



OPPORTUNITIES IN INFRASTRUCTURE

Zambia as an Investment Destination

POLITICAL, ECONOMIC AND SOCIAL ENVIRONMENT

- Multi party system of politics:
 - since 1991
 - stable political environment
 - Movement for Multi Party Democracy (MMD) Government since 1991
- Liberalisation of economy
 - led to growth trade and in investment opportunities
- Population of 13 million (2010 census)
 - Educated workforce
 - A growing number of women constituting part of workforce
- Favourable monetary and fiscal policies
 - No restriction on remittances
 - Liberalised currency market
 - 35% corporate tax (30% for mining, 15% on exports)
 - Single digit inflation rate
 - Declining interest rates
- Enactment of Zambia Development Agency (ZDA) Act
 - Favourable interaction between private sector and government (ZACCI, ZCM, ZAM, ZNFU, EAZ, EIZ, LAZ, Business Forum)



- Health and Education facilities available across Zambia

INFRASTRUCTURE



- Construction sector constitutes a growing portion of GDP
 - Construction continues to grow in Zambia and the region
 - Driven by both government and private sector

- Construction in road sub sector constitutes a large part of the Construction sector
 - Road sub sector construction being spearheaded by government
 - Focus is growing and taking varied approaches
 - Private Public Partnership projects are becoming more pronounced.

- Cement market growth rate continues to grow year on year
 - Growth rate forecast are positive for the foreseeable future
 - Export market growth rate are also positive
 - Major markets are DRC, Burundi and Malawi
 - Drivers are government construction projects and mining projects

- Zambia as land linked country provides benefit for having good infrastructure development
 - Provides an attractive platform for exporting to regional countries
 - Creating a transit route for countries on all sides of Zambia's borders

INFRASTRUCTURE



- To help take advantage of this opportunity, government continues with its major road construction programmes linking all parts of Zambia's borders
- Road infrastructural projects like other construction projects in Zambia use cement
- Lafarge has enough capacity to supply Zambia's current demand
- Lafarge has products available for specific applications:
 - heavy construction projects,
 - Concrete product manufacture
 - Individual home building (general purpose)
- Lafarge has expertise in Aggregates and concrete
- Lafarge has capacity to support all types of construction projects
 - Hi tech laboratory at Chilanga
 - Technical centre in South Africa, Cairo and Lyon readily available to help meet customer needs



ABOUT LAFARGE

- Lafarge is the world's largest building materials supplier
 - No 1 in Cement
 - No 1 in Aggregates and Concrete
 - No 2 Gypsum
- Lafarge has global reach
 - Present in 78 countries, 78,000 employees



- Entered Zambia in 2001
 - Acquired assets of CDC
 - Formerly Chilanga Cement Plc
 - Changed to Lafarge brand in 2007
- One of Zambia's successful companies
 - First company to be listed on the stock market in 1994
 - Best performing stock on 2010
 - Did sales of just under a million tonnes in 2001



- Sustainability
 - Engages local suppliers first before engaging international suppliers
 - involved in community support (health, education and environment)
 - Environmental management is in line with Lafarge world standards
 - Lafarge complies with all local regulatory requirements
 - Land reclamation
 - Rejuvenating quarry into golf course
 - Contribution to the Environmental Protection Fund EPA managed by government