International standards.”

LS MFEZ limited is proud to boast this award on behalf of the Trade Kings Group as a loyal partner and investor within our Zone since 2019. The factory currently located within our Zone is under expansion and is aligned to the mandate to diversify the Zambian economy

and create jobs for Zambians. To echo the sentiment expressed by the Trade Kings Group General Manager regarding the harmonization of standards based on international standards, this positions locally produced commodities on the global map to expand markets beyond African borders and join the global supply chain.



## ZAMBIA LUSAKA FRESH MARKET SECURES USD 7.5 MILLION FUNDING

Zambia Lusaka Fresh Market is positioned for set up within the Lusaka South Multi Facility Economic Zone. The project which falls under the Savenda Group of Companies has secured funding of USD 7.5 Million from United States Development Finance Corporation (DFC) for the construction of the market within the economic zone. The loan is among 34 transactions totaling USD 1.4 billion for different projects around the world.

This type of impact funding is

intended to advance development around the world and for Zambia the project is targeted towards the improvement of food security. The market will be the first of its kind in the country and is poised to source produce from small scale farmers for packaging and redistribution both locally at the market and through international chain stores. The idea is to decrease food waste and improve access to nutrition. 11 Hectares within the economic zone has been reserved for this development and construction is set to begin in July 2022. The

market will provide a means for small holder farmers to aggregate their produce and contribute towards the Country's gross domestic product.

The planned development is expected to house a food hub, a market, modern buildings, and an aeroponics facility. Aeroponics is a cultivation technique in which produce is grown in the air and nutrition is delivered in the form of fine mist without the use of soil.

## LS MFEZ COMMENCES SERVICING OF RESIDENTIAL AREAS

LS MFEZ commenced the sale of residential plots in November 2021, to date the zone has sold over 300 plots. The LS MFEZ has opened up a total of 10 kilometers of roads of all weather gravel roads in phase 1 and phase 2 of the residential area, this is against a total of 15 kilometers. Works are ongoing and the balance of 5 kilometers is set to be completed in quarter 3 of 2022.

Design of water, power and sanitation services is also expected to commence in quarter 3 of 2022. The LS MFEZ is set to actualize the development of a modern city. All plots are planned for under the master plan and the settlement is expected to unfold in an orderly format with all services provided for by the LS MFEZ Limited.





# FEATURE ARTICLE - BUREAU VERITAS ZAMBIA TAKES INTEREST IN THE LSMFEZ

Bureau Veritas Zambia is poised to offer its Green Line business services in support of the Lusaka South Multi Facility Economic Zone (LSMFEZ), along with both its corporate and non-corporate stakeholders, in the quest to better uphold environmentally friendly practices in the LS MFEZ.

Bureau Veritas Zambia forms part of the Bureau Veritas group, a world leader in testing, inspection and certification (TIC) services and whose core business focuses on assisting organizations to better manage risk and to enhance their productivity, efficiency and profitability.

The company is strategically positioned to collaborate with the LS MFEZ given its presence in Zambia and its services in TIC needs of a wide and diverse range of organizations locally and abroad. Bureau Veritas Zambia is here to facilitate trade and enhance access to new markets for goods and services produced in Zambia by both SMEs and Large Enterprises through provision of services that enhance Quality, Safety and Environmental friendliness to meet the requirements of economically viable markets in and outside of Zambia.

## EVENTS *ZNBS and LS MFEZ pen Mortgage MOU*



The Lusaka South Multi Facility Economic Zone and Zambia National Building Society signed a memorandum of understanding (MOU) allowing customers and staff of the LS MFEZ to obtain financing from Zambia National Building Society to purchase plots within the Lusaka South Multi Facility Economic Zone.

Speaking during the signing ceremony, the Managing Director for The Lusaka South Multi Facility Economic Zone said, “.....the strategic partnership is in prolongation of the goals and mandate of the LS MFEZ to develop a modern city within a city, but within reasonable time. The access to finance by customers will catalyze the projected developments but more importantly support the commercial area where shopping malls, community facilities and recreational facilities are expected to go up.”

During the same event, Zambia National Building Society Managing Director, Mrs. Mildred Mutesa announced that the Society had reduced its interest rates in mortgages from 24 % per annum to 21% per annum effective 1 April 2022.

Mrs. Mutesa said that this was in order to make it more affordable for customers to access home loans, calling on the public wishing to acquire property in the Lusaka South Multi Facility Economic Zone to engage ZNBS and the Lusaka South Multi Facility Economic Zone Management .





## EVENTS

### *Zamtel and LS MFEZ sign Commercial Agreement*



The Lusaka South Multi Facility Economic Zone and Zamtel signed the commercial agreement for the distribution of data and related services within the Lusaka South MFEZ on 24th March 2022.

This is in a quest to fulfill the mandate of the Zone for improved service delivery to its investors. The two entities both belonging to the Industrial Development Corporation Zambia are proud to initiate and promote inter-group business.





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