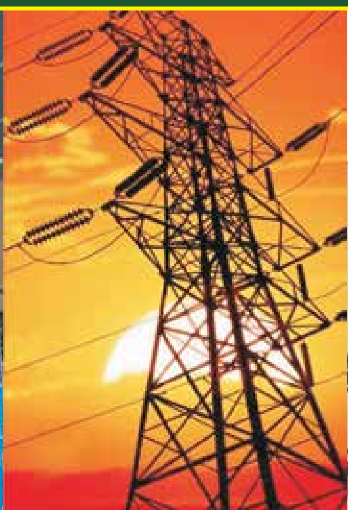
Bank Of Zambia

Foreign Private Investment & Investor Perceptions in Zambia - 2016

Accelerating Export Diversification and Industrialisation for Inclusive Growth



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Foreign Private Investment and Investor Perceptions in Zambia

2016

Prepared by:
The Balance of Payments Statistical Committee
of the Government of the Republic of Zambia




TABLE OF CONTENTS







i. List of Acronyms

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




ii. Acknowledgements

This Phase IX Report of Zambia's Foreign Private Investment and Investor Perceptions Survey - 2016 was prepared by the Core Project Team constituted by the Joint Technical Committee on Balance of Payments Statistics, comprising staff from the Bank of Zambia (BoZ), Central Statistical Office (CSO) and the Zambia Development Agency (ZDA).

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

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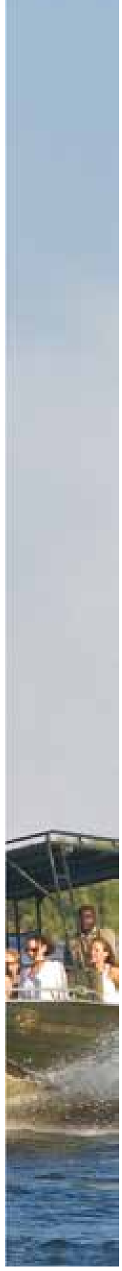

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Vi. EXECUTIVE SUMMARY




vi. Executive Summary

In an effort to effectively monitor and manage external capital flows, the Bank of Zambia in collaboration with the Zambia Development Agency, Central Statistical Office and other Balance of Payments Statistical Committee (BoPSC) member institutions conducted Phase IX of the Foreign Private Investment and Investor Perception survey in June 2016. The survey captured foreign investment data on assets and liabilities (stocks and flows) for the calendar year 2015 and the first and second quarters of 2016, as well as investor perceptions. A total of 350 enterprises were enumerated out of which 308 responded representing a response rate of 88.0 percent. Out of the 308 companies that responded, 279 had foreign assets and/or liabilities. The survey was undertaken in conformity with the International Monetary Fund (IMF) Balance of Payments and International Investment Position Manual Sixth Edition (BPM6), the Coordinated Direct Investment Survey (CDIS), and the OECD Benchmark Definition of Foreign Direct Investment. The survey further complied with the Manual on Statistics of International Trade in Services (MSITS 2010) for compilation of Foreign Affiliates statistics.

Zambia's net Foreign Direct Investment (FDI) inflows fell sharply to US $1,177.4 million in 2015 from US $3,194.9 million in 2014 due to a decline in foreign direct investment liabilities by 12.3 percent to US $1,304.9 million from US $1,488.6 million recorded in 2014 and an accumulation of US $127.5 million in assets held abroad as opposed to a drawdown of US $1,706.1 million recorded in 2014. The decline is largely explained by a reduction in reinvested earnings in various sectors due to high operational costs, lower commodity prices, depreciation of the Kwacha, the hydro-power deficit, adverse weather conditions, and the uncertainty associated with the 2016 general elections. Nonetheless, FDI liabilities inflows were mainly in form of borrowing from affiliates. Mauritius ranked highest among the major source countries, followed by South Africa, China, France, Switzerland, Ireland and Canada. The manufacturing industry was the major recipient of FDI flows accounting for 66.8 percent of the total inflows.

During the review period, other investment liabilities inflows more than doubled to US $1,131.8 million from US $532.8 million recorded the previous year. Portfolio equity investments registered a net inflow of US $13.5 million, whilst financial derivatives recorded a net outflow of US $57.8 million during the same period. Consistent with regional trends, the survey findings indicate a slow-down in foreign direct investment inflows, with FDI inflows of US $462.3 million recorded in the first half of 2016, compared to US $788.6 million received the same period in 2015. This is despite increases in reinvested earnings relative to declines in equity capital and debt across sectors.

The stock of Private Sector External Debt (PSED) grew by 7.3 percent to US $13,422.4 million at end-2015 from US $12,505.6 million recorded at end-2014. This was largely long term borrowing from related enterprises in form of loans, with the mining and quarrying industry accounting for the largest proportion. The major sources of credit were the United Kingdom, China, Switzerland, South Africa, and Canada.

Zambia's private sector recorded an increase in foreign assets of US $209.0 million compared to a drawdown of US $1,847.1 million registered in 2014. This outturn is mainly explained by net repayments by enterprises abroad in form of FDI assets with Mauritius as the major destination country. Portfolio equity, financial derivatives, and other investment assets recorded declines during the same period.

Zambia's Majority-Owned Foreign Affiliates (MOFAs) generated sales/turnover amounting to US $11,795.4 million, 18.5 percent lower than the previous year, and accounted for 77,570 employees, 11.4 percent lower than 85,527 level recorded in 2014. The net worth of the enterprises, however, grew despite declaring losses resulting in a decrease in profits and consequently a fall in dividends declared. Similarly, contribution in terms of value addition and goods and services was lower. MOFAs accounted for 77.9 percent of Zambia' exports and 42.4 percent of imports of goods.

During the same period, the surveyed enterprises spent US $79.8 million towards corporate social responsibility activities, mainly on health and welfare, education and sports development among others.

In terms of investor perceptions, the survey findings suggest that the overall ease of doing business in Zambia was generally good with a significant number of investors favourably rating factors such as starting a business, paying taxes, issuance of permits and registering property. Issues relating to resolving insolvency and getting credit however, were rated unsatisfactory. The 2017 World Bank Doing Business Report, indicated a decrease in Zambia's overall ease of doing business ranking mainly attributed to unfavourable rating in the 'dealing with construction permits' factor. The report further revealed that registering property was identified as a reform that made doing business in Zambia easier due to the reduction of property transfer tax.

The key factors that positively influenced investment decisions were domestic economic growth, regional economic growth, global economic growth, political stability and market potential. On the other hand, major areas of concern included inflation, exchange rate depreciation, low copper prices, lending rates and




corruption. The main risk factors to increased investment levels however, were high cost of doing business, market risk, unstable macroeconomic environment, limited access to credit and bureaucracy among others. Investors were also dissatisfied with the cost of electricity and fuel. However, the road transport, insurance, banking and internet services were cited as positive factors.

In terms of service delivery by Government agencies, most agencies were rated favourably by investors with Patents and Company Registration Agency (PACRA), topping the list. On the other hand, local authorities, utility companies and the Zambia Police service were rated unfavourably. The survey findings indicated that government measures aimed at promoting investment i.e. business registration processes, trade and investment missions, trade and investment facilitation, policy dialogue and advisory services and implementation of investment incentives were generally well received by the respondents.

The survey findings indicated that 54.0 percent of responding companies planned to expand their business through expansion of existing facilities, value addition and acquisition of machinery and equipment. Government measures to encourage foreign investment were well received. These measures included political stability, stable exchange rate, efforts in fighting corruption, stable and sustainable tax system, infrastructure development, efficiency in the public service, efforts to lower interest rates and consistent Government policies. Nonetheless, there were still considerable dissatisfaction with some government policies and institutions that play a key role in the investment process. There is need to address these challenges in order to maintain Zambia as an attractive investment destination.

Most enterprises indicated that recent fiscal and monetary policy measures (policy rate, statutory reserve ratio, overnight lending rate and the removal of interest rate caps) adversely affected their business operations. However, the stabilisation of the foreign exchange market by BoZ was well received. The survey findings further revealed that financing of business operations by most enterprises was through equity, while Government continued to promote export production across all industries, most enterprises were aiming at meeting the demand in the domestic market for their products and services.

Major policy implications are, but not limited to, sustaining the increase and maximising the gains from foreign private capital inflows thereby contributing to job creation and economic growth; stepping up efforts to diversify investment to key sectors with potential for large scale exports; enforcing policy measures to promote investment in Government's priority industries such as agriculture, forestry and fishing, energy, tourism and manufacturing; maintaining exchange rate stability, build international reserves to minimise the adverse effects of external shocks; ensuring and maintaining macro-economic stability through continued pursuance of prudent fiscal and monetary policies in order to enhance the attractiveness of the investment climate.

Despite improvements in Zambia' doing business environment, Government efforts must continue addressing the negative concerns associated with corruption, high cost of doing business, electricity and fuel deficits while improving on those positive factors affecting investments decisions which are key in enhancing the competitiveness of local industries. Investor feedback on various government policies is vital for well-informed trade and investment policy formulation. As such government needs to continuously dialogue with the investors and the business community on key issues that affect investment.

1.0 INTRODUCTION




1.0 INTRODUCTION

The Zambian Government has committed itself to accelerating growth and reducing poverty as the country moves towards upper middle income status. This commitment is also reflected in the adoption of the Sustainable Development Goals and in the adoption of policies to promote equitable and sustainable growth through the job creation and industrialisation strategy. The promotion of private sector and private sector investment is key to this strategy and foreign direct investment has a positive role to play in this process. The theme of this report is **"Accelerating Export Diversification and Industrialisation for Inclusive Growth"**.

Despite the economy facing an array of domestic and external challenges including the electricity deficit, high inflation, and low commodity prices in 2015, Government policies are now designed to improve economic and fiscal governance as well as strengthening the laws and regulations that impact economic activity. This is reflected in the commitments made by the Honourable Minister of Finance in his 2017 Budget address to Parliament. The Government has identified agriculture, tourism, and industrialisation as key areas of focus. The Government has also committed to enhance the energy and transport infrastructure, through greater collaboration between the public and private sectors. Efforts are also being made to reduce the costs of production and ease of doing business.

While Zambia had experienced strong economic growth over the period 2005 – 2013, averaging 6.4 percent annually, growth has over the last two years been declining to 4.7 percent in 2014 and 2.9 percent in 2015. The decreased growth, coupled with low commodity prices globally, has adversely affected investment decisions leading to decreasing trends in FDI inflows. In line with enhanced job creation and industrialisation policies, Zambia has with renewed vigour continued to encourage private investment in all major growth sectors.

This report summarises the survey findings on foreign assets and liabilities and investor perceptions in Zambia. The survey was undertaken between July and August 2016. It covered the calendar year 2015, and the first half of 2016. A total of 350 enterprises were issued with questionnaires of which 308 responded, translating into a response rate of 88.0 percent. The survey was undertaken in conformity with the latest International Monetary Fund (IMF) Balance of Payment and International Investment Position Manual Sixth Edition (BPM6), the Coordinated Direct Investment Survey (CDIS), Organisation for Economic Co-operation and Development (OECD) Benchmark definition of Foreign Direct Investment and the 2010 manual on Statistics for International Trade in Services (MSITS 2010). The survey further complied with the United Nations Conference on Trade and Development (UNCTAD) requirements for compilation of Foreign Affiliates Trade in Services (FATS).

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

The main findings of this survey are that Zambia's net foreign direct investment inflows decreased to US $1,177.4 million in 2015 from US $3,194.9 million recorded in 2014, explained by higher net liabilities relative to net repayments by enterprises abroad. However, the total private sector foreign liabilities (foreign private capital inflows) rose by 16.9 percent to US $2,392.5 million from US $2,046.4 million recorded in 2014. This outturn was largely as a result of an increase in other investment inflows across sectors which rose by 47 percent in 2016. Meanwhile, private sector foreign liabilities declined to US $358.8 million in the first half of 2016 compared to US $889.5 million recorded in the first half of 2015.

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

2.0 OVERVIEW OF THE INVESTMENT CLIMATE




2.0 OVERVIEW OF THE INVESTMENT CLIMATE

Investment climate depicts economic and financial conditions in a country that motivate and attract individuals and businesses to conduct economic activities and invest in a country. It is affected by many factors, which include: poverty and crime levels, infrastructure, workforce, national security, political stability, tax policy, rule of law, property rights, government regulations, transparency and accountability.

An unfavorable investment climate is one of the many hindrances confronted by most developing countries. Regulatory reform is a key component of removing barriers to investment. A number of organizations have been established for the purpose of improving the investment climate and spurring economic development in many countries.

The level of private sector investment in a country is, to a large extent, determined by the attractiveness of the investment climate.

2.1 The Investment Climate in Zambia

Government has continued to spearhead policy and institutional reforms aimed at marketing Zambia as an ideal investment destination to both local and international investors. This is undertaken through the Zambia Development Agency (ZDA). The ZDA Act No. 11 of 2006 provides for investment guarantees and special investment incentives. Investment guarantees protect investments against state nationalisation while special investment incentives are provided to projects worth at least US $500,000 in the Multi-Facility Economic Zones (MFEZs), Industrial Parks and rural areas, and investments in specified priority sectors. Incentives include, duty-free on imported capital equipment and machinery, and tax holidays. Further, the Private Sector Development Industrialisation and Job Creation (PSD- IJC), a reform programme aimed at addressing issues related to cost of doing business through legislation and institutional reforms has also stimulated investments in non-traditional sectors.

2.2 Investment Opportunities

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

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

Zambia is bordered by eight countries and is a member of the Common Market for Eastern and Southern Africa (COMESA) and the Southern African Development Community (SADC). It also has market access to the European Union (EU) through the Everything but Arms (EBA) initiative, the US market through the African Growth Opportunities Act (AGOA) and the Chinese and Japanese markets through various initiatives.

There is also a large potential for investment in the manufacturing sector based on agriculture produce as inputs (raw materials) i.e. food/crop processing plants such as canning factories, oil processing plants, textile clothing and tannery industries. Other investment opportunities in this industry exist in the mineral processing (value addition to copper and gemstones), chemical products, pharmaceutical products, manufacture of computers, vehicles spare parts manufacturing industries for both domestic and regional markets.

Owing to the increased economic activities in the country and the region, there has been a huge demand for electricity. As a result, Zambia is facing electricity shortages despite continued investments in the energy industry, particularly in the last five years. There are vast water resources and coal reserves ideal for the generation of hydro and thermal electric power in the country. The energy industry has vast investment opportunities following the development of the Power System Development Master Plan (PSDMP) by




Government, a blue print for developments in the energy sector up to the year 2030. Government is promoting the construction of new hydro power stations. Investment opportunities in the energy sector include the Luapula River Hydropower Scheme (800-1,200MW), Batoka Gorge Hydro-Power Project (2,400MW), Mpata Hydro-Power Project (800MW) and Devil's Gorge Hydro-Power Project (est. 800MW). Investments in alternative sources of energy and related energy technologies are also encouraged and supported. More recently, working with multi-lateral partners and the private sector, Zambia has commissioned a solar power project at benchmark low prices.

In the petroleum sub-sector, the Government has put in place measures to build strategic reserves and recapitalise Indeni Oil Refinery for it to operate efficiently. However, another refinery is needed to meet domestic and the regional demands.

Exploration work on petroleum oil and gas is being carried out in the North Western Province. This follows the positive indication arising from tests that were carried out. Interested companies have been invited to carry out further drilling and exploration works.

From the foregoing, it is clear that there are vast opportunities for investment in Zambia. Establishment of public private partnerships (PPP) and joint ventures between local and foreign private investors and establishments in all sectors of the economy particularly in infrastructure development such as roads, schools, health service, water and sanitation, and energy is being encouraged.

2.3 Economic Development, Diversification and Industrialisation

Zambia continues to experience a slowing GDP growth trend, dropping from 5.1 percent in 2013 to 2.9 percent in 2015. However, as copper prices on the global market have begun to stabilize, the country has remained above the Sub-Saharan Africa GDP growth average which stood at 2.8 percent in 2015. The economy continues to show positive signs of improvement with the inflation rate declining to 12.5 percent in October 2016 from 18.9 percent in September 2016.

The economy registered foreign direct investment inflows valued at US $1,304.9 million in 2015, down slightly from US $1,488.6 million in 2014. However, the overall flows of private sector foreign liabilities rose to US $2,392.5 million in 2015 up from US $2,046.4 million in 2014. Given the global macroeconomic slowdown, investment levels are expected to be low in 2016, with a recovery of FDI inflows projected to occur in 2017.

After experiencing a 5-year upward trend, rising from US $1,046.1 million in 2008 to US $3,558.4 million in 2013, Zambia's non-traditional exports (i.e. all exports excl. copper, gold and cobalt) fell to US $2,272.1 million in 2014 and US $1,848.6 million in 2015.

Notwithstanding the current state of the economy, Zambia's long term mineral and non-mineral investment prospects remain attractive. Economic diversification and transformation has been identified as a key development agenda for the country. Between the Government and the private sector, there is a commitment to increase investor confidence by implementing the necessary policies aimed at promoting inclusive growth supported by foreign investment.

In 2014, Zambia, alongside Burkina Faso, Malawi, Mozambique, Niger, Rwanda and Zimbabwe, was among the top countries in terms agricultural spending as a share of overall public spending, with agricultural spending making up 9 percent of government spending (World Bank, 2016). This signifies effort to drive the economy towards diversified sustainable growth while reducing mineral dependency.

Despite the positive outlook, the country is still faced with macroeconomic uncertainty and external challenges. According to the Central Statistical Office (CSO), 54.4 percent of the population were defined as poor and 40.8 percent of the population were below the GRZ poverty line in 2015. As a measure for international comparison, it is reported that in 2015, people living under US$ 1.9 per day (2011 PPP terms) made up 61.3 percent of the Zambian populous.

For the past three years, the mean average contribution of copper to Zambia's export earnings stands at 69.7 percent. Public policies and programs towards diversification and industrialization of the economy have yet to yield desired results. The mining and quarrying industry has continued to attract relatively higher levels of direct investment, while other industry have not attracted the desired levels of investment despite industry-specific investment incentives.

At present, there is little positive evidence of the effectiveness of prior actions taken towards diversification. A more active, results-driven strategy is crucial if Zambia is to overcome the challenges with regard to diversification of the economy, the promotion of sustainable growth and poverty reduction. Thus the need for, 'Accelerating Export Diversification and Industrialisation efforts for Inclusive Growth'.

3.0 RECENT MACROECONOMIC AND FOREIGN INVESTMENTS TRENDS AND PROSPECTS



3.0 RECENT MACROECONOMIC AND FOREIGN INVESTMENTS TRENDS AND PROSPECTS

3.1 Recent Global Economic Developments and Prospects

Global economic growth marginally declined to 3.1 percent in 2015, down from 3.4 percent recorded in 2014. The growth was mainly attributed to low commodity prices, weakening trade, declining capital flows and increased financial markets volatility as equity prices fell. Economic growth in advanced countries and the Euro area exhibited some recovery. However, emerging market economies, particularly China, Sub-Saharan Africa (SSA) and other developing economies registered weaker growth. Similarly, growth output in the Commonwealth of Independent States (CIS) and Middle East, North Africa, Afghanistan and Pakistan (MENAP) remained weak largely due to slowdown in economic activity affected by low oil prices in Russia and Saudi Arabia respectively. Demand for copper and oil remained subdued and dampened export earnings for many emerging markets and developing economies. This resulted in slow growth in commodity exporting countries. The sluggish global growth and Zambia's major trading partners' slow growth continued to adversely impact Zambia's external performance. Accordingly, the current account deficit widened significantly as copper export earnings contracted due to depressed copper prices.

Growth the SSA region slowed down to 3.5 percent in 2015,from 5.0 percent in 2014. This was mainly due to a continued fall in commodity prices. In addition, a strong US dollar and the slowdown in the Chinese economy continued to depress foreign direct investment flows to SSA. The continued weak economic performance in South Africa, the region's second largest economy, and one of Zambia's major training partners, also contributed to weaker growth in the region. The benefits of declining oil prices on the international market were therefore offset, to a large extent, by depressed economic activity in the region. This led to contagion effects affecting the whole SSA growth negatively. For instance, growth in South Africa was affected by a slowdown in China, the hike in the US interest rate, a strong US dollar, and generally weak global commodity prices that kept overall economic performance subdued. The tightening of monetary policy to contain inflationary pressures, following the fall in the South African Rand's value, also contributed to slow growth.

Inflation in most SSA countries rose mainly due to imported inflation through weakening of domestic currencies. Coupled with this, lower commodity prices and contraction of global demand largely from China affected export earnings of most commodity exporters in the region. Lack of competitiveness as a result of inflationary pressures, low commodity prices and poor trade flows due to weak external demand led to reduced volume of exports. This resulted into the region generally recording current account deficits in 2015.

In emerging economies growth was weaker than expected, at 4.0 percent in 2015. Although GDP continued to rise in India driven by stronger manufacturing, output contracted in Brazil and Russia. Equally, equity prices fell in a number of emerging economies. The fall in asset prices and associated rise in the cost of capital adversely impacted emerging economies. Further, a fall in oil prices also weighed on commodity exporting countries, although they supported activity in commodity-importing economies. Growth in the Chinese economy slowed down in 2015, attributed to reduced investment and contraction in the manufacturing sector, change of Chinese investment policy from export led growth towards domestic consumer spending and the stock market turmoil. Commodity demand reduced in China. This led to a drop in global commodity prices that affected most commodity exporters. The sharp depreciation of the renminbi triggered a significant outflow of private capital, which required the Chinese authorities to sell foreign reserves to support the exchange rate leading to a fall in reserves.

The Chinese economy is estimated to have expanded by 6.7 percent in Q1 2016, marginally slower than 6.8 percent for Q4 2015. China continues to pursue a more sustainable growth pattern, rebalancing away from investment in consumption heavy industry towards services which now account for 50 percent of China's GDP. Robust growth in the services sector offset recent weakness in manufacturing activity. On the other hand, exports rose for the first time in nine months, increasing to 11.5 percent in March compared with a 25.4 percent drop in February 2016.

Global economic growth remained subdued in the first half of 2016 as downside risks persisted, which equally affected the US. Growth in the US was supported by consumer spending, which remained the main driver of economic activity. Labour market conditions continued to improve, with unemployment rate stabilising around 5 percent. However, the economy continued to be affected by the decline in exports mainly as a result of weak economic conditions in the main trading partner countries and a relatively strong US dollar. However, in the Euro area, economic growth remained positive. This was mainly due to energy prices declining and improved labour market conditions thus boosting private consumption. Economic growth also benefited from relatively robust growth in investment and public sector expenditure.

Prospectus economic performance is indicating modest positive recovery. Advanced economies are expected to grow by 1.6 percent in 2016 and increase further to 1.8 percent in 2017. The IMF World

Economic Outlook report suggests that among the main reasons for the subdued level of economic activity are a firm labour market moderated by continued weakness in investments with non-residents in the US, while the contraction in business investment is attributed to the continued decline in capital spending in the energy sector. This is coupled with the impact of the recent dollar strength which has negatively impacted investment in export-oriented industries. Other contributing factors include the financial market volatility and possible recession concerns in late 2015 and early 2016. However, the trend is slowly reversing. The US economy is thus projected to grow by 1.6 percent in 2016. Meanwhile the euro zone is expected to grow by 1.7 percent in 2016, slower than the growth rate of 2.0 percent recorded in 2015.

Economic growth in emerging markets and developing economies is projected to increase to 4.2 percent in 2016 from 4.0 percent in 2015, and rise further to 4.6 percent in 2017. This region continues to account for the largest share of global growth. In Asia, growth in China is expected to be around 7 percent in 2016 as a result of strong credit growth and appropriate policy support. India's economic growth remains robust stimulated by significant improvement in the terms of trade. However, Latin America is set to have a negative growth rate of -0.6 percent in 2016 and then rebound to 1.6 percent in 2017 as political uncertainty and the recession wears off.

Growth in Sub-Saharan Africa is projected to decline significantly to 1.4 percent in 2016 from 3.4 percent in 2015 and then increase to 2.9 percent in 2017, largely reflecting a number of adverse shocks including declining commodity prices that has led to deterioration in the terms of trade, particularly for commodity exporters, tightening financial conditions and adverse weather patterns resulting in food shortages.

3.1.1 Commodity Prices

Almost all commodity prices trended downwards in 2015, with larger declines occurring in energy prices. Declining demand particularly for metals, strengthening of the US dollar and higher US interest rates were the major drivers. On average, crude oil declined to US $50.8 per barrel in 2015 from US $96.60 per barrel in 2014, while copper prices decreased to US $5,510.50 per metric tonne in 2015 from US $6,883.40 per metric tonne (mt.) in 2014. Crude oil prices declined due to excess production by OPEC Members amidst reduced demand. Warm weather conditions in the Northern Hemisphere due to the impact of El Niño contributed to reduced demand for crude oil. Maize prices declined to US $169.80 per mt in 2015 from US $192.90 mt in 2014 while, wheat prices declined to US $203.20 mt in 2015 from US $284.9 in 2014. Excess supply and slow trade contributed to declines in agricultural commodity prices.

However, the outlook for commodity prices is indicating that prices are will remain relatively stable, after their recent increases. Crude oil prices increased to US$42.9/barrel in June 2016 from US $41.2/barrel in December 2015. The increase in prices was largely explained by a fall in oil extraction in the United States and supply disruptions in some major oil-producing countries (Nigeria, Kuwait, Canada, Venezuela and Libya), coupled with the brighter outlook for economic growth in emerging market economies. On the other hand, copper prices decreased to US $4,733/mt in June 2016 from US $4,885/mt in December 2015 as China's demand for the commodity continued to be weak.

Agricultural commodity prices are mostly expected to continue trending upwards due to constrained supply in the markets. Over the review period there was a rise in agricultural prices. Maize prices increased to US $171.1/mt in June 2016 from US $176.2/mt in December 2015, while prices of cotton increased from US $1.5/kg to US $1.6/kg over the same period. Prices for sugar also rose to US $0.4/kg from US $0.3/kg as prices for soyabeans increased to US $424/mt from US $372/mt over the same period. However, wheat prices fell to US $177.7/mt from US $179.6/mt over the same period.

3.1.2 Global Financial Markets

In 2015, there were a lot of uncertainties for international currency markets. This was mainly as a result of slowing growth in China, continued weakness in commodity prices and an apprehension arising out of the concern of a hike in US interest rates. In the second quarter of 2016, the US stock markets closed at the same level as the opening level in 2015. Therefore at best they can be described as an average performance marked by volatility. Meanwhile energy stocks in the S&P 500 were down almost 24 percent on a price basis. The Japanese stock market on the other hand performed well with the Nikkei stock average generating a total return of 10.6 percent, in spite of the Japanese economy struggling to boost output with its central bank undertaking quantitative easing in a bid to keep interest rates low and stimulate business activity. Stocks in emerging markets generally performed poorly due to the slump in commodities, a key factor to most of their economies. The Morgan Stanley Capital International (MSCI) Emerging Markets Equity Index posted a total return of negative 14.92%. European markets performed relatively well as many of their economies picked up pace on the economic front. Overall global equities edged downwards amid the economic slowdown in China and the implications for global growth, with emerging market equities underperforming developed markets.




In the first half of 2016, Global stocks posted fairly modest growth. The market was characterised by volatility, heightened by worries over the gloomy prospects of global economic growth and a sharp fall in equities after Britain's vote to leave the European Union. However, equities recovered strongly and ended the second quarter higher. Overall, U.S. equities gained despite a string of weak economic data and the aftershock of the Brexit. Sector performance within the large-cap Standard & Poor's 500 (S&P 500) Index varied widely, but received support from a partial rebound in oil prices. On the other hand, information technology and consumer discretionary segments moderated the gains. Consequently, the S&P Index closed 1.9% higher in the second quarter of the year under review. Similarly, Chinese stocks edged higher despite data suggesting that the Chinese economy grew at the same rate of 6.7% as in the first quarter of 2016. South African stocks rose by 1.3%, driven by gains in June after S&P and Fitch affirmed their investment-grade ratings. Nonetheless, S&P kept its negative outlook and warned that it would cut South Africa's ratings to junk if the economy failed to recover.

3.2 Recent Global FDI Trends and Prospects

3.2.1 Global FDI Inflows

Global FDI flows rose by 38 percent to $1.76 trillion from $1.23 trillion in 2014, although the global macroeconomic environment did not provide the most conducive environment for investment. This was the highest level recorded since the global economic and financial crisis of 2008-2009. According to the UNCTAD World Investment Report, the rise in FDI is largely attributed to a surge in cross-border mergers and acquisitions (M&A's) to $721 billion in 2015, from $432 billion in 2014.

3.2.2 Regional Investment Trends

The World Investment Report 2016, shows that developing countries continued to receive large inflows in 2015 reaching a high of US $764.7 billion which was 9 percent higher than the US $698.5 billion recorded in 2014. However, this only accounted for 45 percent of total FDI inflows in 2015 whilst developed countries accounted for 55 percent of global flows (US $962.5 billion). The rest of the flows were accounted for by transition economies (US $35.0 billion).

Within developing countries, developing Asia remained the world's largest recipient of FDI flows while flows to Africa and the Caribbean weakened. Investment in other developing and emerging markets were negatively affected by political uncertainty.

In developed countries, FDI inflows rose by 84 percent to US $962.5 billion, up from US $522.0 billion. Inflows to Europe took an upswing for the first time since 2012 to reach US $503.6 billion from US $306.0 billion. Similarly, inflows to North America rose substantially to US $428.5 billion from US $165.1 billion, inflows into the United States rose by over 250 percent. This was mainly due to a surge in cross border mergers and acquisitions. In the US, close to 70 percent of FDI inflows were in the manufacturing sector while 9 percent were in finance and insurance. In Europe cross border mergers and acquisition sales rose to US $295 billion representing the highest level since 2007. The trend across Europe was one of significant increases in FDI inflows in a few countries which more than offset declining levels in several economies. Inflows to France and Ireland almost trebled to US $43 billion and US $101 billion respectively.

The inflows to Africa fell by 7 percent to US $54 billion in 2015. The rise in FDI in North Africa could not match the decreasing flows into Sub Saharan Africa, in particular, West and Central Africa. The decreasing flows are seen to be as a result of low commodity prices in a region where most economies are natural resource-based.

Transition economies experienced a further decline in FDI inflows, falling to US $35.0 billion in 2015 from US $56.5 billion the previous year, a fall of 38 percent. This outturn was due to a combination of factors including weak domestic markets, low commodity prices and the impact of restrictive measures and geopolitical tensions. The Russian Federation posted a decrease in FDI inflows by 66.3 percent due to continued sluggish growth prospects. Foreign investors mostly targeted manufacturing because of competitive production costs and access to EU markets.

Most regional groupings experienced a rebound in FDI inflows in 2015 largely as a result of the recovery of investments in the United States. The groups of countries negotiating the Transatlantic Trade and Investment Partnership (TTIP) and the Trans-Pacific Partnership (TPP), for example, both posted an increase in FDI flows. In 2015, the TTIP initiative received 46 percent of worldwide FDI flows, representing an increase of 106 percent to US $819 billion. Furthermore, Asian group - APEC saw their share of FDI inflows rise and were the largest recipient of global FDI flows, drawing 54 percent of the total. Another major regional grouping, the Trans-Pacific Partnership (TPP) countries which accounted for 34 percent (in 2015) of global FDI inflows experienced a rise of 68 percent to US $593 billion. Similarly, the G20 had an increase of FDI inflows. Overall, FDI inflows to the group increased by 42 percent in 2015.

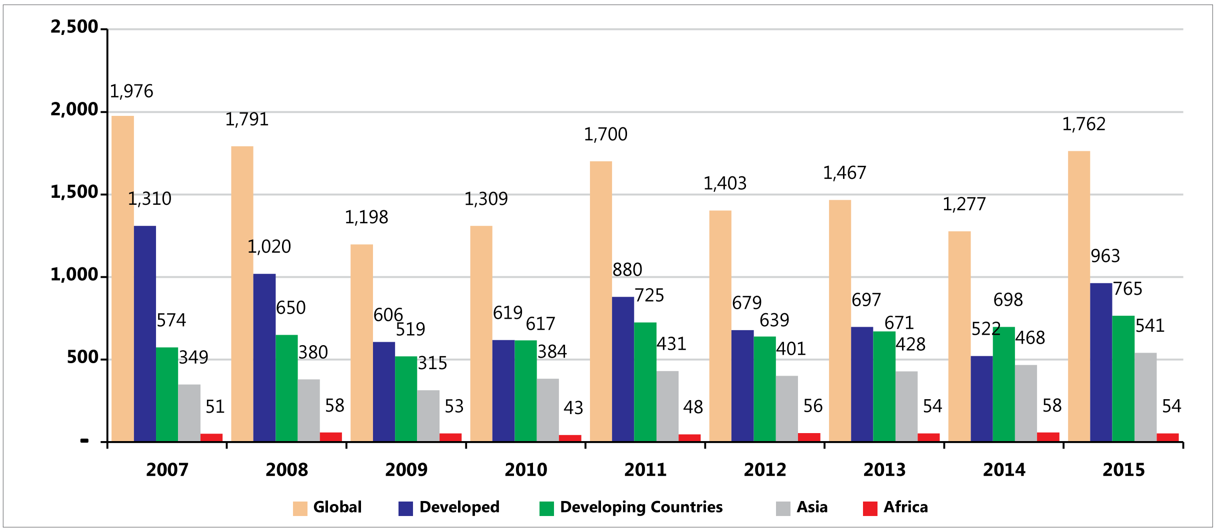
3.2.3 Global FDI Outflows

Global FDI outflows rose by 11.8 percent to US $1.47 trillion in 2015 from US $1.32 trillion in 2014. The outflows from developing countries decreased while those from the developed economies rose more significantly. Ireland and the Netherlands recorded the highest levels of FDI outflows in Europe at US $101.6 billion and US $113.4 billion respectively while FDI outflows from Transition economies fell by 56.9 percent to US $31.1 billion. Flows from developing Asia and Africa decreased while those from Latin America and the Caribbean rose slightly. The Developed world remained a large source of FDI, accounting for over 70 percent of the world's total.

The outflows from Developed countries grew substantially in 2015 to US $1,065.2 billion from US $800.7 billion in 2014. According to the UNCTAD World Investment Report, 2015 saw outflows from Europe increase by 85 percent to US $576.3 billion from US $311.0 billion in 2014. Particularly, outflows from Ireland and Belgium rose significantly from US $43.1 billion to US $101.6 billion and US $5.0 billion to US $38.5 billion respectively. On the other hand, FDI outflows from the United States edged downwards while outflows from Japan rose by 13.3 percent after a 16.0 percent decline in 2014.

In 2015, new global investment policy trends were largely seen as favourable to investors, most investment policy measures continued to be predominantly aimed towards investment promotion, liberalisation and facilitation. UNCTAD data show that in 2015, 85 percent of policies supported liberalisation and promotion of investment while only 15 percent were restrictive measures. The report reveals that Emerging economies in Asia were the most active regarding investment liberalisation across a broad range of industries. Among the new measures a significant development has been the adoption or revision of investment laws mainly in some African countries. In addition, national security concerns have become an increasingly important factor in investment policies, though they could be perceived as restrictive. Countries are using various concepts in order to take into account key economic interests in the investment screening process.

Figure 3.1: Global FDI Inflows, (US $ billions)



Source: *World Investment Report, 2016*

3.2.4 Prospects

UNCTAD, in its World Investment Report (2016), projects FDI flows to rise by 11 percent to US $1.4 trillion in 2015, US $1.5 trillion in 2016 and US $1.7 trillion in 2017.

FDI inflows are expected to decline by 10-15 percent in 2016, reflecting instability in the global economy, continued weakness in aggregate demand and reduced growth in commodity exporting countries. The decline is expected in both developed and developing economies. However, growth is expected to rebound in 2017 and surpass US $1.8 trillion in 2018. The rebound in the medium term is premised on the projected increase in global growth.

3.3 Recent Macroeconomic Developments and Prospects in Zambia

3.3.1 Gross Domestic Product (GDP)

The Zambian economy grew by 2.9 percent in 2015 compared with 4.7 percent in 2014. This growth was mainly from continued expansions in construction, transport and storage and communications, social and




personal services. A rebound in the agriculture, forestry and fishing industry also contributed to this growth.

3.3.2 Inflation

The annual overall inflation accelerated to 21.1 percent in December 2015 from 7.9 percent in December 2014, the rise in inflation was mainly explained by depreciation in the exchange rate, an increase in fuel pump prices and the hydro power supply deficit.

In the first half of 2016, the overall annual inflation accelerated to an average of 21.8 percent from an average of 12.8 percent in the last half of 2015. Inflation closed at 21.0 percent in June 2016 from 21.1 percent in December 2015. The lagged pass-through effect from the depreciation of the Kwacha exchange rate, high production costs and high maize grain prices contributed to higher prices during the first two quarters.

The high annual food inflation was a reflection of higher production costs owing to the increase in the prices of imported food items on account of a depreciated exchange rate, low supply of maize grain due to the regional shortages as well as logistical challenges of transporting some food items from surplus to deficit areas. Higher production costs following increased electricity rationing and the increase in electricity tariffs also contributed to higher food prices during the year.

Developments in the global economic environment continue to present a significant challenge to the economy's external sector position. In this regard, the main strategy remains that of diversifying the economy and promoting export growth. By promoting investment in the key sectors, such as energy, agriculture, tourism, manufacturing, the country can diversify its export base and improve local value addition. It is the increased diversified production activities which can spur the economy into sustainable growth.

Policy makers need to remain committed to maintaining macroeconomic stability and continue to implement prudent monetary and fiscal policies to support and promote economic growth. A stable macroeconomic environment will generally be associated with low and stable inflation, lower interest rates, which in turn will encourage households and businesses to borrow for investment purposes, thereby boosting production levels and building a more resilient economy.

3.3.3 Foreign Exchange Market

The foreign exchange market in 2015 was characterised by high volatility due to both international and domestic factors. These factors included lower copper prices due to the slowdown in China, uncertainty over the performance of the mining sector (with Glencore scaling down its operations at Mopani), stronger US dollar in the international markets, deteriorating current account balance, widening fiscal deficit, sovereign rating downgrade and power deficit.

The strength of the US dollar was largely attributed to stronger US economic data, falling global oil prices, expectations of higher US interest rates, and weakened currencies resulting from monetary easing by the Japanese and European central banks. Consequently, the dollar outperformed and appreciated against most major developed and developing countries' currencies.

The Kwacha sharply depreciated against all its major trading partner currencies in 2015 mainly due to inflation. The Kwacha depreciated by 72.0 percent to end the year at K10.9806 per US dollar. At the beginning of 2015, the foreign exchange market exhibited relative stability and the Kwacha traded on average K6.8567/US dollar in the first quarter. In the second quarter, however, the Kwacha depreciated by 17.6 percent to K7.5117/US dollar. The Kwacha depreciated further in the third quarter by 59.9 percent to K12.0106/US dollar. The Kwacha appreciated by 8.6 percent in the fourth quarter to K10.9806/US dollar following the measures taken by the Bank of Zambia to dampen volatility in the foreign exchange market.

The rate of depreciation of the Kwacha moderated in the first half of 2016. The Kwacha depreciated by 5.0 percent against the US dollar to an average of K10.7140 compared to the sharp depreciation of 43.7 percent in the last half of 2015. Accounting for the slowdown in the rate of depreciation was mainly the effects of the tight monetary policy measures implemented by Bank of Zambia in the fourth quarter of 2015 that limited the supply of Kwacha liquidity on the money market and also raised the cost of credit to support demand for foreign exchange. On a trade-weighted basis, the Kwacha appreciated by 1.1 percent in real terms as the real effective exchange rate index declined to 118.6 in June 2016 from 120.0 in December 2015, reflecting generally the rise in domestic inflation relative to trading partner countries.

3.3.4 External Sector

Preliminary data show that in 2015 Zambia recorded an overall balance of payments (BoP) deficit of US $432.3 million compared to a surplus of US $321.6 million in 2014. This outcome was largely driven by a deterioration of the current account, which outweighed the surpluses recorded in the capital and financial accounts. Among other reasons, the deficit could be attributed to high operational costs mentioned above that most exporters incurred during the period under review.

However, preliminary data for the first half of 2016 indicated that the trade deficit narrowed to US $290.4 million from US $743.2 million due to a strong contraction in imports. Merchandise imports fell by 23.2 percent to US $3.4 billion in the first half of 2016, with reductions occurring across all major items, except electrical and machinery equipment. The fall in imports may be attributed to a downward adjustment necessitated by the sharp depreciation of the Kwacha in the last half of 2015. Petroleum products, fertilizer, chemicals, iron and steel products recorded the prevalent changes in the imports, signaling subdued economic activity.

Export earnings reduced by 15.6 percent to US $3.2 billion by end June 2016, largely attributed to a 20.1 percent reduction in copper export earnings to US $2.1 billion. This reflects the fall in both export volumes and realised prices. Export volumes, at 463,290.1 metric tonnes (mt), were 16.8 percent lower and the average realized price recorded a 4.0 percent reduction, averaging US $4,530.6 per mt. These outturns accounted for the tumble in earnings from copper exports.

Non-traditional export earnings (NTEs) also fell by 7.2 percent to US $874.9 million, reflecting largely the decline in export earnings to the Democratic Republic of Congo. Substantial declines in earnings were recorded on exports of gemstones, sulphuric acid and cane sugar. However, earnings from gold and cobalt exports grew by 17.1 percent and 24.6 percent to US $99.5 million and US $42.6 million, respectively.

3.3.5 External Debt

Preliminary data indicate that the external debt stock of Government increased by 39.6 percent to US $6,602 million at end-December 2015. The increase was mainly on account of the US $1,250 million third Euro bond issuance which accounted for 66.7 percent of the total increase.

Table 3.1: Selected Macroeconomic Performance Indicators, 2008 – 2015

	2008	2009	2010	2011	2012	2013	2014	2015
Real GDP growth (end-year %)	7.8	9.2	10.3	5.6	7.6	5.1	4.7	2.9
GDP per capita (end-year US $)	880.0	993.0	1,236.0	1,732.0	1,814.0	1,897.0	1,886.0	1,376.0
Annual Inflation end-period (%)	16.6	9.9	7.9	7.2	7.3	7.1	7.9	21.1
Comm. banks WALBR (%)	20.8	22.7	19.4	16.6	8.8	9.8	12.5	12.5
Exchange Rate (Annual Average)	3,746.2	5,045.8	4,797.0	4,860.5	5,142.0	5.4	6.2	8.6
Non-Traditional Exports [fob] (US $ millions)	927.6	952.5	1,259.9	1,690.3	2,851.7	3,558.4	2,272.1	1,848.6
Total Exports [fob] (US $ million)	5,098.6	4,312.1	7,200.9	8,829.2	9,639.6	10,606.8	9,686.8	7,037.7
Total Exports [fob] (K millions)	18,653.0	21,364.7	34,500.1	42,915.0	48,206.1	57,175.9	59,614.6	60,682.8
Imports [fob] (K millions)	18,476.4	18,941.1	25,507.4	35,440.9	45,275.9	54,904.1	58,769.2	74,171.1
Imports [fob] (US $ millions)	5,060.4	3,792.6	5,321.0	7,279.1	8,806.1	10,210.8	9,554.9	8,554.4

***Source**: Bank of Zambia Annual Reports, IMF, CSO*

3.4 Future Macroeconomic Prospects

Over the medium term, Zambia's prospects for growth continue to be strong, the country's real GDP growth is projected to improve marginally in 2016, and more strongly thereafter. The coming on stream of new energy projects that are expected to add to the national grid will provide stimulus to economic activity in the country. Other sectors expected to drive growth include agriculture, construction, and accommodation and food services.

Annual inflation decelerated further in the second quarter to 21.3 percent from 22.3 percent previously. The appreciation of the Kwacha by about 11.0 percent to K9.9283/US dollar, seasonal increase in the supply of some food items, and the sale of maize grain by the FRA at below market price drove inflation down in the second quarter. Further, the revised inflation projections show a consistent declining trend in inflation over the forecast horizon, therefore single digit inflation rate is possible to attain.

Inflation is projected to continue trending downwards in the last quarter of the year. This outlook is premised on the relative stability in the exchange rate which is expected to dampen imported inflationary pressures, the projected maize grain surplus which is expected to stabilise food prices and the improvement in electricity supply which is expected to improve productivity in the economy.




However, risks to this outlook include the regional maize grain shortage, coupled with the upward adjustment in the maize floor price and the removal of subsidies on fuel, which are expected to exert pressure on domestic prices, the potential weakening of the exchange rate on account of continued weak global growth prospects, as well as the overall macroeconomic uncertainty which may limit capital inflows and thereby induce exchange rate depreciation.

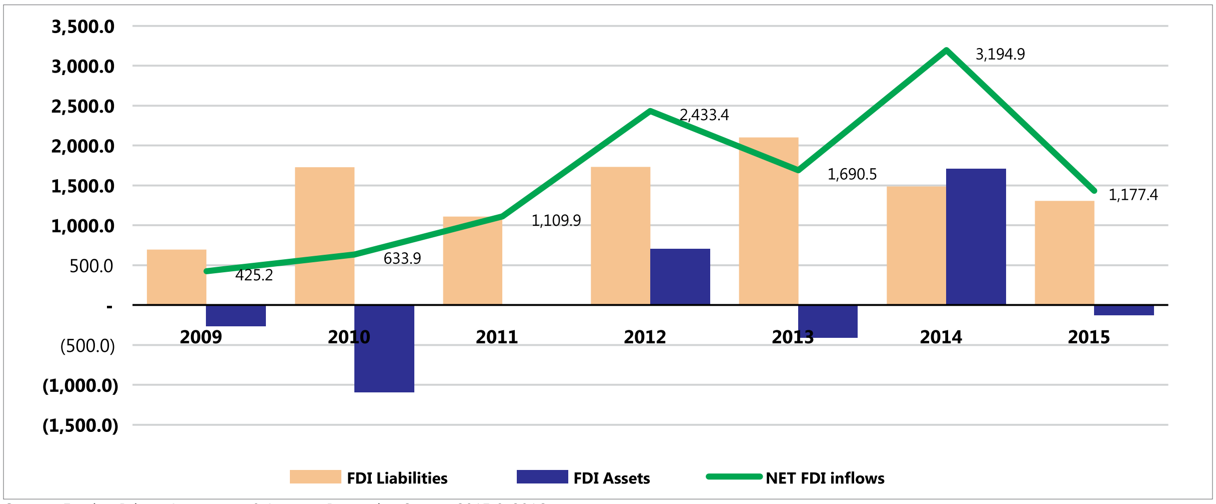
The Bank of Zambia will maintain a tight monetary policy stance and continue to use market-based instruments of monetary policy to realign market interest rates to the Policy Rate. The Bank of Zambia will remain mindful of the need to ensure that domestic economic activity is not severely constrained, and that financial stability is maintained. With regard to the exchange rate, the Bank of Zambia will continue to maintain a market driven exchange rate regime in tandem with other macroeconomic objectives. Monetary policy formulation and implementation will also continue to support Government's broader macroeconomic objectives of achieving a growth rate of at least 3.4 percent in 2017 and an end year annual inflation rate of not more than 9 percent.

In 2016, the overall current account balance is projected to register widened deficits to US $10,087.0 million as at end 2016 compared to US $767 million recorded in 2015. However, over the medium term (2017-2018), with the easing of electricity constraints, recovery in the mining and quarrying sector, an expansion in production and exports across non-traditional export sectors and a pickup in global economic activity will support stronger economic growth and help reverse current account and BoP deficits. Consistent with the projected improvement in the overall balance of payments position, international reserves are projected to grow to over 4.0 months of import cover over the medium term.

3.5 Recent Foreign Investment Trends in Zambia

Zambia recorded net FDI inflows amounting to US $1,177.4 million in 2015, a decline from US $3,194.9 million in 2014. a decline in foreign direct investment liabilities by 12.3 percent to US $1,304.9 million from US $1,488.6 million recorded in 2014 and an accumulation of US $127.5 million in assets held abroad as opposed to a drawdown of US $1,706.1 million recorded in 2014The decline in FDI liabilities inflows was due to a reduction in reinvested earnings in various industries (see Figure 3.2).

Figure 3.2: Net FDI Inflows in Zambia, (US $ millions), 2009 - 2015



Source: *Foreign Private Investment & Investor Perception Survey, 2015 & 2016*

3.6 Recent Investment Promotion Efforts

In 2015, the Zambia Development Agency (ZDA) continued to promote Zambia as an attractive investment destination through internal institutional reforms and various intervention programmes. The Agency developed the 2016-2020 Strategic Plan, revised the ZDA Act No 11 of 2006 and facilitated a number of meetings for investors, promoted joint ventures between Zambians and foreign investors in various industries, and provided investment guidance to investors who had expressed interest to invest in Zambia.

During the period January to September 2016, the Agency undertook six (6) major outward investment promotion missions to Saudi Arabia, China, United Kingdom, Kenya, Rwanda and Mauritius which included facilitation of inward missions from various countries with interests to invest in different sectors of the economy. Further, an International Investment Forum was also held in Zambia under the theme "Investment for Industrialization, Wealth and Job Creation".

Between January and September 2016, the Agency recorded investment pledges valued at US $2,618.5




million, up from US $1,520 million recorded during the same period in 2015. The increase was mainly attributed to the high level of investment interest into the energy sector accounting for 33.0 percent of the total pledged investment (see Table 3.2).

Table 3.2 Investment and Employment Pledges (Jan to Sept in 2015 and 2016)

	Jan-Sept 2015			Jan-Sept 2016		
Industry	**No. of Applicants**	**Value (USD million)**	**Pledged Employment**	**No. of Applicants**	**Value (USD miilion)**	**Pledged Employment**
Agriculture	27	82.0	1,288	34	410.8	1,212
Construction	20	127.4	1,531	21	64.9	931
Education	5	27.2	166	5	-	-
Energy	2	1.2	43	5	869.5	600
Finance	1	3.4	17	0	-	-
Health	2	5.2	69	2	3.9	49
ICT	3	1.3	35	32	37.8	101
Manufacturing	66	496.0	3,624	43	524.5	3,027
Mining	8	26.4	545	16	143.2	814
Real estate	40	512.9	4,137	36	292.9	2,560
Service	22	38.0	690	30	56.0	1,304
Tourism	26	173.2	1,057	19	171.8	490
Transport	21	26.1	478	11	43.2	365
Total	**243**	**1,520.3**	**13,680**	**254**	**2,618.5**	**11,453**

***Source**: Zambia Development Agency*

Employment pledges, registered through the Agency during the period January to September 2016 and 2015, were recorded at 11,453 and 13,680 employees, respectively.

3.7 Investment Prospects in Zambia

Notwithstanding the slowdown in economic activity resulting from reduced demand mainly due to external factors including low commodity prices on the world market, the country anticipates a steady rise in FDI inflows. This stems from the recent pick up and stabilization in copper prices as well as stability in the exchange rate, amongst other positive indicators. The easing of power constraints, coupled with progressive investment policies, further infrastructure development and political stability, suggest that Zambia's economic outlook is positive.

The Zambian Government continues to implement an array of policy initiatives to create an investment-friendly business environment. Among these include the establishment of Private Sector Development, Industrialization and Job Creation (PSD-IJC) Division at Cabinet Office. The PSD-IJC serves to strengthen collaboration between the public and private sectors, develop infrastructure and reduce bureaucracy. There is also increased emphasis on benefiting from intercontinental trade initiatives such as African Growth Opportunity Act (AGOA), which carefully exploited would yield substantial increases in FDI inflows as trade and mutually beneficial partnerships between sub-Saharan Africa and the developed World are fortified. According to the World Bank Doing Business Report, Zambia improved in its ranking under the cost of doing business to 97 in 2016 from 108 in 2014. It has made several improvements in terms of efficiency and reducing bureaucracy with construction permits, getting credit and paying taxes.

With more stable copper and metal prices, there is resurgence in investment prospects in the mining and quarrying and manufacturing sectors. The manufacturing sector especially, requires diversification to produce a wide range of high quality value added intermediate and final products for the export markets on a large scale. Within the manufacturing sector; engineering, textiles, wood and wood products, building materials, processed foods, chemicals, leather and leather products and handicrafts offer substantial investment opportunities. Zambia continues to invest heavily in road infrastructure development. There is a key focus on improving road network conditions in the central business district and key trade routes. Investment in transport and infrastructure fosters induced growth in core sectors of the economy such as energy, agriculture and tourism.

There is potential for growth in Zambia's energy industry as the electricity shortage presents opportunity for private sector investment. The gradual removal of subsidies by the Government eliminates barriers to entry and encourages an inflow of FDI. Zambia has abundant energy sources. Potential opportunities identified are the Kafue Gorge Lower Hydroelectric Project, Itezhi-tezhi Hydroelectric Project, Zambia-Tanzania Interconnector, Zambia-Namibia Interconnector, and Maamba Collieries, a coal-fired power plant. Some projects have since taken off. Exploration potential for hydrocarbons (oil and gas) is also being pursued.

Zambia has immense agricultural resource endowment suitable for large-scale modern farming. It is a sector with potential for industrialization and diversification. Currently, the most commercial agricultural activities are focused on the use of large scale modern irrigation to water large plantations of crops. Beyond this, there is a prospect for the processing of these raw crops into value added finished food products. The favorable climate conditions are suited for a wide variety of exports including horticulture and floriculture. The Government has identified agriculture, forestry and fishing as a priority industry for growth and employment creation. Accordingly the Government continues to offer various incentives (including tax incentives) to spur investment in this industry.

Further, the tourism industry continues to have massive potential as the country has vast under-utilized rural resources, including unexploited areas for tourism of a diverse nature. Beyond the country's geographic physical features, the rich cultural and traditional ceremonies that are held by the wealth of ethnic groups across the nation, demonstrate further the appeal of Zambian tourism. Zambia as a one-stop tourist destination offers excellent prospects for investment. Through its infrastructure programme, the Government has modernized some existing airports in various towns and new ones are being constructed in various locations which is yet another way of attracting FDI.

Construction Works at Maamba Collieries Thermal Power Plant

4.0 PRIVATE SECTOR FOREIGN LIABILITIES

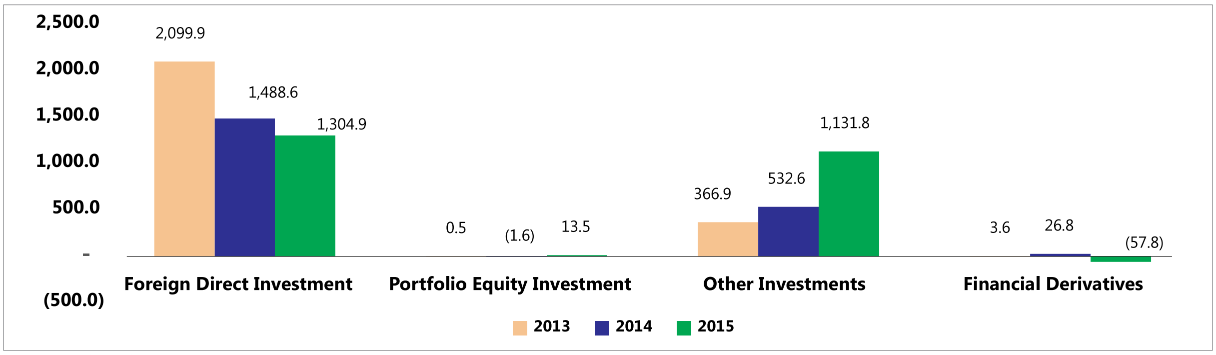



4.0 PRIVATE SECTOR FOREIGN LIABILITIES

4.1 Composition of Private Sector Foreign Liabilities Flows

Preliminary survey findings indicate that in 2015, the total private sector foreign liabilities[1] (foreign private capital inflows) rose by 16.9 percent to US $2,392.5 million from US $2,046.4 million recorded in 2014. These inflows were dominated by Foreign Direct Investment (FDI), accounting for 54.5 percent, followed by other investments (47.3 percent) and portfolio equity investment (0.6 percent). Over the same period, financial derivatives recorded a net outflow of US $57.8 million compared with a net inflow of US $26.8 million recorded in 2014 (see Figure 4.1). The rise in private sector foreign liabilities inflows was largely explained by an increase in other investment inflows across sectors. Private sector foreign liabilities declined to US $358.9 million in the first half of 2016 compared to US $889.5 million recorded in the first half of 2015 (see Table 4.1).

Figure 4.1: Composition of Foreign Private Investment Inflows (US $ millions), 2013 - 2015



Source:_Foreign Private Investment & Perceptions Survey, 2015 & 2016_

Table 4.1: Flows of Private Sector Foreign Liabilities by Type (US $ millions), 2013 – 2016 Q2

Type	2013	2014	2015 Q1	2015 Q2	2015	2016 Q1	2016 Q2
Foreign Direct Investment	2,099.9	1,488.6	383.6	404.6	1,304.9	243.0	219.3
Portfolio Equity Investment	0.5	(1.6)	(3.1)	0.2	13.5	(14.2)	(6.3)
Other Investments	366.9	532.6	(38.0)	149.0	1,131.8	(43.0)	(7.7)
Financial Derivatives	3.6	26.8	(6.5)	(0.3)	(57.8)	(16.1)	(14.5)
Total	**2,470.9**	**2,046.5**	**336.0**	**553.5**	**2,392.5**	**169.5**	**189.3**

Source: _Foreign Private Investment & Perceptions Survey, 2015 & 2016_

4.2 Composition of Private Sector Foreign Liabilities Stocks

The stock of Zambia's private sector foreign liabilities marginally declined by 0.8 percent to US $20,277.1 million at end-2015, from US $20,441.0 million registered at end-2014. The composition of stock was dominated by FDI accounting for 77.5 percent, which fell by 2.8 percent followed by other investments which increased by 9.7 percent and contributed 21.5 percent of the total stock. Financial derivatives and portfolio equity investment declined by 39.1 percent and 27.2 percent and collectively accounted for 1.1 percent of the stock (see Table 4.2).

In the first half of 2016, preliminary data showed that the stock of private sector foreign liabilities rose by 3.5 percent to US $21,015.3 million at end-June 2016 from US $20,295.7 million registered at end-March 2016. The stock of FDI and other investments increased by 3.5 percent and 4.4 percent, respectively. The increase in FDI was on account of reinvested earnings, whilst increase in other investments was mainly explained by the rise in the stock of loans, as well as currency and deposits. Similarly, the stock of portfolio equity investments and financial derivatives grew during the period under review.

Table 4.2: Stocks of Private Sector Foreign Liabilities by Type (US $ millions), 2014 – 2016 Q2

Type	2013	2014[2]	2015	Percent Change (2015/2014)	2016 Q1	2016 Q2
Foreign Direct Investment	14,971.7	16,149.3	15,704.8	(2.8)	15,781.8	16,260.0
Portfolio Investment	68.0	154.8	112.7	(27.2)	94.4	98.5
Other Investments	2,439.1	3,976.1	4,361.7	9.7	4,256.7	4,442.5
Financial Derivatives	13.3	160.8	97.9	(39.1)	78.7	65.1
Total	**17,492.1**	**20,441.0**	**20,277.1**	**(0.8)**	**20,221.3**	**20,868.8**

Source: _Foreign Private Investment & Perceptions Survey, 2015 & 2016_

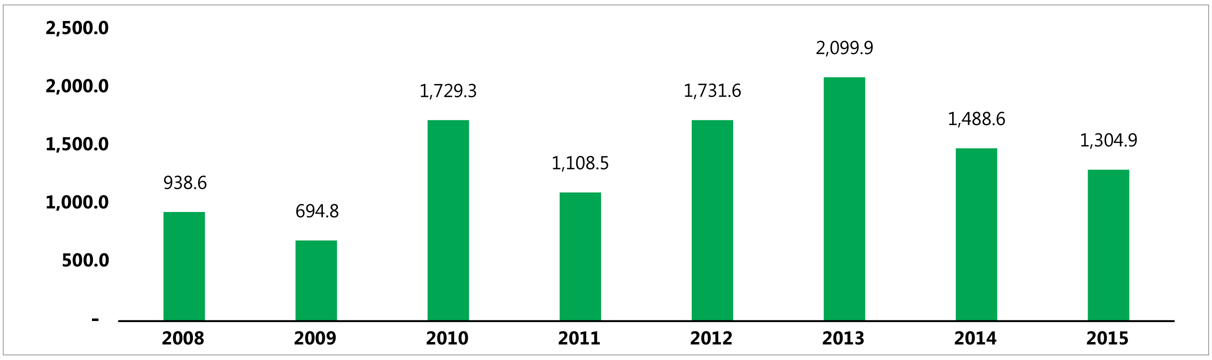
[1]The liabilities are analysed by type of instrument, investment relationship, recipient sector, and source country
[2]The 2014 data was revised using the 2016 survey findings due largely to: Revisions in data supplied by enterprises in line with their audited books of accounts.




4.3 Foreign Direct Investment Liabilities

During 2015, FDI[3] liabilities flows declined by 12.3 percent to US $1,304.9 million compared with US $1,488.6 million registered in 2014 (see Figure 4.2 and Table 4.3). The decline in inflows is largely explained by a reduction in reinvested earnings and debt disbursements in various industries. The respondents broadly attributed the decline to high operation costs, lower commodity prices, depreciation of the exchange rate, the hydro-power deficit, adverse weather conditions, policy inconsistencies and the uncertainty associated with the 2016 general elections. However, the investment potential in most industries remained attractive, which demonstrates the continued investor confidence in the economy.

Figure 4.2: Foreign Direct Investment Liabilities Flows (US $ millions), 2008 – 2015



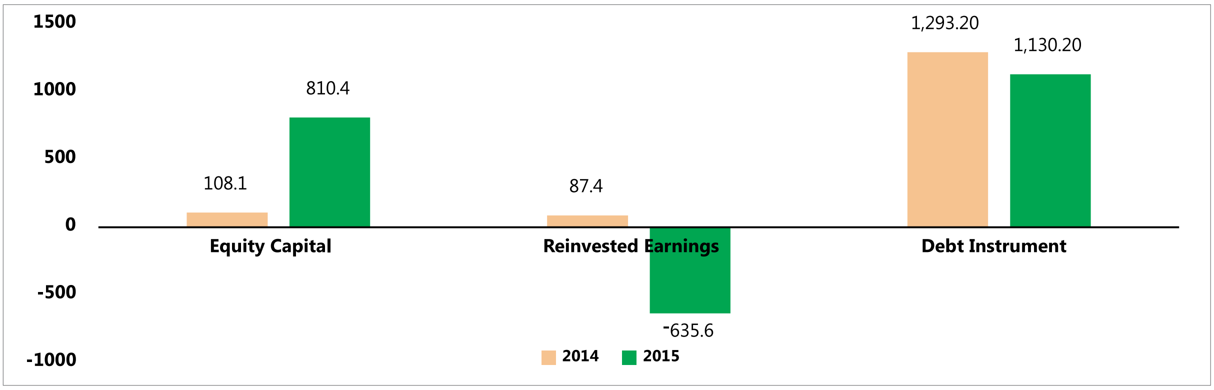
Source: *Foreign Private Investment &Investor Perceptions Survey, 2010-16*

4.3.1 Foreign Direct Investment Liabilities Flows by Type

During the review period, Zambia experienced a decline in reinvested earnings and debt instrument categories of Foreign Direct Investment Liabilities. FDI liabilities flows were mainly in form of borrowing from affiliates. Over the same period, equity capital rose on account of an increase in share premium and revaluation effects of exchange rate (see Figure 4.3 and Table 4.3).

In the first half of 2016, inflows of FDI liabilities slowed down to US $462.3 million compared to US $788.6 million received in 2015 of the same period, an indication that FDI inflows may slow down in 2016 as a whole. Similarly, reinvested earnings and debt from affiliates slowed down. Equity capital, on the other hand, recorded a net inflow of US $344.8 million compared to US $189.5 million in 2015 first half. (see Table 4.3).

Figure 4.3: Composition of Foreign Direct Investment liabilities Flows (US $ millions), 2014 & 2015



Source: *Foreign Private Investment & Investor Perceptions Survey, 2015 & 2016*

Table 4.3: Foreign Direct Investment Liabilities Flows (US $ millions), 2014 –2016 Q2

FDI by Type	2014	2015	2015 Q1	2015 Q2	2016 Q1	2016 Q2
Equity Capital	108.1	810.4	172.7	16.8	198.4	146.2
Reinvested Earnings	87.4	(635.6)	(183.0)	16.5	(227.4)	(124.3)
Debt Instrument	1,293.2	1,130.2	393.9	371.3	272.0	197.3
Total	**1,488.6**	**1,304.9**	**383.6**	**404.6**	**243.0**	**219.2**

Source: *Foreign Private Investment & Perceptions Survey, 2015 & 2016*

[3]Foreign direct investment represents investments (equity or debt) from a non-resident enterprise (or individual) which has control or a significant degree of influence on the management of that enterprise (IMF 2009). In this survey, control or significant degree of influence was measured by foreign shareholding accounting for 10.0 percent or more of that enterprise's ordinary shares or voting rights. It includes equity and debt arising from related enterprises but excludes debt among related financial intermediaries.



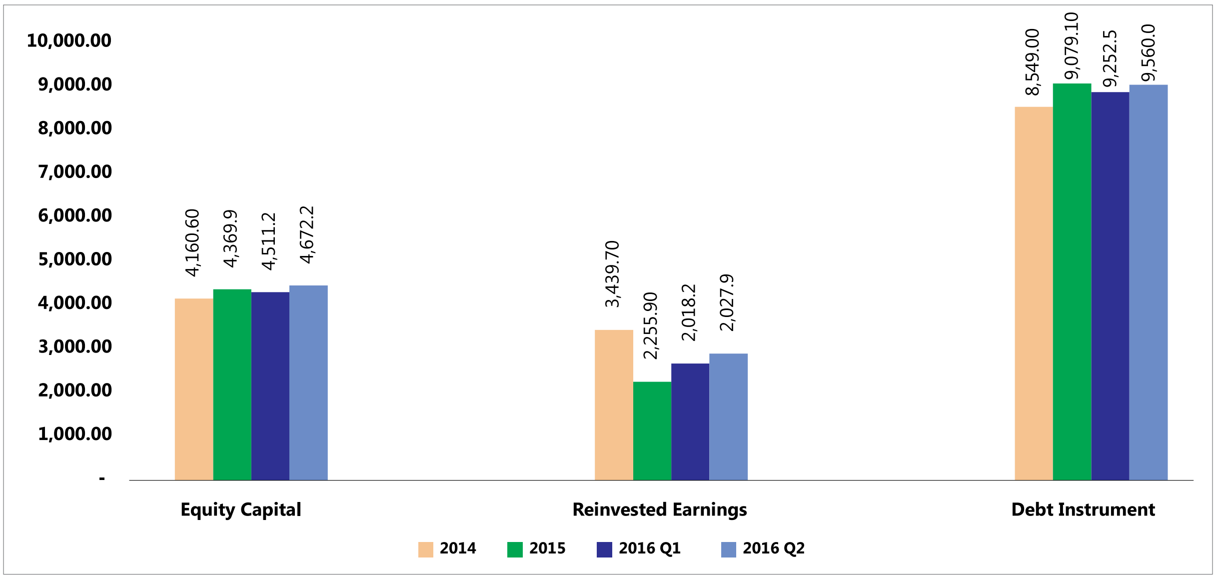
4.3.2 Foreign Direct Investment Liabilities Stocks by Type

At end-2015, the stock of FDI liabilities fell by 2.8 percent to US $15,704.8 million from US $16,149.3 million recorded at end- 2014 due to reduction in retained earnings. The total stock was largely dominated by debt instruments 57.8 percent, followed by equity capital (share capital plus reserves other than retained earnings) (27.8 percent), and accumulated retained earnings (14.4 percent).

In 2016, the stock of FDI liabilities increased by 3.5 percent to US $16,260.0 million at end-June 2016 compared with US $15,704.8 million recorded at end-2015. This is mainly on account of increases in equity capital and debt instruments. Debt instruments continued dominating FDI liabilities (see Figure 4.4 and Table 4.4).

During 2015, the stocks were affected by the exchange rate movements and other changes. The stocks were largely affected by the depreciation of the exchange rate amounting to US $1,598.8 million (see Table 4.4).

Figure 4.4: Foreign Direct Investment liabilities Stocks by Type (US $ millions), 2014 – 2016 Q2



Source: *Foreign Private Investment & Investor Perceptions Survey, 2016*

Table 4.4: Foreign Direct Investment Liabilities Stocks by Type (US $ millions), 2014 –2016 Q2

FDI by Type	2014	Exchange Rate	Other Changes	2015	2016 Q1	2016 Q2
Equity Capital	4,160.6	(621.0)	19.9	4,369.9	4,511.2	4,672.2
Reinvested Earnings	3,439.7	(488.3)	(59.8)	2,255.9	2,018.2	2,027.9
Debt Instrument	8,549.0	(489.4)	(110.7)	9,079.1	9,252.5	9,560.0
Total	**16,149.3**	**(1,598.8)**	**(150.6)**	**15,704.8**	**15,781.8**	**16,260.0**

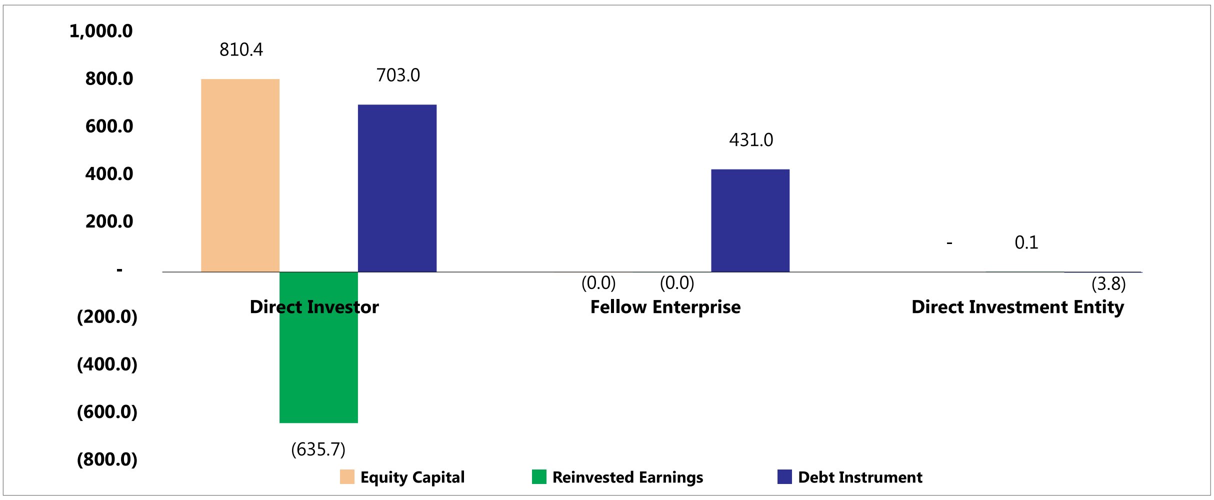
Source: *Foreign Private Investment & Perceptions Survey, 2015 & 2016*

4.3.3 Foreign Direct Investment liabilities Flows by Relationship

An analysis of Zambia's FDI liabilities flows by relationship in 2015 revealed that the inflows were dominated by direct investors who contributed US $877.6 million, representing 67.3 percent of the total inflows. Inflows from direct investors were largely in form of equity capital, and debt instruments, whilst a net outflow was recorded in retained earnings. Inflows from fellow enterprises and direct investment entities were largely in the form of debt (see Figure 4.5).

Preliminary data for the first half of 2016 indicates that inflows of FDI liabilities flows from direct investors were US $384.6 million accounting for 83.2 percent of total inflows. Fellow enterprises and direct investment entity enterprises accounted for US $77.5 million and US $0.2 million, respectively. During the same period, foreign direct investment liabilities flows from direct investors were largely in form of debt (US $392.2 million) followed by equity capital (US $344.8 million), whilst reinvested earnings registered a net outflow of US $352.4 million.

Figure 4.5 Foreign Direct Investment Liabilities Inflows by Relationship (US $ millions), 2015



Source: *Foreign Private Investment & Investor Perceptions Survey, 2016*

4.3.4 Foreign Direct Investment liabilities Stocks by Relationship

The analysis of FDI liabilities stock by relationship in 2015 shows that direct investor enterprises contributed US $12,425.9 million, representing 79.1 percent of FDI liabilities stocks. Fellow enterprises and direct investment entity enterprises stocks were US $3,277.3 million and US $1.7 million respectively, at end-2015. In terms of instruments, the stock of FDI from direct investors was largely in form of debt instruments at US $5,800.4 million, followed by equity capital (US $4,369.4 million), and accumulated retained earnings (US $2,255.9 million).

As at end 2015, the stock of FDI liabilities from fellow enterprises and direct investment entity enterprises continued to be dominated by debt instruments in the form of loans similar to the position at end-2014. Further, preliminary data for the first half of 2016revealed that the stock of FDI liabilities increased by 3.5 percent to US $16,260.0 million from US $15,704.8 million at end-2015.

Direct investors stock of FDI was US $13,043.3 million, dominated by debt instruments at US $6,150.8 million, followed by equity capital (US $4,672.2 million) and accumulated retained earnings (US $2,027.1 million).The stock of FDI liabilities from fellow enterprises and direct investment entity enterprises was largely in form of debt instruments (see Table 4.5).

Table 4.5: Foreign Direct Investment liabilities by Relationship (US $ millions), 2014 – 2016 Q2

Investment Relationship	Stocks 2014	Transactions in 2015	Exc rate changes	Other changes	Stocks 2015	Stocks Q1 2016	Stocks Q2 2016
Direct Investor	12,981.70	877.6	(1,281.3)	(276.1)	12,425.90	12,414.1	12,850.0
Equity capital	4,160.10	810.4	(620.9)	10.2	4,369.60	4,510.9	4,672.0
Reinvested earnings	3,439.80	(635.7)	(488.4)	(91.7)	2,255.90	2,017.8	2,027.1
Debt Instrument	5,381.70	703	(172.1)	(194.6)	5,800.40	5,885.4	6,150.8
Fellow Enterprise	3,161	431	(316	(55)	3,277	3,366.0	3,408.1
Equity capital	0.1	0	0	0	0.1	0.4	0.5
Reinvested earnings	0.2	0	0	(0.2	0.1	0.1	0.1
Debt Instrument	3,160.40	431	(316)	(55.6)	3,277.10	3,365.5	3,407.5
Direct Investment Entity	6.9	(3.6)	(1.4)	(0.4)	1.7	1.7	2.0
Equity capital	0.4	0	(0.2)	0	0.2	(0.1)	0.2
Reinvested earnings	(0.3)	0.1	0.1	0	(0.1)	1.5	1.6
Debt Instrument	6.8	(3.8)	(1.4)	(0.4)	1.5	0.2	0.1
Grand Total	**16,149.30**	**1,304.90**	**(1,598.80)**	**332.1**	**15,704.80**	**15,781.8**	**16,260.0**

Source: *Foreign Private Investment & Investor Perceptions Survey, 2016*

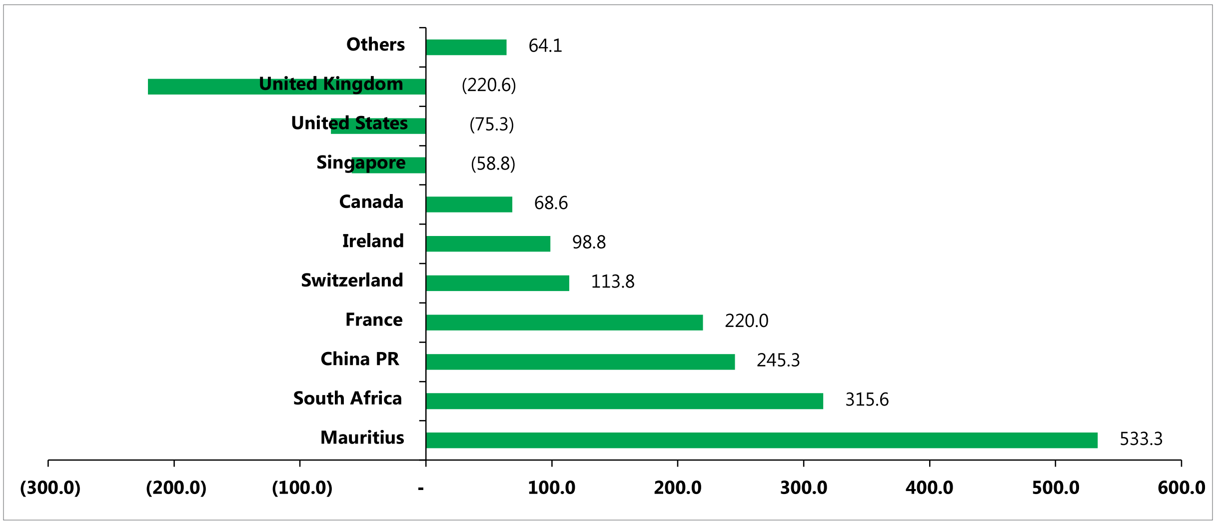
4.3.5 Foreign Direct Investment liabilities Flows by Source Country

The survey findings showed that flows of FDI liabilities by source country in 2015 were dominated by Mauritius at US $533.3 million, accounting for 40.9 percent. This was followed by South Africa (24.2 percent), China (18.8 percent), France (16.9 percent), Switzerland (8.7 percent) Ireland (7.6 percent) and Canada (5.3 percent). However, a total net outflow of US $354.6 million was recorded, with the United

Kingdom, the United States and Singapore recording net outflows of US $220.6 million, US $75.3 million and US $58.8 million respectively (see Figure 4.6)

Preliminary data shows that in the first half of 2016, FDI inflows by source country were dominated by Canada at US $361.2 million followed by Switzerland (US $186.4 million), United Kingdom (US $144.9 million), the United States (US $115.8 million) and British Virgin Islands (US $73.6 million). However, Mauritius, France, South Africa and Singapore recorded net outflows during the period under review (see Annex II & III).

Figure 4.6: Foreign Direct Investment liabilities Flows by Source Country (US $ millions), 2015

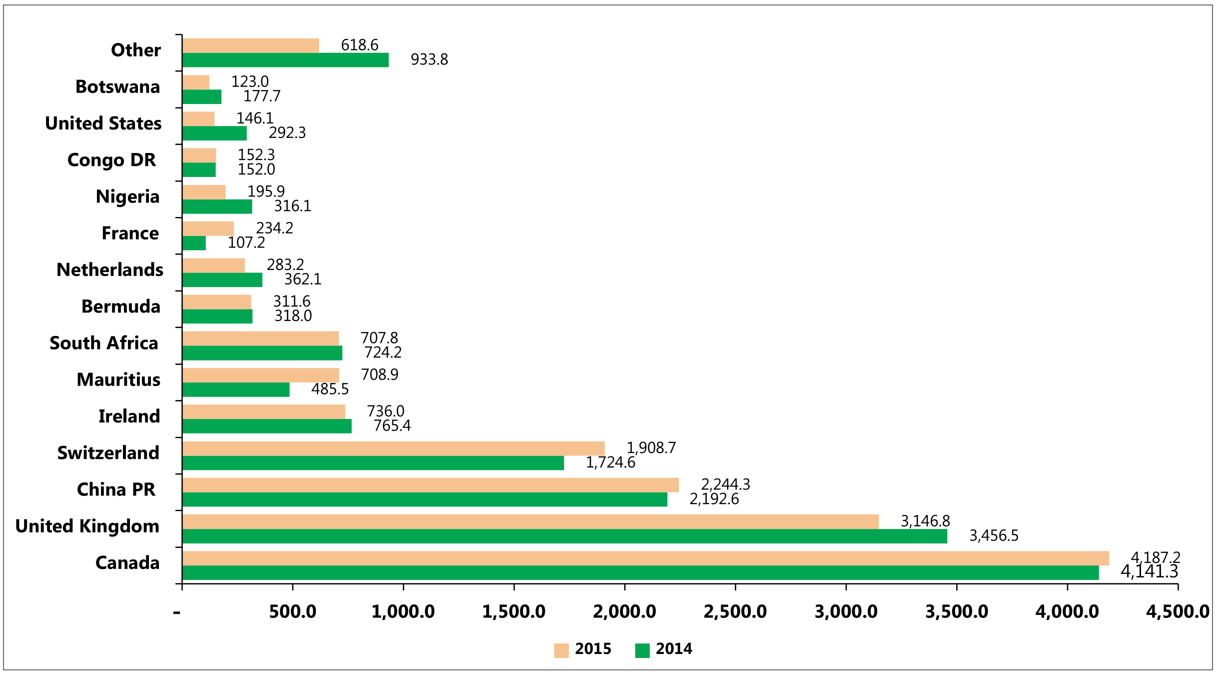


Source: *Foreign Private Investment & Investor Perceptions Survey, 2016*

4.3.6 Foreign Direct Investment liabilities Stocks by Source Country

The stock of FDI liabilities by source country showed that Canada, United Kingdom, China and Switzerland collectively accounted for 73.1 percent. Countries such as Ireland, South Africa, Bermuda, Netherlands, Nigeria, United States, Botswana and Singapore recorded declines in 2015 compared with 2014 (see Figure 4.7 and Annex III). During the first half of 2016, survey findings showed that the major source countries of Zambia's stock of FDI were Canada, the United Kingdom, China and Switzerland collectively accounting for 75.1 percent (see Annex III).

Figure 4.7: Foreign Direct Investment liabilities Stocks by Source Country (US $ millions), 2014 – 2015



Source: *Foreign Private Investment & Investor Perceptions Survey, 2016*

4.3.7 Foreign Direct Investment liabilities Flows by Regional Grouping

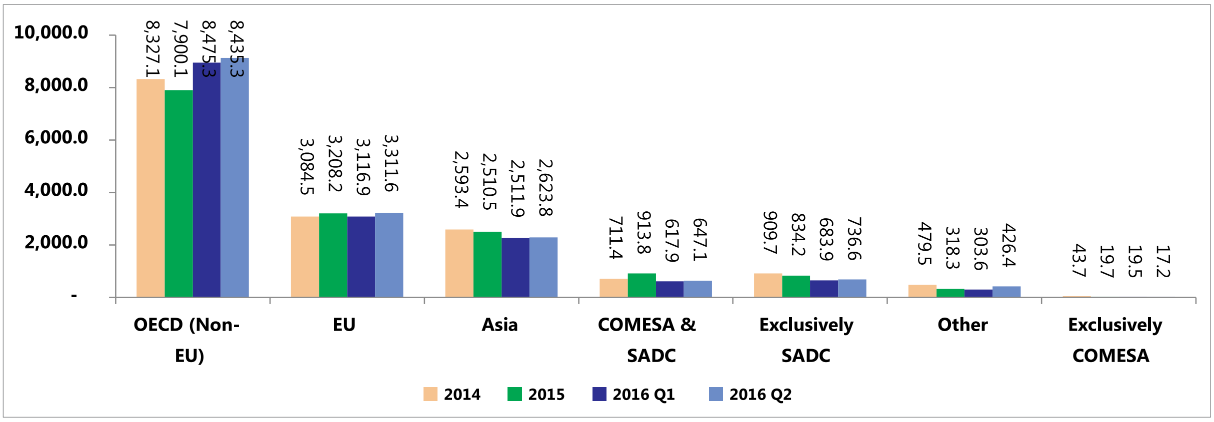
The survey findings indicated that inflows were largely from countries with dual membership in the Southern African Development Community (SADC) and the Common Market for Eastern and Southern Africa (COMESA) accounting for 41.4 percent of the total FDI inflows. This was followed by EU countries accounting for 35.3 percent, Exclusively SADC member countries (25.7 percent) and Asia (16.5 percent). Net outflows, however, were recorded for Non-EU OECD countries, Exclusively COMESA member countries, and other regions. During the first half of 2016, FDI liabilities were mainly from the Non-EU OECD region at US $619.9 million, with other regions recording flows of US $87.4 million. Net outflows were recorded for COMESA and SADC dual membership countries at US $286.7 million, Exclusively SADC (US $9.1 million), and Exclusively COMESA member countries (US $3.0 million) (see Annex X).

4.3.8 Foreign Direct Investment liabilities Stocks by Regional Grouping

In 2015, the stock of FDI liabilities by regional economic grouping were dominated by the Non-EU OECD countries representing 50.0 percent of the total stock. The stock for Non-EU OECD countries declined by 5.1 percent to US $7,900.1 million from US $8,327.1 million registered the previous year. This was followed by EU countries (US $3,208.2 million), Asia (US $2,510.5 million), SADC and COMESA (dual membership) (US $913.8 million), Exclusively SADC countries (US $834.2 million), and the Exclusively COMESA countries (US $19.7 million).

During the first half of 2016, preliminary data showed that the stock of FDI liabilities by regional economic groups continued to be dominated by the Non-EU OECD region, at US $8,435.3 million, following a 6.8 percent growth from US $7,900.1 million recorded at end-December 2015. This was followed by EU countries (US $3,311.6 million) Asia (US $2,623.8 million), Exclusively SADC countries (US $736.6 million) SADC and COMESA (dual membership) countries (US $647.1 million) and Exclusively COMESA countries (US $17.2 million) during the period under review (see Figure 4.8).

Figure 4.8: Foreign Direct Investment Stocks by Regional Grouping (US $ millions), 2014-2016 Q2



Source: *Foreign Private Investment & Investor Perceptions Survey, 2016*

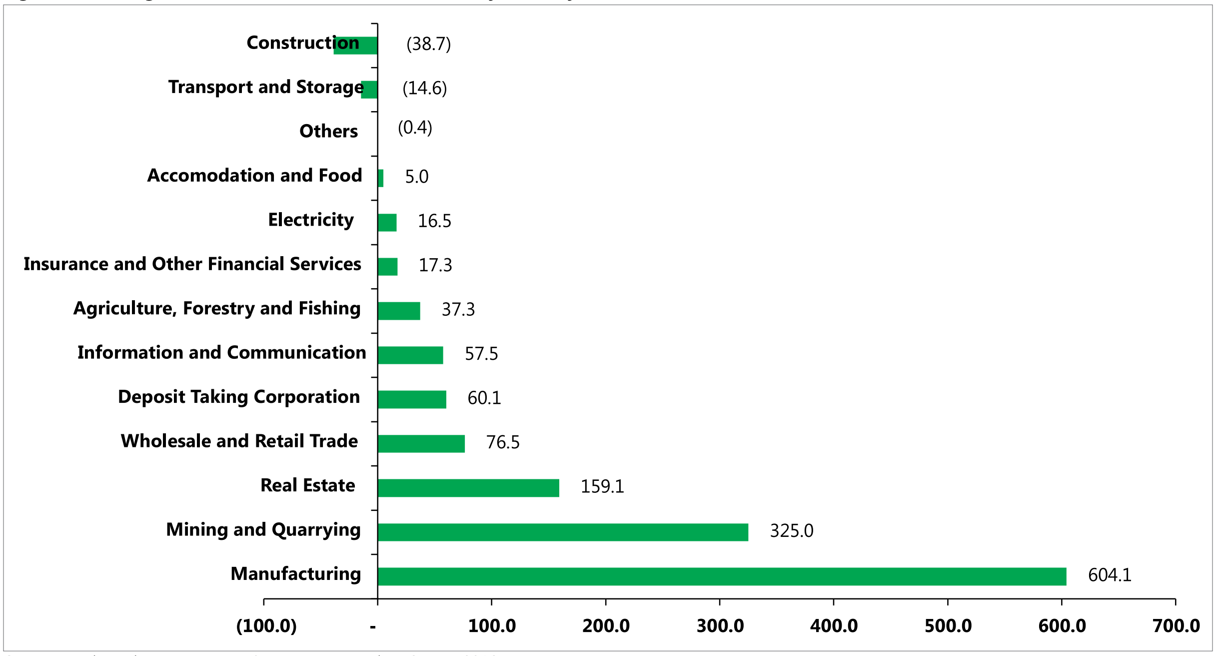
4.3.9 Foreign Direct Investment liabilities Flows by Industry

In 2015, the manufacturing industry was the major recipient of net inflows of US $604.1 million accounting for 66.8 percent of the total flows. This was followed by the mining and quarrying with net inflows of US $325.0 million, real estate (US $159.1 million), wholesale and retail trade (US $76.5 million), deposit taking corporations (US $60.1 million), agriculture, forestry and fishing (US $37.3 million), insurance and other financial (US $17.3 million), electricity (US $16.7 million), and accommodation and food (US $5.0 million). On the other hand, construction and transport and storage industries recorded net outflows of US $38.7 million and US $14.6 million, respectively, during the same period (see Figure 4.9).

During the first half of 2016, the mining and quarrying industry recorded net inflows of US $707.6 million. This was followed by deposit taking corporations at US $136.3 million, construction (US $68.9 million) accommodation and food (US $47.1 million), agriculture, forestry and fishing (US $41.0 million), electricity (US $20.2 million), and information and communication (US $16.4 million). However, total net outflows of US $572.8 million were recorded in the manufacturing, wholesale and retail trade, real estate, transport and storage and the insurance and other financial services industries collectively (see Annex IX).

Aerial photo of Kalumbila Mine, Northwestern Province

Figure 4.9: Foreign Direct Investment Liabilities Flows by Industry (US $ millions), 2015



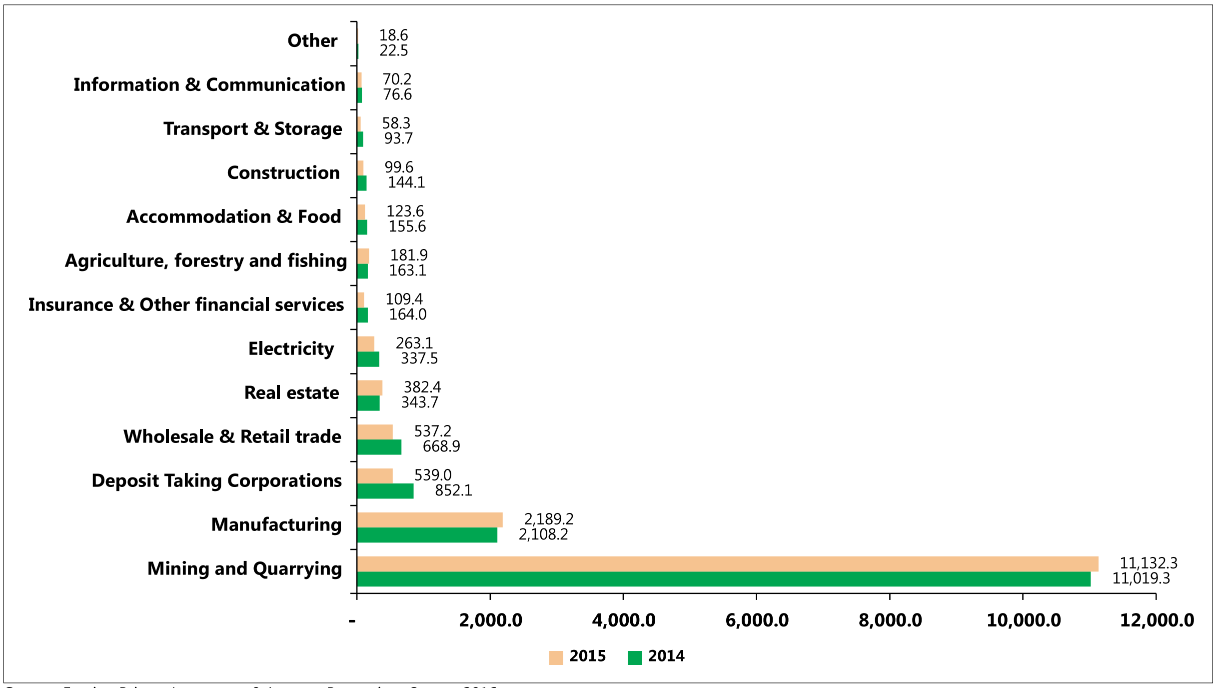
Source: *Foreign Private Investment & Investor Perceptions Survey, 2016*

4.3.10 Foreign Direct Investment liabilities Stocks by Industry

The stock of FDI liabilities by industry was dominated by mining and quarrying at US $11,132.3 million, accounting for 70.9 percent of the total stock. This was followed by the manufacturing US $2,189.2 million, deposit-taking corporations (US $539.0 million) , wholesale and retail trade (US $537.2 million), real estate (US $382.4 million), electricity (US $263.1 million), and agriculture, forestry and fishing (US $181.9 million). However, notable declines of FDI liabilities stocks were recorded in the accommodation and food, insurance and other financial services, construction, information and communication and transport and storage industries (see Figure 4.10).

During the first half of 2016, survey findings revealed that the mining and quarrying industry continued to dominate FDI stocks at US $11,778.9 million. This was followed by manufacturing at US $1,730.7 million, deposit-taking corporations (US $709.2 million), wholesale and retail trade (US $554.8 million), real estate (US $386.6 million), electricity (US $304.6 million), and agriculture, forestry and fishing (US $237.8 million) industries. Other key contributors were; accommodation and food, construction, information and communication, transport and storage, insurance and other financial service industries (see Annex IX).

Figure 4.10: Foreign Direct Investment liabilities Stock by Industry (US $ millions), 2014 - 2015



Source: *Foreign Private Investment & Investor Perceptions Survey, 2016*

Almost all the industries were adversely affected by exchange rate movements with the largest impact in manufacturing industry at US $483.4 million, followed by deposit taking corporations (US $359.0 million), mining and quarrying (US $232.5 million), wholesale and retail trade (US $156.7 million) and real estate (US $120.7 million).

4.3.11 Return on Equity by Industry

Survey findings show that overall profitability attributable to FDI, portfolio equity investment and other equity investments recorded a loss of US $532.3 million from a profit of US $357.0 million recorded in 2014. This outturn was mainly explained by low commodity prices on the international market, the higher costs of production largely due to the hydro-power deficit and higher costs of imported inputs due to the depreciation of the exchange rate experienced by most companies in 2015. Consequently, the overall return on equity (ROE) was a negative return of 7.3 percent compared with the positive return of 2.1 percent registered in 2014.

Analysis by industry revealed that accommodation and food, at 92.3 percent, had the highest rate of return on equity. This was followed by information and communication at 77.1 percent, financial institutions (17.2 percent), electricity, gas and steam (14.5 percent), wholesale retail and trade (13.1 percent), manufacturing (5.4 percent), and transportation and storage (2.6 percent). However, negative returns on equity were registered in the construction industry mainly explained by high operating costs i.e. high cost of borrowing and depreciation in the exchange rate. Similarly, mining and quarrying recorded a negative rate of return of 19.3 percent as a result of losses incurred due to high operating costs, low international commodity prices and hydro-power deficits. The agriculture, forestry and fishing industry recorded a negative rate of return on equity of 16.5 percent mainly on account of adverse weather patterns in the year under review (see Table 4.6).





Copperbelt Energy Corporation Mindolo Substation

Table 4.6: Return on Equity by Industry (US $ millions), 2014 - 2015

Industry	Profit by industry		Average of opening and closing stock of Equity 2015	Return on equity 2014 percent	Return on equity 2015 percent
	2014	2015			
Mining and Quarrying	(300.2)	(836.6)	4,342.40	(2.7)	(19.3)
Manufacturing	334.7	65.2	1,217.90	15.8	5.4
Financial Institutions	109.9	141.3	822.9	10.2	17.2
Wholesale and retail trade	143	41.5	317.9	15	13.1
Agriculture forestry and fishing	19	(5.7)	34.3	7.7	(16.5)
Real estate	(4.6)	20.6	102.1	(1.7)	20.2
Construction	7.6	(34.4)	24.8	10.1	(138.9)
Information and communication	36.7	36.2	47	23.1	77.1
Accommodation and food services	(5.9)	(3.4)	-3.7	(8.5)	92.3
Transport and storage	5.7	1.4	54.6	6.1	2.6
Electricity, gas and steam	10.4	39.6	272.4	5.5	14.5
Other	0.4	1.7	14.1	0.1	12.4
Overall Return on Equity	**357**	**(532.3)**	**7,246.80**	**2.1**	**(7.3)**

Source: *Foreign Private Investment & Investor Perceptions Survey, 2016*

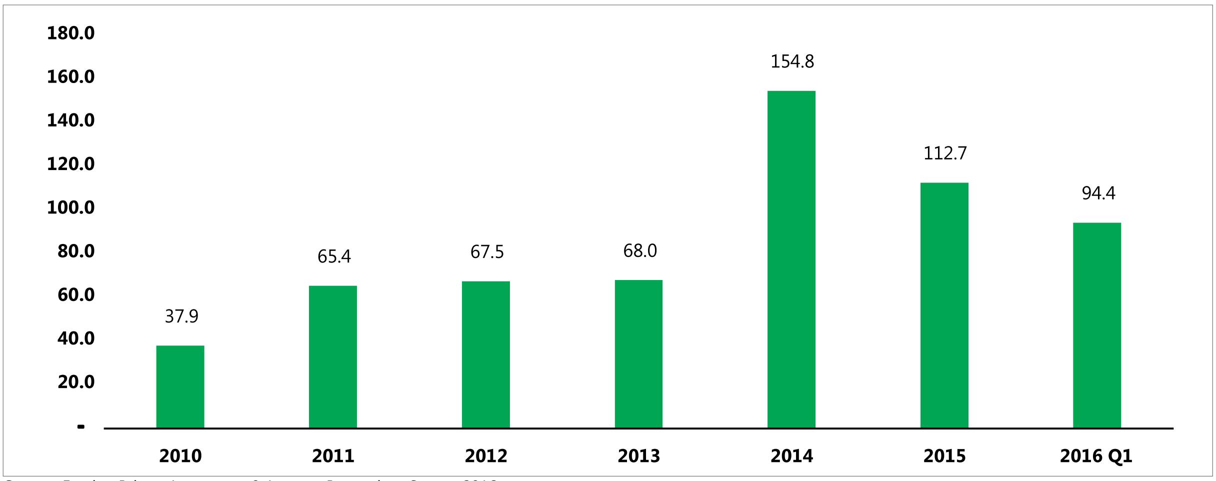
4.4 Foreign Portfolio Investment

4.4.1 Portfolio Investment Flows and Stocks

In 2015, Zambia's foreign portfolio equity investment flows recorded a net inflow of US $13.5 million compared with a net outflow of US $0.6 million recorded in 2014. However, the stock of portfolio equity investment declined by 27.2 percent to US $112.7 million from US $154.8 million registered in 2014.

Preliminary data shows that the stock of portfolio equity investment in the first half of 2016 decreased by 12.6 percent to US $98.5 million from US $112.7 million at end- 2015 (see Figure 4.11). This can be explained by the effect of the exchange rate depreciation, and persistent low copper prices which undermined investor's confidence.

Figure 4.11: Portfolio Equity Investment Stocks (US $ millions), 2010 - 2016 Q2



Source: *Foreign Private Investment & Investor Perceptions Survey, 2016*

4.4.2 Portfolio Equity Investment Flows and Stocks by Source Country

The preliminary survey results revealed that portfolio equity investment inflows from the United States and the United Kingdom were positive at US $2.9 million and US $11.1 million, respectively. However, in the first half of 2016 portfolio equity investment inflows were negative at US $20.5 million out of which the United States and the United Kingdom recorded net outflows of US $4.1 million and US $3.9 million respectively (see Table 4.7 and Annex IV).

Table 4.7: Portfolio Investment Inflows and stocks by Source Country (US $ millions), 2014 – 2016 Q2

Source country	2014	Transactions	Exc rate changes	Other Changes	2015	Q1 2016	Q2 2016
Belgium	0	0	0	0	0	0	0
Botswana	0	0	0	0	0	0	0
Other	4.3	(0.5)	(1.7)	0.1	2.2	0.4	0.4
South Africa	0.1	0	(0.1)	0	0.1	0.1	0.1
United Kingdom	84.8	11.1	(2.8)	(25.5)	67.6	55.4	56.2
United States	65.4	2.9	(19.1)	(6.5)	42.8	38.5	41.7
Zimbabwe	0.1	0	0	0	0.1	0.1	0.1
Grand Total	**154.8**	**13.5**	**(23.7)**	**(31.9)**	**112.7**	**94.4**	**98.5**

Source: *Foreign Private Investment & Investor Perceptions Survey, 2016*

The stock of portfolio equity investment by source country, declined by 20.3 percent to US $67.6 million in 2015 from US $84.8 million the previous year, and was largely dominated by the United Kingdom, which represents 60.0 percent of the total stock. The United States at US $42.8 million accounted for 37.9 percent, whilst other countries accounted for 2.1 percent collectively. The valuation in stock due to exchange rate movements in 2015 amounted to negative US $23.7 million with the United States accounting for the highest change in value of US $19.1 million. The valuation in price changes due to fluctuations in the market prices amounted to negative US $32.0 million with the United Kingdom recording the highest negative change in value of US $25.5 million (see Table 4.7).

4.4.3 Portfolio Equity Investment Flows and Stocks by Industry

The survey results revealed that the manufacturing industry registered net inflows of US $13.6 million in 2015. With regard to stocks, the manufacturing industry dominated at US $112.6 million, despite recording a decline of 27.2 percent from US $154.5 million at end-2014. This was followed by wholesale and retail trade at US $0.1 million.

Valuation changes on account of exchange rate effects were mostly experienced in the manufacturing industry mainly due to high costs of imported inputs (see Table 4.8). During the first half of 2016, the manufacturing industry continued to dominate, in terms of stocks at US $98.3 million whilst wholesale and retail trade was US $ 0.2 million at end-June 2016.



Table 4.8: Portfolio Equity Investment Inflows and Stock by Industry (US $ millions), 2015 – 2016 Q2

Industry	2014	Transactions	Exc rate changes	Other changes	2015	Q1 2016	Q2 2016
Accommodation & Food	0	0	0	0	0	0	0
Manufacturing	154.5	13.6	(23.6)	(31.9)	112.6	94.3	98.3
Transport & Storage	0	0	0	0	0	0	0
Wholesale & Retail Trade	0.2	0	(0.1)	0	0.1	0.1	0.2
Grand Total	**154.8**	**13.5**	**(23.7)**	**(31.9)**	**112.7**	**94.4**	**98.5**

Source: *Foreign Private Investment & Perceptions Survey, 2015 & 2016*

4.5 Financial Derivatives

In 2015, Zambia recorded a net outflow of US $57.8 million arising from financial derivative liability. Options and forwards recorded net outflows of US $56.6 million and US $1.1 million, respectively. The net inflows were largely from South Africa at US $17.3 million, mostly in form of forward-type contracts. Net outflows were recorded for China at US $59.1 million in form of options whilst the United Kingdom and Mauritius recorded net outflows of US $15.4 million and US $0.6 million in forward contracts. In terms of valuation changes a negative change in value of US $5.1 million was recorded in 2015 with South Africa recording the highest negative change of US $1.4 million (see Table 4.9).

During the first half of 2016, net outflows in financial derivative transactions of US $86.8 million were recorded. The largest outflow was US $66.6 million from South Africa, followed by the United Kingdom at US $11.1 million, China (US $8.5 million) and Mauritius (US $0.2 million).

Transactions in financial derivatives indicated that deposit taking corporations recorded net inflows of US $ 9.4 million. Net outflows, however, were recorded in the manufacturing at US $59.1 million, mining and quarrying (US $7.4 million) and wholesale and retail trade (US $0.6 million) industries (see Table 4.10).

Table 4.9: Financial Derivatives Inflows by Source Country (US $ millions) 2014 – 2016 Q2

Source Country	Closing Balance 2014	Transaction	Valuation Changes	Closing Balance 2015	Closing Balance 2016 Q1	Closing Balance 2016 Q2
China PR	67.9	(59.1)	0	8.8	7	5.5
Options	67.9	(59.1)	0	8.8	7	5.5
Mauritius	3.8	(0.6)	0	3.2	3.2	3.2
Forward	3.8	(0.6)	0	3.2	3.2	3.2
South Africa	57.5	17.3	(1.4)	73.4	59	48.3
Forward	57.5	14.8	(0.9)	71.4	57.2	46.2
Options	0	2.5	(0.6)	1.9	1.9	2.1
United Kingdom	26.7	(15.4)	0	11.4	9	7.2
Forward	26.3	(15.4)	0	10.9	8.7	6.9
Options	0.4	0	0	0.4	0.4	0.3
Other	4.8	0	(3.6)	1.2	0.4	0.8
Forward	4.8	0	(3.6)	1.2	0.4	0.8
Grand Total	**160.8**	**(57.8)**	**(5.1)**	**97.9**	**78.7**	**65.1**

Source: *Foreign Private Investment & Investor Perceptions Survey, 2016*

Table 4.10: Financial Derivatives Inflows and Stocks by Industry (US $ millions) 2014 – 2016 Q2

Industry & Instrument type	Closing Balance 2014	Transaction	Valuation Changes	Closing Balance 2015	Closing Balance 2016 Q1	Closing Balance 2016 Q2
Deposit Taking Corporations	78.5	9.4	(5.1)	82.8	66	54.3
Forward	78.5	6.9	(4.5)	80.9	64.1	52.2
Options	0	2.5	(0.6)	1.9	1.9	2.1
Manufacturing	67.9	(59.1)	0	8.8	7	5.5
Options	67.9	(59.1)	0	8.8	7	5.5
Mining and Quarrying	10.5	(7.4)	0	3.1	2.5	2
Forward	10.1	(7.4)	0	2.7	2.1	1.7
Options	0.4	0	0	0.4	0.4	0.3
Wholesale & retail trade	3.8	(0.6)	0	3.2	3.2	3.2
Forward	3.8	(0.6)	0	3.2	3.2	3.2
Grand Total	**160.8**	**(57.8)**	**(5.1)**	**97.9**	**78.7**	**65.1**

Source: *Foreign Private Investment & Investor Perceptions Survey, 2016*

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




4.6 Other Investments

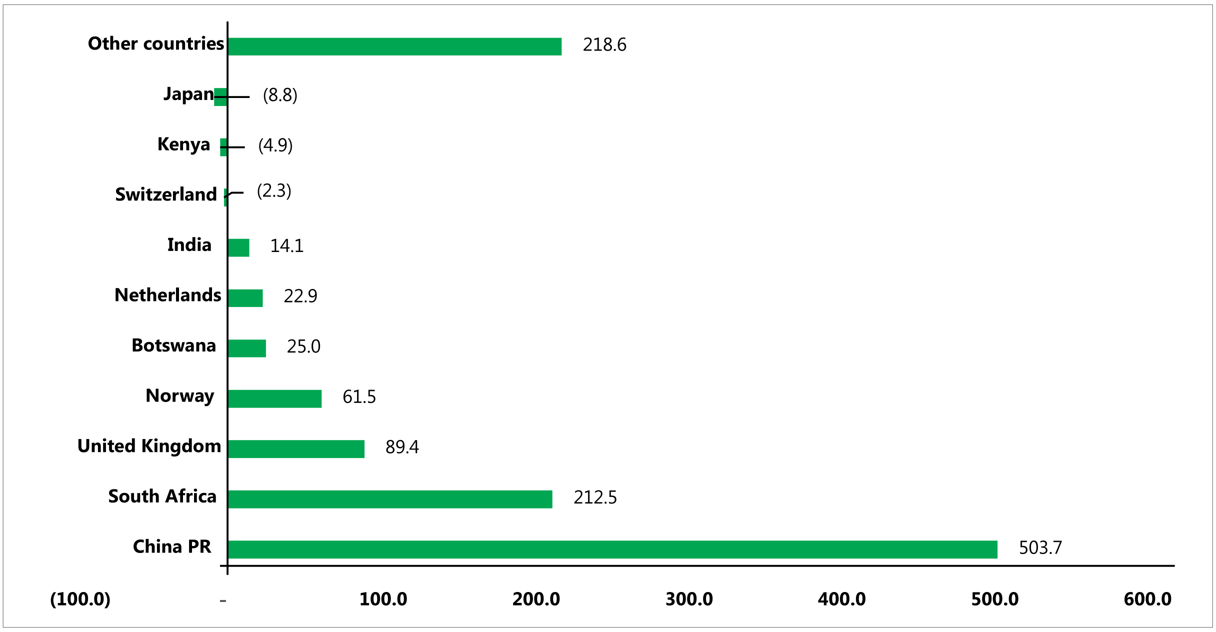
During 2015, the survey findings revealed that other investment[5] inflows more than doubled to US $1,131.8 million from US $532.8 million recorded in 2014. This was mainly on account of loan receipts. The stock of other investments at US $4,361.7 million was 9.7 percent higher than US $3,976.1 million recorded at end-2014. Valuation effects due to exchange rate movements, price and other volume changes recorded a negative change of US $600.8 million, US $20.0 million and US $125.4 million respectively (see Table 4.15)

4.6.1 Other Foreign Investment Inflows by Source Country

In 2015, China was the major source country for other foreign investment inflows, at US $503.7 million. This was followed by South Africa at US $212.5 million, the United Kingdom (US $89.4 million), Norway (US $61.5 million), Botswana (US $25.0 million), Netherlands (US $22.9) and India (US $14.1 million). Net outflows, however, were recorded for Japan at US $8.8 million, Kenya (US $4.9 million) and Switzerland (US $2.3 million) during the review period (see Figure 4.12 and Annex V).

Preliminary data in the first half of 2015 indicated that a total net outflow of US $50.7 million was recorded. The United Kingdom was the major source country at US $21.9 million, followed by India (US $7.5 million), Norway (US $0.5 million) and Switzerland (US $0.2 million). However, net inflows amounting to US $45.1 million were recorded by other countries during the same period.

Figure 4.12: Other Foreign Investment Inflows by Source Country (US $ millions), 2015



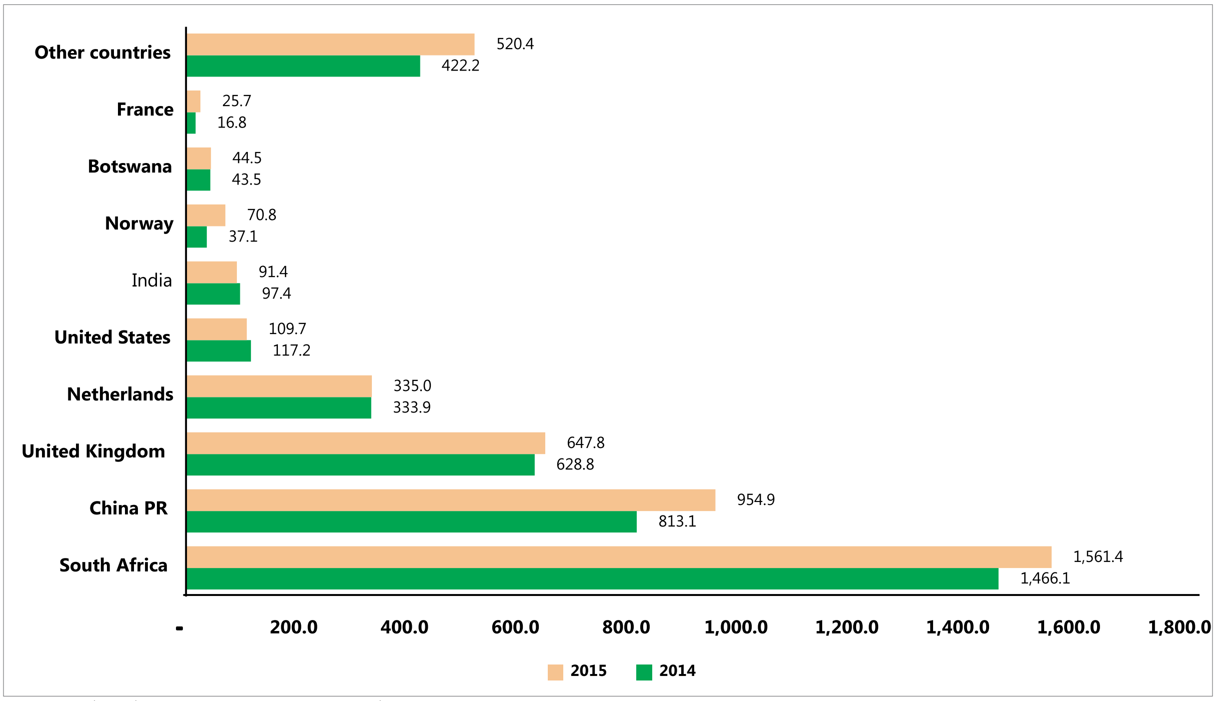
Source: *Foreign Private Investment & Investor Perceptions Survey, 2016*

The source of stocks for other investments was mainly South Africa at US $1,561.4 million in 2015 compared to US $1,466.1 million recorded in 2014. This was followed by China at US $954.9 million, the United Kingdom (US $647.8 million), Netherlands (US $335.0 million) and the United States (US $109.7 million). A total of US $232.4 million was accounted for by India, Norway, and Botswana collectively (see Figure 4.13 and Annex V).

During the first half of 2016, South Africa continued to dominate at US $1,621.9 million followed by China (US $1,036.7 million), the United Kingdom (US $637.2 million the Netherlands (US $350.4 million), the United States (US $97.8 million), India (US $90.0 million), Norway (US $75.4 million), Botswana (US $48.4 million) and France (US $36.8 million).

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

Figure 4.13: Other Foreign Investment Stocks by Source Country (US $ millions), 2014 and 2015



Source: *Foreign Private Investment & Investor Perceptions Survey, 2016*

4.6.2 Other Foreign Investment Inflows and Stocks by Industry

The survey findings revealed that inflows were mainly concentrated in the electricity, gas and steam industry at US $524.6 million, accounting for 46.3 percent of the total inflows. This was followed by deposit taking corporations at US $323.8 million, representing 28.6 percent of the total inflows, information and communication (US $151.7 million), manufacturing (US $120.8 million) while transport and storage, real estate, construction, mining and quarrying, accommodation and food collectively recorded a net inflow of US $15.7 million. In contrast, net outflows were recorded in the wholesale and retail industry amounting to US $4.6 million during the same period (see Figure 4.14).

During the first half of 2016, electricity, gas and steam industry registered inflows amounting to US $32.8 million, followed by mining and quarrying, information and communication, transport and storage and accommodation and food industries. Other industries collectively recorded net outflows amounting to US $123.7 million during the review period.

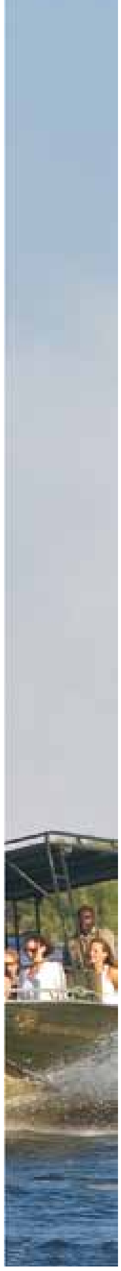
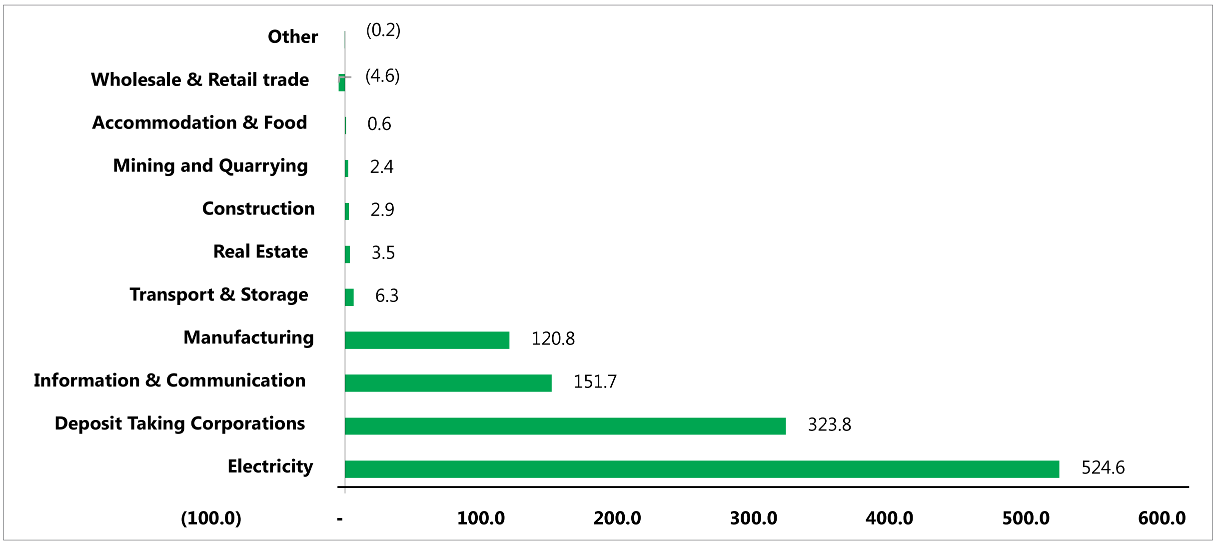


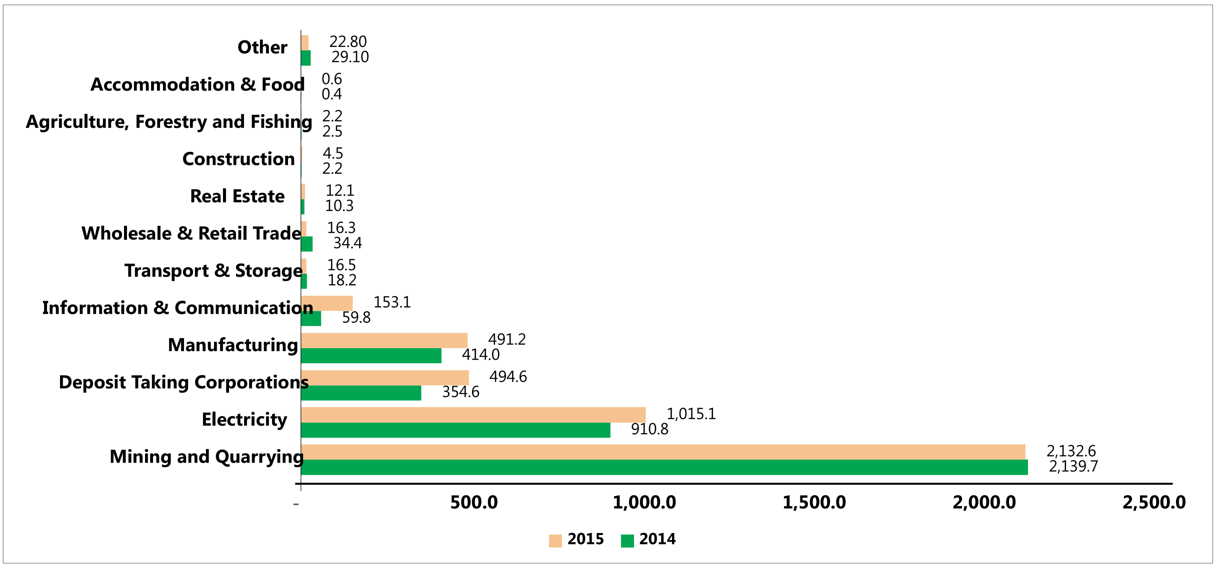
Figure 4.14: Other Foreign Investment Inflows by Industry (US $ millions), 2015



Source: *Foreign Private Investment & Investor Perceptions Survey, 2016*

The stocks of other foreign investments were dominated by the mining and quarrying industry at 48.9 percent of the total stock, despite a marginal decline in stock by 0.3 percent to US $2,132.6 million in 2015 from US $2,139.7 million the previous year. This was followed by electricity, gas and steam at US $1,015.1 million, deposit taking corporations ranked third following a 39.5 percent rise to (US $494.6 million), manufacturing (US $491.2 million), and Information and communication industry (US $153.1 million). The other industries collectively accounted for US $1.2 million (see Figure 4.15).

Figure 4.15: Other Foreign Investments Stocks by Industry (US $ millions), 2014 – 2015



Source: *Foreign Private Investment & Investor Perceptions, 2016*

Almost all industries were adversely affected by exchange rate movements with the largest impact on electricity, gas and steam industry at US $345.5 million. This was largely explained by companies in the industry opting to use alternative sources of energy and electricity imports due to the power deficit in 2015 (see Table 4.11).

Table 4.11: Other Foreign Investments Flows and Stocks by Industry (US $ millions), 2014 – 2015

Industry	2014	2015				2016	
	Stocks	Transactions	Exc rate changes	Other changes	Stocks	Q1 Stocks	Q2 Stocks
Mining and Quarrying	2,139.70	2.4	(9.7)	0.2	2,132.60	2,110.90	2,153.80
Electricity, gas & steam	910.8	524.6	(345.5)	(74.8)	1,015.10	1,011.90	1,124.60
Deposit Taking Corporations	354.6	323.8	(126.1)	(57.8)	494.6	456.8	490.7
Manufacturing	414	120.8	(39.6)	(4.1)	491.2	458.9	414.4
Information & Communication	59.8	151.7	(58.5)	0.1	153.1	147.2	179
Transport & Storage	18.2	6.3	(8.7)	0.6	16.5	15.5	19.2
Wholesale & Retail Trade	34.4	(4.6)	(13.3)	(0.1)	16.3	15.4	17.1
Real Estate	10.3	3.5	(0.5)	(1.2)	12.1	7.4	7.5
Construction	2.2	2.9	(0.2)	(0.4)	4.5	4.4	2.8
Agriculture, Forestry and Fishing	2.5	0	0.3	(0.7)	2.2	2.1	2.3
Accommodation & Food	0.4	0.6	(0.3)	0	0.6	1.6	1.8
Other	29.1	(0.15)	1.06	(7.21)	22.8	24.54	29.38
Grand Total	**3,976.10**	**1,131.80**	**(600.8)**	**(145.4)**	**4,361.70**	**4,256.70**	**4,442.50**

Source: *Foreign Private Investment & Investor Perceptions Survey, 2016*

5.0 PRIVATE SECTOR EXTERNAL DEBT STOCK

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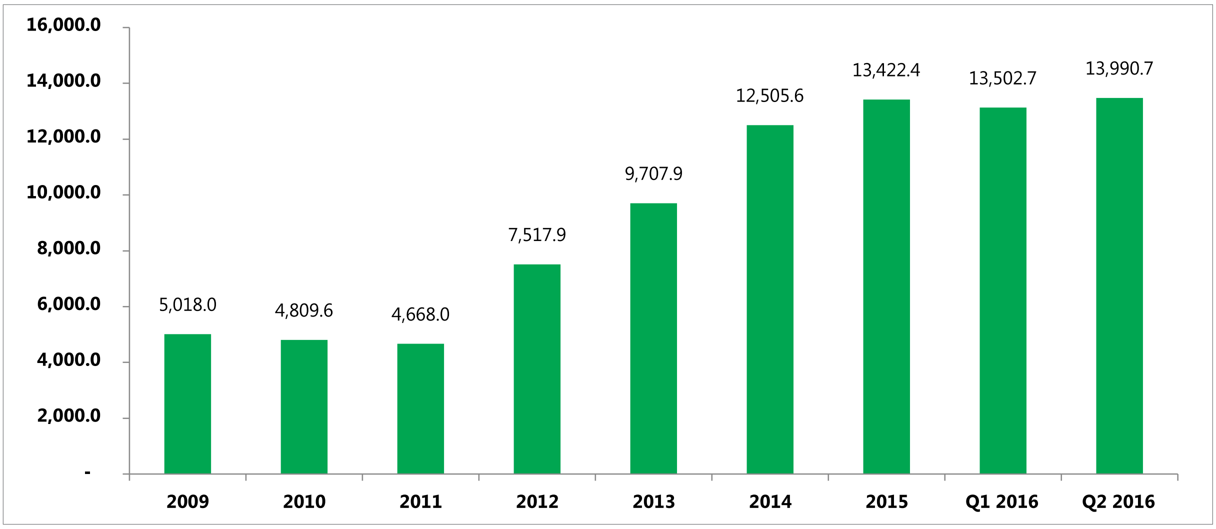
5.1 Private Sector External Debt Stock Trend

Preliminary survey findings revealed that Private Sector External Debt stock (PSED)[6] increased by 7.3 percent to US $13,422.4 million in 2015, from US $12,505.6 million recorded at end-2014. The growth in PSED was due to net debt disbursements. During the first quarter of 2016, PSED increased to US $13,502.7 million, at end March 2016 and further increased to US $13,990.7 million at end June- 2016 (see Figure 5.1).

Figure 5.1: Stock of Private Sector External Debt Trend (US $ millions), 2012 - 2016



***Source**: Foreign and Private Investment and Investor Perception Survey, 2016*

5.2 Private Sector External Debt Stock by Maturity and Type

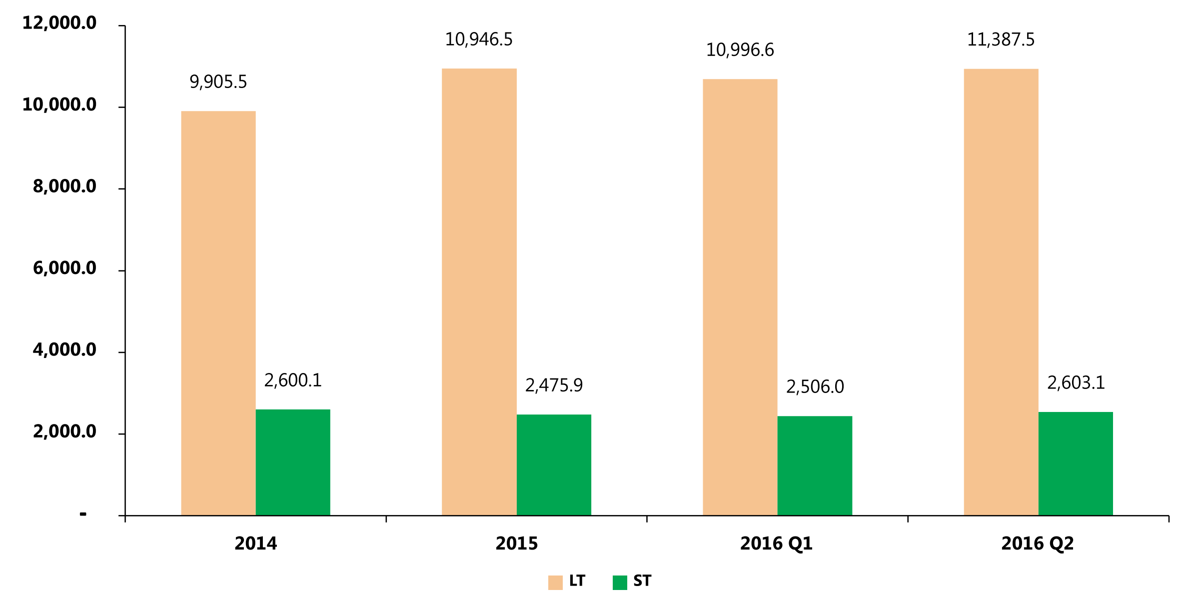
The survey results indicated that, the bulk of stock of PSED at end-2015 was long term borrowing, at US $10,946.5 million accounting for 81.6 percent, while US $2,475.9 million was short-term borrowing. In comparison, 79.2 percent of PSED stock in 2014 was long-term, while 20.8 percent was short-term.

At the end of the first half of 2016, the stock of PSED by maturity followed a similar pattern, with end of second quarter 2016 recording a stock of US $11,387.5 million (81.2 percent) for long-term borrowing and US $2,603.1 million (18.8 percent) short-term (see Figure 5.2).

Other changes in the valuation of debt were due to exchange rate movements, price and other volume changes such as debt cancellations and write-off. During the review period, debt was mostly affected by negative exchange rate movements (US $1,083.8 million) that pushed the cost of repaying and servicing debt, especially long term debt. Substantial offshore currency borrowing by the private sector poses a high risk whenever there is an adverse movement in the exchange rate. Similarly, other volume changes negatively affected the debt positions by US $265.3 million while price change effects were positive at US $9.2 million (see Table 5.1).

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

Figure 5.2: Private Sector Debt Stock by Maturity (Percent), 2014 - 2016



***Source**: Foreign and Private Investment and Investor Perception Survey, 2016*

Table 5.1: Valuation Changes on Private Sector Debt Stock by Maturity (US $ millions), 2014 –2015

Maturity	2014	2015			
	Stock	Transactions	Exc rate changes	Other Changes	Stock
Long Term	9,905.50	2,354.10	(1,025.8)	(49.6)	10,946.50
Short Term	2,600.10	(97.4)	(57.9)	58.8	2,475.90
Total	**12,505.60**	**2,256.70**	**(1,083.8)**	**9.2**	**13,422.40**

***Source:** Foreign and Private Investment and Investor Perception Survey, 2016*

Preliminary survey results indicated that loans were the main type of debt at US $12,632.0 million representing 94.1 percent of the overall PSED stock at end-2015. This was followed by trade credits at 3.5 percent, while other accounts payable, debt securities, currency and deposits, and life and non-life insurance technical reserves, collectively accounted for 2.4 percent. A similar debt structure was observed during the first half of 2016.

The stock of loans rose by 9.1 percent to US $12,632.0 million at end-2015 from US $11,580.9 million registered at end-2014, while currency and deposits grew by 33.0 percent to US $142.0 million from US $106.8 million recorded the previous year. Trade credits and advances, other accounts payable, debt securities, life and non-life insurance technical reserves recorded declines. However, pension entitlements and standardised guarantees remained unchanged.

In terms of changes in valuation of debt, loans were mostly affected by the negative exchange rate movement with amounting to US $920.6 million; trade credits advances (US $83.9 million), currency and deposits (US $65.0 million) and other accounts payable (US $19.4 million). Debt securities, however, recorded a gain of US $7.4 million as a result of valuation due to exchange rate movements (see Table 5.2).

At end - June 2016, the stock of loans, other accounts payable and debt securities increased by 4.3 percent, 0.5 percent and 6.4 percent, respectively. However, currency and deposits declined by 1.9 percent (see Table 5.2).

Table 5.2: Private Sector Debt Stock by Type (US $ millions), 2014 –Q2 2016

Instrument Type & maturity	2014	2015				2016	
	Stocks	Transactions	Exc rate changes	Other Changes	Stocks	Stocks Q1	Stocks Q2
Currency and Deposits	106.8	100.2	(65)	0	142	130.8	139.3
Long Term	43.4	10.6	(20.5)	0	33.5	28.3	26.6
Short Term	63.4	89.6	(44.5)	0	108.5	102.5	112.7
Debt Security	35.4	(1.2)	7.4	(15.5)	26.2	26.7	27.9
Long Term	35.4	(1.2)	7.4	(15.5)	26.2	26.7	27.9
Life and Non-Life Insurance	6.2	(1.9)	(2.5)	0.2	2	4.4	2.8
Long Term	2.8	0	(1.5)	0.2	1.4	1.5	1.3
Short Term	3.4	(1.9)	(0.9)	0	0.6	2.9	1.5
Loans	11,580.9	2,212.4	(920.6)	(240.8)	12,632.0	12,752.3	13,180.9
Long Term	9,359.4	2,305.8	(960.3)	(269.7)	10,435.2	10,500.0	10,890.4
Short Term	2,221.5	(93.4)	39.7	28.9	2,196.8	2,252.3	2,290.5
Other Accounts Payable	150.2	6.7	(19.4)	12.1	149.6	146.1	150.4
Long Term	124.1	9.8	(6.6)	0.4	127.8	127.9	128.1
Short Term	26.1	(3.1)	(12.8)	11.7	21.9	18.3	22.3
Pension Entitlements	0	0	0	0	0	0	6.5
Short Term	0	0	0	0	0	0	6.5
Standardised Guarantees	0	0	0	0	0	0	1.6
Short Term	0	0	0	0	0	0	1.6
Trade Credits and Advances	626.1	(59.5)	(83.9)	(12.2)	470.6	442.3	481.2
Long Term	340.4	29.1	(44.4)	(2.7)	322.4	312.2	313.3
Short Term	285.7	-88.6	(39.)5	(9.5)	148.2	130.1	168.0
Grand Total	**12,505.6**	**2,256.7**	**(1,083.8)**	**(256.1)**	**13,422.4**	**13,502.7**	**13,990.7**

Source: *Foreign Private Investment & Investor Perceptions Survey, 2016*

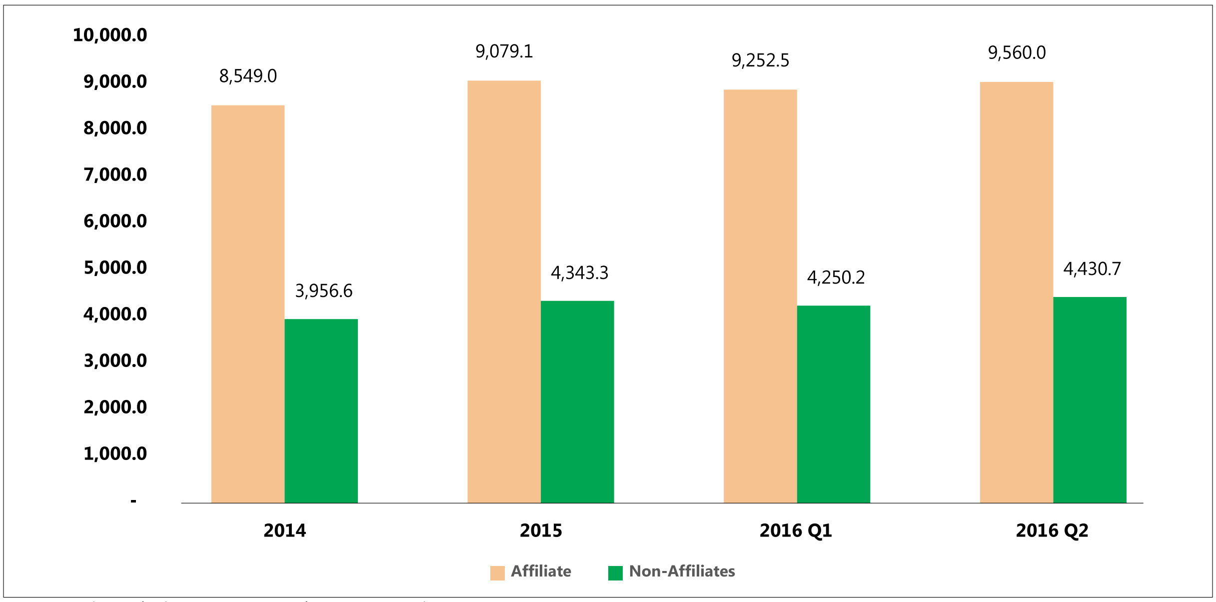
5.3 Private Sector External Debt Stock by Investor Relationship

At the end of 2015, the stock of PSED was largely from affiliates amounting to US $9,079.1 million, representing 67.6 percent of the total stock. This was an increase of 6.2 percent from US $8,549.0 million recorded at end- 2014. Debt stock from non-affiliates grew by 9.8 percent to US $4,242.9 million from US $3,986.6 million recorded at end-2014. The changes in valuation of debt on account of exchange rate movements were negative, amounting to US $594.4 million and US $489.4 million for non-affiliates and affiliates, respectively (see table 5.2).

In the first half of 2016, the survey results indicated that the stock of PSED from affiliates increased by 5.3 percent to US $9,560.0 million (67.1 percent) from US $9,079.1 million) at the end of 2015. The stock of debt from non-affiliates also increased by 2.0 percent to US $4,430.7 million at end-June 2016 from US $4,343.3 million recorded at the end of 2015 (see Figure 5.3).

Loading of copper cathode plates at CNMC Muliashi Mine

Figure 5.3: Private Sector Debt Stock by Relationship (US $ millions), 2014-Q2 2016



Source: *Foreign and Private Investment and Investor Perception Survey, 2016*

The stock of debt from affiliates was mainly in form of loans at US $8,509.5 million, which accounted for 63.4 percent. This was followed by trade credits and advances, valued at US $419.2 million (3.1 percent). The value of other accounts payable, debt securities and currency and deposits, life and non-life technical reserves from affiliates collectively accounted for 1.1 percent. In terms of valuation changes in debt, the stock of loans from affiliates were negatively changed by an amount of US $416.1 million due to movements in exchange rates. Meanwhile, from the stock of PSED from non-affiliates, loans at US $4,122.4 million accounted for 30.7 percent of the stock, whilst trade credits and advances were US $51.5 million, representing 0.4 percent.

PSED stock from affiliates in form of loans amounted to US $8,958.7 million, accounting for 64.0 percent of total debt from affiliates, whilst trade credits were US $447.2 million (3.2 percent) at end- June 2016. Other accounts payable, debt securities, currency and deposits and life and non-life technical reserves collectively accounted for 1.1 percent of the total stock. Loans from non-affiliates at US $4,222.7 million accounted for 30.2 percent, whilst currency and deposits at US $137.6 million represented 1.0 percent of the PSED stock. Trade credits and advances, other accounts payable, debt securities, life and non-life technical reserves from non-affiliates collectively contributed 0.5 percent of the debt stock during the period under review (see Table 5.3).




Table 5.3: Private Sector Debt Stock by Type by Relationship (US $ millions) 2014- Q2 2016

Instrument type & Relationship	2014	2015				2016	
	Stock	Transactions	Exc rate changes	Other Changes	Stock	Stock Q1	Stock Q2
Currency and Deposits	106.8	100.2	(65)	0	142	130.8	139.3
Affiliate	2	0.4	(0.9)	0	1.4	1.5	1.7
Non-Affiliates	104.8	99.8	(64)	0	140.6	129.3	137.6
Debt Security	35.4	(1.2)	7.4	(15.5)	26.2	26.6	27.9
Affiliate	14.3	(1.4)	(0.8)	(4.9)	7.2	7.9	9
Non-Affiliates	21.1	0.3	8.2	(10.6)	19	18.7	18.8
Life and Non-Life Insurance	6.2	(1.9)	(2.5)	0.2	2	4.3	2.7
Affiliate	0.1	0.3	(0.1)	0	0.3	0.2	0.1
Non-Affiliates	6.1	(2.3)	(2.4)	0.2	1.7	4.1	2.6
Loans	11,580.9	2,212.4	(920.6)	(240.8)	12,632.0	12,752.3	13,180.9
Affiliate	7,873.1	1,158.3	(416.1)	(105.7)	8,509.5	8,705.0	8,958.2
Non-Affiliates	3,707.8	1,054.1	(504.5)	(134.9)	4,122.4	4,047.3	4,222.5
Other Accounts Payable	150.2	6.7	(19.4)	12.1	149.6	146.1	150.4
Affiliate	134.4	8	(13)	12.1	141.4	138.2	143.6
Non-Affiliates	15.9	(1.3)	(6.4)	0	8.2	8	6.8
Pension Entitlements	0	0	0	0	0	0	6.5
Non-Affiliates	0	0	0	0	0	0	6.5
Standardised Guarantees	0	0	0	0	0	0	1.6
Non-Affiliates	0	0	0	0	0	0	1.6
Trade Credits and Advances	626.1	(59.5)	(83.9)	(12.1)	470.6	442.3	481.2
Affiliate	525.2	(35.3)	(58.5)	(12.2)	419.2	399.5	447.2
Non-Affiliates	100.9	(24.2)	(25.3)	0	51.5	42.7	34.0
Grand Total	**12,505.60**	**2,256.70**	**(1,083.8)**	**(256.1)**	**13,422.40**	**13,502.7**	**13,990.7**

Source: *Foreign Private Investment & Investor Perceptions Survey, 2016*

5.4 Private Sector External Debt Stock by Industry

The mining and quarrying industry accounted for the largest proportion of PSED stock at US $9,305.2 million, 69.3 percent of the total debt stock at end-2015. This was followed by manufacturing (10.6 percent) and electricity, gas, and steam (7.7 percent), deposit taking corporations (3.6 percent), and wholesale and retail trade (2.1 percent). The rest of the industries collectively accounted for 6.6 percent (see Figure 5.4).

Preliminary survey results for the first half of 2016 indicated that the mining and quarrying industry continued to hold the largest stock of PSED, at US $9,882.0 million, representing 70.2 percent. This was followed by manufacturing at 9.3 percent, electricity, gas and stream (8.2 percent), deposit taking corporations (3.5 percent) industries at end-June 2016. Other industries collectively accounted for 8.8 percent of PSED stock during the period under review.

In terms of valuation changes due to exchange rate movements, the PSED stocks of all industries were adversely affected, with electricity, gas and steam experiencing the highest downward movement of US $345.5 million. This was followed by the mining and quarrying (US $262.6 million), manufacturing (US $166.5 million) and deposit taking corporations (US $123.0 million). However, agriculture, forestry and fishing stock were positively affected by the movements in exchange rate (see Table 5.3).



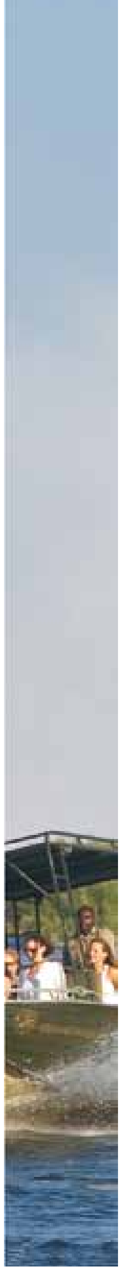
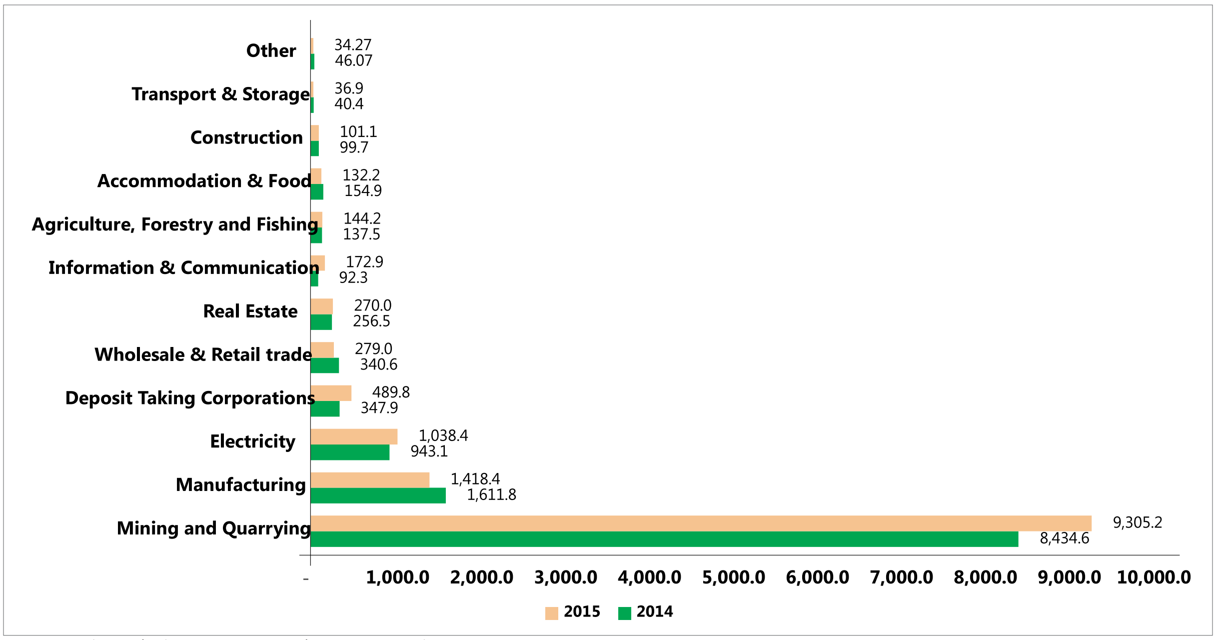



Figure 5.4: Private Sector External Debt Stock by Industry (US $ millions), 2014 and 2015



***Source**: Foreign and Private Investment and Investor Perception Survey, 2016*

Table 5:4: Private Sector External Debt Stock by Industry (US $ millions), 2014 - Q2 2016

Industry	2014	2015				2016	
	Stocks	Transactions	Exc rate changes	Other Changes	Stocks	Q1 Stocks	Q2 Stocks
Mining and Quarrying	8,434.60	1,094.30	(262.6)	38.8	9,305.20	9,613.8	9,882.0
Manufacturing	1,611.80	(30.7)	(166.5)	3.8	1,418.40	1,210.40	1,241.90
Electricity	943.1	515.5	(345.5)	(74.8)	1,038.40	1,035.10	1,147.80
Deposit Taking Corporations	347.9	322.7	(123)	(57.8)	489.8	452.2	486.8
Wholesale & Retail trade	340.6	48.1	(67.4)	(42.3)	279	251.6	283.3
Real Estate	256.5	113	(98.3)	(1.2)	270	251.9	246.9
Information & Communication	92.3	147.2	(64.6)	(1.9)	172.9	170.0	204.4
Agriculture, Forestry and Fishing	137.5	7.5	75.8	(76.6)	144.2	133.7	154.3
Accommodation & Food	154.9	18.6	(10.4)	(30.9)	132.2	130.3	141.3
Construction	99.7	12.2	(10.3)	(0.4)	101.1	114.2	115.3
Transport & Storage	40.4	8.8	(6.5)	(5.8)	36.9	35.2	40.2
Other	46.1	(0.4)	(4.4)	(7)	34.3	37.9	43.4
Grand Total	**12,505.6**	**2,256.7**	**(1,083.8)**	**(256.1)**	**13,422.4**	**13,502.7**	**13,990.7**

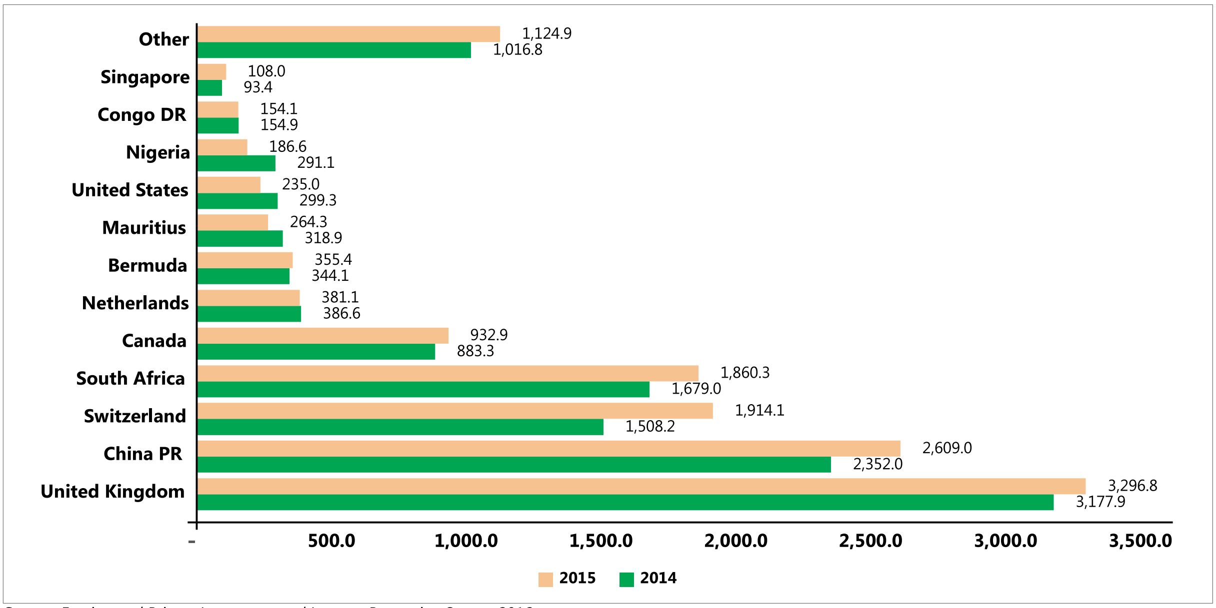
***Source:** Foreign Private Investment & Investor Perceptions Survey, 2016*

5.5 Private Sector External Debt Stock by Source Country

In terms of PSED stock by source country, survey findings show that the main sources of credit were the United Kingdom (24.6 percent), China (19.4 percent), Switzerland (14.3 percent), South Africa (13.9 percent), and Canada (7.0 percent), which collectively accounted for 79.1 percent of total PSED stocks at end-2015. Others were Netherlands, Bermuda, Mauritius, the United States, Nigeria, Congo DRC, and Singapore (see Figure 5.5).

For the first half of 2016, preliminary results indicated that the major creditors of PSED continued to be dominated by the United Kingdom, accounting for 24.3 percent at end-June 2016. This was followed by China (17.7 percent), Switzerland (14.9 percent), South Africa (13.9 percent), and Canada (6.7 percent).

Figure 5:5 Private Sector External Debt Stock by Source Country (US $ millions), 2014- 2015



***Source**: Foreign and Private Investment and Investor Perception Survey, 2016*

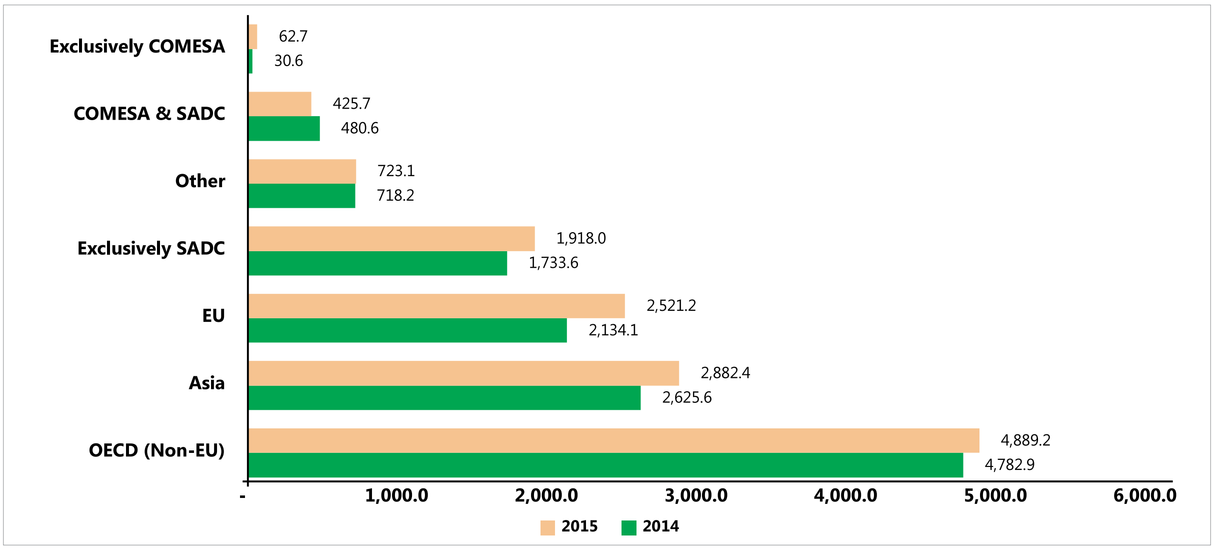
5.6 Private External Debt Stock by Region

The survey findings showed that Non EU-OECD countries were the major source of credit at US $4,889.2 million, accounting for 36.4 percent of the overall debt stock at end-2015. This was followed by Asia (21.5 percent), the EU (18.8 percent) and SADC Exclusively countries (14.3 percent). The COMESA and SADC dual membership countries, COMESA Exclusively countries and other regions, collectively accounted for 9.0 percent of the PSED stock (see Figure 5.6 and Annex IX).

For the first half of 2016, preliminary data indicated that Non EU-OECD countries at US $5,030.7 million accounted for 36.0 percent of total PSED stock. This was followed by Asia (21.7 percent), the EU (19.5 percent) and SADC Exclusively (13.9 percent). The COMESA and SADC dual membership countries, COMESA Exclusively countries and other regions collectively accounted for 8.5 percent of the PSED stock at end-June 2016.

The PSED stock from the COMESA Exclusively region more than doubled to US $62.7 million in 2015 from US $30.6 million recorded in 2014, followed by the EU whose stock rose by 18.1 percent to US $2,521.2 million. The PSED associated with SADC Exclusively region increased by 10.6 percent to US $1,918.0 million in 2015 from US $1,733.6 million in 2014. PSED from the Asian region grew by 9.8 percent while that from Non EU-OECD region increased by 2.2 percent to US $4,889.2 million in 2015 from US $4,782.9 million in 2014. PSED stock from the COMESA and SADC (dual membership countries) region declined by 11.4 percent to US $425.7 million from US $480.6 million recorded at end-2014.

Figure 5.6: Private Sector External Debt Stock by Region (US $ millions), 2014 - 2015



***Source**: Foreign and Private Investment and Investor Perception Survey, 2016*



With respect to growth of PSED stock at end-June 2016, the SADC Exclusively registered the highest growth of 20.9 percent. This was followed by the EU (8.4 percent), Asia (5.3 percent), and Non-EU OECD region (2.9 percent). The other regions and COMESA Exclusively recorded a 55.9 percent decline in the PSED stock at end- June 2016.

6.0 PRIVATE SECTOR FOREIGN ASSETS




6.0. PRIVATE SECTOR FOREIGN ASSETS

The foreign assets held by the private sector were in form of foreign direct investment, portfolio investment, financial derivatives and other investments.

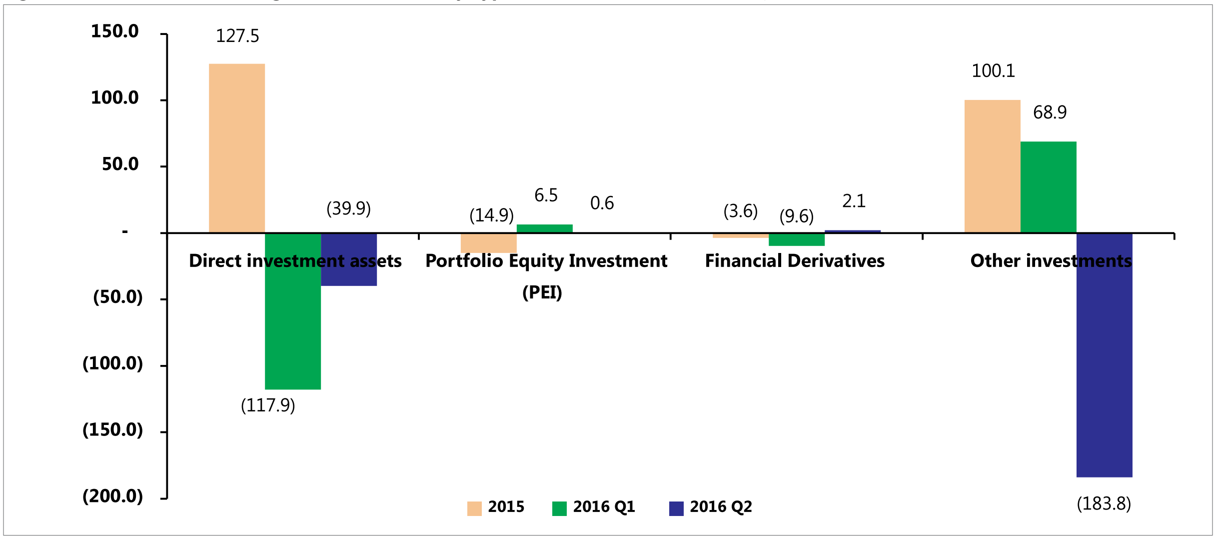
6.1 Private Sector Foreign Assets Flows by Type

In 2015, Zambia's private sector recorded an outflow of US $209.0 million, compared to a drawdown of US $1,847.1 million in 2014. The increase in assets was explained by increased lending by resident enterprises to direct investors and fellow enterprises in the form of trade credits, mostly from the mining industry. In particular, FDI assets recorded a positive outflow of US $127.5 million in 2015. However, a drawdown of US $ 117.9 million and US $39.9 million were recorded in quarter one and quarter two of 2016, respectively. Portfolio equity investment outflows also recorded a decline amounting to US $14.9 million in 2015, but posted a positive movement of US $7.1 million in the first half of 2016.

Net financial derivatives outflows were negative US $3.6 million in 2015 from US $1.4 million recorded in 2014. A net negative flow of US $7.5 million was recorded during the first half of 2016. In terms of other investment assets. a negative outflow of US $100.1 was recorded in 2016 compared to a decline of US $178.9 million in 2014.

Survey findings showed that significant value of private sector foreign assets flows were in form of FDI assets which accounted for 65.6 percent of foreign assets. During the first half of 2016, a drawdown amounting to US $157.8 million was recorded (see Figure 6.1).

Figure 6.1: Private Sector Foreign Assets Outflows by Type (US$ million), 2015 - 2016 Q2



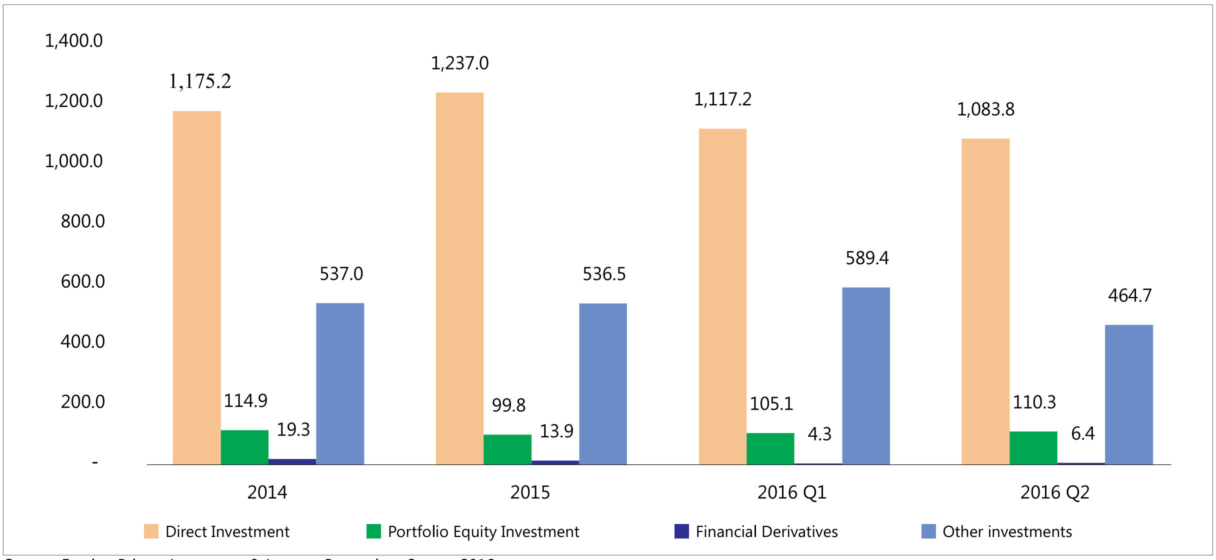
***Source:** Foreign Private Investment & Investor Perceptions Survey, 2016*

6.2 Private Sector Foreign Assets Stocks by Type

The stock of private sector foreign assets increased to US $1,887.3 million from US $1,846.4 million recorded end-2014.This was largely driven by increases in foreign assets in form of FDI.

The stock of FDI assets increased by 5.3 percent to US $1,237.0 million from US $1,175.2 million recorded in 2014. However, other investment assets declined by 0.1 percent to US $536.5 million from US $537.0 million recorded at end-2014. Similarly, financial derivatives and portfolio equity investment assets declined to US $13.9 million and US $99.8 million from US $19.3 million and US $114.9 million at end-2014, respectively (see Figure 6.2).

Figure 6.2: Private Sector Foreign Assets Stocks by Type (US $ million), 2015 - 2016Q 2



***Source**: Foreign Private Investment & Investor Perceptions Survey, 2016*

During the first half of 2016, FDI assets declined to US $1,083.8 million from US $1,237.0 million at end 2015. Similarly, other investments and financial derivative assets declined to US $464.7 million and US$ 6.4 million from US $536.5 million and US $13.9 million, respectively at end-2015. On the other hand, portfolio investment increased to US $110.3 million from US $99.8 million recorded at the end of 2015.

The assets were adversely affected by exchange rate movements between 2014 and 2015, with the highest impact of US $210.3 million in other investments (see Table 6.1).

Table 6.1: Private Sector Foreign Assets Stocks by Type (US $ million), 2014 -2015

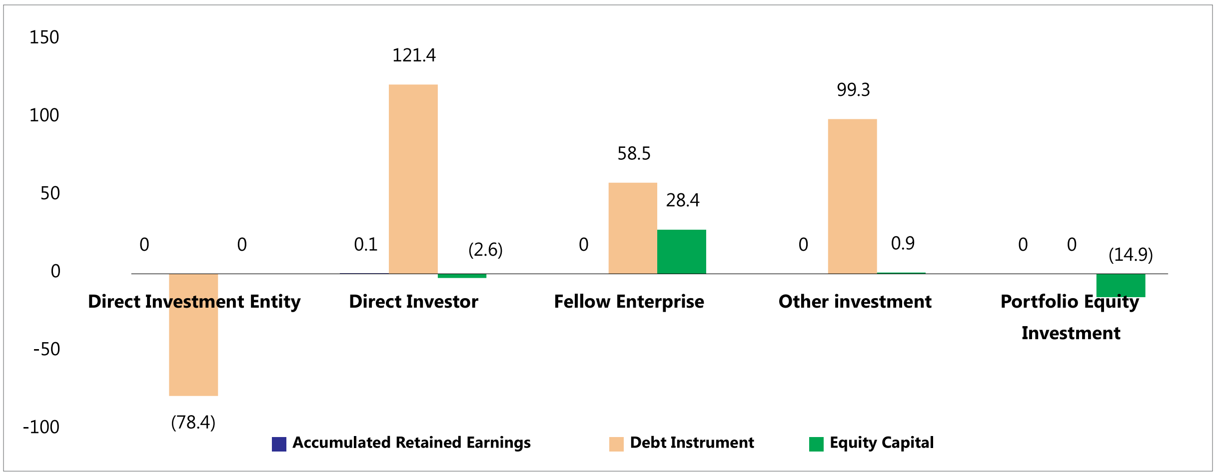
Relationship	End 2014	Transactions	Exc. rate	Other Changes	End 2015
Direct investment Entity (DIE)	651	(78.4)	(6.3)	0	566.2
Direct Investor (DI)	116.5	119	(26.2)	(0.8)	208
Fellow Enterprise (FE)	407.7	86.9	(32.5)	0.2	462.8
Other investments	537	100.1	(210.3)	109.7	536.5
Portfolio Equity Investment (PEI)	114.9	(14.9)	(21.8)	21.6	99.8
Financial Derivatives	19.3	(3.6)	0	(1.7)	13.9
Grand Total	**1,846.40**	**209**	**(297.1)**	**129**	**1,887.30**

***Source:** Foreign Private Investment & Perceptions Survey, 2015 & 2016*

6.2.1.1 Foreign Direct Investment Assets Flows by Investor Relationship

Flows of Zambia's FDI assets increased by US $127.5 million in 2015. While flows of FDI assets held by direct investment enterprises (DIEs) declined by US $78.4 million, there was an increase in flows of assets held by fellow enterprises (FE) and direct investors resident in Zambia amounting to US $86.9 million and US $119.0 million at end- 2015, respectively. These were largely in form of trade credits. (see Figure 6.3)

Figure 6.3: Foreign Direct Investment Flows by Investor Relationship (US $ millions), 2015



Source: *Foreign Private Investment & Investor Perceptions Survey, 2016*

During the first half of 2016, assets held by direct investment entities recorded the highest decline of US $138.6 million, followed by other investment (US $114.9 million) and fellow enterprises at US $32.2 million. The assets were mainly held in form of trade credits. However, marginal increases were recorded for direct investors and portfolio equity enterprises during the review period (see Table 6.2).

Table 6.2: Foreign Direct Investment Flows by Investor Relationship (US $ millions) 2015 Q1 and 2015 Q2

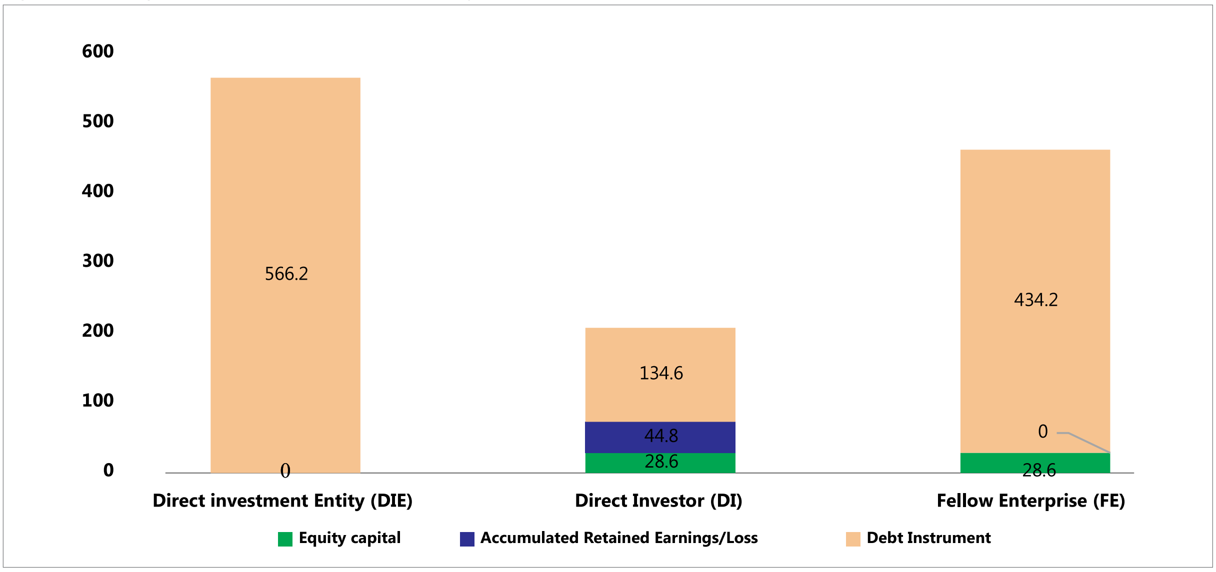
	2016 Q1				2016 Q2			
Relationship Type	**Accumulated Retained Earnings/ Loss**	**Debt Instrument**	**Equity capital**	**Total Flows**	**Accumulated Retained Earnings/ Loss**	**Debt Instrument**	**Equity capital**	**Total Flows**
Direct Investor (DI)	(2.3)	14.5	0	12.1	(10.1)	11.6	(0.6)	0.88
Direct investment Entity (DIE)	0	(115.8)	0	(115.8)	0	(22.8)		(22.8)
Fellow Enterprise (FE)	0	(14.2)	0	(14.2)	0	(18)	0	(18.0)
Other investment	0	67.9	1	68.9)	0	(185.2)	1.4	(183.8)
Portfolio Equity Investment (PEI)	0	0	6.5	6.52	0	0	0.6	0.57
Total	**(2.3)**	**(47.7)**	**7.5**	**(42.5)**	**(10.1)**	**(214.4)**	**1.4**	**(223.1)**

Source: *Foreign Private Investment & Perceptions Survey, 2015 & 2016*

6.2.1.2 Foreign Direct Investment Assets Stocks by Investor Relationship

The stock of FDI assets held by direct investment entities (DIE) accounted for the largest share at US $566.5 million, despite declining by 15.0 percent from US $651.0 million recorded at end of 2014. This was followed by fellow enterprises (US $462.8 million) and direct investors (US $208.0 million). The assets were mainly held in form of debt instruments. (see Figure 6.4).

Figure 6.4: Foreign Direct Investment Assets Stocks by Relationship (US $ millions), 2015



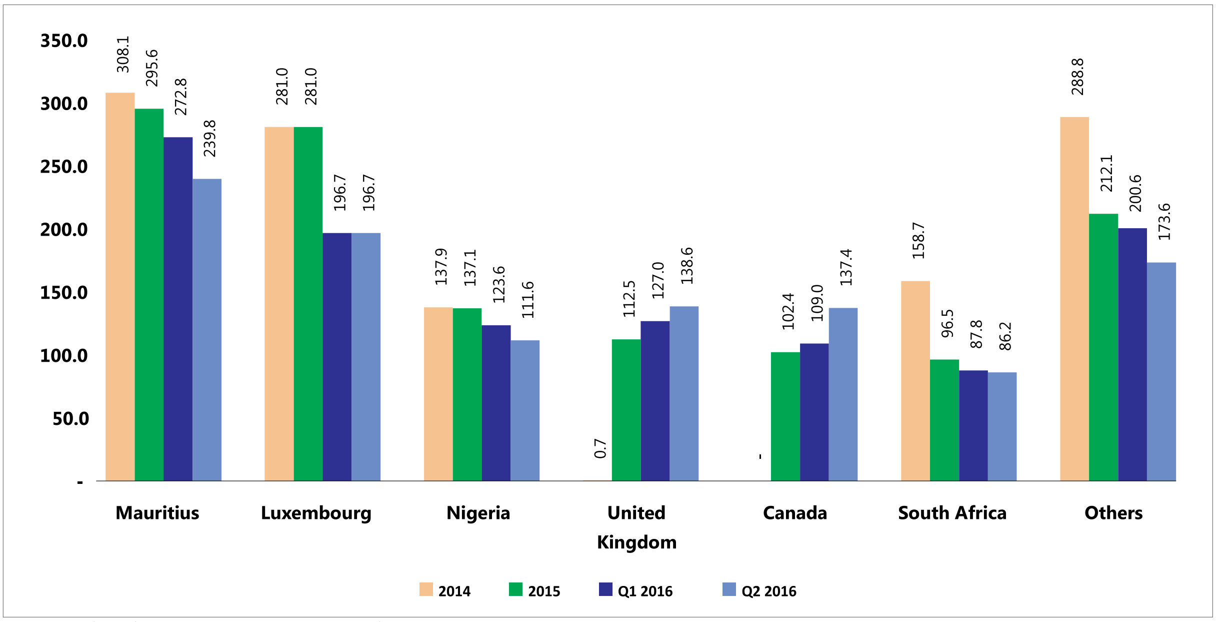
Source: *Foreign Private Investment & Investor Perceptions Survey, 2016*

During the first half of 2016, survey findings indicated that the stock of FDI by investor relationship was largely dominated by fellow enterprises (US $434.3 million) followed by direct investment entities at US $428 million at end-June 2016.

6.2.2.1 Foreign Direct Investment Assets by Recipient Country

Survey findings show that FDI assets, by recipient country, were dominated by Mauritius at US $295.6 million. This was followed by Luxembourg US $281.0 million, Nigeria (US $137.1 million), UK (US $112.5 million), Canada (US $102.4 million) and South Africa (US $96.5 million) (see Figure 6.5).

Figure 6.5: Foreign Direct Investment Assets by Recipient Country, (US $ millions) 2015-2016Q2



Source: *Foreign Private Investment & Investor Perceptions Survey, 2016*




Manufacturing plant, Trade Kings has subsidiary in South Africa, and has a presence in Kenya, Botswana, Congo DR, Malawi, Namibia, Tanzania and Zimbabwe

6.2.3 Portfolio Investments Abroad

Portfolio investments abroad declined to US $99.8 million from US $114.9 million recorded in 2014. The decline was largely attributed to a fall in equity held in listed enterprises in Australia to US $63.4 million from US$74.7 million recorded in 2014. Similarly, there was a marginal decline in equity held in listed enterprises in Botswana in 2015. However, portfolio investments increased in the second half of 2016 to US $110.3 million from US $99.8 million in 2015 (see Table 6.3).

Table 6.3: Stock of Portfolio Equity Investment Assets (US $ millions), 2014- 2015 Q2

Country	End-2014	End-2015	End-2016 Q1	End- 2016 Q2
Australia	74.7	63.4	63.4	63.4
Botswana	16.5	16.0	15.6	17.6
Germany	13.9	20.4	26.1	29.3
Luxembourg	9.8	0.0	0.0	0.0
Total	**114.9**	**99.8**	**105.1**	**110.3**

Source: *Foreign Private Investment & Perceptions Survey, 2015*

6.2.4 Financial Derivative Foreign Assets

During the period under review, financial derivative assets decreased to US $13.9 million from US $19.3 million at end-2014. This was largely due to a decline in forward contracts[7] held by investors in the United Kingdom and Congo DR.

Further, the stock of private sector financial derivative foreign assets declined to US $6.4 million at end -June 2016 from US $13.9 million in 2015 (see Table 6.4).

Table 6.4: Financial Derivative Foreign Assets (US $ millions), 2014- 2016 Q2

Destination Country	End 2014	Transaction	Valuation Changes	End 2015	2016 Q1	2016 Q2
Congo DR	0.6	(0.4)	0.3	0.4	0.4	0.4
Mauritius	0.1	0.1	(0.1)	0.1	0.1	0.1
South Africa	2.8	6.1	(2.2)	6.6	4.6	5.1
United Kingdom	10.5	(7.4)	(0.3)	2.8	(1.2)	(0.1)
Other	5.4	(2.0)	0.6	4.0	0.4	0.8
Total	**19.3**	**(3.6)**	**(1.7)**	**13.9**	**4.3**	**6.4**

Source*: Foreign Private Investment & Investor Perceptions Survey 2016*

6.2.5 Zambia's Other Investments Abroad

Other Investments (other than portfolio investment and financial derivatives) held by the private sector abroad, amounted to US $536.5 million in 2015 compared to US $537 million recorded in 2014

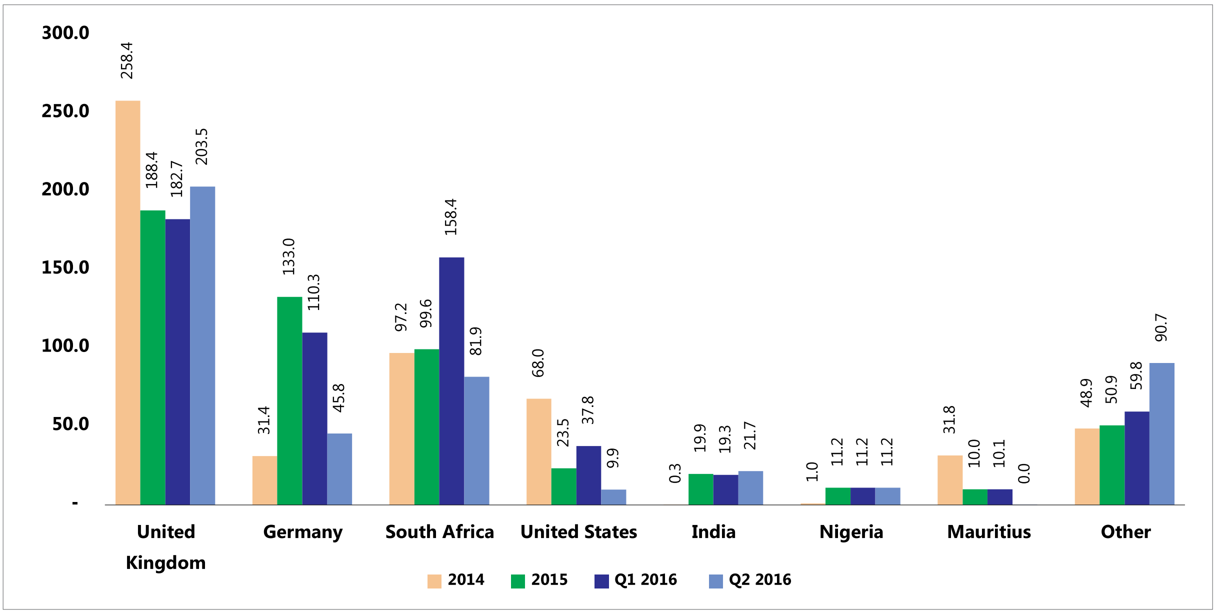



6.2.5.1 Other Investments Abroad by Recipient Country

Other investment assets were concentrated in the United Kingdom accounting for US $188.4 million (35 percent), at end-2015. This was followed by Germany at US$133 million, and South Africa (US $99.6 million) (see Figure 6.6).

During the period under review, debt instruments, amounting to US $533.8 million formed a significant share of other investments translating into 99.5 percent, while equity capital at US $2.8 million constituted 0.5 percent of other investments.

Figure 6.6: Other Investments Abroad by Recipient Country (US $ millions), 2014- 2016 Q2

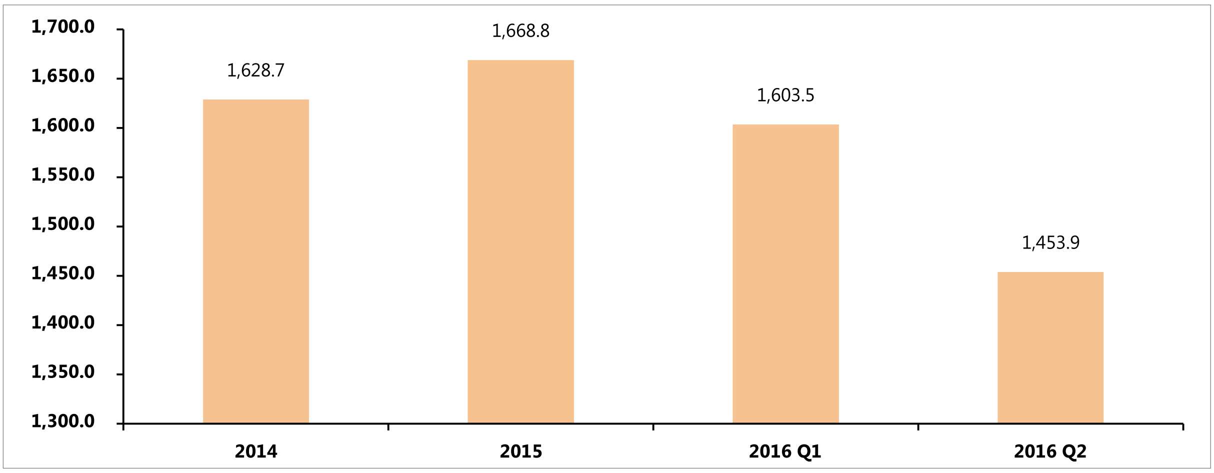


Source: *Foreign Private Investment & Investor Perceptions Survey 2016*

6.2.6 Private Sector External Lending (PSEL)

During the period under review, the stock of Private Sector External lending (PSEL) advanced by enterprises resident in Zambia to enterprises abroad was dominated by Direct Investment Entity (DIE), Non-Affiliates (NA) and Fellow Enterprise (FE). Major lending instruments included loans, trade credits and advances and currency and deposits. The stock of PSEL recorded at end-2015 was US $1,668.8 million compared to US $1,628.7 million recorded at end-2014, this represents a 2.5 percent rise. The increase in the stock of PSEL in 2015 was largely due to increased lending abroad to non-affiliates and direct investors. (see figure 6.7).

Figure 6.7: Total Stock of Private Sector External Lending (US $ millions), 2014- 2016 Q2

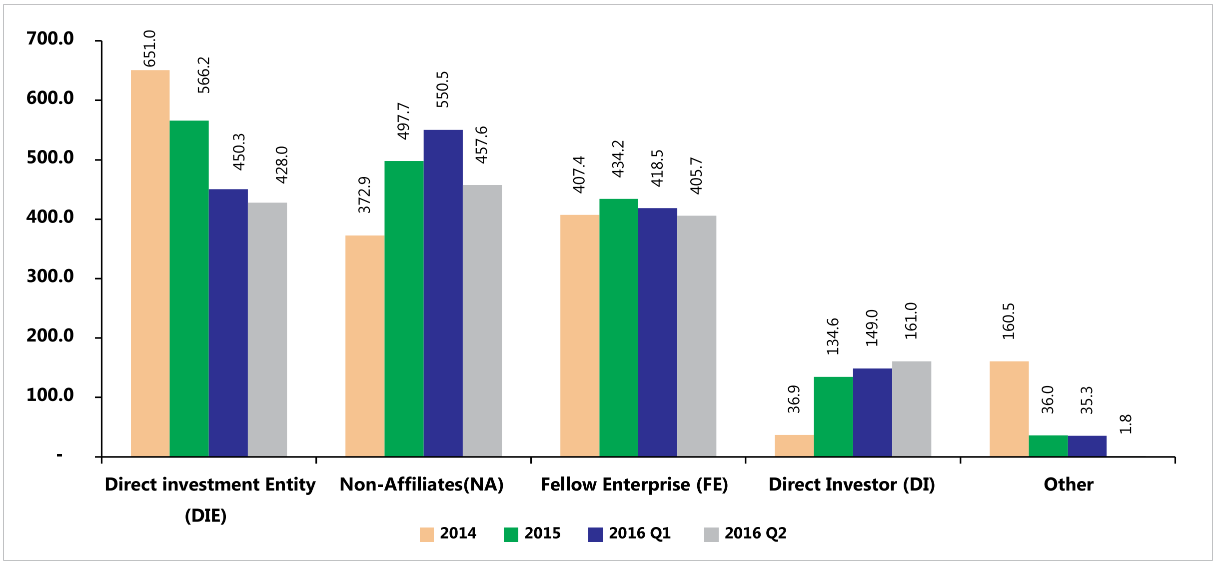


Source*: Foreign Private Investment & Investor Perceptions Survey 2016*

During the first half of 2016, the stocks of external debt assets by Direct Investors (DI) increased to US $161.0 million at end-June 2016, from US $134.6 million in 2015. However, there was a decline in stock for external debt assets for fellow enterprises (FE), Direct Investment Entities (DIE) and Non-Affiliates. (see figure 6.8)



Figure 6.8: Stock of Private Sector External Lending by Relationship (US $ millions), 2014- 2016 Q2



Source: *Foreign Private Investment & Investor Perceptions Survey 2016*

The stock of PSEL to DIE declined to US $566.2 million from US $651.0 million recorded in 2014. PSEL was mainly to Luxembourg, Mauritius, Switzerland, South Africa and the United States. (see figure 6.5)

Table 6.5: Stock of Private Sector External Lending to Direct Investment Entity by Recipient Country (US $ millions), 2014- 2016 Q2

Recipient country	End stock 2014	End Stock 2015	2016 Q1 Stock	2016 Q1 Stock
Luxembourg	281.0	281.0	196.7	196.7
Mauritius	243.9	236.1	213.4	192.9
South Africa	35.6	28.9	20.1	18.4
Switzerland	89.2	19.5	19.4	19.9
Other	1.2	0.7	0.7	0.0
Grand Total	**651.0**	**566.2**	**450.3**	**428.0**

Source: *Foreign Private Investment & Investor Perceptions Survey 2016*

However, the stock of PSEL to fellow enterprises rose to US $434.2 million from US $407.4 million recorded in 2014. This was mainly dominated by Nigeria, Canada, and South Africa (see Table 6.6).

Table 6.6: Stock of Private Sector External Lending to Fellow Enterprises by Recipient Country (US $ millions), 2014- 2016 Q2

Recipient country	End 2014 Stock	End 2015 Stock	2016 Q1 Stock	2016 Q2 Stock
Nigeria	137.7	136.9	123.5	111.4
Canada	-	102.4	109	137.4
South Africa	110.9	62.3	62.4	62.5
Others	74.6	53.7	50.7	43.1
Congo DR	20.5	17.2	16.9	18.5
Malawi	26.2	25.4	25.2	0.9
Mozambique	19.1	20.3	14.8	15.9
Mauritius	18.4	16	16	16
Grand Total	**407.4**	**434.2**	**418.5**	**405.7**

Source: *Foreign Private Investment & Investor Perceptions Survey 2016*

The stock of PSEL to DI significantly increased to US $134.6 million from US $36.9 million recorded in 2014. PSEL was largely dominated by the United Kingdom, the United States and South Africa (see Table 6.7).




Table 6.7: Stock of Private Sector External Lending to Direct Investor by Recipient Country (US $ millions), 2014- 2016 Q2

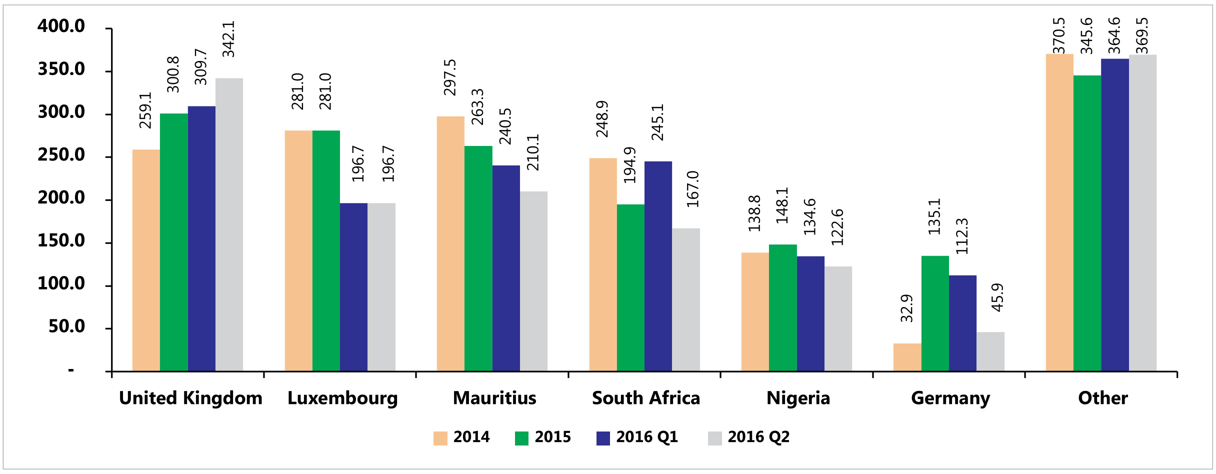
Destination Country	End 2014 Stock	End 2015 Stock	2016 Q1 Stock	2016 Q2 Stock
United Kingdom	3.0	105.2	119.7	131.4
United States	21.7	21.1	21.1	21.1
South Africa	5.1	4.2	4.2	4.2
Ireland	2.4	1.0	1.0	1.1
Mauritius	3.4	1.1	1.1	1.2
Netherlands	-	1.1	1.3	1.2
Congo (DR)	0.9	0.7	0.4	0.6
Togo	0.2	0.2	0.2	0.2
Egypt	0.0	0.0	0.0	0.0
Japan	0.0	0.0	0.0	0.0
Zimbabwe	0.0	0.0	0.0	0.0
Total	36.9	134.6	149.0	161.0
Grand Total	**407.4**	**434.2**	**418.5**	**405.7**

Source*: Foreign Private Investment & Investor Perceptions Survey 2016*

6.3 Private Sector External Lending by Recipient Country

Survey findings indicated that at end-2015 and at the close of the first half of 2016, the stock of private sector external debt advanced by enterprises resident in Zambia were mainly to the United Kingdom, Luxembourg, South Africa, Nigeria, and Germany, accounting for 79.3 percent of the total lending (see Figure 6.9).

Figure 6.9: Stock of Private Sector External Lending by Recipient Country (US $ millions), 2014- 2016 Q2



Source*: Foreign Private Investment & Investor Perceptions Survey 2016*

7.0 FOREIGN AFFILIATES STATISTICS

7.0 FOREIGN AFFILIATES STATISTICS

7.1 Introduction

In the last two decades, foreign-controlled enterprises have continued to play a critical role in the economies of many host countries. With the increase in globalisation, foreign-controlled firms are able to undertake activities that can significantly contribute to the welfare of the host countries, in which they conduct their business.

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

7.3 Overall Foreign Affiliates Statistics

7.3.1 Main Findings

During the year 2015, 181 majority-owned foreign affiliates (MOFAs)[8] in Zambia were enumerated compared with 162 recorded in 2014. Overall, the surveyed enterprises generated sales/turnover amounting to US $11,795.4 million, 18.5 percent lower than US $14,731.1 million registered the preceding year. In terms of employment levels, MOFAs accounted for 77,570 employees, 11.4 percent lower than 87,527 level recorded in 2014. During the same period, assets of majority owned foreign affiliates, at US $26,977.1 million, were 0.2 percent lower than registered in 2014. The net worth of these enterprises, however, grew by 5.1 percent to US $7,343.2 million during the period. In the year under review, overall, MOFAs, declared losses after tax amounting to US $910.8 million against profits of US $395.7 million in 2014. Consequently, MOFAs recorded net tax refunds amounting to US $35.0 million compared with a net tax payment of US $74.8 million in 2014. Following the decline in profits, dividends declared by MOFAs fell by 68.9 percent to US $122.7 million from US $395.7 million registered in 2014.

During the same period, value added[9] contributed by MOFAs, at US $4,141.3 million, was 1.1 percent lower than US $4,184.1 million recorded in 2014. The surveyed MOFAs accounted for US $5,753.9 millions of exports of goods and services, 6.2 percent lower than US $6,133.0 million recorded in 2014. Similarly, MOFAs exports of goods declined by 5.9 percent to US $ 5,734.7 million in 2015, accounting for 77.9 percent of Zambia's exports (59.6 percent). MOFAs imports of goods and services at, US $3,223.2 million were 4.6 percent higher than registered in 2014. Excluding services, imports of goods grew by 6.6 percent with the share in Zambia's imports rising to 42.4 percent (34.3 percent). In addition, MOFAs paid about US $1,278.8 million as compensation of employees, down from US $1,607.9 million, recorded the preceding year (see Table 7.1).

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

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



Table 7.1: Summary of Inward Foreign Affiliates Statistics by Category 2013-2015 (US $ millions)

DESCRIPTION	2013	2014	2015
Number of Enterprises	129	162	181
Sales/Turnover	13,624.3	14,473.1	11,795.4
Gross Output	13,612.5	14,614.9	11,337.5
Employment (Number of employees)	78,475.0	87,527.0	77,570
Assets at end of Year	22,264.9	26,918.5	26,977.1
Net Worth at end Year	9,290.7	6,987.1	7,343.2
Value-added	4,721.9	4,184.1	4,141.3
Exports of Goods & Services	7,797.2	6,133.0	5,753.9
Of which to from foreign affiliates	1,857.5	2,052.5	2,131.4
Of Which Goods	7,778.2	6,092.1	5,734.7
Of Which Services	19.0	40.9	19.2
Imports of Goods & Services	4,540.5	3,081.8	3,223.2
Of which from foreign affiliates	1,245.5	1,638.1	391.5
Of Which goods	4,328.4	2,951.6	3,153.0
Of Which Services	212.1	130.2	70.1
Compensation of Employees	1,403.6	1,607.9	1,278.8
Net Operating Surplus (or loss)	2,056.1	334.8	794.8
Taxes on Income	699.9	74.8	-35.0
Net Profit After Tax (Earnings)	1,166.1	395.7	(910.8)
Total Dividends Distributed/Declared	969.7	395.7	122.7
Research and Development	113. 9	12.6	132.0
Purchases of Domestic Goods and Services	4,760.0	3,560.3	4,426.1
Of which Goods	3,159.5	2,842.3	2,485.4
Of which Services	1,412.2	1,600.8	1,763.6
Gross Fixed Capital Formation	4,154.0	3,059.6	1,937.8
Of which: Machinery and Equipment	1,987.5	2,296.6	789.5
Payments for Royalties and License fees	380.5	266.3	391.1
Management Fees	97.5	199.9	91.6
Stock of domestic borrowing from banks as at 31st Dec	520.6	382.1	195.8

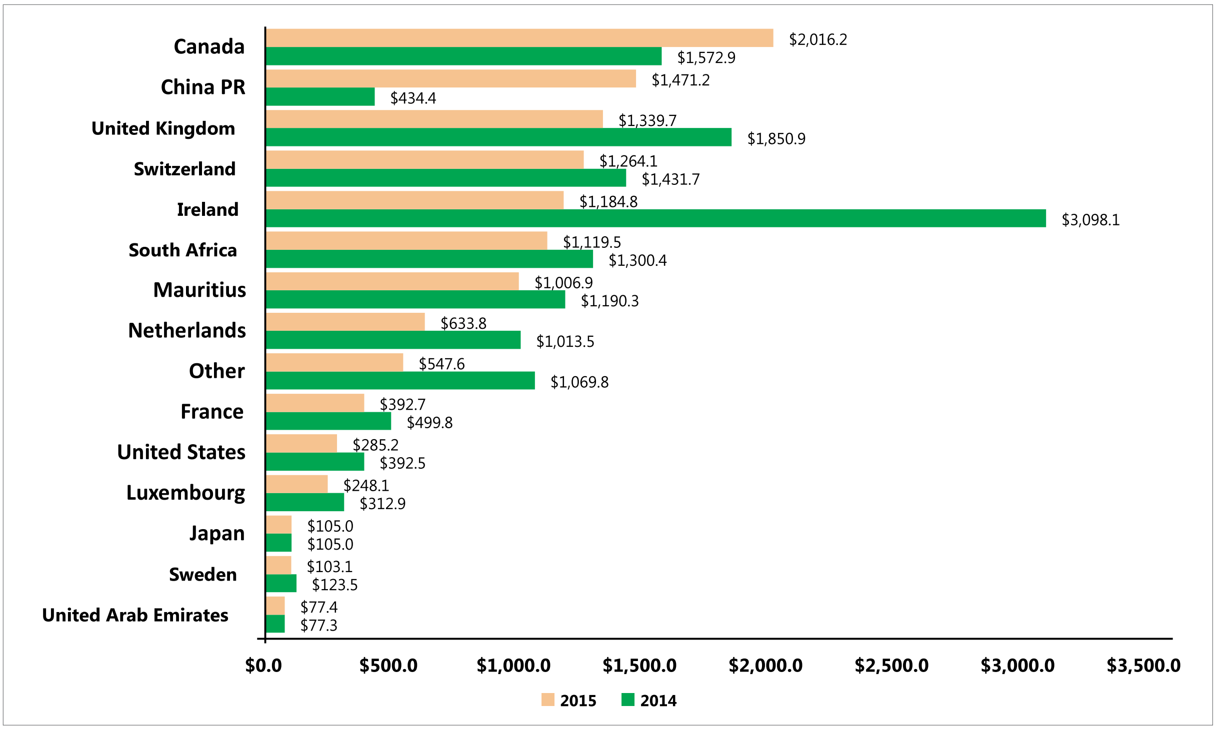
***Source**: Foreign Private Investment & Investor Perceptions Survey 2016*

7.3.2 Inward FATS Analysed by Immediate Investing Country

7.3.2.1 Sales/Turnover by Immediate Partner Country

The survey findings showed that notable increases were recorded by MOFAs originating from Canada and China in 2015. However, the United Kingdom, Switzerland, Ireland, South Africa, Mauritius, and the Netherlands recorded significant reduction in sales. Canada continued to account for the largest share at US $2,016.2 million, representing 17.1 percent followed by China (12.5 percent), the United Kingdom (11.4 percent), Switzerland (10.7 percent), South Africa (9.5 percent), Mauritius (8.5 percent), and the Netherlands (5.4 percent) [see Figure 7.1].

Figure 7.1: Sales/Turnover of MOFAs by Source Country, 2014-2015 (US $ millions)

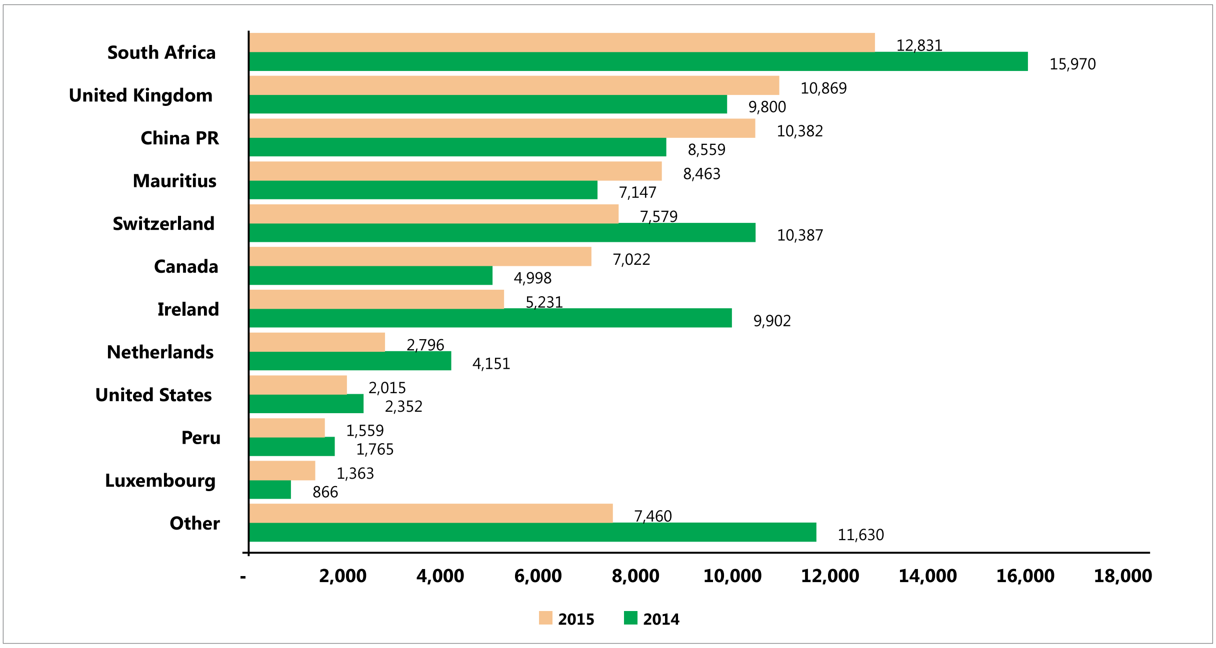


Source: *Foreign Private Investment & Investor Perceptions Survey 2016*

7.3.2.2 Employment Levels of MOFAs by Immediate Partner Country

The survey findings revealed that, South Africa, United Kingdom, China, Mauritius, Switzerland, Canada, and Ireland, were the largest, collectively accounting for 80.4 percent of the total employees of MOFAs in 2015. Significant increases in employment were recorded from China, Mauritius, and the United Kingdom in 2015 compared to 2014. However, decreases in employment were recorded by MOFAs originating from Ireland, South Africa, Switzerland, British Virgin Islands, and the Netherlands (See Figure 7.2).

Figure 7.2: Employment Levels of MOFAs by Immediate Partner Country, 2014-2015



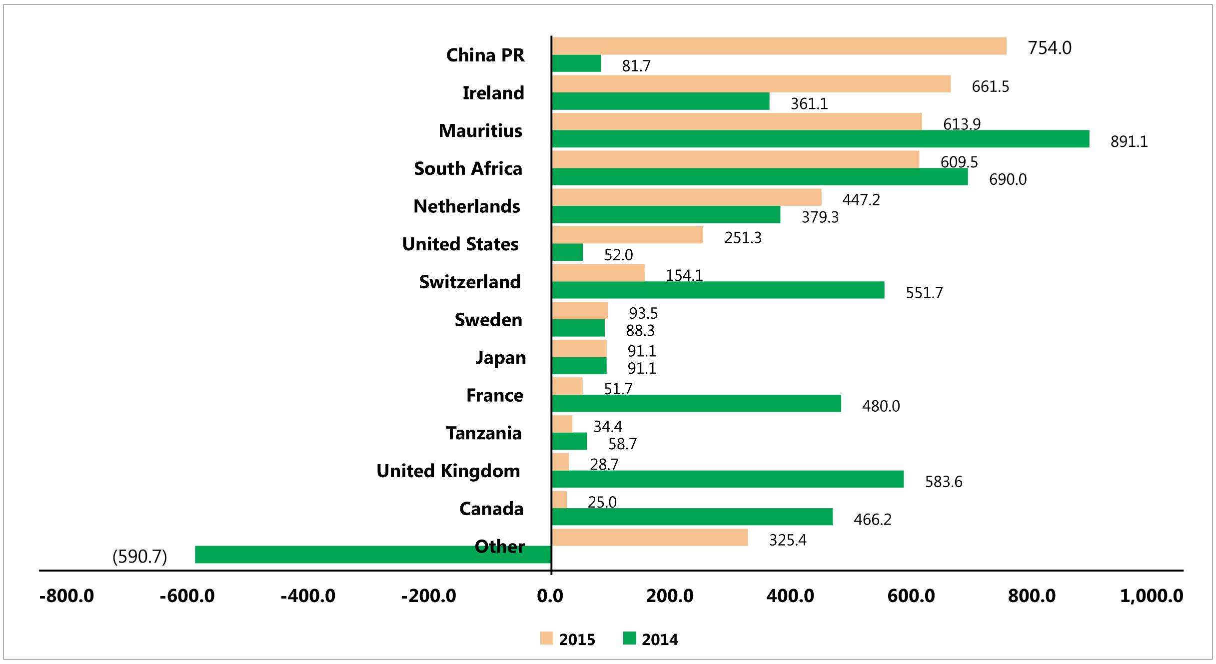
Source: *Foreign Private Investment & Investor Perceptions Survey 2016*

Members of staff at BIA Zambia's new facility on the Copperbelt Province

7.3.2.3 Value Added of MOFAs by Immediate Partner Country

China, Ireland, Mauritius, South Africa, the Netherlands, and the United States collectively accounted for 80.6 percent of the total value added in 2015. Significant increases were recorded from China, Ireland, the United States of America and the Netherlands. A notable decline in value added, however, was recorded for the United Kingdom, Canada, France, Switzerland, and Mauritius (see Figure 7.3).

Figure 7.3: Value Added of MOFAs by Immediate Partner Country (US $ millions), 2014 - 2015

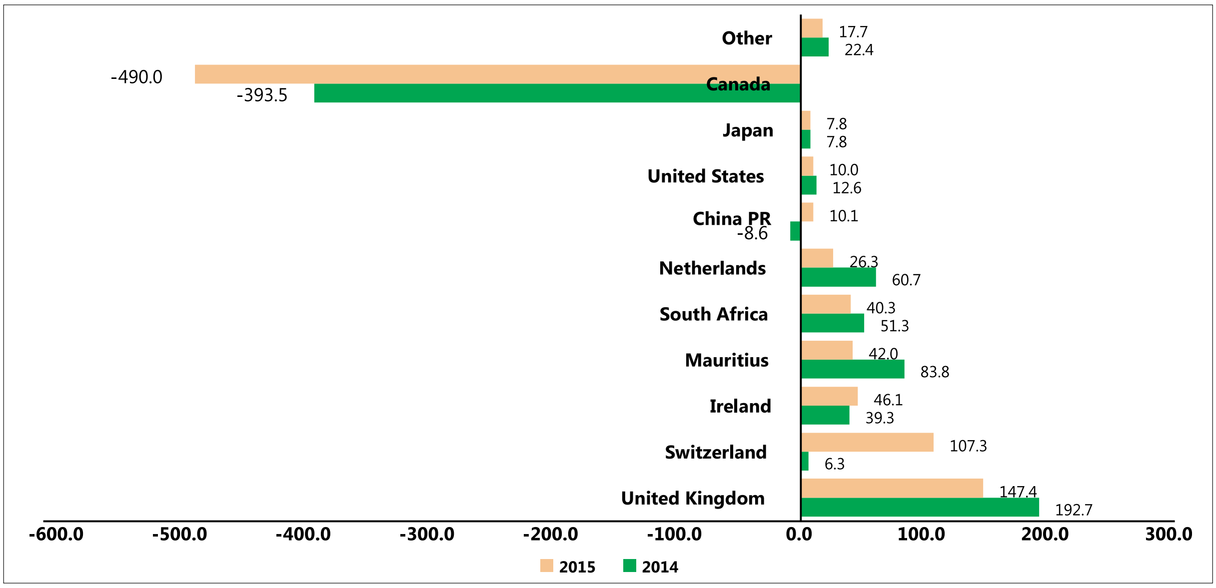


Source: *Foreign Private Investment & Investor Perceptions Survey 2016*

7.3.2.4 Taxes on Income by MOFAs by Immediate Partner Country

The United Kingdom, Switzerland, Ireland, South Africa, and the Netherlands were the major contributors to corporate tax in 2015. Switzerland, Ireland, and China recorded increases in corporate tax payments in 2015 compared to 2014. The United Kingdom, Mauritius, South Africa, and the Netherlands, however, recorded reduced tax payments (see Figure 7.4).

Figure 7.4: Taxes on Income of MOFAs by Immediate Partner Country (US $ millions), 2014-2015

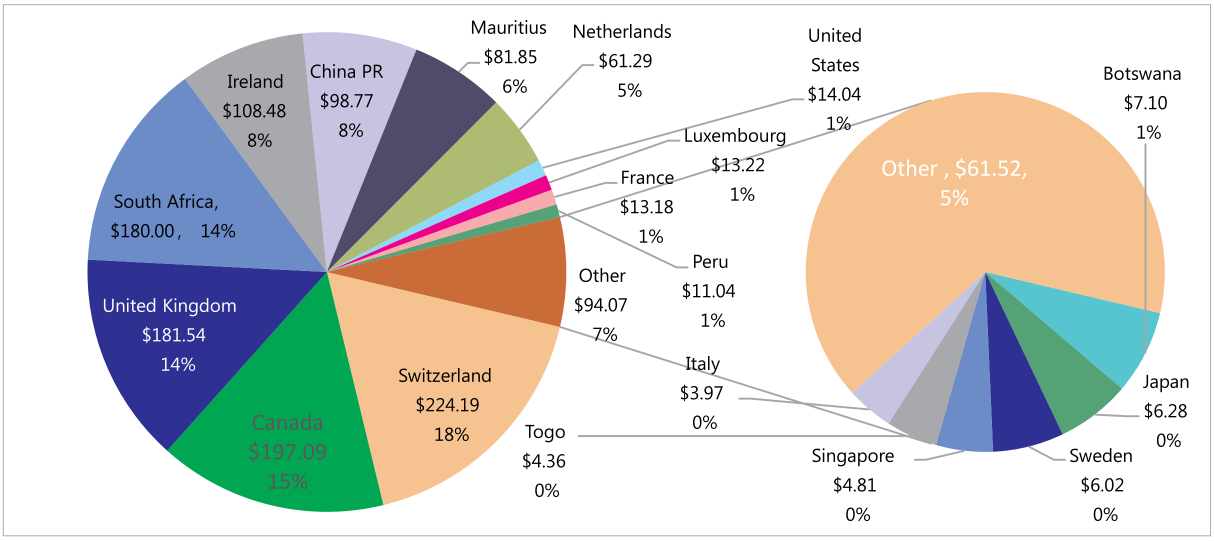


Source: Foreign Private Investment & Investor Perceptions Survey 2016

7.3.2.5 Salaries and Wages Paid by Immediate Partner Country

Switzerland accounted for the largest share of compensation of employees (salaries and wages) at 18.0 percent in 2015 (14.3 percent). This was followed by Canada, the United Kingdom, South Africa, Ireland, China, Mauritius, the Netherlands, and Switzerland which together accounted for 88.6 percent of compensation of employees in 2015 (See Figure 7. 5).

Figure 7.5: Compensation of Employees in 2015 by Immediate Partner Country



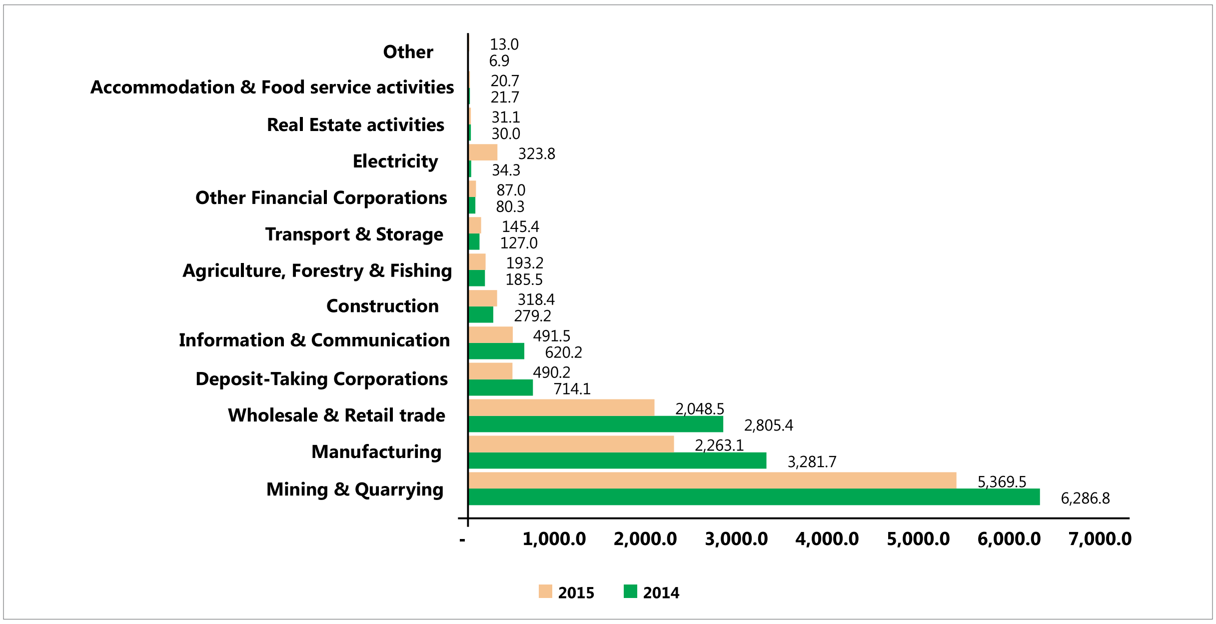
Source: Foreign Private Investment & Investor Perceptions Survey 2016

7.3.3 Inward FATS analysed by Recipient Industry

7.3.3.1 Sales/Turnover by Recipient Industry

The mining and quarrying industry, at US $5,369.5 million, continued to dominate total sales/turnover accounting for 45.5 percent, in 2015 (43.4 percent), followed by manufacturing at 19.2 percent (23.0 percent), and wholesale and retail trade 17.4 percent (19.0 percent). The mining and quarrying, manufacturing, wholesale and retail trade, deposit taking corporations and information and communication industries recorded decreases in sales/turnover in 2015 relative to 2014. The general decline largely reflects subdued economic activity during the year associated mainly with adverse effects of a sharp decline in copper prices, the depreciation of the Kwacha, power rationing, and erosion of purchasing power due to elevated inflation. Notable increases, however, were recorded in the electricity, gas and steam, and construction industries (see Figure 7.6).

Figure 7.6: Sales/Turnover of MOFAs by Industry, 2014 - 2015 (US $ millions)

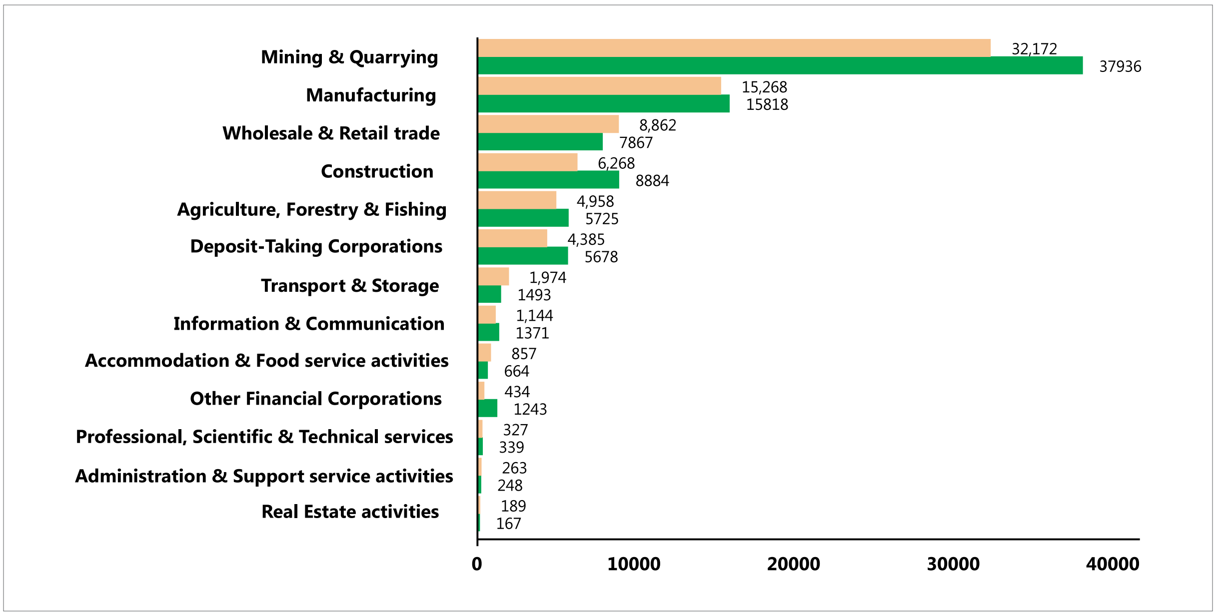


Source: *Foreign Private Investment & Investor Perceptions Survey 2016*

7.3.3.2 Employment Levels of MOFAs by Industry

The mining and quarrying industry continued to account for the largest share of employees, at 32,172 in 2015, representing 41.5 percent of employees of MOFAs, followed by the manufacturing (19.7 percent), and wholesale and retail trade (11.4 percent) industries. Several major industries recorded notable decreases in employment levels in 2015 relative to 2014, with the mining and quarrying recording the largest decline by 5,764 in 2015. This was followed by construction (2,616), deposit taking corporations (1,293), other financial corporations (809), agriculture forestry and fishing (767), manufacturing (550), and information and communication (227). Notable increases, however, were registered in the wholesale and retail trade, transport and storage, and accommodation and food industries (see Figure 7.7).

Figure 7.7: Employment Levels of MOFAs by Industry, 2014 - 2015



Source: *Foreign Private Investment & Investor Perceptions Survey 2016*

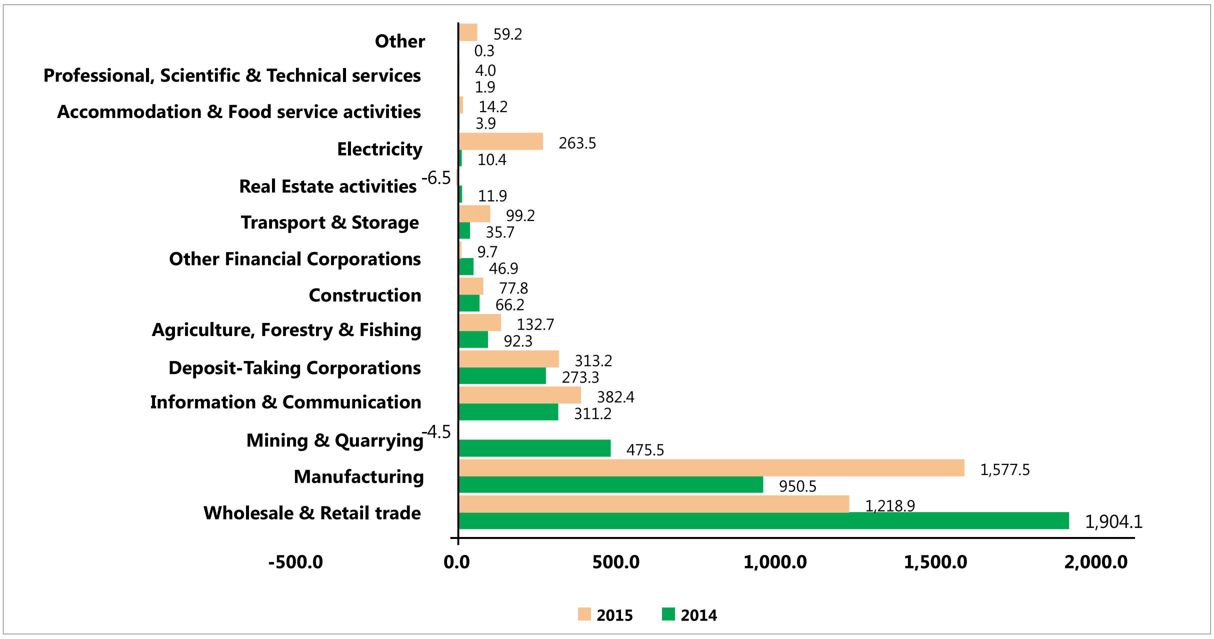
7 .3.3.3 Value Added of MOFAs by Industry

The manufacturing industry accounted for the largest share (38.1 percent) displacing the wholesale and retail trade to second position (29.4 percent). The value added in the mining and quarrying, and wholesale




and retail trade industries declined by 100.9 percent and 36.0 percent in 2015, respectively (see Figure 7.8). Major factors, driving this decline includes a sharp decline in copper prices and subdued domestic consumer demand. Notable increases, however, were recorded in manufacturing and electricity, gas and steam industries.

Figure 7.8: Value Added of MOFAs by Industry (US $ millions), 2014-2015

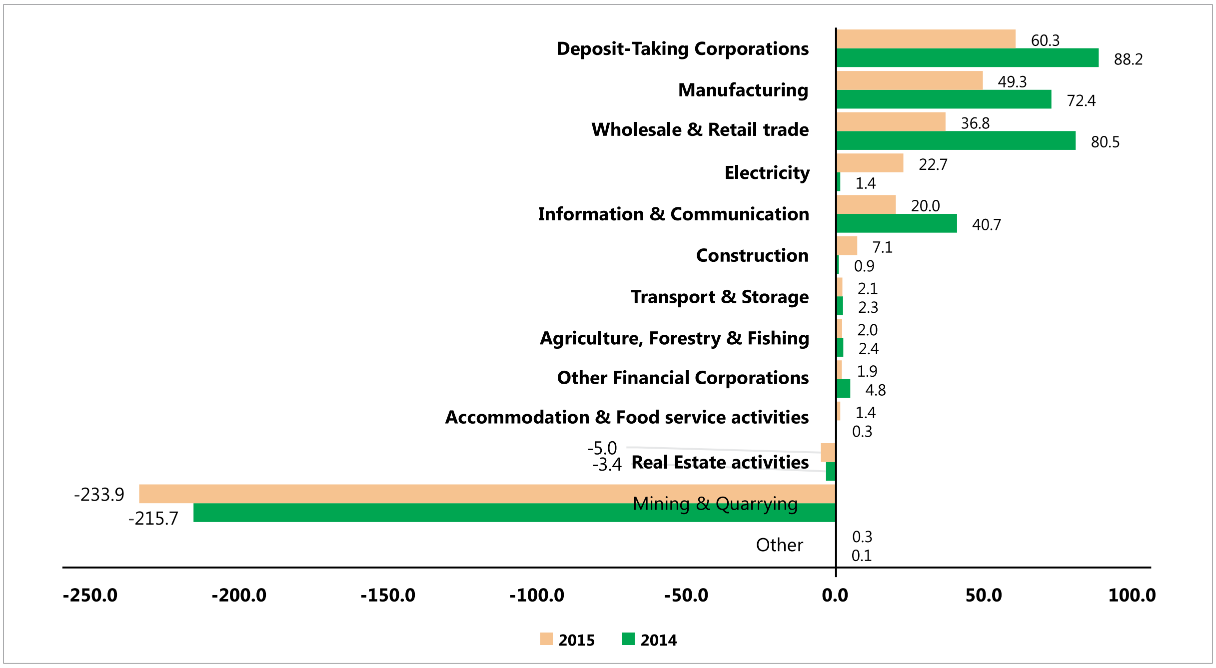


Source: *Foreign Private Investment & Investor Perceptions Survey 2016*

7.3.3.4 Taxes on Income of MOFAs by Industry

In 2015, deposit taking corporations continued to dominate taxes on income at US $60.3 million, followed by manufacturing at US $49.3 million and wholesale and retail trade at US $36.8 million. Most industries recorded lower payments of corporate tax relative to the preceding year. Corporate tax payments by wholesale and retail trade, information and communication, manufacturing, and deposit taking corporations all declined in 2015. Further, the mining and quarrying sector, continued to record negative corporate tax payments mainly on account of tax refunds and losses recorded during the year. The electricity, construction, and accommodation and food industries, however, recorded higher corporate tax payments (see Figure 7.9).

Figure 7.9: Taxes on Income of MOFAs by Industry (US $ millions), 2014-2015

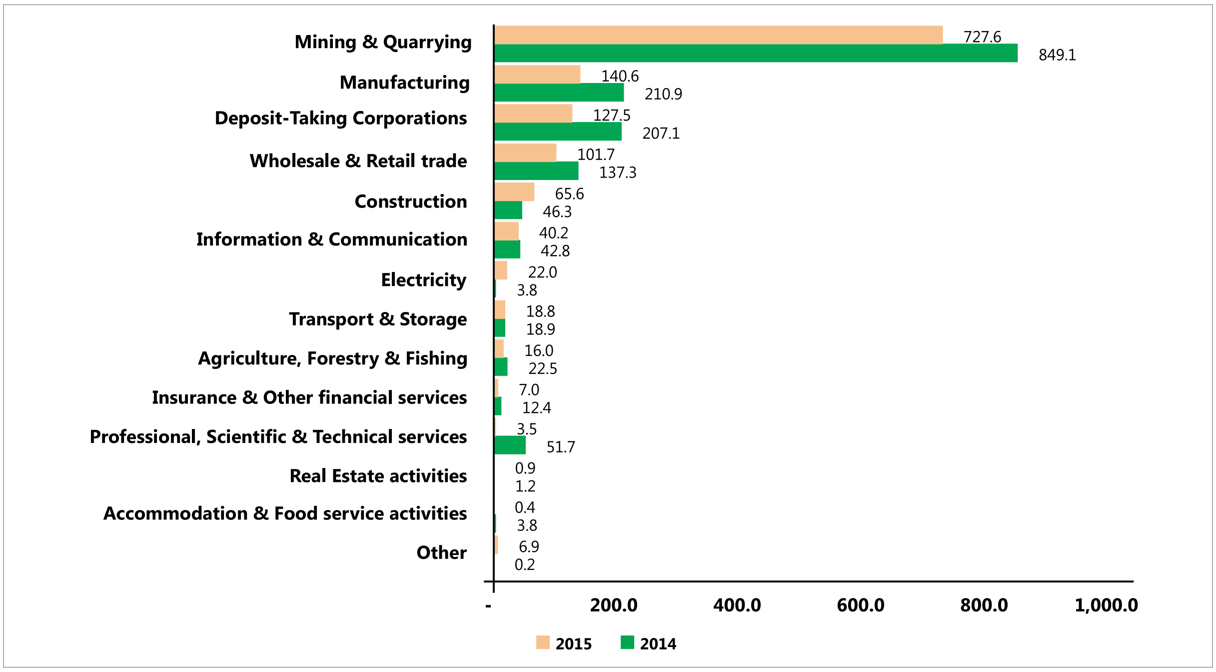


Source: *Foreign Private Investment & Investor Perceptions Survey 2016*

7. 3.3.5 Compensation of Employees by Industry

The mining industry continued to dominate compensation of employees (salaries and wages), accounting for 56.9 percent, followed by manufacturing at 11.0 percent, deposit taking corporations (10.0 percent), and wholesale and retail trade (8.0 percent). The mining and quarrying, manufacturing, and wholesale and retail trade industries as well as deposit taking corporations recorded notable reduction in compensation of employees in 2015. The decline was mainly driven by the massive job losses recorded in these industries. Increases in compensation of employees was, however, recorded in the construction and electricity industries (see Figure 7.10).

Figure 7.10 Compensation of Employees (Salaries and Wages) by Industry 2014-2015, US $ millions



Source: *Foreign Private Investment & Investor Perceptions Survey 2016*

7.4 Pure Services Categories of Foreign Affiliates Statistics [ISIC, Rev.4 Categories for Foreign Affiliates in Services (ICFA, Rev.1)]

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

8.0 CONTRIBUTION TO CORPORATE SOCIAL RESPONSIBILITY

8.0 CONTRIBUTION TO CORPORATE SOCIAL RESPONSIBILITY

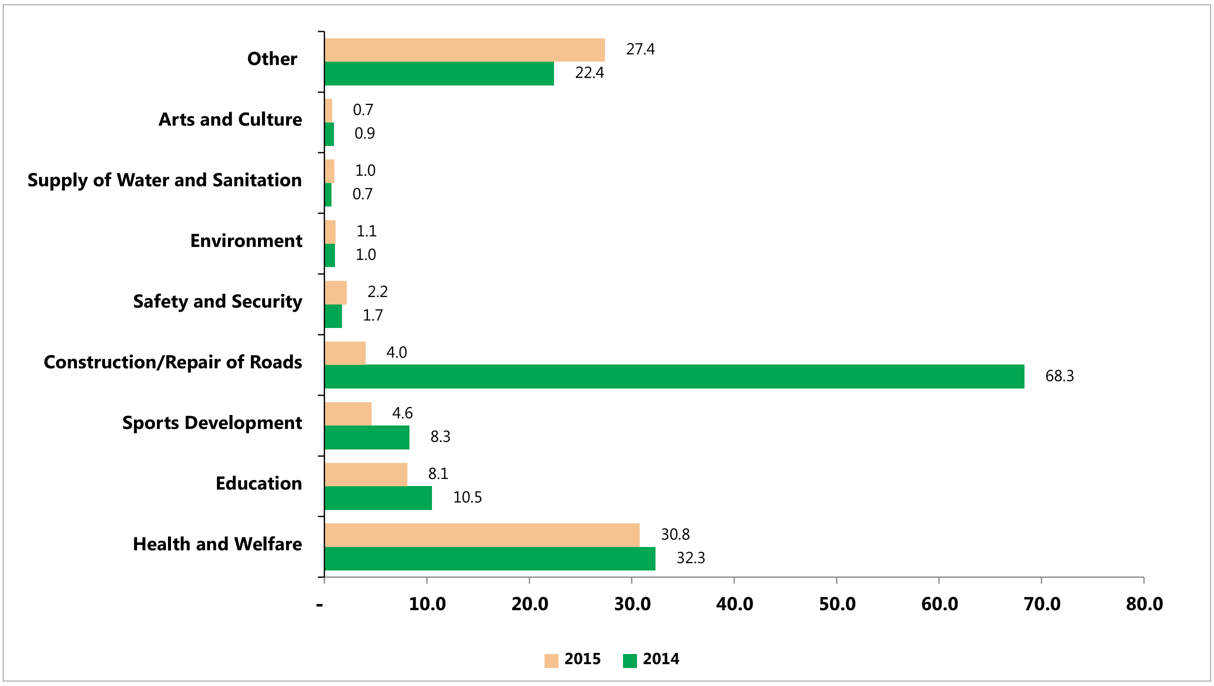
The companies undertook Corporate Social Responsibility (CSR)[11] through various activities such as arts and culture, roads repair, sports, health, and education, among others. A total of US $79.8 million in expenditure was recorded for the year 2015. In comparison to the US $146.1 million recorded in 2014, this represented a decline of 45 percent.

8.1 Corporate Social Responsibility Expenditure by Category

Out of the total US $79.8 million invested in Corporate Social Responsibility (CSR) in 2015, Health and Welfare recorded US $30.8 million, accounting for 38.6 percent, followed by education (10.1 percent) and sports development (5.8 percent) of the total expenditure. This represented a shift and reduction in resource allocation from the previous year when construction and repair of roads, had the highest expenditure at US $68.3 million. (See figure 8.1).

Zambia Sugar Plc donating computers to Kabanje Basic School in Mazabuka, Southern Province

Figure 8.1: Corporate Social Responsibility Expenditure by Category (US $ millions), 2014 – 2015



Source: *Foreign Private Investment & Investor Perceptions Survey 2016*

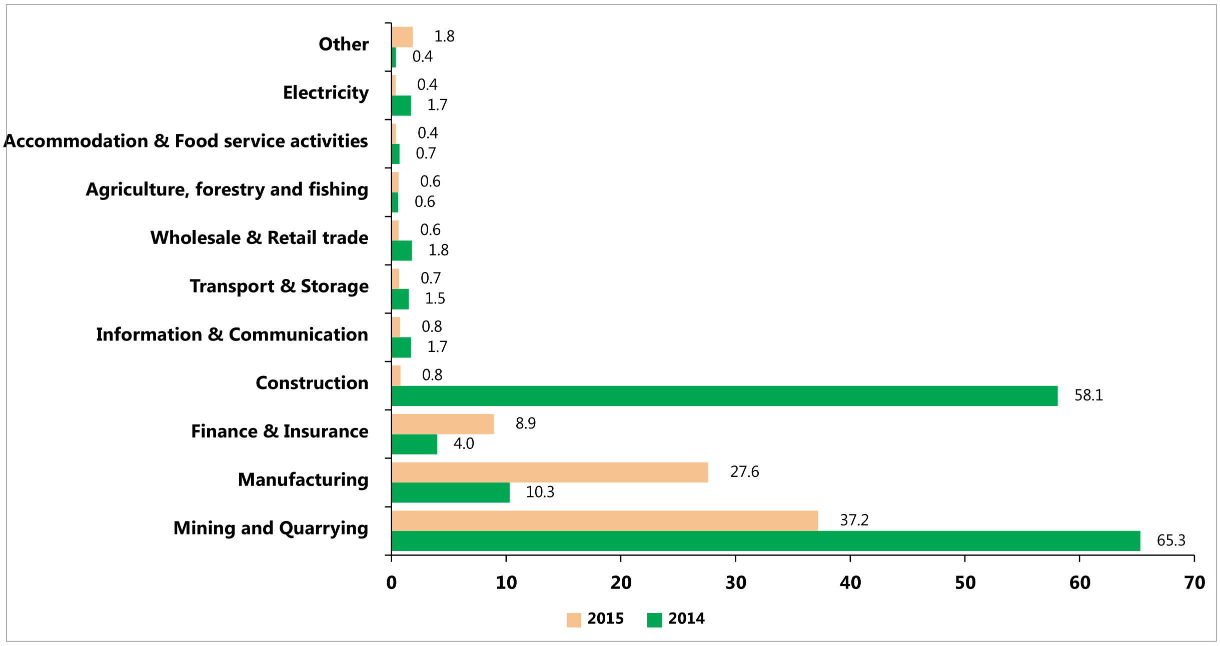
[11] Is a measure of good governance and social responsibility

A vehicle donated by Southern Cross Motors to Africa Training Management Service (ATMS) Project under the UNDP

8.2 Corporate Social Responsibility Expenditure by Industry

In 2015, the mining and quarrying industry had the highest contribution to CSR expenditure at US $37.2 million, representing 46.6 percent. This was followed by manufacturing at US $27.6 million (34.6 Percent) and finance and Insurance at US $8.9 million (11.2 percent). The remaining industries had low expenditures accounting for a collective total of US $6.1 million, representing 7.6 percent of the total CSR expenditure (see Figure 8.2).

Figure 8.2: Corporate Social Responsibility Expenditure by Sector (US $ millions) 2014 – 2015



Source: *Foreign Private Investment and Investor Perceptions in Zambia 2016*

9.0 INVESTOR PERCEPTIONS

9.0 INVESTOR PERCEPTIONS

9.1 Introduction

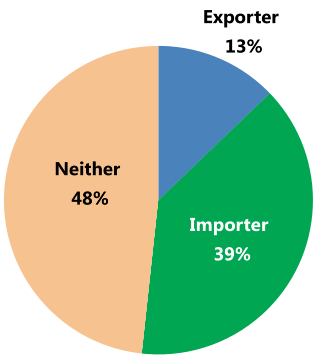
This chapter analyses Investor perceptions[12] of on investment climate and policy environment, and concludes with private industry investor outlook and expansion strategies.

9.2 Key Findings

9.2.1 State of Export and Import Exposure

The survey findings showed that exporters and importers accounted for 13.0 percent (15.0 percent) and 39.0 percent (36.0 percent), respectively from the 2015 survey, whilst 48.0 percent of the respondent enterprises were neither exporters nor importers. (see Figure 9.1).

Figure 9.1:Trade Structure (Percent), 2016



Source: *Foreign Private Investment and Investor Perceptions in Zambia 2016*

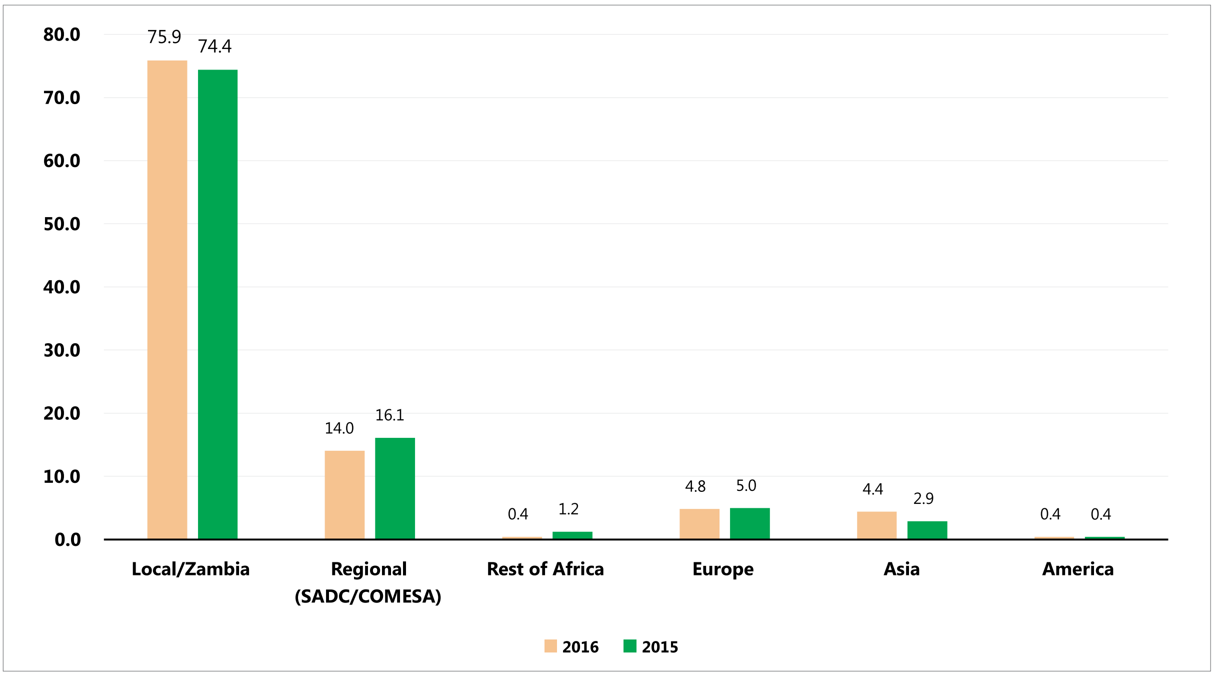
9.2.2 Product Market by Destination

The respondents indicated that 75.9 percent of their market was domestic. The SADC and COMESA dual membership region was 14.0 percent; Europe and Asia had a combined share of 9.2 percent; the rest of the African continent and the United States each constituted an export market share of 0.4 percent. In comparison with the market share recorded in the 2015 survey findings, the domestic and the Asian market shares recorded increases, while the SADC and COMESA dual membership region, Europe and the rest of the African continent recorded reductions in market share. The United States of America market share remained unchanged in comparison with the 2015 survey findings (see Figure 9.2).

Packaging of Soyola cooking Oil at Mount Meru's Millers Plant




Figure 9.2:Product Markets by Destination, 2016 & 2015 (Percent)

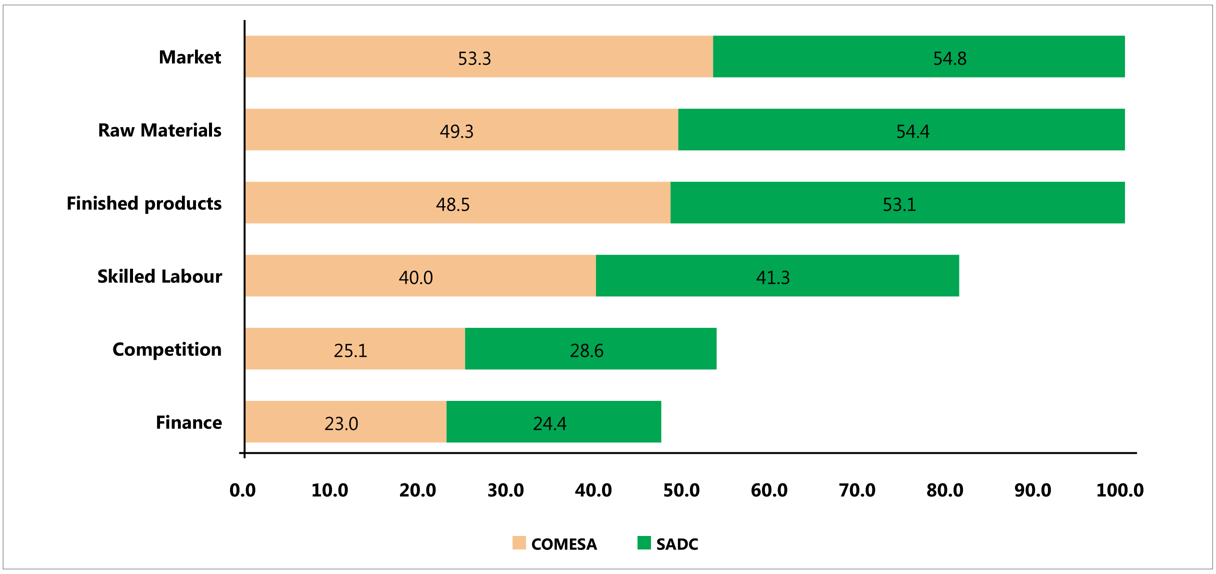


Source: *Foreign Private Investment and Investor Perceptions in Zambia 2016*

9.2.3 Access to the SADC and COMESA Markets

The SADC and COMESA markets were a major source and destination market for raw materials, skilled labour, finished products and finance. In the survey period, 53.3 percent (45.2 percent) of the respondent companies exported to COMESA and 54.8 percent (46.4 percent) percent to the SADC market Raw materials from the SADC market were 54.4 percent, while 49.3 percent and 53.1 percent of the respondents sourced finished goods from the COMESA and SADC markets respectively (see Figure 9.3).

Figure 9.3: Access to the SADC and COMESA Markets (Percent), 2016



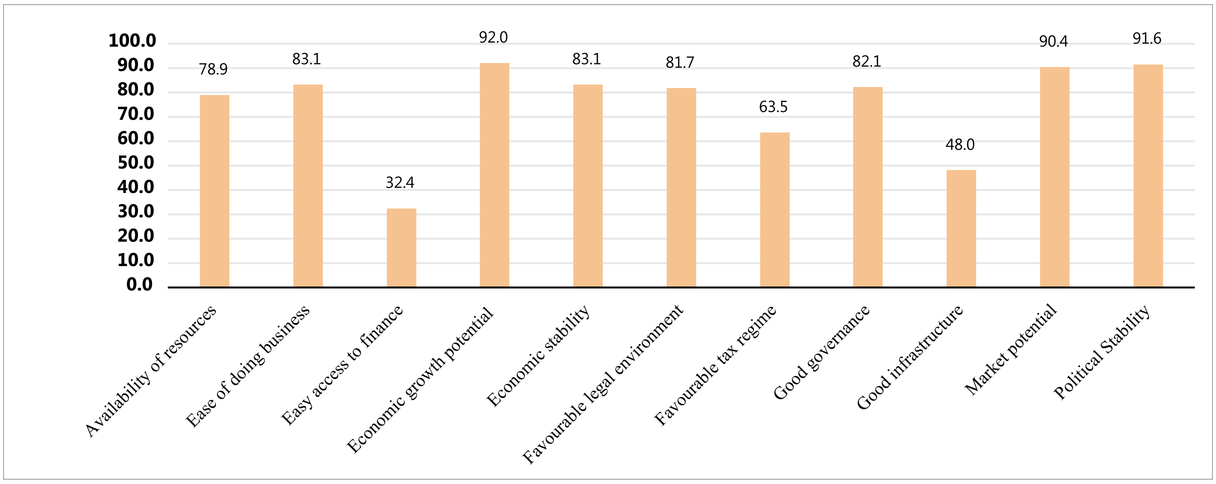
Source: *Foreign Private Investment and Investor Perceptions in Zambia 2016*

9.2.4 Main motivation for investing in Zambia

The survey findings revealed that economic growth potential (92.0 percent), political stability (91.6 percent), market potential (90.4 percent), ease of doing business, and economic stability (83.1 percent) were the main motivating factors that identified Zambia as an investment destination. (see Figure 9.4).




Figure 9.4:Main motivation for investing in Zambia (Percent), 2016

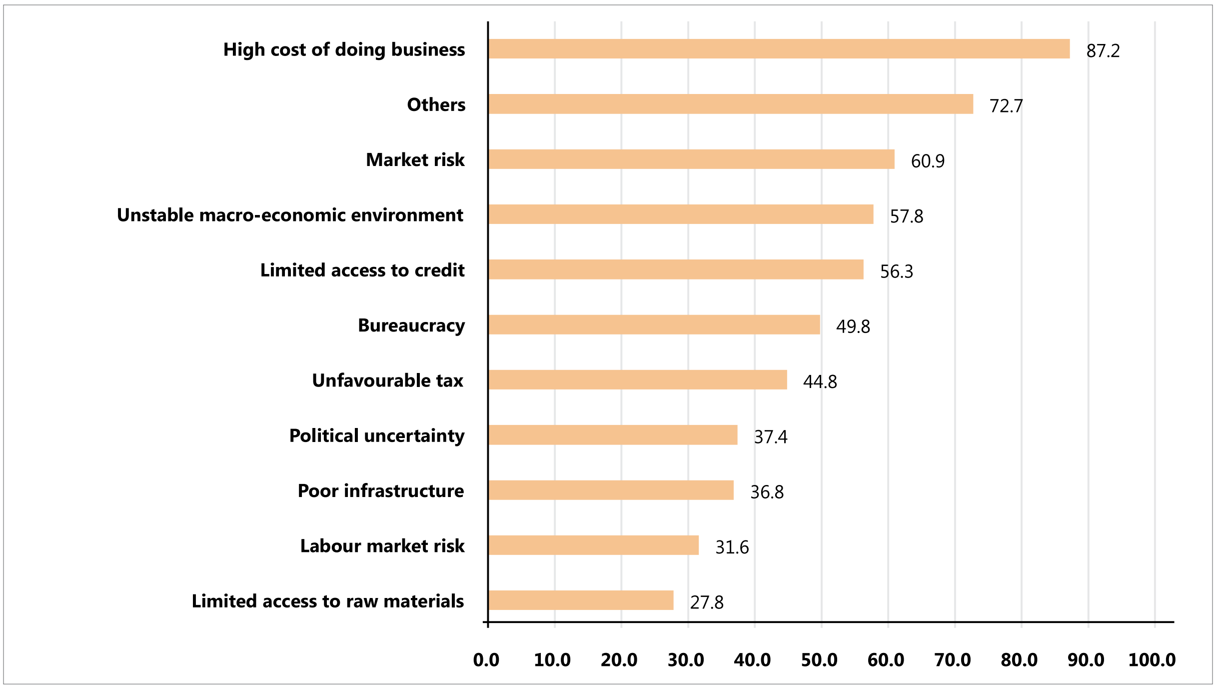


Source: *Foreign Private Investment & Investor Perceptions Survey 2016*

9.2.5 Main risks to increased investment

The main risks to increased investment were high cost of doing business at 87.2 percent, market risk (60.9 percent), unstable macroeconomic environment (57.8 percent), limited access to credit (56.3 percent), and bureaucracy (49.8 percent) among others (see figure 9.5).

Figure 9.5:Main risks to Increased Investment (Percent), 2016



Source: *Foreign Private Investment & Investor Perceptions Survey 2016*

9.2.6 Source of Financing

With regard to financing of business operations, equity was the main source of funding at 55.0 percent of the respondent enterprises, followed by borrowing (35.0 percent) (see Figure 9.6). This pattern of financing was similar to the 2015 survey findings equity (58.0 percent) and borrowing (33.0 percent).

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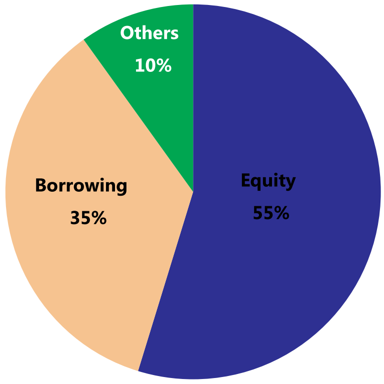
Figure 9.6: Source of financing (Percent), 2016

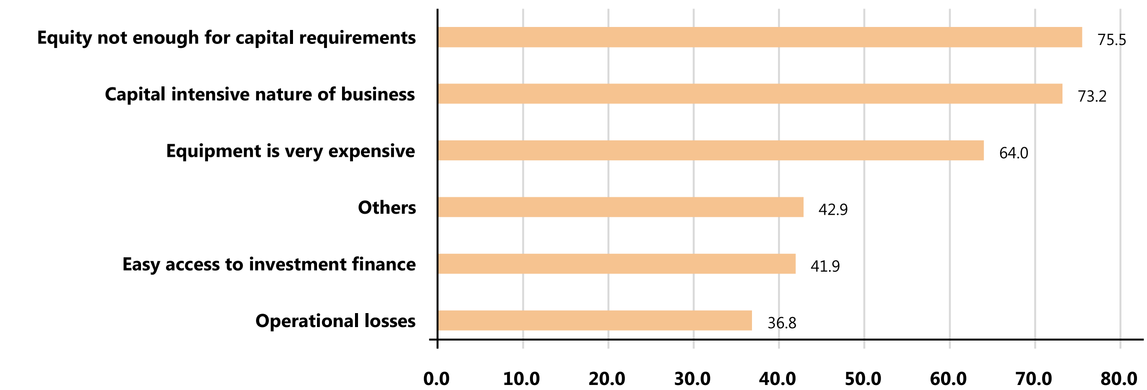


Source: *Foreign Private Investment & Investor Perceptions Survey 2016*

9.2.6.1 Reasons for borrowing

The main reasons given by respondents for borrowing were that equity was not enough for capital requirements at 75.5 percent; capital intensive nature of business (73.2 percent) and equipment is very expensive (64 percent). The other reasons advanced for borrowing were easy access to investment finance and operational losses (See Figure 9.7).

Figure 9.7: Reasons for borrowing (Percent), 2016



Source: *Foreign Private Investment & Investor Perceptions Survey 2016*

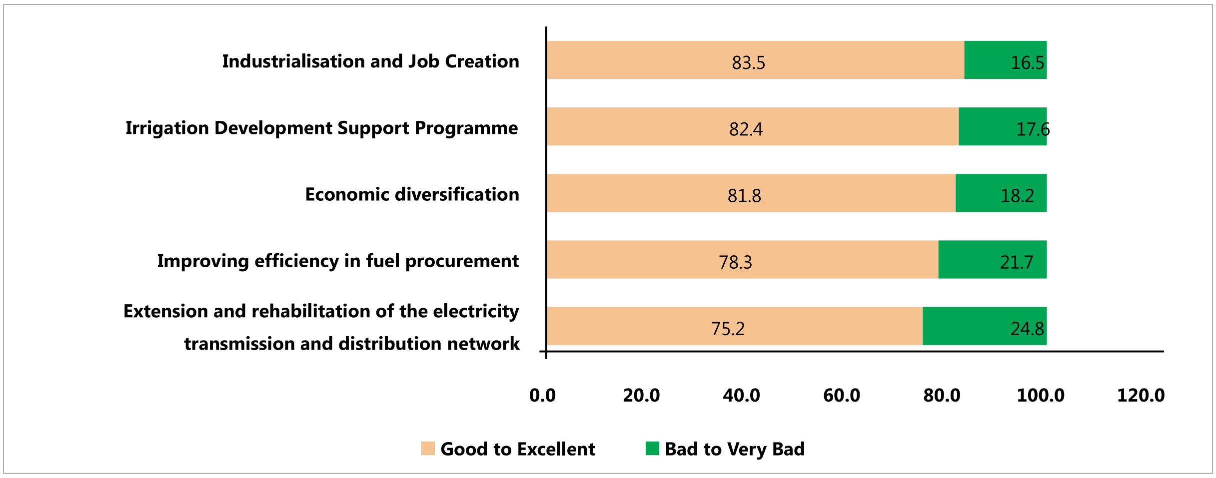
Chizambo Safari Camp in the Luangwa Valley




9.2.7 Assessment of Government Policies in Promoting Private Industry Growth and Investment Strategies in the 2016 National Budget

The survey findings indicated that 83.5 percent of the respondents were in favour of the Government's measures on industrialisation and job creation. This was followed by irrigation development support programme (82.4 percent), economic diversification (81.8 percent), improving efficiency in fuel procurement (78.3 percent) and extension and rehabilitation of the electricity transmission and distribution network (75.2 percent) (See Figure 9.8). The Government's policy measures, as outlined in the 2016 national budget were well received by the respondents in general.

Figure 9.8:Assessment of Government Policies in Promoting Private Industry Growth and Investment Strategies in the 2016 National Budget

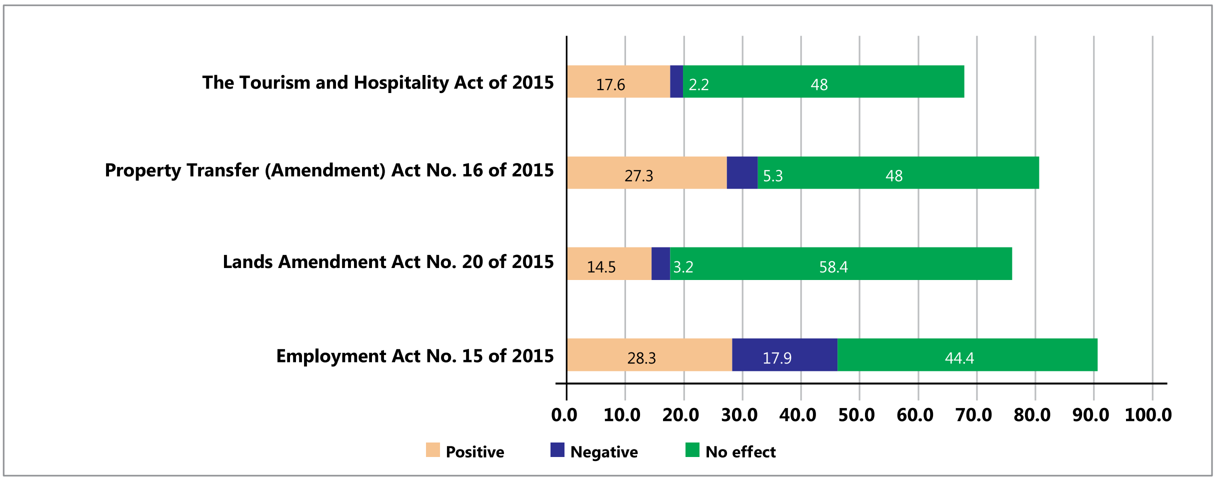


Source: *Foreign Private Investment & Investor Perceptions Survey 2016*

9.2.8 Assessment of Effect of Acts of Parliament Issued in 2015, On Enterprise Business

During the year under review the effects of the following Acts of Parliament on enterprise business were assessed: the Tourism and Hospitality Act of 2015, Property Transfer (Amendment) Act No. 16 of 2015, Lands Amendment Act No. 20 of 2015, Employment Act No. 15 of 2015.The survey findings revealed that the said Acts had no effect on their business operations. (see Figure 9.9).

Figure 9.9: Assessment of Effect of Acts of Parliament Issued in 2015, On Enterprise Business



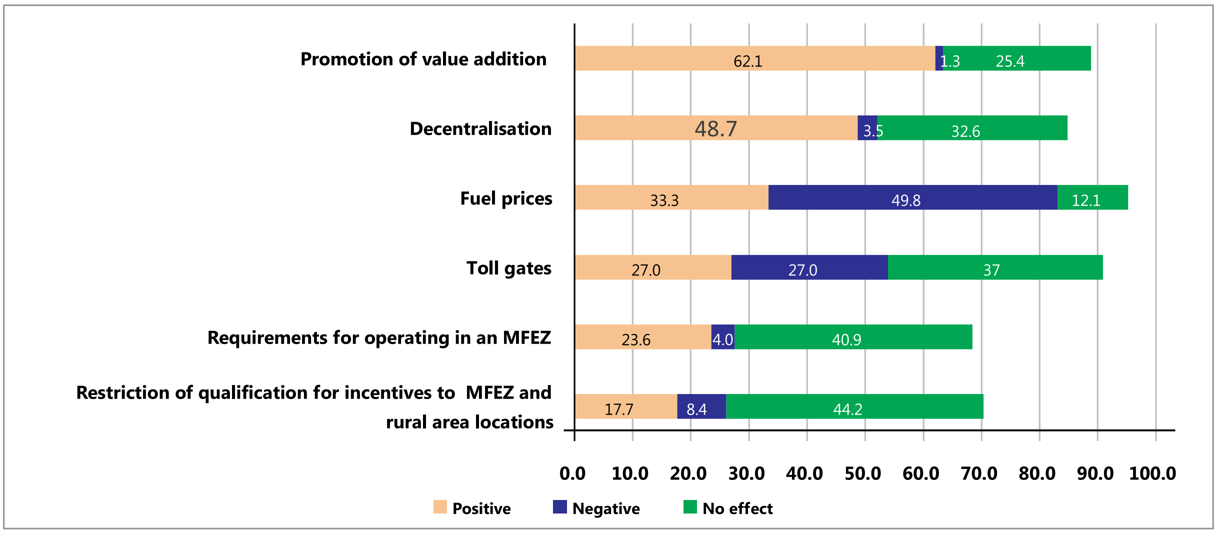
Source: *Foreign Private Investment & Investor Perceptions Survey 2016*

9.3 Assessment of effect of Government Policy measures On Enterprise Business

The respondents' views on Government policy measures affecting enterprise business operations were mixed. The promotion of value addition was most favoured with a response of 62.1 percent, followed by decentralisation (48.7 percent). Requirements for operating in an Multi-Facility Economic Zones (MFEZ) and Restriction of qualification for incentives to MFEZ and rural area locations received a no effect response of 40.9 percent and 44.2 percent, respectively. On the other hand, adjustments on fuel prices was the least favoured policy measure (See Figure 9.10).




Figure 9.10: Assessment of effect of Government Policy measures on Enterprise Business



Source: *Foreign Private Investment & Investor Perceptions Survey 2016*

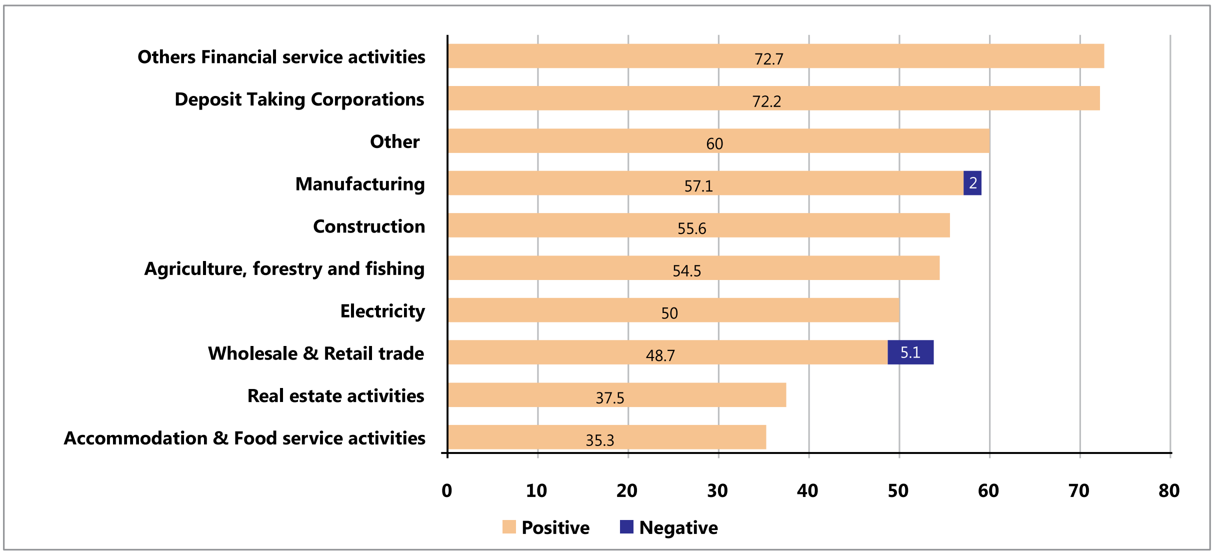
9.3.1 Assessment of effect of Government Policy measures On Enterprise Business by Industry

This section presents survey findings of investor perceptions on Government Policy measures as responded to by industry.

9.3.1.1 Assessment of effect of Decentralisation Policy by industry

The overall response to the effect of decentralisation on investment decisions and business operations were positive. The other financial services recorded the highest at 72.7 percent, followed by deposit taking corporations (72.2 percent), manufacturing industry (57.7 percent), construction (55.6 percent), agriculture, forestry and fishing (54.5 percent) and electricity (50.0 percent). However marginal negative response were also recorded (see Figure 9.11).

Figure 9.11: Assessment of effect of Decentralisation by industry



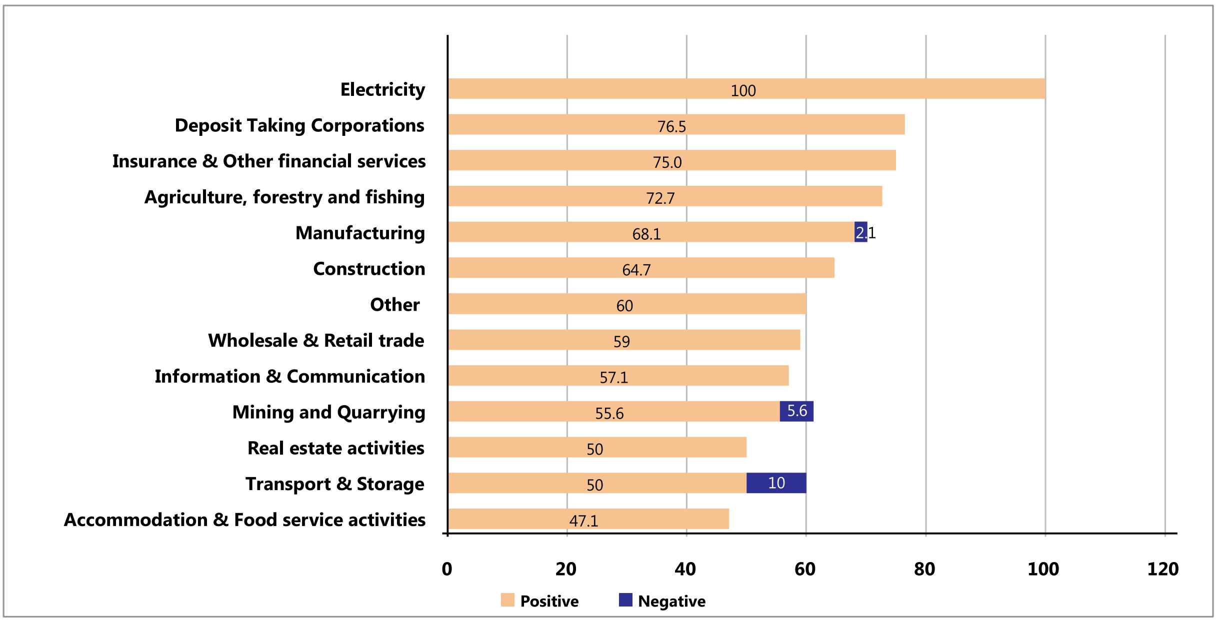
Source: *Foreign Private Investment & Investor Perceptions Survey 2016*

9.3.1.2 Assessment of effect of Promotion of value addition by industry

Promotion of value addition recorded positive response across all the industries. The highest responses, followed by deposit taking corporations (76.5 percent), Insurance & Other financial services (75.0 percent), agriculture, forestry and fishing (72.7 percent), manufacturing (68.1 percent), and construction (64.7 percent) (see Figure 9.12).




Figure 9.12: Assessment of effect of Promotion of value addition by industry

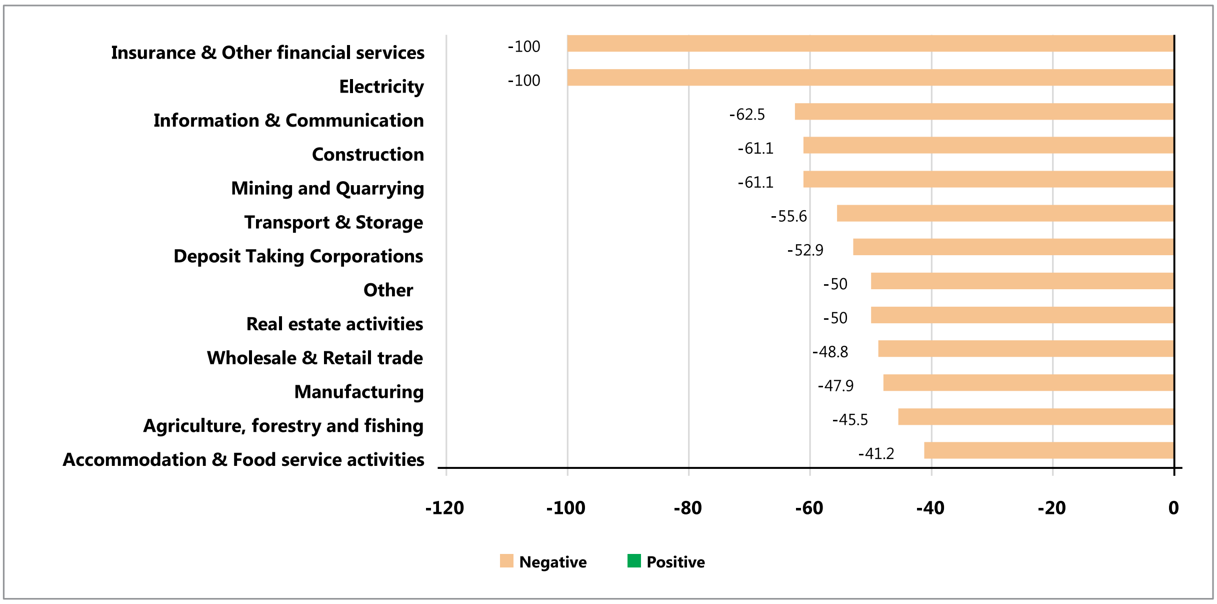


Source: *Foreign Private Investment & Investor Perceptions Survey 2016*

9.3.1.3 Assessment of Effect of Adjustment on Fuel Prices by Industry

The overall response was unfavourable across all industries. Electricity, gas and steam, and other financial service and insurance both recorded a 100 percent negative response. This was followed by information and communication at 62.5 percent, construction and mining and quarrying (62.1 percent), respectively, and Transport and Storage (55.6 percent) [see Figure 9.13].

Figure 9.12: Assessment of effect of Promotion of value addition by industry

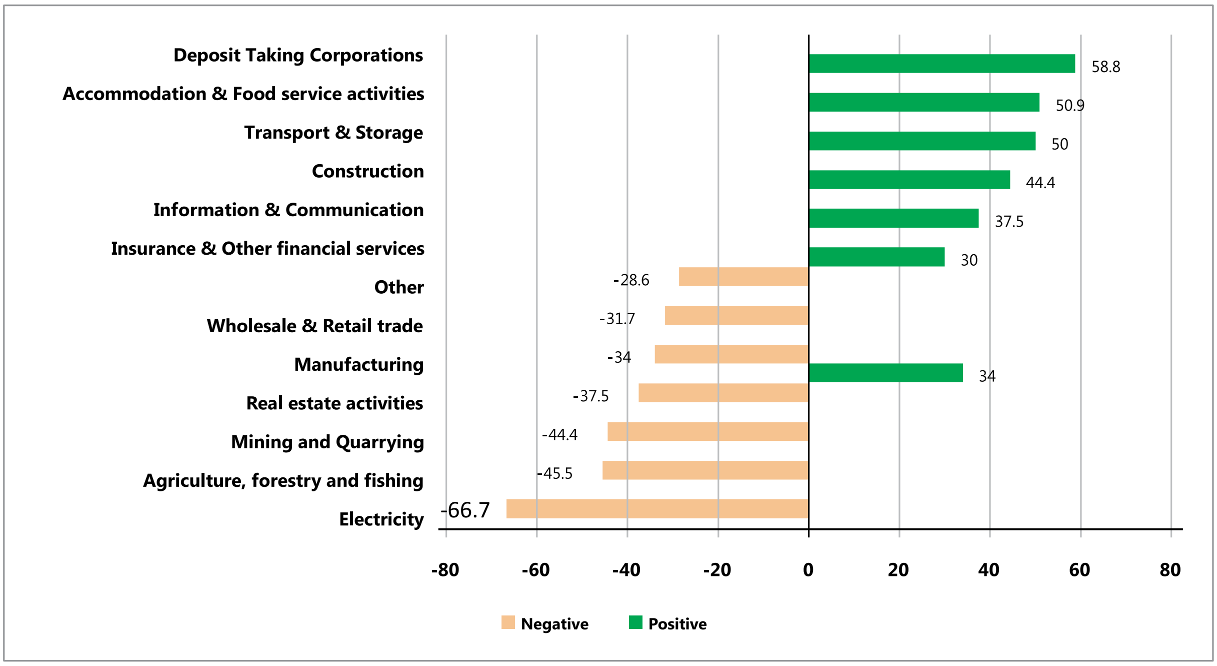


Source: *Foreign Private Investment & Investor Perceptions Survey 2016*

9.3.1.4 Assessment of effect of toll gates by industry

The survey findings revealed that the respondent's views on toll gates measures were mixed. Deposit taking corporations, accommodation and food service activities and transport and storage services recorded positive response rates of 58.8 percent, 50.9 percent and 50 percent respectively. However, negative responses were recorded in the electricity, gas and steam (66.7 percent), agriculture, forestry and fishing (45.5 percent) and mining and quarrying (44.4 percent) industries. The manufacturing industry recorded an equal number of respondents for negative and positive at 34 percent (see Figure 9.14).

Figure 9.14: Assessment of effect of toll gates by industry

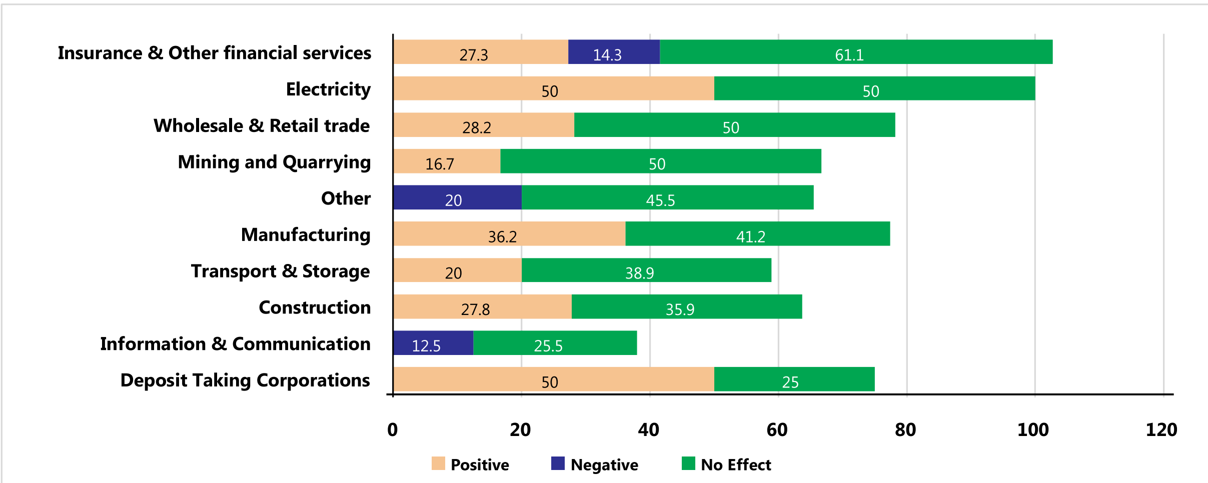


Source: *Foreign Private Investment & Investor Perceptions Survey 2016*

9.3.1.5 Assessment of effect of Requirements for Operating in an MFEZ by industry

Requirements for operating in an MFEZ received mixed views. Insurance & Other financial services recorded the highest no effect response at 61.1 percent. This was followed by electricity, gas and steam, wholesale and retail trade, and mining and quarrying (50.0 percent) respectively, manufacturing (41.2 percent), and storage and transport (38.9 percent). Positive responses, however, were recorded in the deposit taking corporations 50.0 percent, manufacturing (36.2 percent) and construction (27.8 percent) (see Figure 9.15).

Figure 9.15: Assessment of effect of Requirements for Operating in an MFEZ by industry



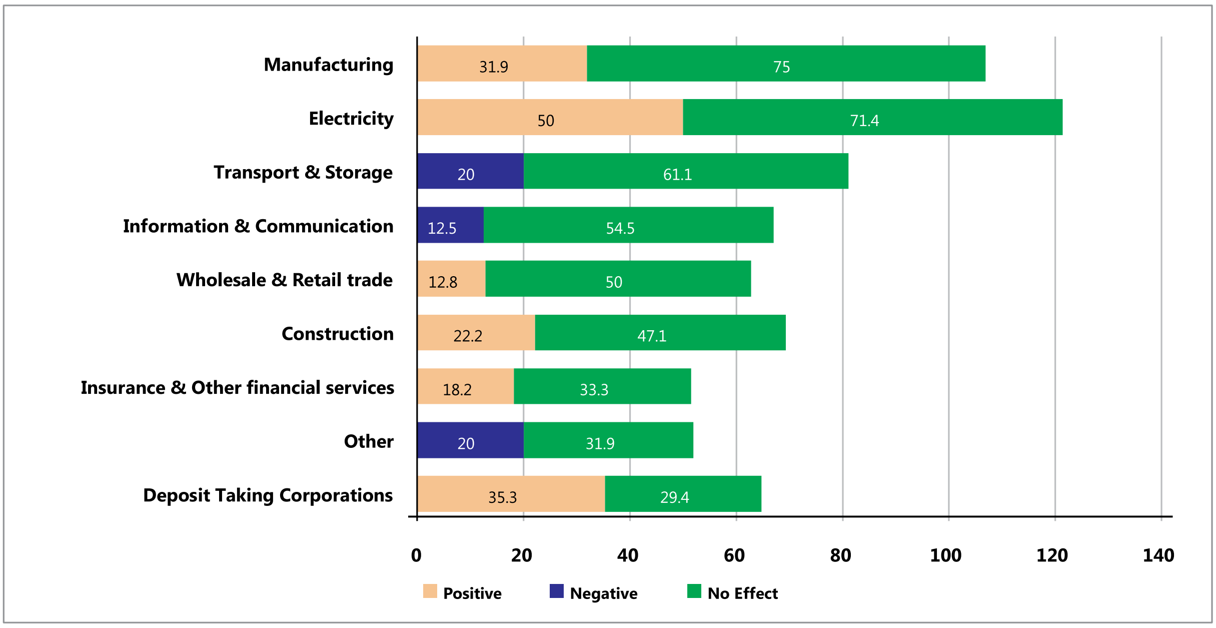
Source: *Foreign Private Investment & Investor Perceptions Survey 2016*

9.3.1.6 Assessment of effect of restriction of qualification for incentives to MFEZ and rural areas by industry

The overall response to this measure was predominantly 'no effect'. The manufacturing at 75 percent was the highest, followed by electricity, gas and steam (71.4 percent), transport and storage (61.1 percent) and information and communication (54.5 percent) industries. Nonetheless, positive responses were recorded in the electricity, gas and steam (50.0 percent) and deposit taking corporations (35.3 percent) (see Figure 9.16).




Figure 9.16: Assessment of effect of restriction of qualification for incentives to MFEZ and rural areas by industry



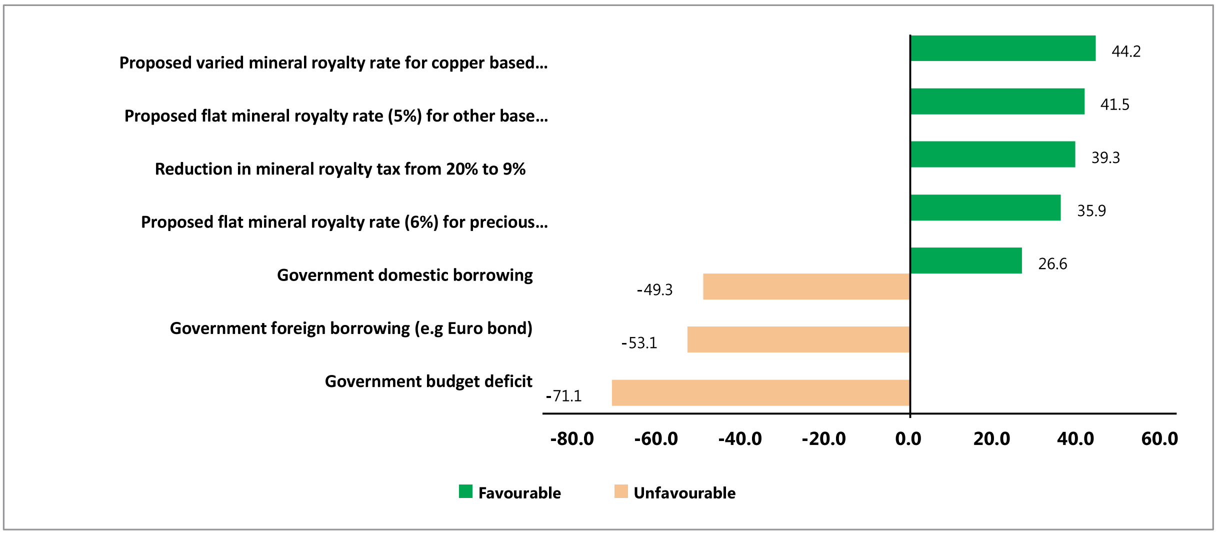
Source: *Foreign Private Investment & Investor Perceptions Survey 2016*

9.3.2 Effect of Government fiscal policy

The fiscal policy measures assessed by respondent enterprises included Government budget deficit, Government foreign borrowing (euro bond), Government domestic borrowing and varied mineral royalty tax rate for copper based on prevailing copper prices.

Varied mineral royalty tax rates for copper based on prevailing copper prices was well received with the positive response of 44.2 percent. This was followed by the flat mineral royalty tax rate of 5.0 percent for other base metals at 41.5 percent, reduction in mineral royalty tax from 20 percent to 9 percent (39.3 percent) and flat mineral royalty tax rate 5.0 percent for precious metals (35.9 percent). However, Government's budget deficit and foreign borrowing (euro bond) were the least favoured with a negative response of 71.1 percent and 53.1 percent, respectively (see Figure 9.17).

Figure 9.17: Effect of *Government fiscal policy measures*



Source: *Foreign Private Investment & Investor Perceptions Survey 2016*

9.3.2.1 Effect of fiscal Policy measures by industry

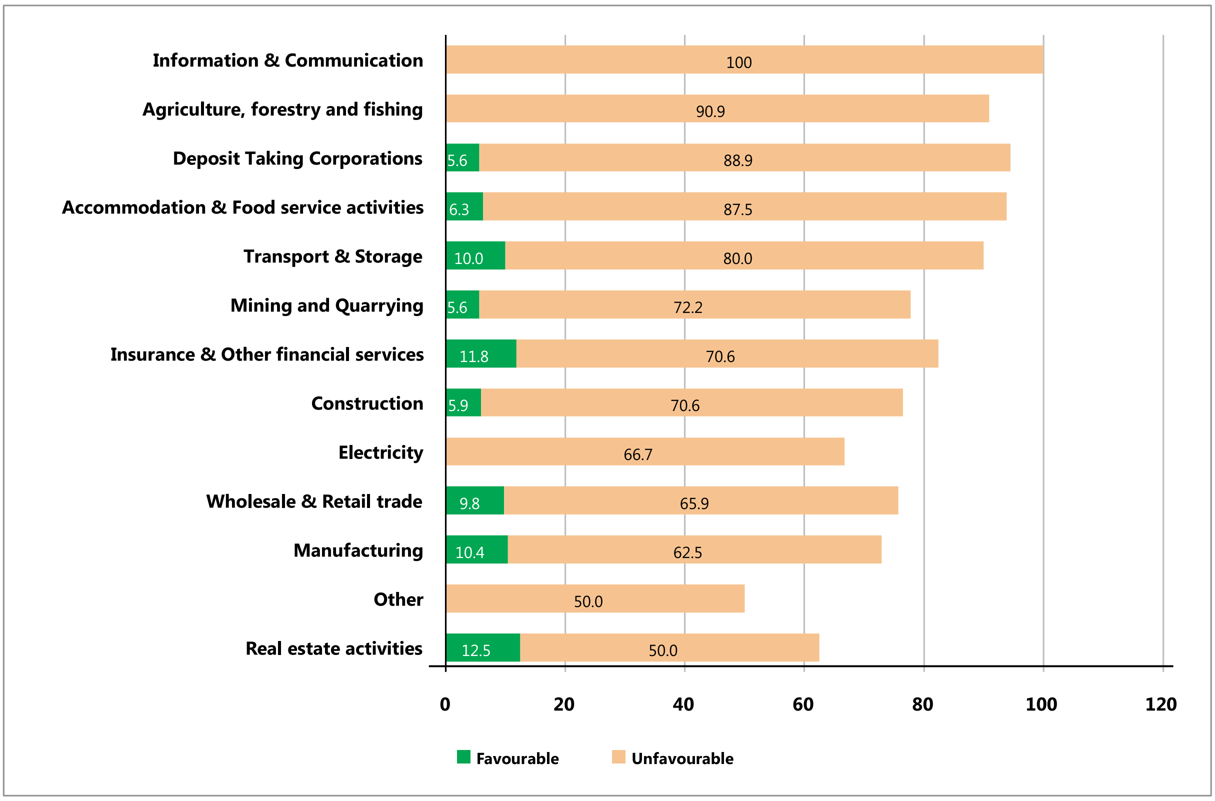
This section presents survey findings of investor perceptions on the effects of Government fiscal Policy measures as responded to by industry.




9.3.2.1.1 Government budget deficit

The survey findings indicated that government budget deficit adversely affected business operations across all industries. In the information and communication industry, 100 percent of the respondents indicated that the deficit had a negative impact on their business operations. This was followed by agriculture, forestry and fisheries (90.9 percent), deposit taking corporations (88.9 percent), and accommodation and food (87.5 percent) transport and storage (80.0 percent). However, positive responses were recorded in some industries (see Figure 9.18).

Figure 9.18: Assessment of effect of Government's budget deficit by industry



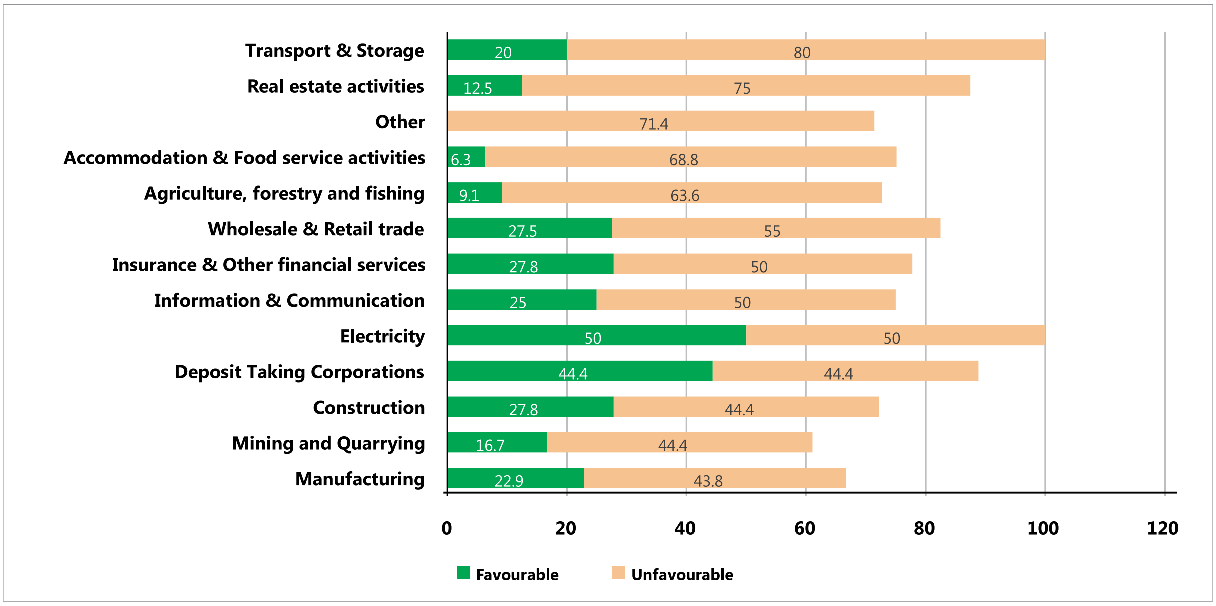
Source: *Foreign Private Investment & Investor Perceptions Survey 2016*

9.3.2.1.2 Assessment of effect of Government's foreign borrowing (euro bond) by industry

Government's borrowing from the international market was perceived to have a negative effect on investment and business operations. The survey findings indicated that transport and storage recorded the highest negative response at 80.0 percent. This was followed by real estate (75.0 percent), accommodation and food (68.8 percent and wholesale and retail trade (63.6 percent). However, positive responses were recorded in the electricity, gas and steam, deposit taking corporations and construction industries, among others (see Figure 9.19).




Figure 9.19: Assessment of effect of Government's foreign borrowing by industry

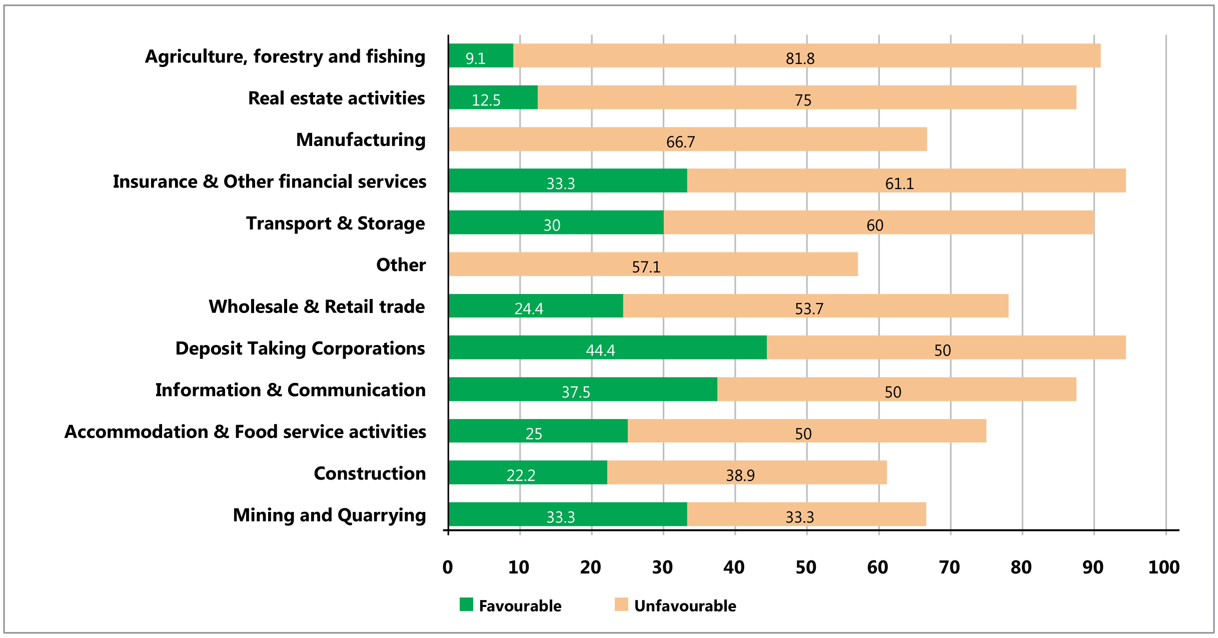


***Source:** Foreign Private Investment & Investor Perceptions Survey 2016*

9.3.2.1.3 Assessment of effect of Government domestic borrowing by industry

Government domestic borrowing was perceived to have had a negative effect on investment decisions and business operations for all respondents. The agriculture, forestry and fishing 81.8 percent response, followed by real estate (75.0 percent), manufacturing (66.7 percent), Insurance & Other financial services (61.1 percent) and the transport and storage (60.0 percent), among others. However, favourable responses were also recorded in some industries (see Figure 9.20).

Figure 9.20: Assessment of effect of Government domestic borrowing by industry

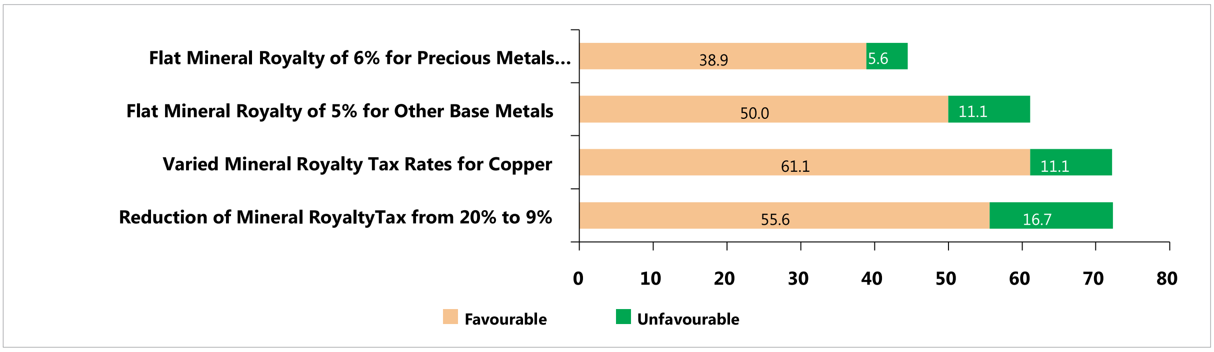


***Source:** Foreign Private Investment & Investor Perceptions Survey 2016*

9.3.2.1.4 Assessment of Mineral Royalty Taxes

The survey findings indicated that Government's measures on mining taxes had a positive effect on investment and business operations in the mining and quarrying industry. (see Figure 9.21).

Figure 9.21: Assessment of Mineral Royalty Tax



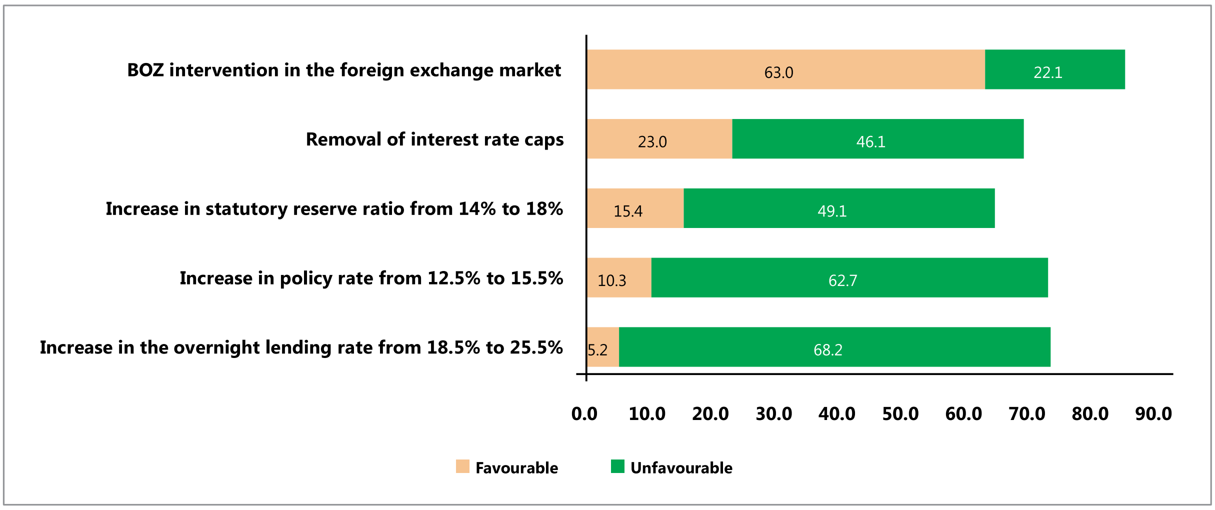
Source: *Foreign Private Investment & Investor Perceptions Survey 2016*

9.3.3 Effect of Monetary Policy Measures

Monetary Policy measures assessed by respondent enterprises included the capping of interest rates, Policy rate adjustment, statutory reserve ratio, overnight lending rate, and the interventions in the foreign exchange market.

The survey findings revealed that intervention in the foreign exchange market was well received with 63.0 percent of the respondents indicating that that the measure had a favourable effect on their businesses. This was followed by removal of interest rate caps (23.0 percent) and increase in statutory reserve ratio (15.4 percent). On the other hand, unfavourable responses were recorded for the increase in overnight lending rate (68.2 percent) and BoZ policy rate adjustment (62.7 percent) among others and (see Figure 9.22).

Figure 9.22: Effect of Monetary Policy



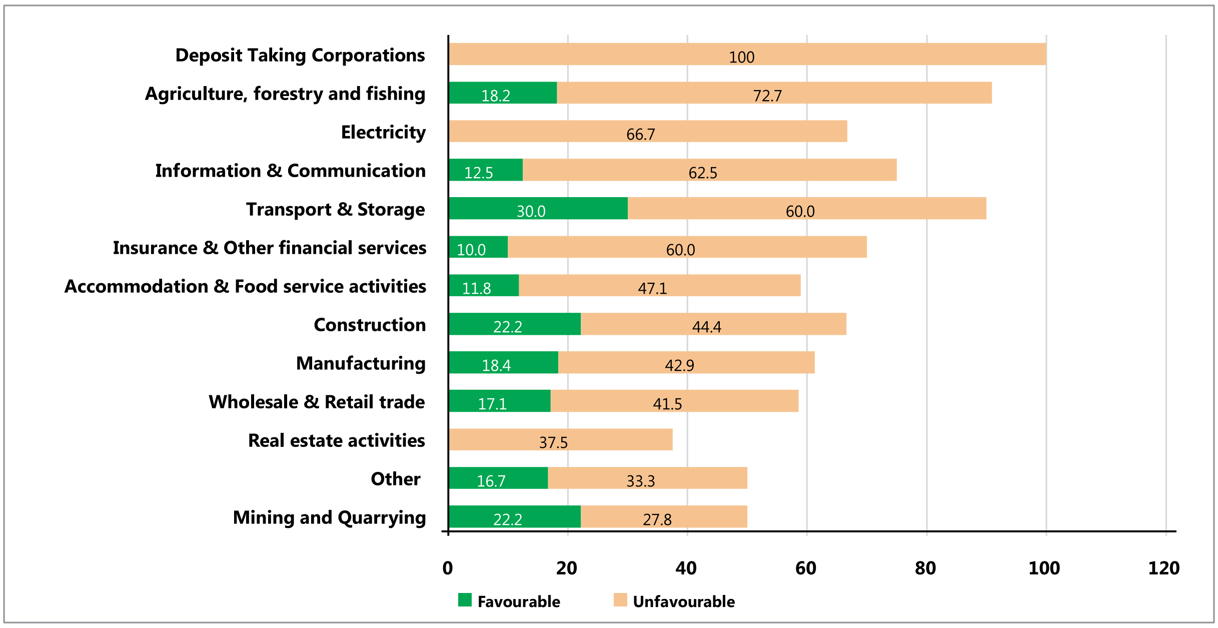
Source: *Foreign Private Investment & Investor Perceptions Survey 2016*

9.3.3.1 Effect of Monetary Policy Measures by Industry

9.3.3.1.1 Statutory Reserve Ratio

The survey revealed that, the measure to increase the statutory reserve ratio from 14.0 percent to 18.0 percent had a negative effect on investment, with the respondents the deposit taking corporations recording 100 percent negative response. This was followed by the agriculture, forestry and fisheries (72.7 percent), insurance & other financial services (71.4 percent), and electricity, gas and steam (66.7 percent) among other industries. However favourable responses were also recorded in some industries (see Figure 9.23).

Figure 9.23:Statutory reserve ratio

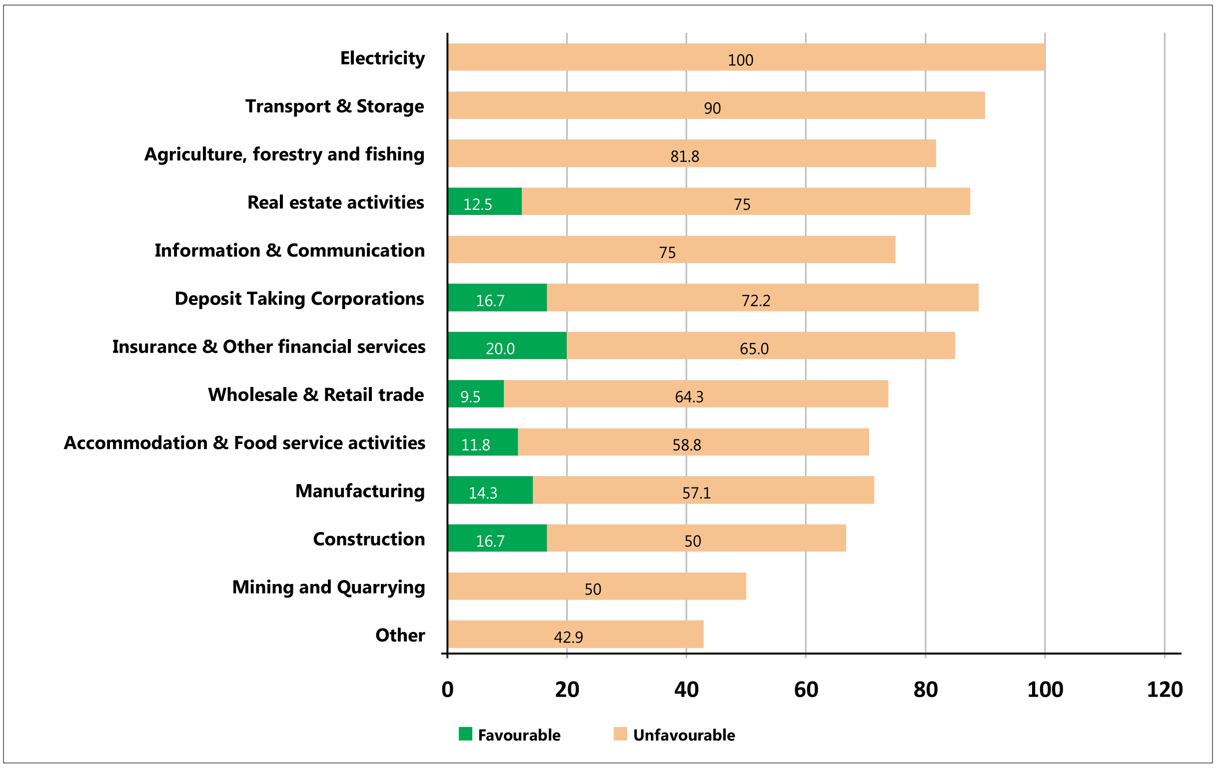


Source: *Foreign Private Investment & Investor Perceptions Survey 2016*

9.3.3.1.2 Bank of Zambia Policy Rate

The survey findings revealed that all the respondents in the insurance and other financial services and electricity, gas and steam industries indicated that the measure to increase the policy rate from 12.5 percent to 15.5 percent had a negative effect on investment and business operations. This was followed by transport and storage (90.0 percent), and real estate (75.0 percent) industries, which recorded negative responses to this measure. Nonetheless, favourable responses were also recorded by some industries (see Figure 9.24).

Figure 9.24: Bank of Zambia Policy rate

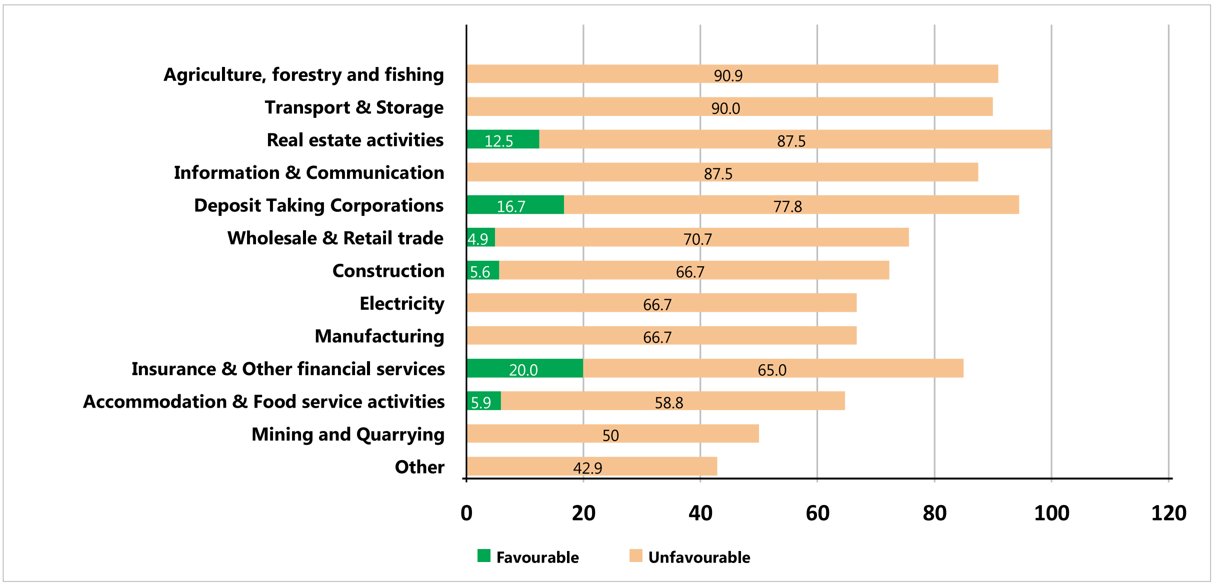


Source: *Foreign Private Investment & Investor Perceptions Survey 2016*

9.3.3.1.3 Overnight Lending Rate

The survey findings revealed that the measure to increase the overnight lending rate from 18.5 percent to 25.5 percent was not well received across all industries, with agriculture, forestry and fisheries industry recording a negative response of 90.9 percent. This was followed by, transport and storage (90.0 percent), real estate (87.5) and information and communication, (87.5 percent), respectively. Nonetheless, favourable responses were also recorded by some industries (see Figure 9.25)

Figure 9.25:Overnight lending rate

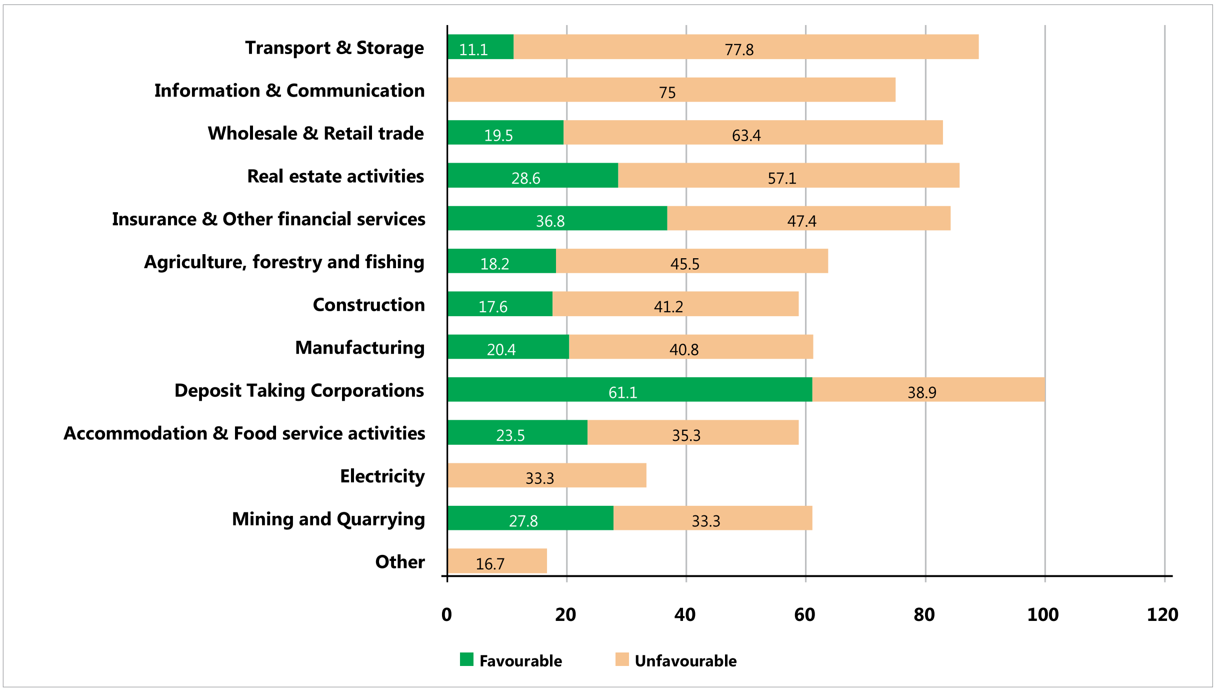


Source: *Foreign Private Investment & Investor Perceptions Survey 2016*

9.3.3.1.4 Removal of Interest Rate Caps

The survey findings indicated that the removal of interest rate caps had a negative effect on investment decisions and business operations by most industries, with the transport and storage industry recording 77.8 percent negative response. This was followed by information and communication at 75.0 percent. Deposit taking corporations recorded a favourable response rates of 61.1 percent. (see Figure 9.26).

Figure 9.26: Interest rate caps



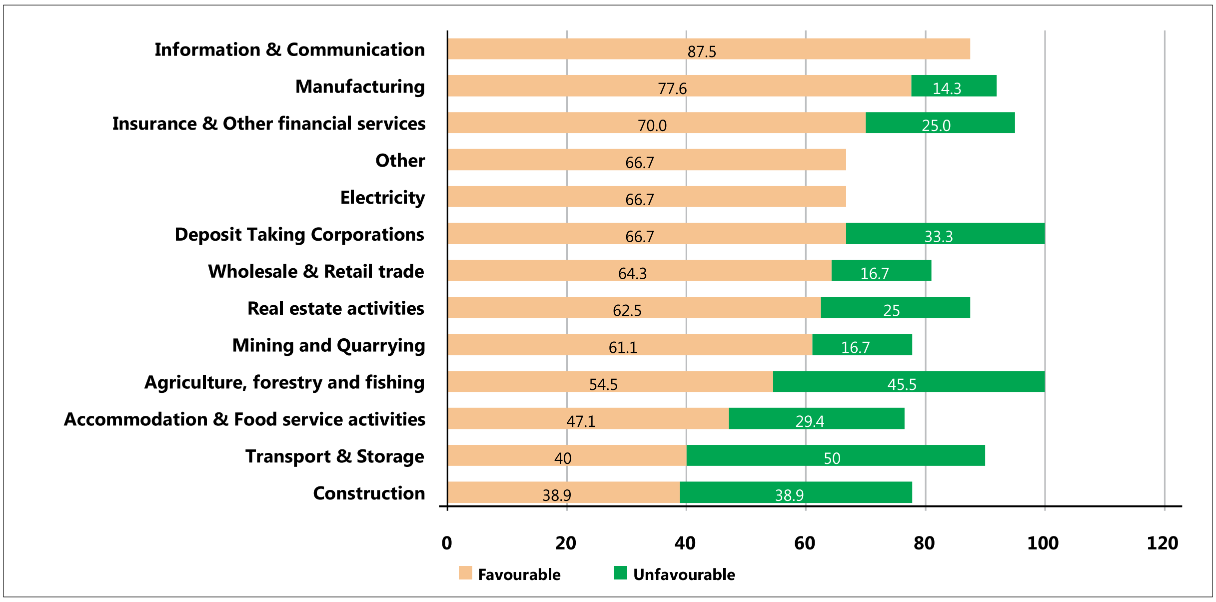
Source: *Foreign Private Investment & Investor Perceptions Survey 2016*




9.3.3.1.5 BoZ Intervention in Foreign Exchange Market

The survey findings revealed that intervention in the foreign exchange market by BoZ was well received by most respondents across industries. The information and communication industry had the highest favourable response rate at 87.5 percent followed by manufacturing (77.6) percent and insurance & other financial services (70.0 percent). The survey further revealed that the agriculture, forestry and fisheries and transport and storage industries had mixed views. (see Figure 9.27).

Figure 9.27: BoZ intervention in foreign exchange market



Source: *Foreign Private Investment & Investor Perceptions Survey 2016*

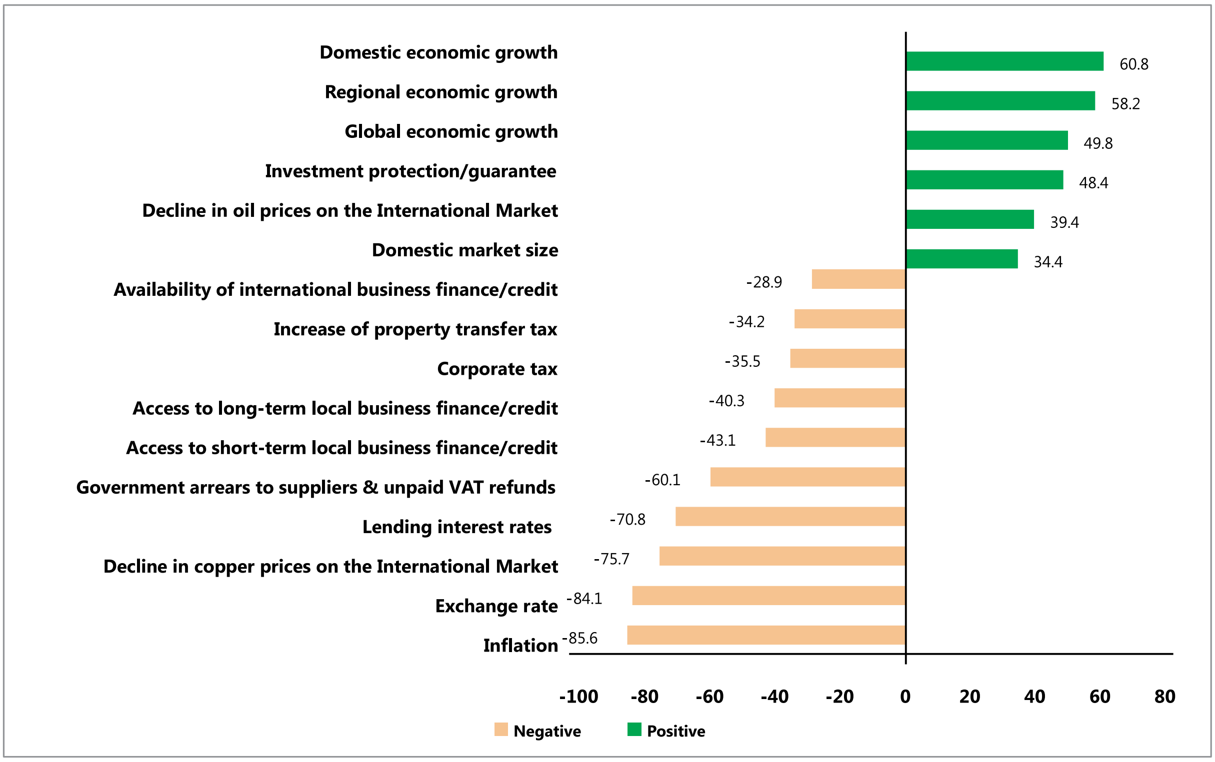
9.4 Findings on Investment Decision Factors

This section discusses the key domestic and external factors affecting investment decisions. The major factors considered in the survey were domestic, regional and global economic growth, commodity prices on international market, government economic policy, inflation, corporate tax, lending interest rates, the exchange rate and access to local and international business finance

9.4.1 Economic, Financial and Other Factors

The survey findings revealed that domestic economic growth, regional economic growth and global economic growth were the most important factors that affected investment decisions at 60.8 percent, 58.2 percent and 49.8 percent, respectively. The factors that were perceived to have had a negative effect on investment and business operations were inflation (85.6 percent), exchange rate (84.1 percent), decline in copper prices on the international market (75.7 percent) and lending rates (70.8 percent) (see Figure 9.28).

Figure 9.28:Economic, Financial and Other Factors



Source: *Foreign Private Investment & Investor Perceptions Survey 2016*

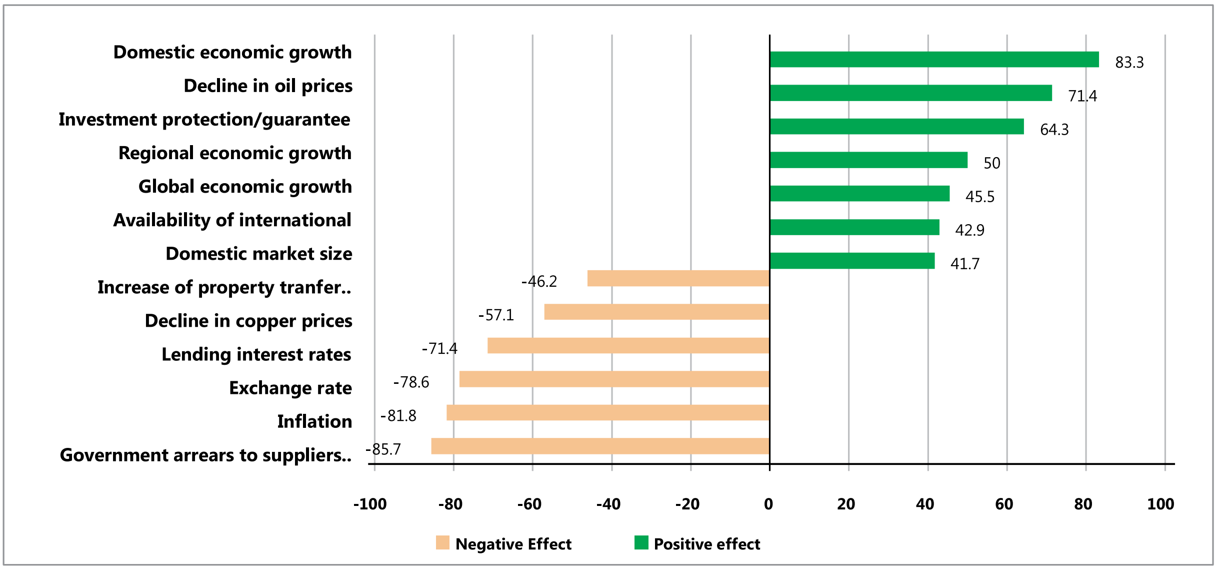
9.4.1.1 Economic, Financial and Other Factors by Industry

9.4.1.1.1 Agriculture, Forestry and Fishing

In the agriculture, forestry and fishing industry, domestic economic growth, decline in oil prices and investment protection and guarantee were the most favourable economic factors that affected investment decisions at 83.3 percent, 71.4 percent and 64.3 percent, respectively by the respondents. Nonetheless, government arrears to suppliers (85.7 percent), inflation (81.8 percent), exchange rate (78.6 percent) and lending interest rates (71.4 percent, respectively, were perceived to have a negative impact on investment in the industry. Other negative factors included the decline in copper prices and increase in property transfer tax (see Figure 9.29).


Agriculture sector a priority for diversification

Figure 9.29: Economic, Financial and Other Factor Effect in the Agriculture, Forestry and Fisheries Industry (Percent)

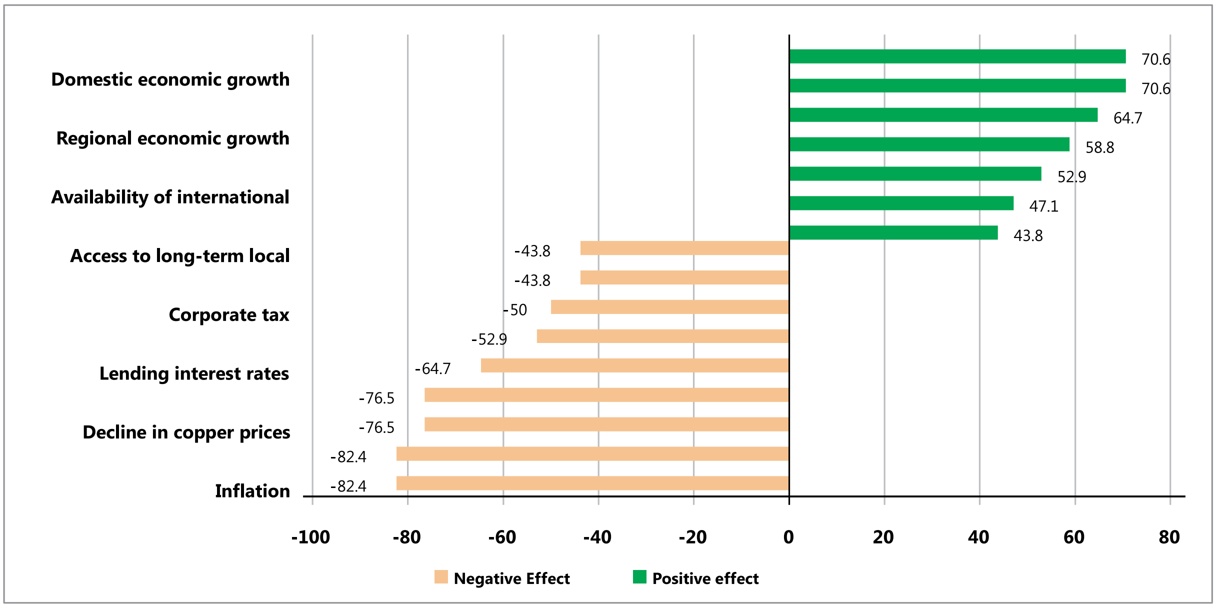


Source: *Foreign Private Investment & Investor Perceptions Survey 2016*

9.4.1.1.2 Construction

In the construction industry, inflation at 82.4 percent, exchange rate (82.4 percent), decline in copper prices (76.5 percent) and government arrears to suppliers (76.5 percent) had negative effects on investment. However, 70.6 percent of the respondents indicated that investment protection and guarantee, and domestic economic growth, respectively had a positive effect on investment. This was followed by the decline in oil prices 64.7 percent, regional economic growth (58.8 percent) and global economic growth (52.9 percent) (see Figure 9.30).

Figure 9.30: Effect of Economic, Financial and Other Factors in the Construction Industry



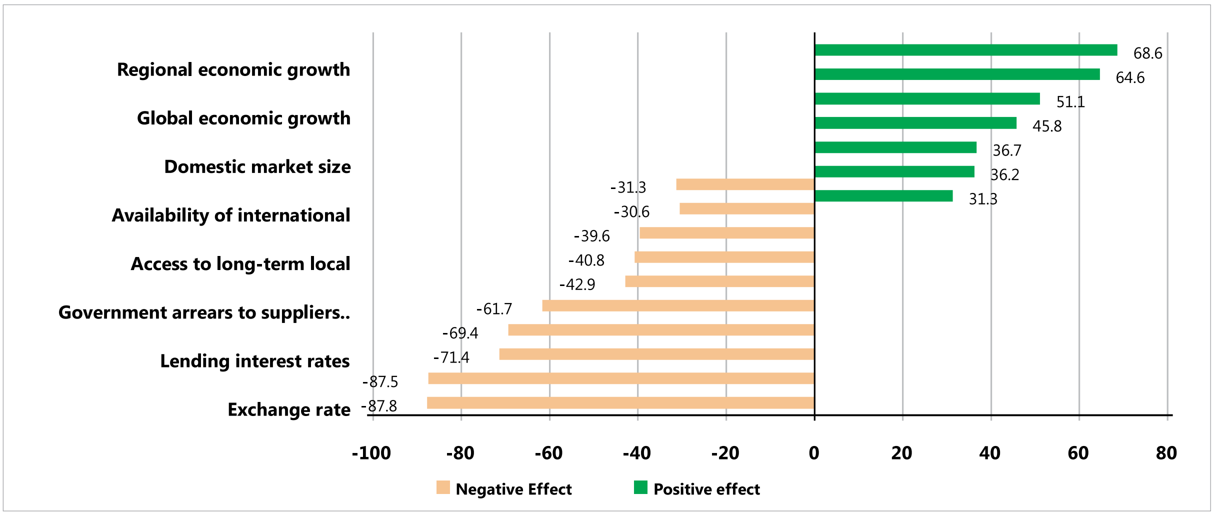
Source: *Foreign Private Investment & Investor Perceptions Survey 2016*

9.4.1.1.3 Manufacturing

The findings revealed that the depreciation of the Kwacha had the highest negative response at 87.8 percent followed by inflation (87.5 percent), lending interest rates (71.4 percent), decline in copper prices (69.4 percent) and government arrears to suppliers (61.7 percent). Nonetheless, domestic economic growth at 68.6 percent, regional economic growth (64.6 percent), investment protection and guarantee (51.1 percent) and global economic growth (45.8 percent) were the main factors which had a positive effect on investment (see Figure 9.31).

Dairy production is the key to manufacturing of milk and milk products

Figure 9.31: Effect of Economic, Financial and Other Factors in the Manufacturing Industry (Percent)



Source: *Foreign Private Investment & Investor Perceptions Survey 2016*

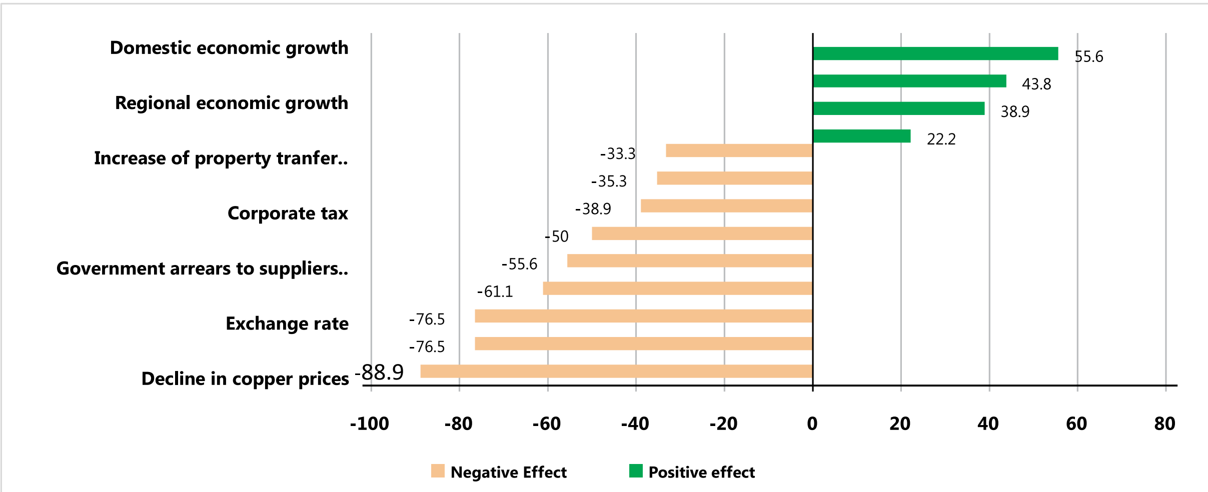
9.4.1.1.4 Mining and Quarrying

In the mining and quarrying industry, the decline in copper prices at 88.9 percent was the most highly rated factor that had a negative impact on investment, followed by inflation (76.5 percent) and exchange rate (76.5 percent), lending interest rates (61.1 percent) and government arrears to suppliers (55.6 percent). However, domestic economic growth, investment protection and guarantee factors were rated having a positive effect on investment among others (see Figure 9.32).




Mopani's new Synclinorium Mine Shaft in Kitwe, Copperbelt Province

Figure 9.32: Effect of Economic, Financial and Other Factors in the Mining and Quarrying Industry (Percent)



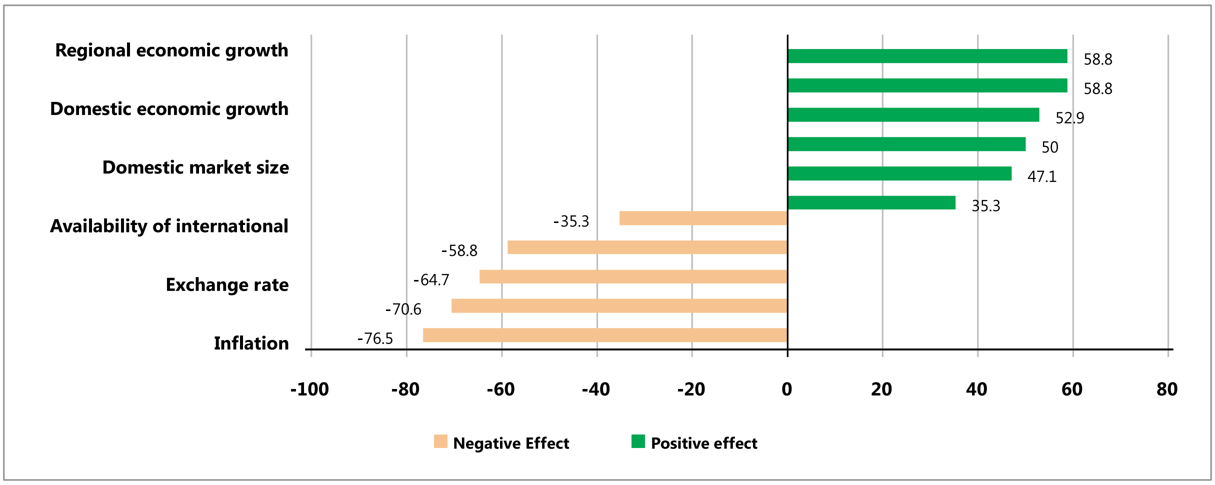
Source: *Foreign Private Investment & Investor Perceptions Survey 2015*

9.4.1.1.5 Accommodation and Food Services

The survey findings indicated that the level of inflation at 76.5 percent was the most highly rated factor that adversely affected investment in the industry, followed by the decline in copper prices (70.6 percent), exchange rates (64.7 percent) and lending interest rates (58.8 percent). On the other hand, the top three factors which had a positive impact on the business operations in the industry were regional, global and domestic economic growth (see Figure 9.33).

Helicopter view of the Victoria falls, Livingstone

Figure 9.33: Effect of Economic, Financial and Other Factors in the Accommodation and Food Services Industry (Percent)



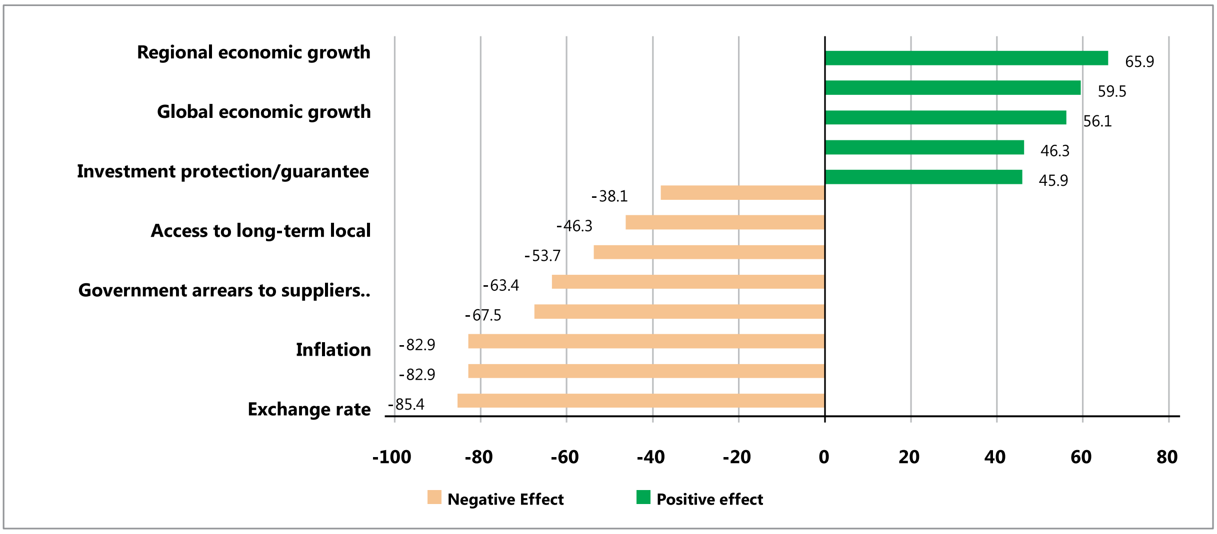
Source: *Foreign Private Investment & Investor Perceptions Survey 2016*

9.4.1.1.6 Wholesale and Retail Trade

The survey revealed that the key factors that negatively affected investment were depreciation of the ZMK/USD exchange rate (85.4 percent), decline in copper prices (82.9 percent) and inflation (82.9 percent). Global, regional and domestic economic growth, however, were the main factors with positive effects on investment (see Figure 9.34).

Inside BIA Zambia new facility on the Copperbelt

Figure 9.34: Effect of Economic, Financial and Other Factors in the Wholesale and Retail Trade Industry (Percent)

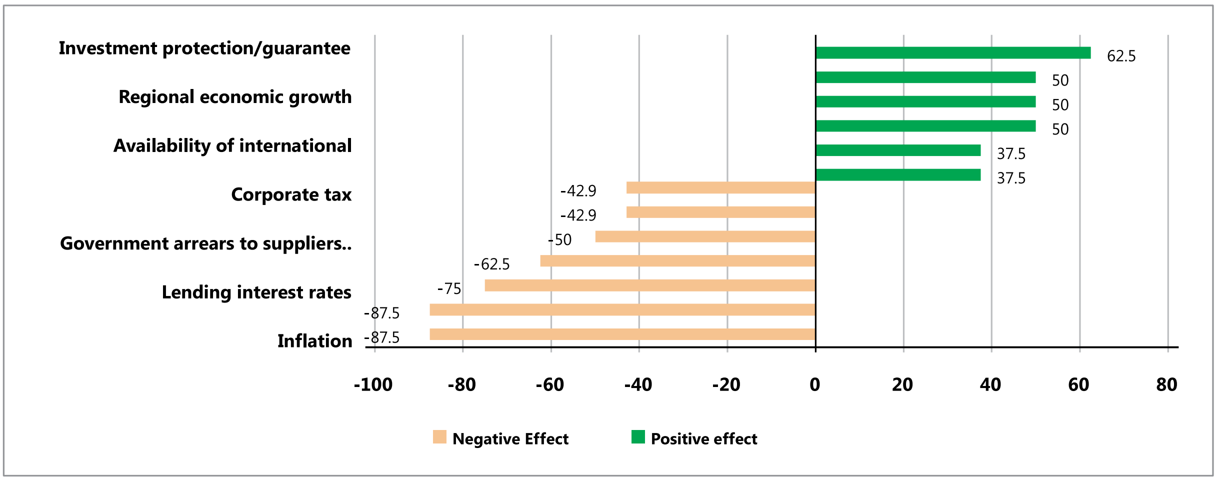


Source: *Foreign Private Investment & Investor Perceptions Survey 2016*

9.4.1.1.7 Real Estate

The survey findings indicated that the key factors that adversely affected investment operations in the industry were inflation and depreciation of the Kwacha 87.5 percent, respectively and lending rates (75.0 percent). However, investment protection and guarantee, global, regional and domestic economic growth had positive effects on investment. (see Figure 9.35).

Figure 9.35: Economic, Financial and Other Factor Effect in the Real Estate Industry (Percent)



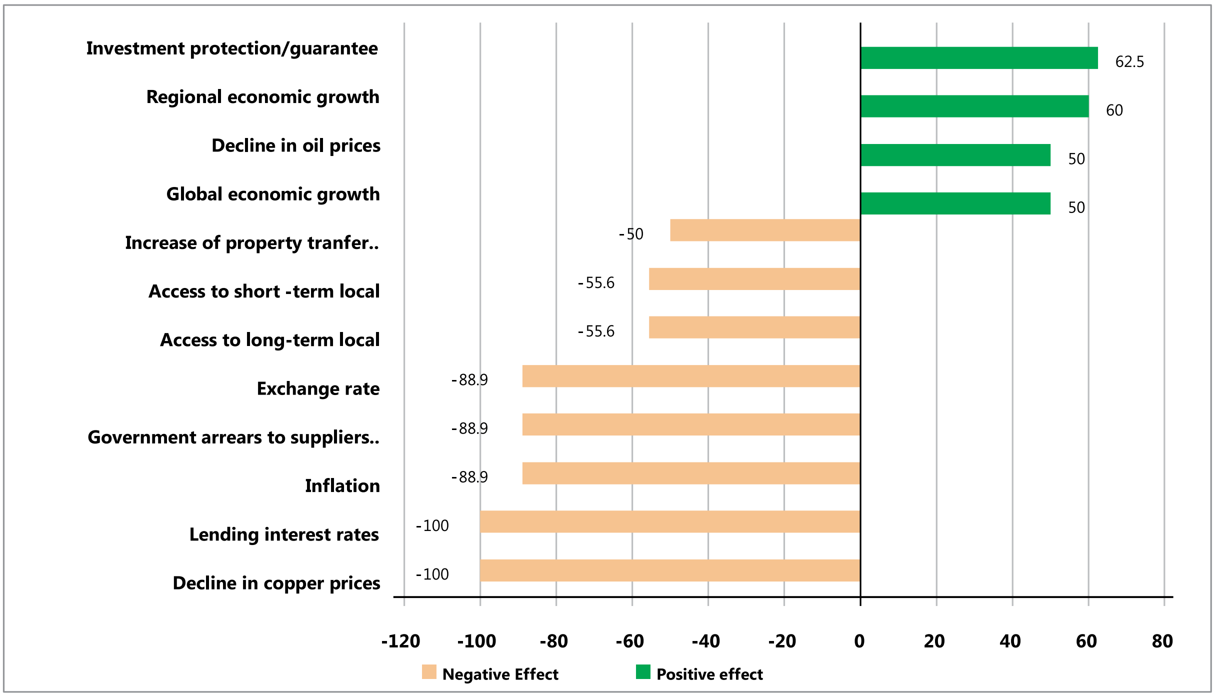
Source: *Foreign Private Investment & Investor Perceptions Survey 2016*

9.4.1.1.8 Transport and Storage

The survey findings revealed that all the respondents indicated that the decline in copper prices and lending interest rates had a negative effect on investment, while 88.9 percent indicated that inflation, exchange rates and government having arrears for suppliers had a negative effect on investment. On the other hand, 62.5 percent of the respondents indicated that investment protection and guarantee, regional economic growth (60 percent), decline in oil prices (50.0 percent) and global economic growth (50 percent) had a positive effect on investment. (see Figure 9.36).




Figure 9.36: Effect of Economic, Financial and Other Factors in the Transport Industry (Percent)

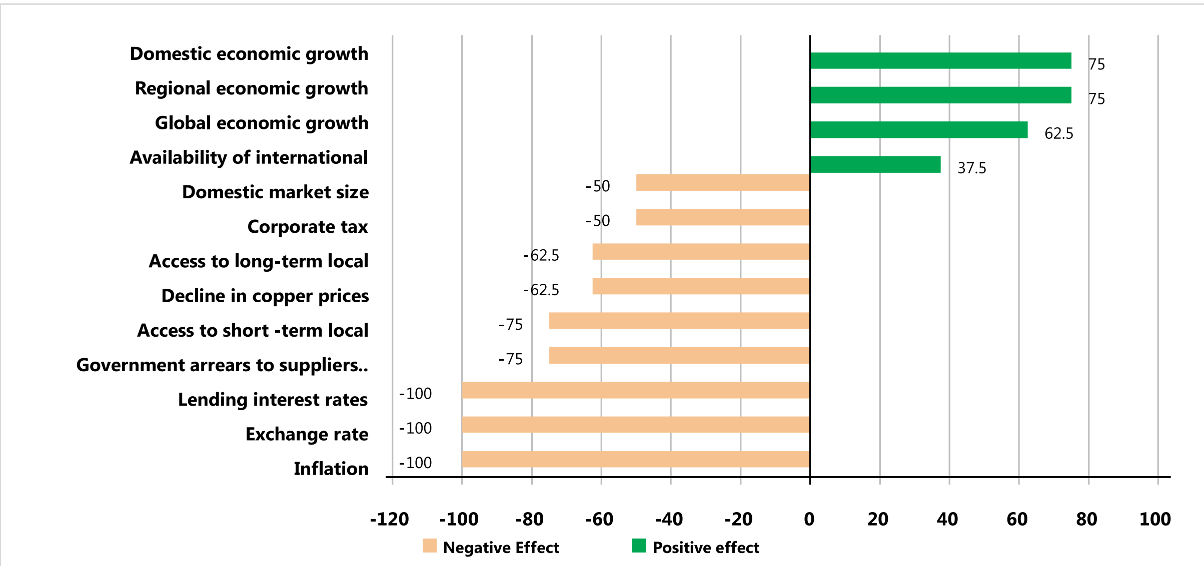


Source: *Foreign Private Investment & Investor Perceptions Survey 2016*

9.4.1.1.9 Information and Communication

All the respondents in this industry, indicated that inflation rate, depreciation of the kwacha and lending interest rates had a negative impact on investment and business operation. This was followed by access to short term local finance and government arrears to suppliers 75.0 percent, respectively, decline on copper prices and access to long term local finance 62.5 percent, respectively. Global, regional and domestic economic growth had positive effects on investment (see Figure 9.37).

Figure 9.37: Effect of Economic, Financial and Other Factors in the Information and Communication Industry (Percent)



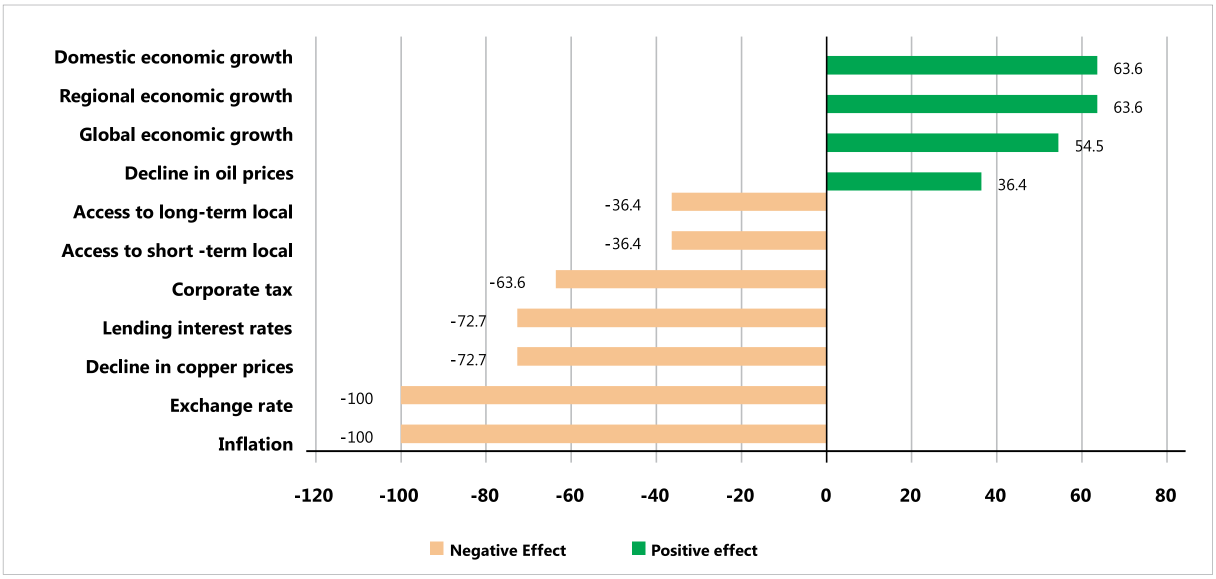
Source: *Foreign Private Investment & Investor Perceptions Survey 2016*

9.4.1.1.10 Insurance, Reinsurance and Pension Funds

All of the respondents in this industry indicated that the depreciation of the exchange rate and inflation had a negative effect on their investment. The other negative factors were decline in copper prices and lending interest rates (72.7 percent), respectively, and corporate tax (63.6 percent) On the other hand, the survey revealed that global, regional and domestic, economic growth positive effects on investment (see Figure 9.38).




Figure 9.38: Effect of Economic, Financial and Other Factors in the Insurance, reinsurance and pension funding (Percent)

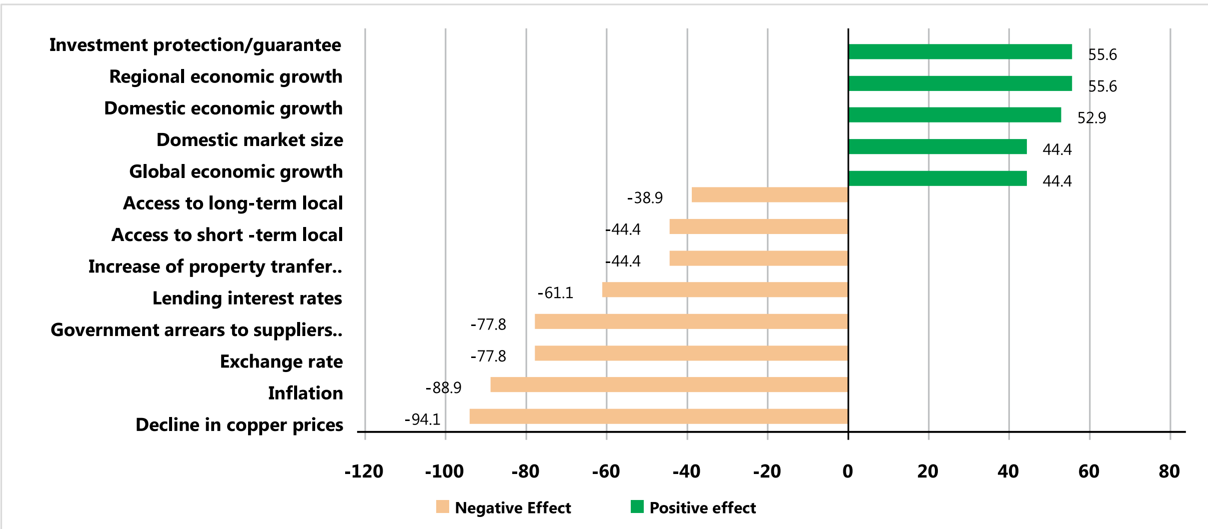


Source: *Foreign Private Investment & Investor Perceptions Survey 2016*

9.4.1.1.11 Deposit-Taking corporations

The respondents indicated the decline in copper prices, inflation, government arrears to suppliers and the depreciation of the kwacha were the main factors that negatively affected investment. However, they indicated that investment protection and guarantee, regional and domestic economic growth, and domestic market size factors had positive effects on investment. (see Figure 9.39).

Figure 9.39:Effect of Economic, Financial and Other Factors in the Deposit-Taking Institutions Industry (Percent)



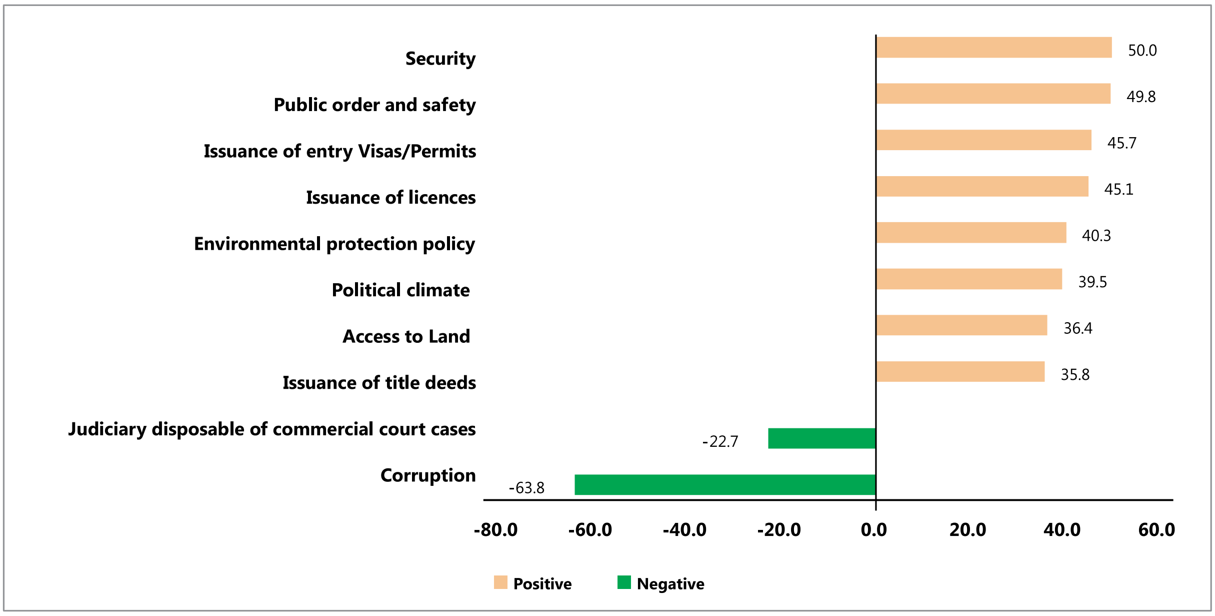
Source: *Foreign Private Investment & Investor Perceptions Survey 2016*

9.4.2 POLITICAL AND GOVERNANCE FACTORS

Political and governance institutions play an important role in private investment decisions. Accordingly, factors considered in the survey were political climate, public order and safety, security, corruption, issuance of visas and permits, licenses and title deeds.

The survey findings revealed that 63.8 percent of respondents indicated that corruption at negatively affected investment and business operations Nonetheless, security, public order and safety, issuance of entry visas and permits, issuance of licences, environmental protection policy and political climate were perceived to have had favourable effects on investment and business operations (see Figure 9.40).

Figure 9.40: Political and Governance Factors (Percent), 2016



Source: *Foreign Private Investment & Investor Perceptions Survey 2016*

9.4.2.1 POLITICAL AND GOVERNANCE FACTORS BY INDUSTRY

9.4.2.1.1 Agriculture, Forestry and Fishing

The findings of the survey revealed that in the agriculture, forestry and fishing industry, public order and safety at 61.5 percent had the highest positive perception effect on investment and business operations. This was followed by security (57.1 percent) and environmental protection policy (50.0 percent) among others. However, corruption at 71.4 percent, issuance of licenses (57.1 percent) and issuance of title deeds (42.9 percent) posted a negative effect on investment (see Figure 9.41).

Zambia has huge potential for cattle ranching

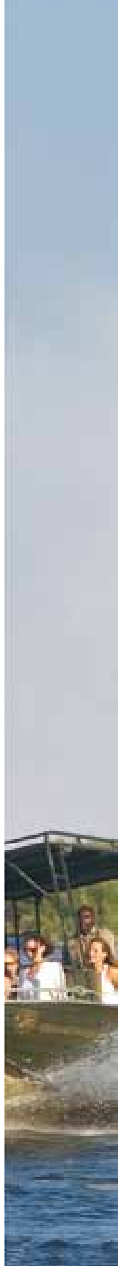
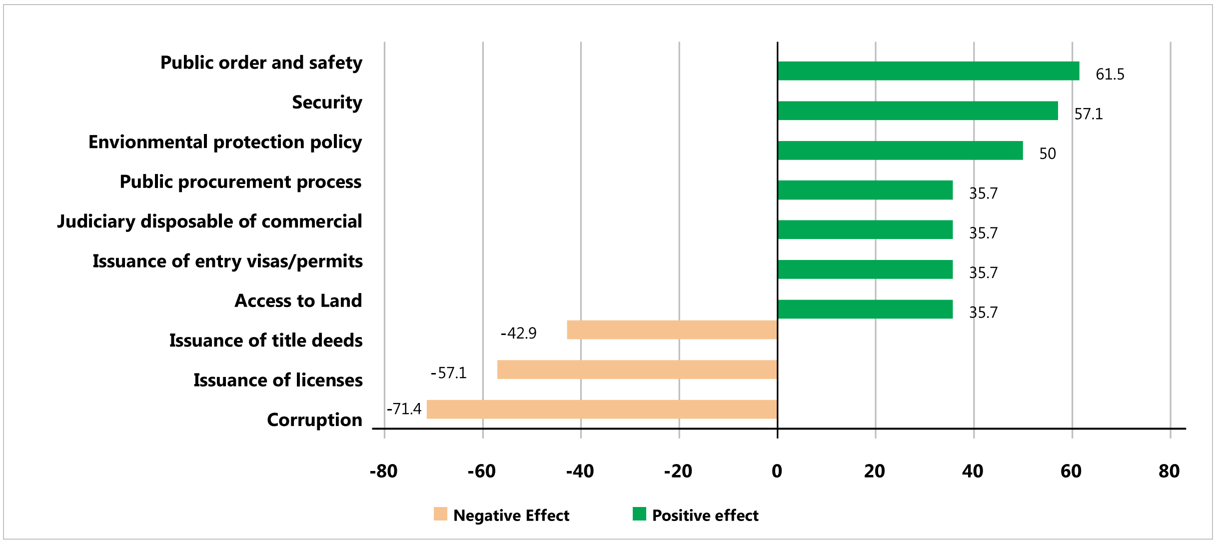


Figure 9.41: Effect of Political and Governance Factors in the Agriculture, forestry and fishing Industry (Percent)

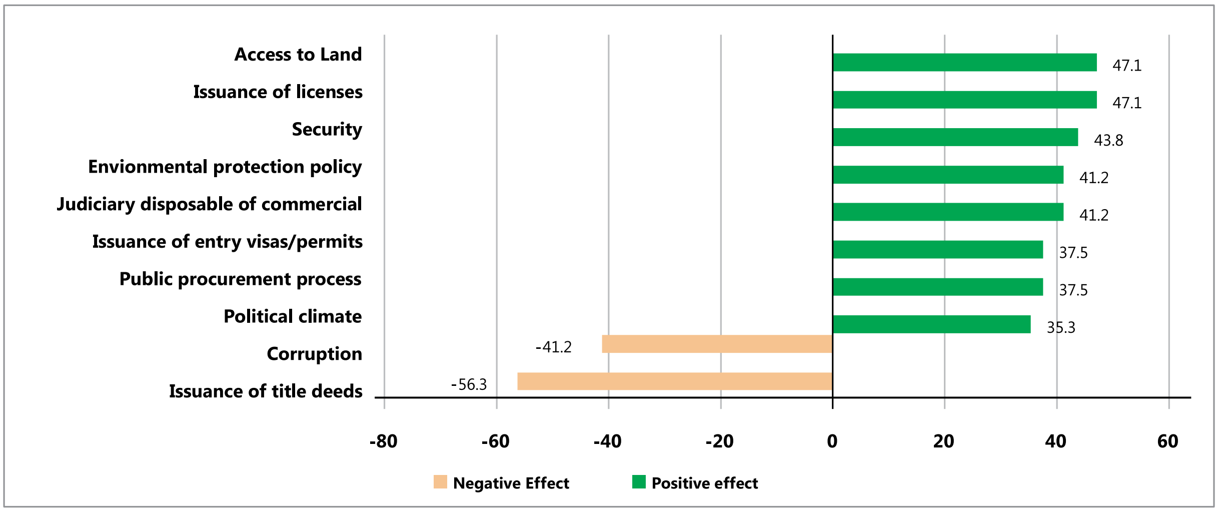


Source: *Foreign Private Investment & Investor Perceptions Survey 2016*

9.4.2.1.2 Construction

In the construction industry, 47.1 percent of the respondents indicated that access to land and issuance of licences had a positive effect on their investment and business operations. This was followed by security at 43.8 percent, environmental protection policy and judicial disposal of commercial court cases (41.2 percent), respectively. However, the survey revealed that issuance of title deeds and corruption had negative effects on investment (see Figure 9.42).

Figure 9.42: Effect of Political and Governance Factors in the Construction Industry (Percent)

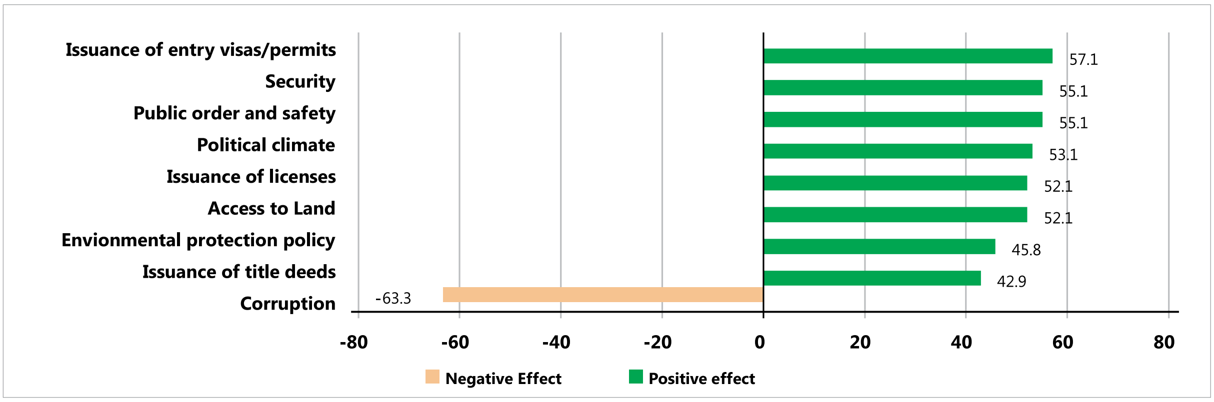


Source: *Foreign Private Investment & Investor Perceptions Survey 2016*

9.4.2.1.3 Manufacturing

The findings in the manufacturing industry, revealed that issuance of entry visas at 57.1 percent, security, public order and safety (55.1 percent), respectively, and political climate (53.1 percent) posted the highest positive effect on investment. On the other hand, 63.3 percent of respondents indicated that corruption had a negative effect on investment (see Figure 9.43).

Figure 9.43: Effect of Political and Governance Factors in the Manufacturing Industry (Percent)

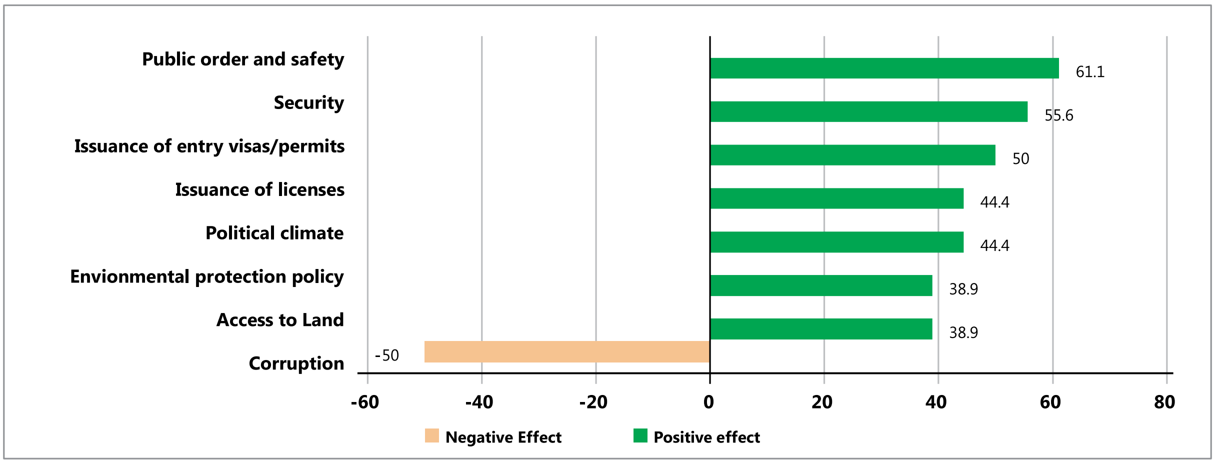


Source: *Foreign Private Investment & Investor Perceptions Survey 2016*

9.4.2.1.4 Mining and Quarrying

In the mining and quarrying industry, 61.1 percent of the respondents indicated that public order and safety had a positive effect on investment and business operations. The other positive factors were security at 55.6 percent, issuance of visas and permits (50.0 percent) and Issuance of licenses and political climate (44.4 percent), respectively among others. On the other hand, 50.0 percent of the respondents indicated that corruption had a negative effect (see Figure 9.44).

Figure 9.44: Effect of Political and Governance Factors in the Mining and quarrying Industry (Percent)



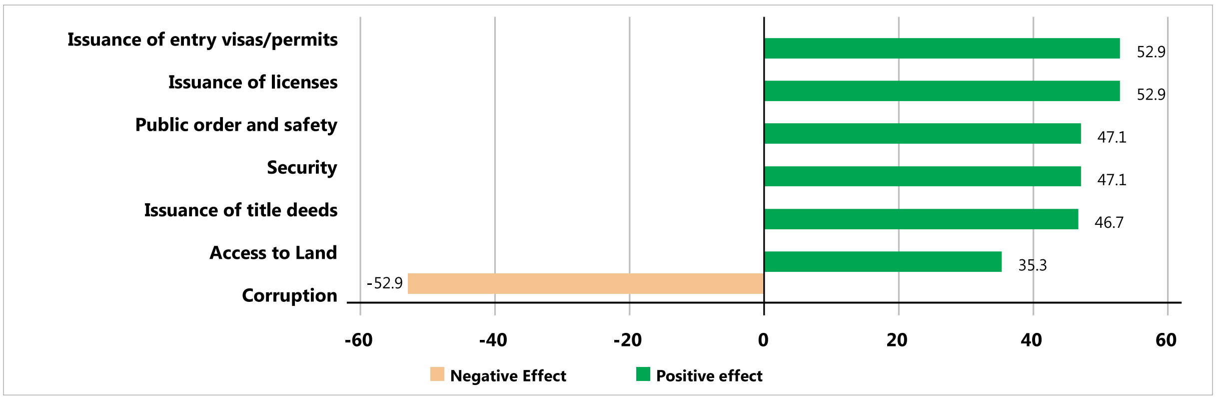
Source: *Foreign Private Investment & Investor Perceptions Survey 2016*

Tourists watching a lion at Chiawa Camp, Lower Zambezi

9.4.2.1.5 Accommodation and Food

The survey findings in this industry showed that 52.9 percent of the respondents indicated that issuance of entry visas and permits and issuance of licenses had a positive effect on investments. This was followed by security and public order and safety at 47.1 percent, respectively and issuance of title deeds (46.7 percent). Corruption, however, posted a negative effect of 52.9 percent (see Figure 9.45).

Figure 9.45: Effect of Political and Governance Factors in the Accommodation Industry (Percent)

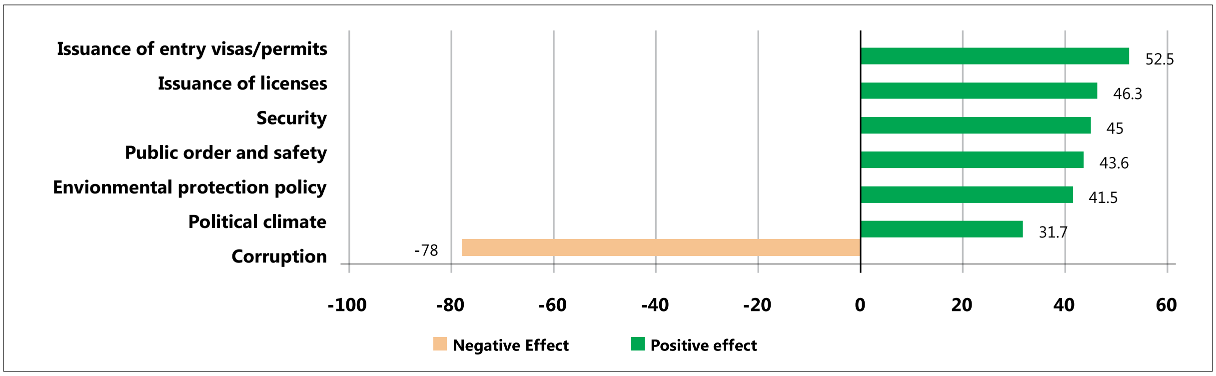


Source: *Foreign Private Investment & Investor Perceptions Survey 2016*

9.4.2.1.6 Wholesale and Retail Trade

The findings revealed that 78.0 percent of the respondents indicated that corruption had a negative effect on investment. Nonetheless, issuance of entry visas and permits at 52.5 percent, issuance of licenses (46.3 percent) and security (45.0 percent) recorded positive responses (see Figure 9.46).

Figure 9.46: Effect of Political and Governance Factors in the Wholesale and Retail Trade Industry (Percent)

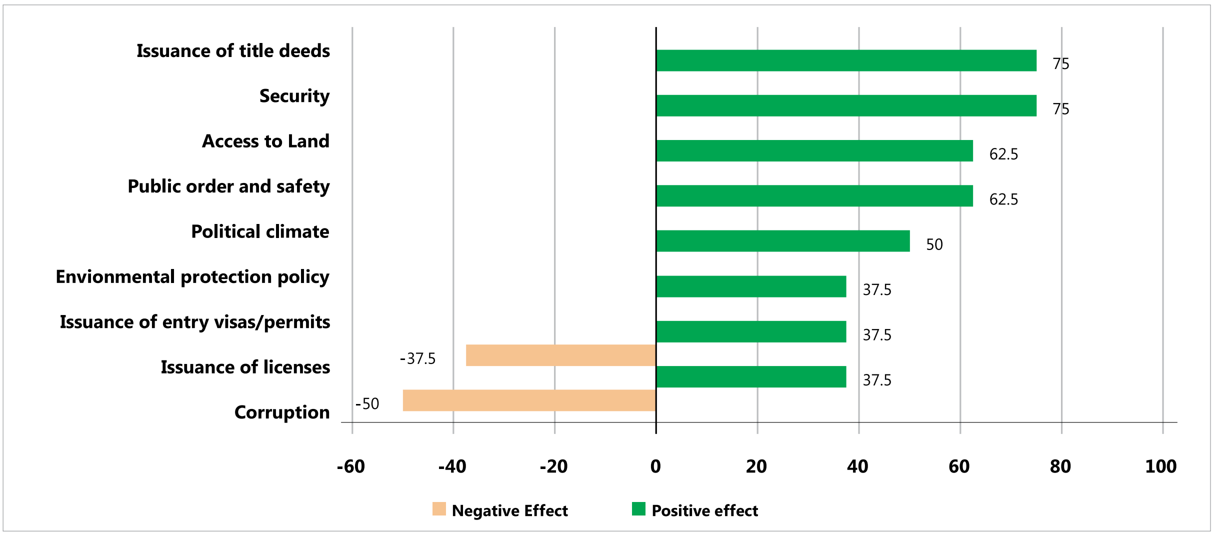


Source: *Foreign Private Investment & Investor Perceptions Survey 2016*

9.4.2.1.7 Real Estate

In the real estate industry, issuance of title deed and security both at 75.0 percent had positive effects on investment and business operations. This was followed by access to land and public order and safety at 62.5 percent, respectively. However, corruption at 50.0 percent recorded a negative response on investment decisions and business operations (see Figure 9.47).

Figure 9.47: Effect of Political and Governance Factors in the Real Estate Industry (Percent)

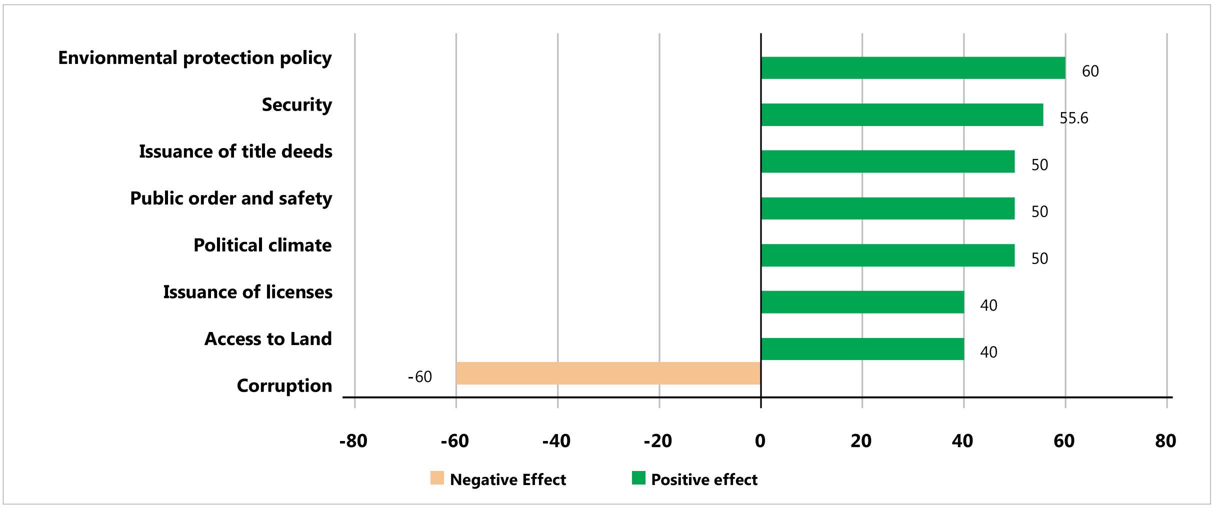


Source: *Foreign Private Investment & Investor Perceptions Survey 2016*

9.4.2.1.8 Transport and Storage

The survey findings revealed that environmental protection policy at 60.0 percent, security (55.6 percent) and issuance of title deeds (50.0 percent) among other factors posted a positive effect on investment and business operations. Other positive factors were public order and safety, political climate and issuance of licenses. However, corruption at 60.0 percent recorded a negative response (see Figure 9.48).

Figure 9.48: Effect of Political and Governance Factors in the Transport Industry (Percent)

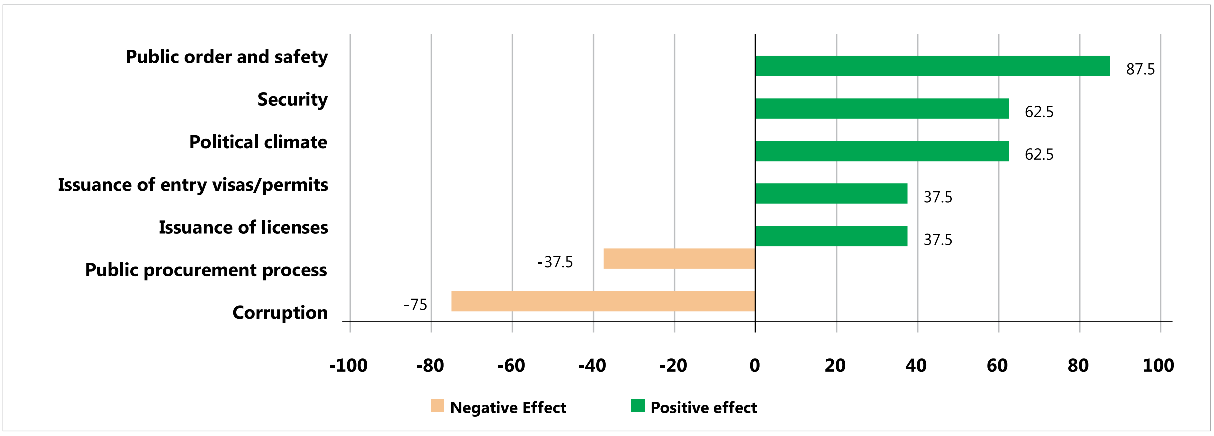


Source: *Foreign Private Investment & Investor Perceptions Survey 2016*

9.4.2.1.9 Information and Communication

In this industry, public order and safety at 87.5 percent posted the highest positive response on investment. This was followed by security and political climate at 62.5 percent, respectively. However, the survey findings revealed that corruption at 75.0 percent and public procurement process (37.5 percent) recorded negative responses on investment and business operation (see Figure 9.49).

Figure 9.49: Effect of Political and Governance Factors in the Information and Communication Industry (Percent)

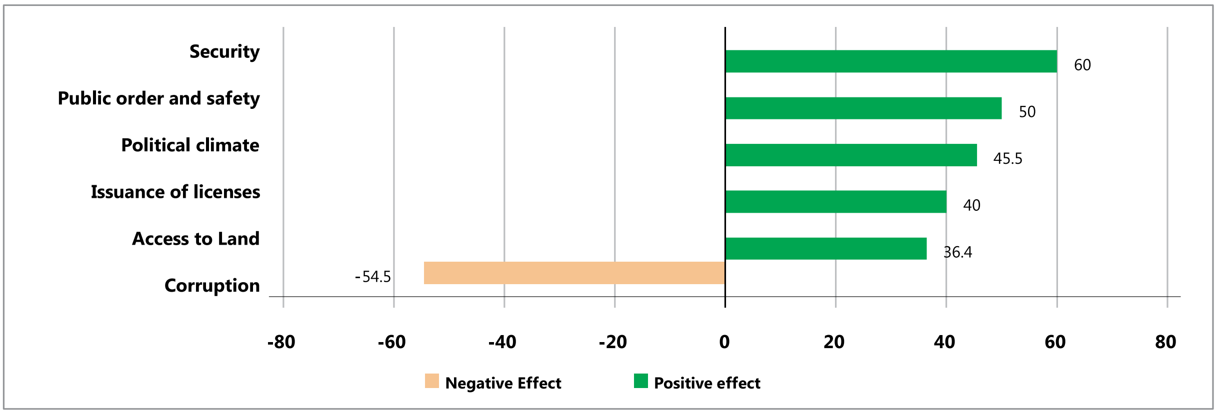


Source: *Foreign Private Investment & Investor Perceptions Survey 2016*

9.4.2.1.10 Insurance, Reinsurance and Pension Funding

The findings revealed that security at 60.0 percent, public order and safety (50.0 percent) and political climate (45.5 percent) among others posted positive responses on investment. Nonetheless, corruption at 54.5 percent recorded a negative response (see Figure 9.50).

Figure 9.50: Effect of Economic, Financial and Other Factors in the Insurance, reinsurance and pension funding, except compulsory social security (Percent)

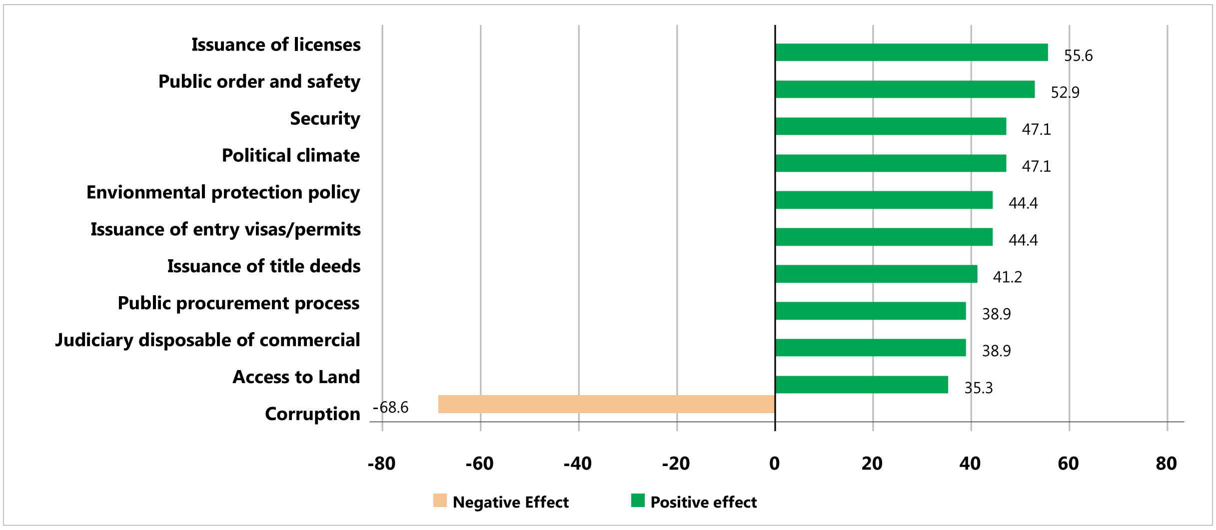


Source: *Foreign Private Investment & Investor Perceptions Survey 2016*

9.4.2.1.11 Deposit-Taking corporations

In this industry, the findings revealed that issuance of licenses at 55.6 percent, public order and safety (52.9 percent) and security (47.1 percent) recorded positive responses among others. Nonetheless corruption at 68.6 percent recorded a negative response (see Figure 9.51).

Figure 9.51:Effect of Political and Governance Factors in the Deposit-Taking Financial Industry (Percent)



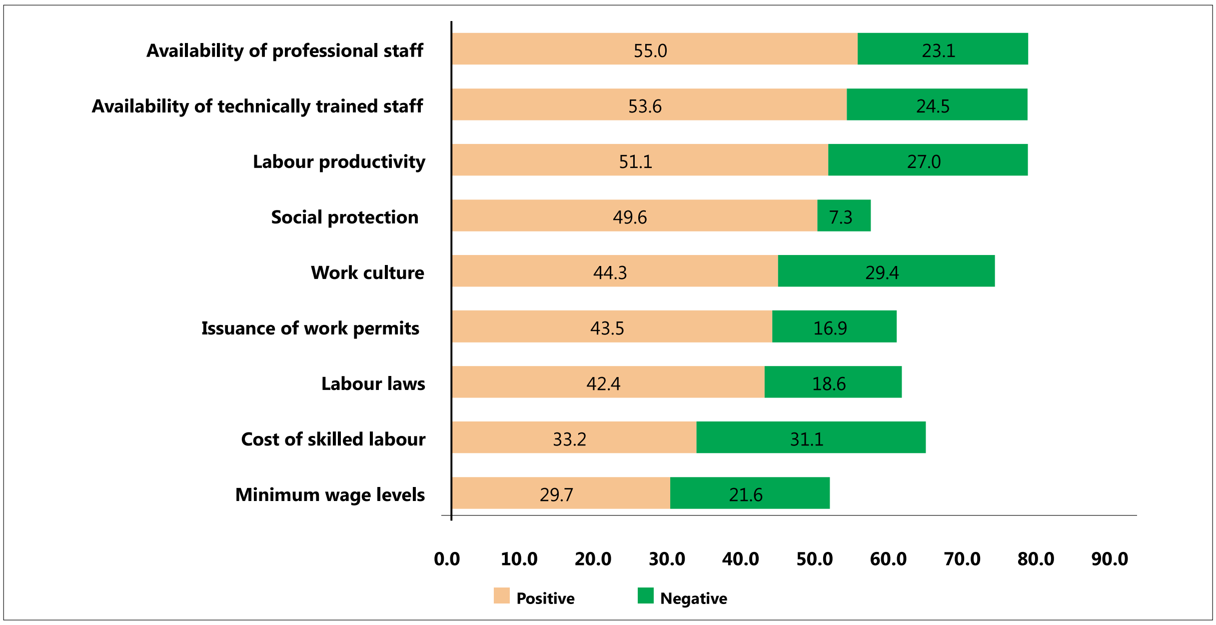
Source: *Foreign Private Investment & Investor Perceptions Survey 2016*

9.4.3 LABOUR FACTORS

Availability of human capital is an essential ingredient in private investment decision making process. Among many factors of labour considered in the survey were availability of professional staff, technically trained staff, labour productivity, social protection, work culture, issuance of work permits, labour laws, cost of skilled labour and minimum wage.

Accordingly, the survey findings revealed that the availability of professional staff at 55.0 percent and availability of technically trained staff (53.6 percent) had the highest positive impact on investment decision. This was followed by labour productivity at 51.1 percent, social protection (49.6 percent) and work culture (44.3 percent) (see Figure 9.52).

Figure 9.52:Effect of Labour Factors (Percent), 2016



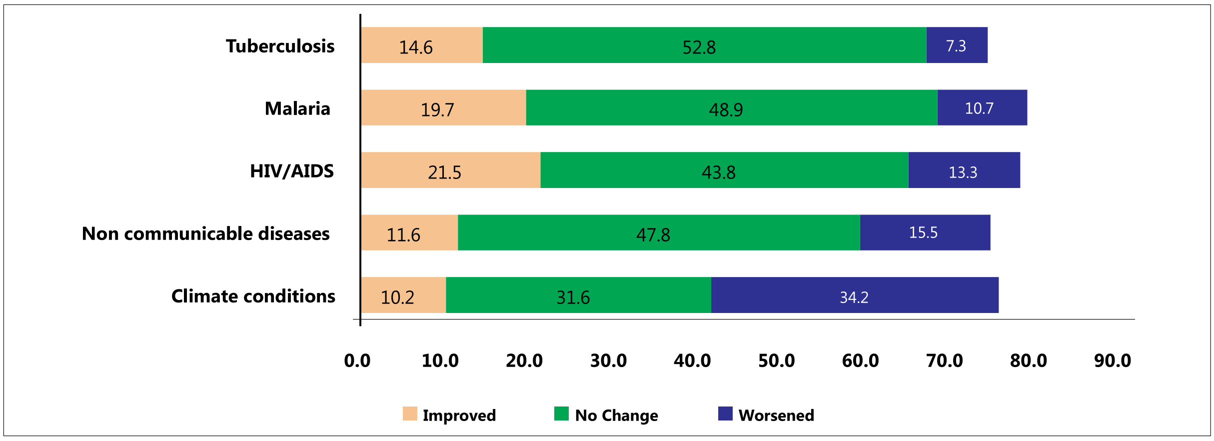
Source: *Foreign Private Investment & Investor Perceptions Survey 2016*

9.4.4 ENVIRONMENTAL AND HEALTH FACTORS

The environmental and health factors are important in private investment decision as they affect the cost of production. Accordingly in this survey non-communicable diseases, tuberculosis, malaria, HIV/AIDS and climate change were considered.

The survey findings revealed that, the majority of the respondents with a response rate of 34.2 percent indicated that climate conditions had worsened. With respect to the disease burden, the survey findings showed that tuberculosis at 52.8 percent, malaria (48.9 percent), HIV/AIDS (43.8 percent) and non-communicable diseases (31.6 percent) remained unchanged (see Figure 9.53).

Figure 9.53: Effect of Environmental and Health Factors (Percent)



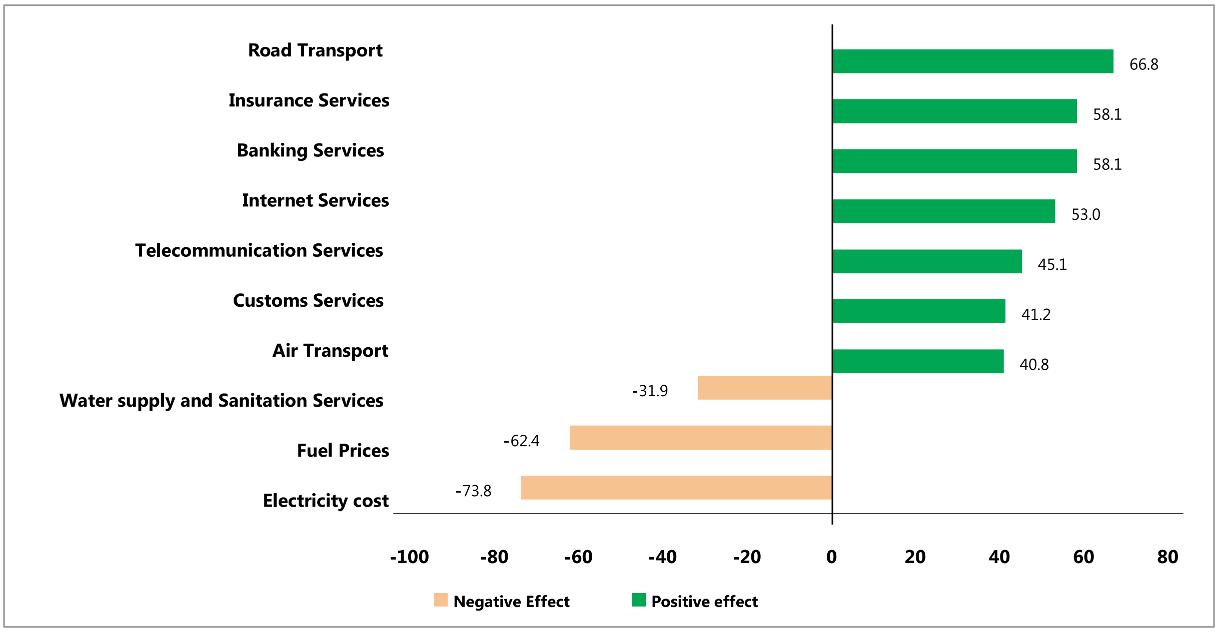
Source: *Foreign Private Investment & Investor Perceptions Survey 2016*

9.4.5 Efficiency and Cost of Infrastructure and Services

Infrastructure development and other services play an important role in enhancing private capital flows, therefore services such as insurance, banking, internet, telecommunication, customs and water supply and sanitation service were reviewed in this survey.

Accordingly, the findings revealed that 66.8 percent of respondents indicated that road transport had a positive effect on investment. This was followed by insurance and banking services at 58.1 percent, respectively and internet services (53.0 percent). However, electricity cost at 73.8 percent and fuel prices 62.4 percent posted a negative response on investment and business operations (see Figure 9.54).

Figure 9.54:Effect of Transport and Energy Factors (Percent), 2016

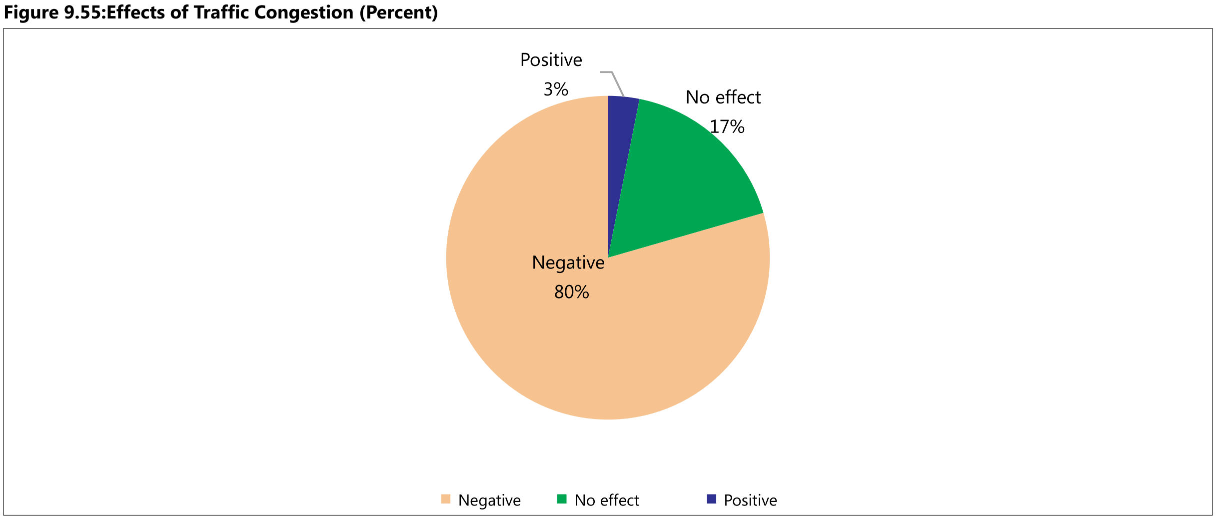


Source: *Foreign Private Investment & Investor Perceptions Survey 2016*

9.4.6 Effect of Traffic Congestion

The survey findings revealed that 80.0 percent of respondents indicated that traffic congestion adversely affected their business operations. However, 17.0 percent indicated that it did not affect their business operations, whilst 3.0 percent reported that this factor had a positive effect (see Figure 9.55).

Figure 9.55:Effects of Traffic Congestion (Percent)



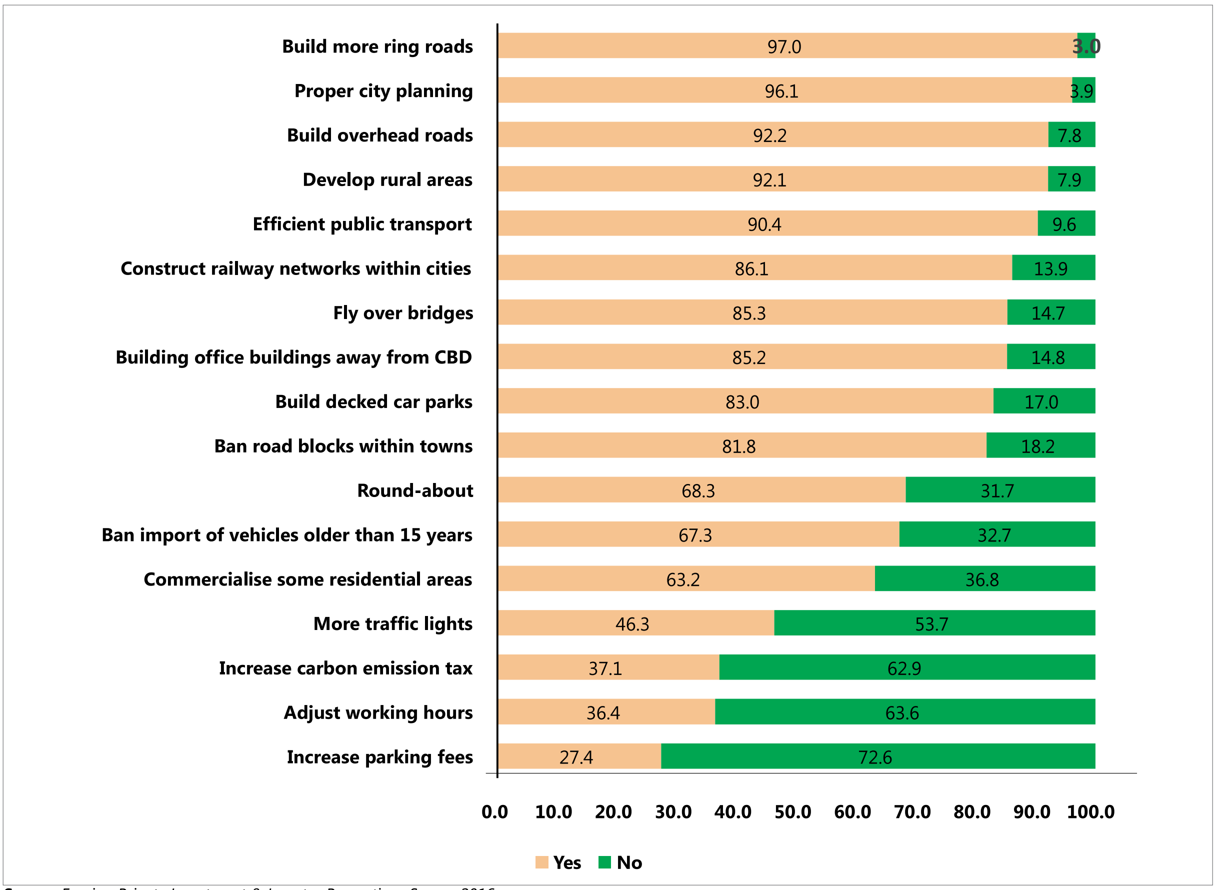
Source: *Foreign Private Investment & Investor Perceptions Survey 2016*

9.4.7 Measures to Reduce Traffic Congestion

The measures for reducing traffic congestion considered in the survey were, building more ring roads, proper city planning, building overhead roads, develop rural areas, efficient public transport, constructing railway networks within cities, flyover bridges, office buildings away from Central Business District (CBD), build decked car parks, ban road blocks within town, roundabouts, ban import of motor vehicles older than 15 years, commercialise some residential areas, more traffic lights, increase carbon emission tax, adjust working hours and increase parking fees.

All measures to reduce traffic congestion were well received. The building of more ring roads at 97.0 percent was the highest, 'yes response'. Proper city planning had a 'yes response' of 96.1 percent, followed by building overhead roads 92.2 percent, developing rural areas (92.1 percent) and efficient public transport (90.4 percent) among other measures. On the other hand, negative responses were recorded for increasing parking fees at 72.6 percent, adjust working hours (63.6 percent), increase carbon tax (62.9 percent) and more traffic lights (53.7 percent) (see Figure 9.56).

Figure 9.56:Proposed Measures to Reduce Traffic Congestion (Percent)



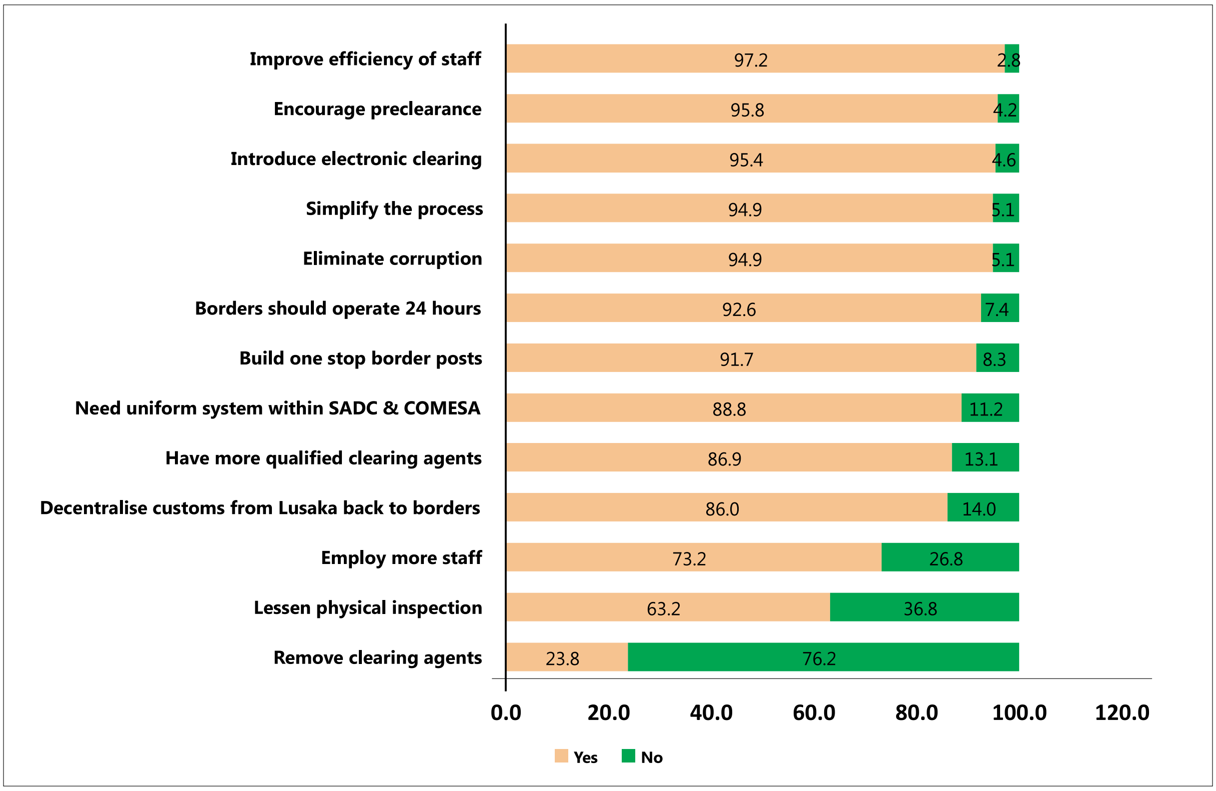
Source: *Foreign Private Investment & Investor Perceptions Survey 2016*

9.4.8 Time and Efficiency of Clearing Goods Process at the Border

The measures for improving the efficiency and timeliness of clearing goods at the border considered in the survey were improve efficiency of staff, encourage pre-clearance, introduce electronic clearing, simplify the process, eliminate corruption, borders to operate 24 hours, build one stop border post, uniform system within SADC and COMESA, more qualified clearing agents, decentralized customs clearing, employ more staff, lessen physical inspection and remove clearing agents.

The survey findings indicated that improving efficiency of staff at 97.2 percent, encourage preclearance (95.8 percent), introduce electronic clearing (95.4 percent) and simplify the process (94.9 percent) recorded positive response rates. However, the survey findings revealed that removing clearing agents posted a negative response of 76.2 percent (see Figure 9.57).

Figure 9.57:Assessment of time and efficiency of clearing goods process at the Border (Percent)



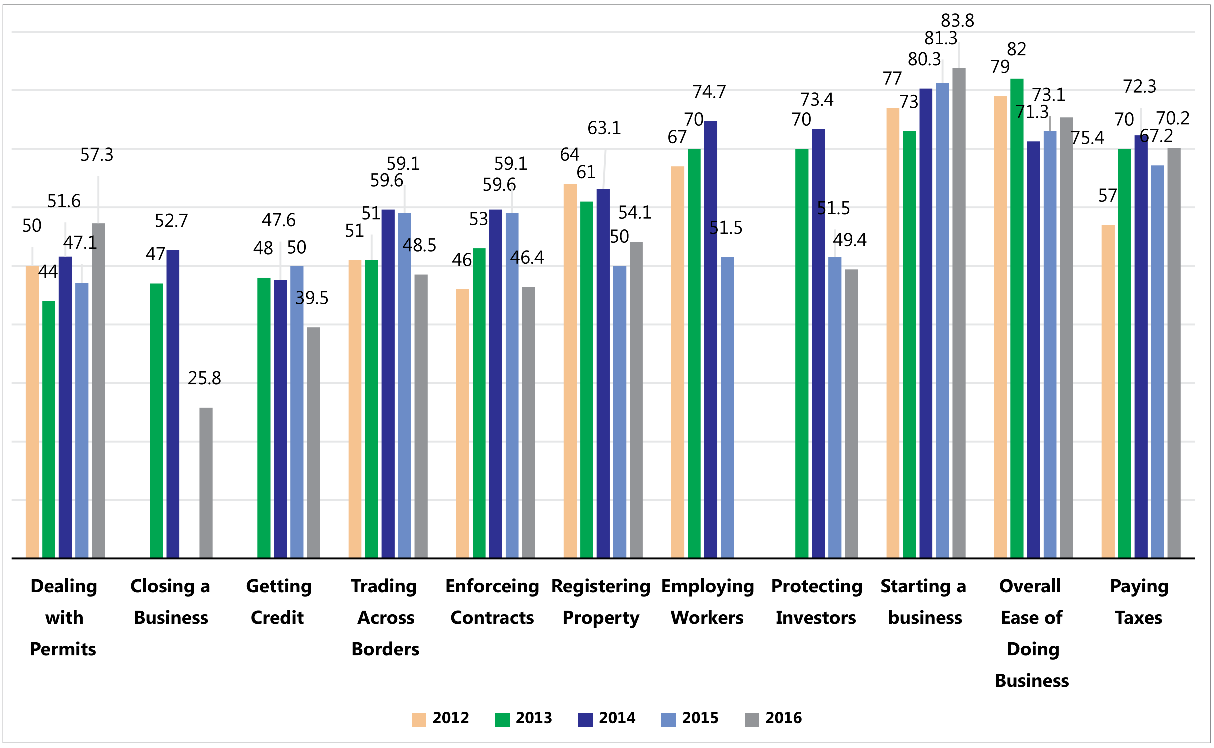
Source: *Foreign Private Investment & Investor Perceptions Survey 2016*

9.5 DOING BUSINESS FACTORS

The Ease of Doing Business Survey is modelled after the World Bank standard indicators. In the World Bank Doing Business Report (WBDB) 2017, Zambia's overall ease of doing business ranking dropped to 98 from 97 reported in 2016. The drop was attributed to the factor "dealing with construction permits". The ranking of this factor improved from 110 in 2016 to 78 in 2017. Despite the improvement in individual ranking, the reforms formulated under dealing with construction permits had a negative effect on the overall ranking of ease of doing business. According to the WBDB 2017, construction permits were made more expensive by raised costs associated with submitting a brief to the environmental agency. "Registering Property" was identified as a reform that made doing business in Zambia easier due to the reduction of property transfer tax.

In the 2016 survey, all the factors were positively assessed above 40.0 percent on the 'good to excellent' ranking except two factors, resolving insolvency (25.8 percent) and getting credit (39.5 percent). The five highest doing business factors that had a positive impact on business operations were "starting a business" at 83.8 percent, "overall ease of doing business" (75.4 percent), "paying taxes" (70.2 percent), "dealing with permits" (57.3 percent) and "registering property" (54.1 percent). Generally the overall ease of doing business has improved over the years. In 2012 it was rated 79.0 percent, and subsequently improved to 71.3 percent in 2014 and 75.4 percent in 2016(see Figure 9.58).

Figure 9.58: Change in Doing Business Factors (Percent), 2012 - 2016



Source: *Foreign Private Investment & Investor Perceptions Survey 2016*

9.5.1 Service Delivery by Government Ministries and Statutory Bodies

The survey findings relating to Government Agencies' service delivery revealed that the assessment of the Government Agencies was generally favourable with Patents and Company Registration Agency (PACRA) assessed as good to excellent by 91.3 percent of the respondents. The Bank of Zambia (BoZ) and the Zambia Development Agency (ZDA) had positive reviews by 89.1 percent and 80.4 percent, respectively. The Local Authorities (42.4 percent), Zambia Police (44.5 percent) and Utility Companies (51.1 percent) topped the list of worst (bad to very bad) assessed responses, at 42.4 percent, 51.1 percent and 54.1 percent, respectively. In comparison to the 2015 and 2014 survey findings, the overall rankings of the Government agencies and ministries declined (see Figure 9.59)

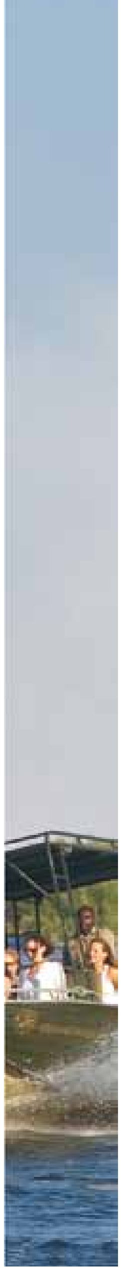
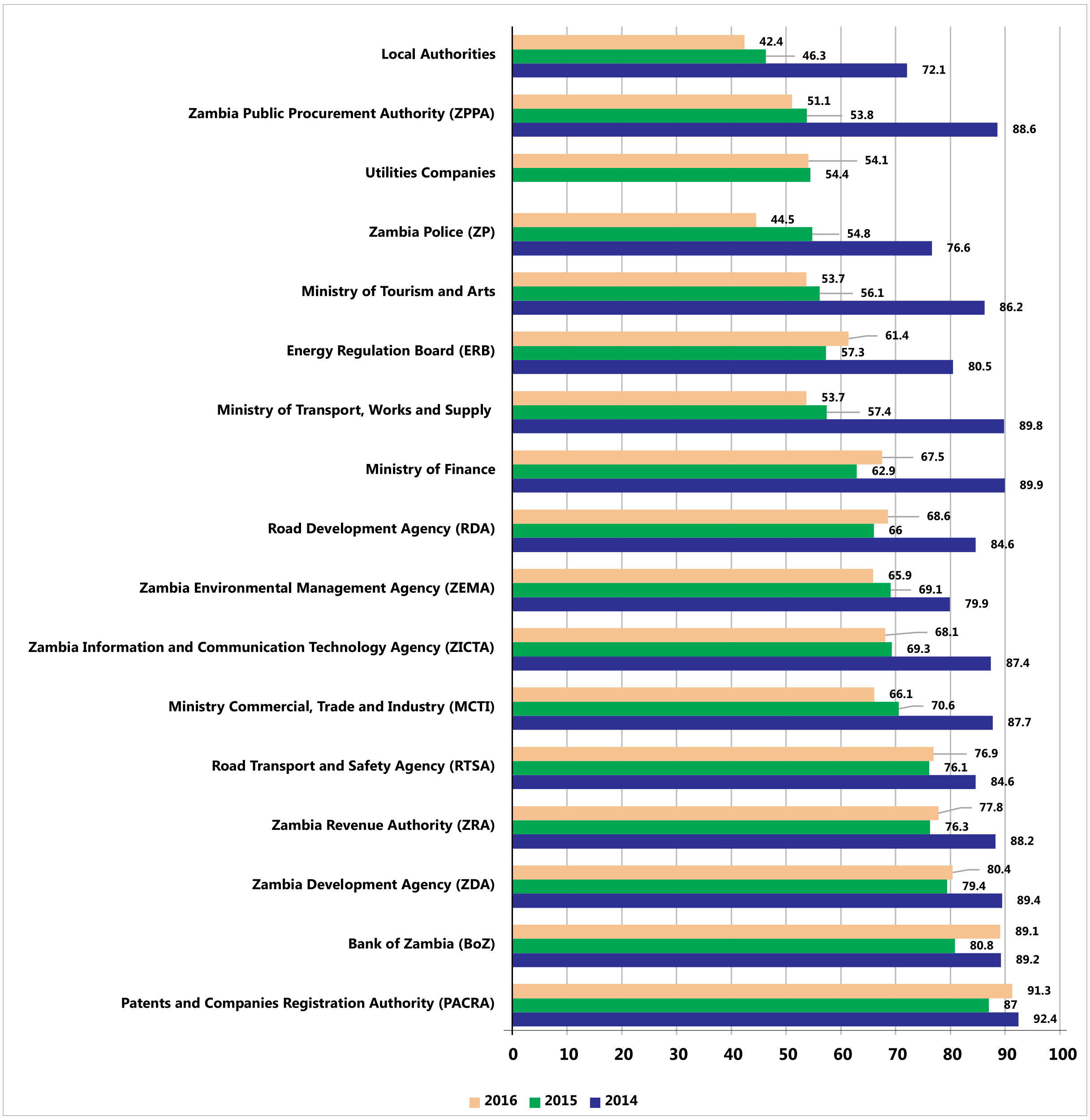


Figure 9.59: Service Delivery by Government Ministries and Agencies (percent), 2014, 2015 and 2016



Source: *Foreign Private Investment & Investor Perceptions Survey 2016*

9.5.2 Investor Rating of Government Promoting Investment

The following factors were captured in assessing the investors' perception of Government efforts in promoting investment: business registration processes, trade and investment missions, trade and investment facilitation, policy dialogue and advisory services and implementation of investment incentives.

The survey findings revealed that generally, Government efforts in promoting investment were rated favourably with all the areas assessed receiving a rating of "good to excellent" by over 70 percent of respondents. Business registration processes received the highest approval by 89.5 percent of the respondents (see Figures 9.60).



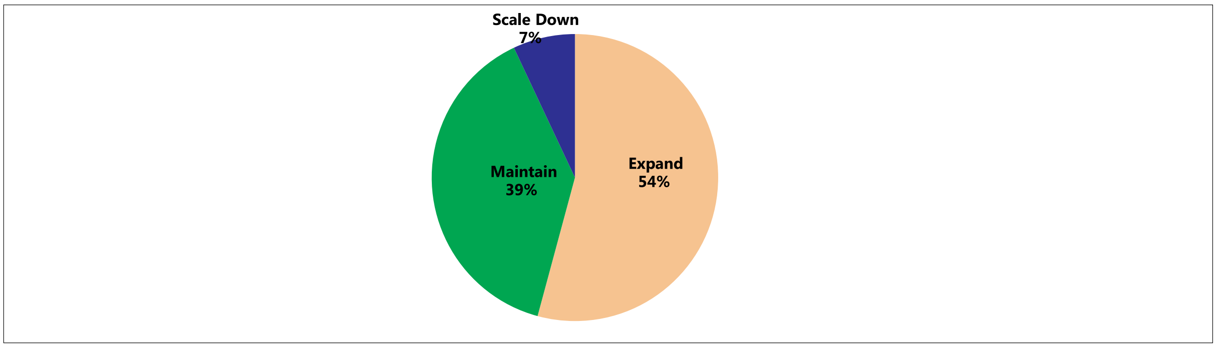

Figure 9.60: Investment Promotion Policy (Percent)

Source: *Foreign Private Investment & Investor Perceptions Survey 2016*

9.6 INVESTOR OUTLOOK AND EXPANSION STRATEGIES

The survey findings revealed that 54 percent of the respondents indicated they would expand their businesses. Further, 39 percent indicated they would maintain the current size whilst 7 percent would scale down their businesses (see Figures 9.61).

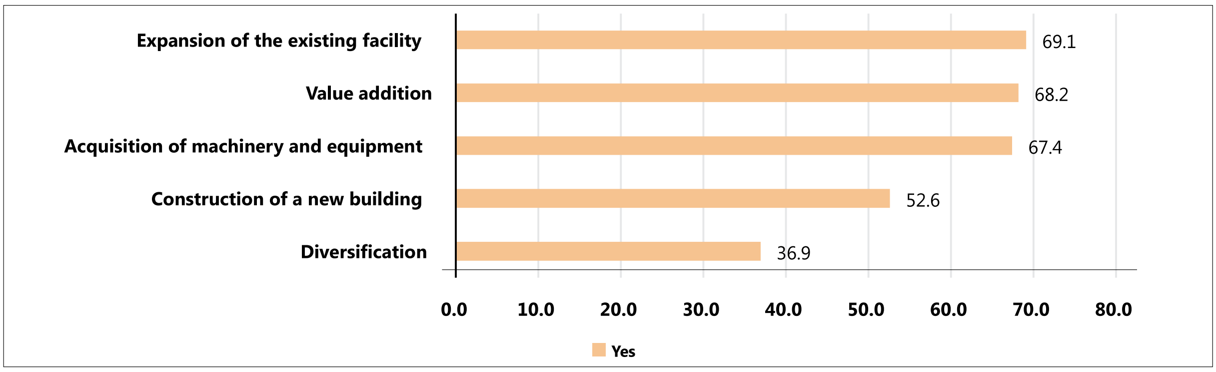
Figure 9.61: Expansion Prospects



Source: *Foreign Private Investment & Investor Perceptions Survey 2016*

The respondent enterprises indicated various strategies for the expansion of their projects. Expansion of the existing facility, at 69.1 percent, was the most preferred followed by the value addition and acquisition of machinery and equipment at 68.2 percent and 67.4 percent respectively. The least expansion strategy considered were through diversification and construction of new buildings 36.9 percent and 52.6 percent respectively (see Figure 9.62).

Figure 9.62: Mode of Expansion Strategy (Percent)

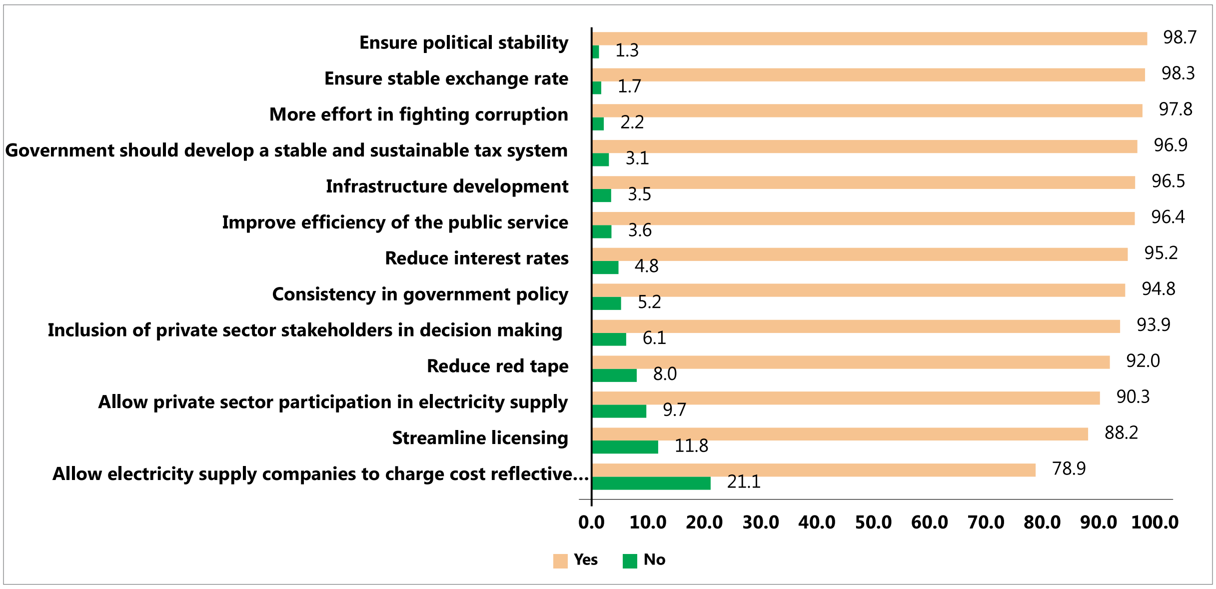


Source: *Foreign Private Investment & Investor Perceptions Survey 2016*

9.7 GOVERNMENT MEASURES TO ENCOURAGE FOREIGN INVESTMENT IN ZAMBIA

Government measures to encourage foreign investment were well received by the respondents across all industries. The most favoured measures included ensure political stability at 98.7 percent, stable exchange rate (98.3 percent), more effort in fighting corruption (97.8 percent), stable and sustainable tax system (96.9 percent), infrastructure development (96.5 percent), efficient public service (96.4 percent), low interest rates (95.2 percent), and consistent government policy (94.8 percent), among others (see Figure 9.63).

Figure 9.63: Government measures to encourage foreign investment in Zambia (Percent)



Source: *Foreign Private Investment & Investor Perceptions Survey 2016*

10. REPORT OF THE PROCEEDINGS OF THE PCF DISSEMINATION WORKSHOP




10.0 REPORT ON THE PROCEEDINGS OF THE PCF DISSEMINATION

The Bank of Zambia, in collaboration with the Zambia Development Agency (ZDA), Central Statistical Office (CSO) and Private Sector Development Industrialisation and Job Creation (PSDIJC), held a dissemination workshop for the 9th Cycle of the Foreign Private and Investor Perceptions survey findings on 7th December, 2016 in Lusaka. This chapter summarises the proceedings of the workshop.

10.1 Bank of Zambia Governor's Opening Remarks

The Deputy Governor – Operations (DGO) of the Bank of Zambia officially opened the workshop. On behalf of the Bank of Zambia, Zambia Development Agency and the Central Statistical Office, the DGO welcomed all participants and thanked the Balance of Payments Technical Committee, comprising representatives from the Bank of Zambia, Zambia Development Agency, Central Statistical Office, and other collaborating institutions for successfully conducting the 2016 survey. He also expressed special thanks to the respondents who participated in the survey for sparing the time and effort to provide information requested that enables policy makers to make evidence based decisions.

The DGA brought to the attention of the participants the fact that the Zambian economy had faced significant challenges over the past two years. Major among these challenges was slow growth, high inflation, deteriorating current account, low commodity prices and depreciation in the exchange rate. Addressing the constraints identified to the expansion of business, including lowering the cost of business, having a stable macroeconomic environment are therefore critical if we are to encourage diversification and growth.

Despite these challenges, the DGA was confident that the monetary policy measures taken by the Bank of Zambia and the fiscal stance announced by the Honourable Minister of finance will set a foundation for growth and diversification if effectively implemented, which will allow monetary policy to better support the growth and diversification efforts. He further assured participants that the Bank of Zambia would strengthen its forward looking monetary policy framework and make improvement of communication and dialogue with the private sector an important goal.

10.2 Summary of Presentations

10.2.1 The Zambia Chamber of Mines

The Zambia Chamber of Mines was represented by the Head – Economics. In his remarks, the representative highlighted some key indicators to show the contribution of the mining industry to the economies of low and middle income mineral driven countries. For Zambia in particular, the mining industry accounts for 25 percent of government revenue, on average. He emphasised the need for supporting economic conditions such as taxation and electricity supply that are aimed at encouraging investment in the industry. The industry has two (2) major concerns.

(a) Stability and competitiveness of the mining tax regime

The industry's main concern is the number of changes made to the mining tax regime in the last 8 years. This has negatively affected investment in the industry. The industry remains hopeful that the tax regime will be stable and competitive enough to attract the much-needed investment into expansionary projects.

(b) Capital allowances and utilization of tax losses

The restriction on the deductibility of tax losses to 50% is a strong disincentive to mining investment in Zambia. This has effectively increased the cost of financing long term, capital intensive projects in the industry. The Chamber of Mines called on Government to raise the loss limit to 100% or alternatively, the carrying forward of losses should be extended indefinitely.

Furthermore, the deduction of capital allowances for the mining industry should be reverted to 100% on total capital expenditure spent in the year. This is because all mining expansion projects are long term in nature and it is important to give relief during that period of investment.

10.2.2 First National Bank (FNB) Zambia

The Country Treasurer at First National Bank (FNB) Zambia provided a background of on bank's operations since 2009, citing capital investment, employment created and overall business operations in Zambia. In



his presentation he highlighted some of the positive of ease of doing business in Zambia such as regulatory and registering approvals, finding premises, staff levels, good governance, market potential and political stability.

However, the following were cited as challenges:

- Erratic and limited power supply
- Some regulatory uncertainty
- Economic slowdown
- Cost of doing business

Despite the challenges caused by the recent slowdown in economic activity, he was of the view that FNB will continue to expand its operations in Zambia.

10.3 Remarks by the Private Sector Development Industrialisation and Job Creation

The remarks were delivered by the Coordinator of the PSDIJC. He informed the participants that Government viewed the survey as a key tool for assessing the implementation of investment climate reforms and the industrialisation and job creation strategy. He added that the key objective of the investment climate reforms was to create an investment climate that is competitive, transparent, efficient business friendly and attracts both local and foreign investment, which is necessary to ensure that the private sector can start, grow and diversify their businesses.

In order to create a business friendly environment and create jobs, government needs to deal with the bottlenecks to doing business in the country and the survey identifies the bottlenecks to doing business and makes recommendations on how the impediments can be dealt with. It is therefore useful in informing the policy options aimed at improving both the investment climate and the delivery of business related services by the public sector service.

The Coordinator pledged government's commitment to continue implementing reforms aimed at improving the country`s business environment. The reforms include reducing the number of steps and procedures required when complying with government regulations and delivering efficient and integrated public services. And under the smart Zambia framework government has indicated its intentions and determination to transform the manner in which public services are delivered to citizens, businesses and across government institutions and departments.

10.4 Questions, Observations and Comments from Participants

Below are the questions, comments or observations that were made by workshop participants.

- Does survey measure the ability to sustain the foreign direct investment that is already in the country?

  For the period 2010 – 2016, when the survey has been conducted consistently, no analysis to look at the sustainability of foreign direct investment has been done. More analytical work will be done in future to make the survey findings more relevant to policy.
- A participant cautioned that although the idea to start collecting data quarterly was good, the response rate was likely to drop due to respondent fatigue.

It was explained that as a way of reducing respondent fatigue, the Bank of Zambia is considering coming up with one questionnaire which will incorporate questions from two (2) other quarterly surveys.

- Availability of the raw data would be made available online for researchers to access it.

  The meeting was informed that due to the confidential nature of the data, it was not possible to avail the data to the public at micro level.
- Public media needed to the engaged more in publicity activities as it is key to the success of the survey. Data providers needed to be enlightened more.

Although would be respondents are usually contacted and informed about the survey, this was one of the areas that could be improved.

- Despite the consistency in data collection over the years, there seems to be a dis-connection with policy, which raises questions as to whether feedback from survey respondents was reaching policy makers and if so to what extent the policy makers were using the information. Examples: Cost of doing business is high and yet taxes are going up.



It was explained that the Zambia Development Agency has the mandate to promote investment. There is a subcommittee which looks at findings from the survey and makes the findings known to the Board and relevant institutions. In addition, the report is made available on the website and distributed to relevant institutions physically.

- Are companies that receive incentives in multi-facility economic zones monitored to see if they are living up to the pledges like job creation?

The research department at ZDA monitors these companies quarterly. They fill in a standard table on a quarterly basis. When a company fails to fulfil its pledge, usually there is a justified reason therefore no further action is taken against such companies.

Director of the CSO explains the inflation rate

Director of the Central Statistical Office explained the sharp decline in the inflation rate recorded in October 2016. He explained that the inflation was a rate of change in the prices between the current month and the corresponding month the previous year (year-on-year) and the change in prices between the current month and the previous month (month-on-month). It was explained the sharp decline was a result of the base effect, caused by an unusual increase in the CPI in October 2015. This effect was expected after a full cycle. This saw a sharp decline in the inflation rate from 18.9% in September to 12.5% in October 2016. The October inflation rate meant that prices still increased by 12.5% between October 2015 and October 2016 and 8.8% between November 2015 and November 2016. However, the rate at which prices were increasing that had reduced.

10.5 Closing Remarks by the Director General of the Zambia Development Agency

The Director General thanked all who attended the dissemination workshop on the findings of the 2016 survey on Foreign Private Investment and Investor perceptions in Zambia, adding that the interactions at the workshop were beneficial for both the public and private sector.

He noted that the monitoring and analysis of private capital flows to Zambia had received increased attention over the years, which was a reflection of the recognition of the growing importance to collect timely and accurate data on balance of payments to feed into a wide range of policy-making processes. Data on investor perceptions are also important to provide feedback to government on the general investment climate and business environment in the country.

He thanked the Private Sector Development Industrialisation and Job Creation and partner government institutions for having provided both the human and financial resources, which were required to undertake the survey. Staff of the partner institutions that undertook the 2016 private capital flows and investor perceptions survey were commended for the job well done, adding that it was evident that a lot of effort went into planning, data collection, analysis and report-writing.

Last but certainly not the least, the DGA acknowledged and appreciated the participation of the private companies both in Lusaka and from other provinces which provided the data for the survey, and also applauded the good collaboration between the balance of payments technical committee and private sector, without which, the survey could not have been undertaken.

11.0 CONCLUSION

11.0 CONCLUSION AND RECOMMENDATIONS

Unlike the global trend which recorded an increase in net FDI in 2015, Zambia's net foreign direct investment inflows fell to US $1,177.4 million from US $3,194.9 million recorded in 2014. Similarly, FDI liabilities inflows declined by 12.3 percent to US $1,304.9 million from US $1,488.6 million recorded in 2014 largely explained by a reduction in reinvested earnings in various sectors. The respondents attributed the decline in reinvested earnings to high operation costs, lower commodity prices, depreciation of the Kwacha, the hydro-power deficit, adverse weather conditions, and the uncertainty associated with the 2016 general elections.

Other investment liabilities inflows more than doubled in 2015. Similarly, portfolio equity investments registered a net inflow of US $13.5 million, however, financial derivatives recorded a net outflow during the review period. Nonetheless FDI liabilities inflows were mainly in form of borrowing from affiliates and mainly concentrated in the manufacturing industry. The FDI liabilities inflows were largely from Mauritius, South Africa, China, France, Switzerland, Ireland, and Canada. The Private Sector External Debt was 7.3 percent higher than US $12,505.6 million recorded in 2014, and was mainly long term borrowing with mining and quarrying industry accounting for the largest proportion. In 2015, Zambia's private sector recorded an increase in foreign assets of US $209.0 million compared to a drawdown of US $1,847.1 million recorded in 2014. This was in form of FDI assets with Mauritius as the major destination country. However, portfolio equity, financial derivatives and other investment assets recorded declines during the same period.

Zambia's Majority-Owned Foreign Affiliates (MOFAs) generated sales/turnover amounting to US $11,795.4 million, 18.5 percent lower than the previous year and accounted for 77,570 employees. The net worth of the enterprises however, grew despite declaring losses. This resulted in a decrease in profits and consequently a fall in dividends declared. Similarly, contribution in terms of value addition as well as goods and services was lower.

The overall ease of doing business in Zambia was generally good with a significant number of investors rating factors such as starting a business, paying taxes, dealing with permits and registering property favourably. Issues relating to resolving insolvency and getting credit however, were rated unsatisfactory. The World Bank Doing Business report (2017), however, indicated a decrease in Zambia's overall ease of doing business ranking. This was mainly attributed to the decline in the factor dealing with issuance of construction permits. Further, the respondents revealed that registering property was a reform that made doing business in Zambia easier due to the reduction of property transfer tax.

The key factors that positively influenced investment decisions were domestic economic growth, regional economic growth, global economic growth, political stability and market potential. On the other hand, major areas of concern included inflation, exchange rate depreciation, low copper prices, lending rates and corruption. The main risk factors to increased investment levels however, were high cost of doing business, market risk, unstable macroeconomic environment, limited access to credit and bureaucracy among others. Investors were concerned with the cost of electricity and fuel prices. However, the road transport, insurance and banking services, and internet services were cited as positive factors. Whereas climate conditions and environmental and health factors that could hinder investment, the disease burden levels with respect to tuberculosis, malaria, HIV Aids and non-communicable diseases were unchanged. However, climate conditions had worsened during the year under review.

In terms of service delivery by Government agencies, operations of most agencies were favourably rated by investors, whilst, the local authorities, utility companies and Zambia Police were rated unfavourably. Generally government efforts in promoting investment with regard to business registration processes, trade and investment missions, trade and investment facilitation, policy dialogue and advisory services and implementation of investment incentives were well received.

A number of investors are keen at expanding their business through expansion of existing facilities, value addition and acquisition of machinery and equipment. The overall findings, on Government measures to encourage foreign investment in Zambia were well received. These included political stability, measure to main a stable exchange rate, efforts in fighting corruption, measure for a stable and sustainable tax system, infrastructure development, efficiency in the public service, efforts to lower interest rates and consistent government policies. Nonetheless there is still some dissatisfaction with some government policies and institutions that play a key role in the investment decision making process. There is need to address these challenges in order to maintain Zambia as an attractive investment destination.

Most enterprises indicated that both fiscal and monetary policies (policy rate, statutory reserve ratio, overnight lending rate and the removal of interest rates) adversely affected their business operations. However, interventions in the foreign exchange market by BoZ was well received




Major policy implications are, but not limited to sustaining the increase and maximising the gains from foreign private capital inflows thereby contributing to job creation and economic growth. In order to enhance attractiveness of the investment climate, the efforts should be stepped up in the following, among others:- diversify investment to key sectors with potential for large scale exports; enforce policy measures to promote investment in government's priority sectors such as agriculture, forestry and fishing, energy, tourism and manufacturing; stability of exchange rate and thus build international reserves to achieve resilience against external shocks; ensure and maintain macro-economic stability through continued pursuance of prudent fiscal and monetary policies.

Despite improvements in Zambia' doing business environment, government efforts must continue addressing the negative concerns associated with corruption, cost of doing business associated to electricity and fuel in order to lure more investments. This should be coupled with improving on those factors identified as positively affecting investments decisions which are critical in enhancing the competitiveness of the local industries. Investor feedback on various government policies is vital for well-informed trade and investment policy formulation. As such government should continuously dialogue with the investment and business organisations on key issues for improved policy formulation.

The overall survey findings underscore the important factors that attract or constrain investment. The views provide information on areas of concern relating to government policy measures that affect the business environment. These measures provide valuable information on steps to take in addressing the concerns raised and gives government an opportunity to timely review the policies and practices that play a key role in the investment decision making process thereby improving the investment climate. Against this background the following are the policy recommendations:

1. **Diversify FDI inflows to Priority sectors**

   The need for the export base to be diversified, as a way of reducing the country's high dependence on copper, call for deliberate policy measures that should stimulate and encourage investment in government's priority and growth sectors. Government therefore, should step up efforts to diversify investment to key sectors with potential for large scale exports and implement deliberate policy measures that would attract investment in government's priority growth sectors such as agriculture, forestry and fishing, energy, tourism and manufacturing;

   Despite the subdued economic growth outlook for the country, in view of the changing external conditions such as the declining copper prices and unstable macroeconomic conditions, diversification agenda remains a priority for Government. Even though the pace of achieving economic diversification may be slow, efforts to promote trade and competitiveness must be directed at encouraging the private sector to diversify their markets by incorporating an outward market approach in order to derive maximum benefits of regional integration via SADC and COMESA. This would raise export earnings vital for exchange rate stability. There is also need to improve local value addition chains by propagating for stronger institutional partnership between Government and the private sector in order to build confidence and transparency thereby increasing value addition and for job creation.

2. **Continued Dialogue on Policy with Stakeholders**

   The facilitation of private sector trade and investment across sectors necessitates regular review and consideration of investor perceptions vis-à-vis the investment climate. To maintain Zambia as an attractive investment destination, frequent regulatory changes and policy uncertainty should be avoided. Policy consistency and predictability are key ingredients in building investor confidence. Therefore, Government needs to improve dialogue with stakeholders, by continuously engaging with them for informed investment policy decision making.

3. **Maintain Macroeconomic Stability**

   With regard macroeconomic management, Government among other things should continue to ensure and maintain macro-economic stability through continued pursuance of prudent fiscal and monetary policies. In particular should implement fiscal consolidation measures that are aimed at achieving a stable and predictable fiscal policy, and exchange rate. Further, monetary policies should focus on measures that will ensure exchange rate stability and lower interest rates for improved access to credit by the private sector. This is critical to enhancing the attractiveness of the investment climate.



4. **Continued improvements in Ease of doing business**

   Despite improvements in the ease of doing business in recent years, there is still need to improve the business environment. The need for policy resolve to improve the business environment is reflected in the 2017 World Bank Doing Business report, which indicated deterioration in the overall ease of doing business ranking. As such, concerted effort by Government should be made to fight corruption by reducing the bureaucratic administrative procedures. Particular attention must be paid to investment and business support institutions, which are key drivers in facilitating investments. Further a stable regulatory framework is a key ingredient in attracting investment. Government should continue to address concerns related to doing business, while at the same time improving on measures aimed at promoting investment i.e business registration processes, trade and investment missions, trade facilitation, policy dialogue and advisory services and implementation of investment incentives.

5. **Reducing cost of doing business**

   Despite the on- going efforts to improve the investment climate, the country is still largely characterised by high cost of doing business. Efforts should be directed at reducing the cost of doing business by reducing the cost of fuel and addressing the power deficit challenges. These concerns were cited as negatively influencing investment decisions and business operations. In addition, there is need to enhance service delivery by institutions that play key role in the investment process for an improved business environment.

12.0 REFERENCES




12.0. REFERENCES

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13.0 Annex




13.0 ANNEX

Annex I: Survey Methodology

1.1 Introduction

This annex presents an outline of the activities that were undertaken in the conduct of Phase IX of the survey on foreign private investment and investor perceptions in Zambia. It covers issues relating to the organisation of the survey and survey techniques which includes sample design, survey instruments, field and data processing activities, and evaluation of coverage and response rate.

Phase IX of the PCF was done on a sample basis. The primary objective of the survey is to obtain data on Foreign Assets and Liabilities (FAL) of the largest enterprises in Zambia. These account for nearly 95 percent of foreign assets and liabilities in the country.

1.2 Sample Design

1.2.1 Sampling Frame

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

1.2.2 Sample size

The target sample size for Phase IX of the survey was 350 enterprises, based on available resources. All companies known to have foreign assets and liabilities were included in the sample. The difference was sampled from the rest of the companies on the frame.

1.2.3 Sample allocation and Stratification

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

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

Where;

m_h = number of enterprises allocated in industry h

n = Number of companies to be allocated

α = Adjustment factor

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

H = Number of industries on the frame

1.2.4 Sample Distribution

Distribution of the sample by industry shows that the Manufacturing (19.7%) Wholesale and Retail trade (14.3%), and Mining and Quarrying (10.6%), had the highest percentage of enterprises on the sample.




Table 1: Sample distribution by Industry

Industry	Frequency	Percent
Accommodation & Food service activities	30	8.6
Administration & Support service activities	7	2.0
Agriculture, Forestry & Fishing	19	5.4
Construction	24	6.9
Deposit taking corporations	19	5.4
Education	2	0.6
Electricity	5	1.4
Human Health & Social work activities	3	0.9
Information & Communication	14	4.0
Insurance & Other financial institutions	22	6.3
Manufacturing	69	19.7
Mining & Quarrying	37	10.6
Professional, Scientific & Technical services	10	2.9
Real Estate activities	20	5.7
Transport & Storage	19	5.4
Wholesale & Retail trade	50	14.3
Total	**350**	**100.0**

Source*: Foreign Private Investment & Investor Perceptions Survey 2016*

1.3 Organization of the Survey

The Foreign Private Investment and Investor Perceptions 2016 Survey was conducted on the strength of legal mandates of the Bank of Zambia Act No. 43 of 1996, Census and Statistics Act Chapter 127 of the Laws of Zambia and the Zambia Development Agency Act Number 11 of 2006. These pieces of legislation not only give authority to the institutions to collect data, but also make provisions for the confidentiality of the data collected and stipulate penalties for non-compliance.

The field staff for the survey came from BoZ, CSO, ZDA, Ministry of Tourism, and other BoP member institutions. The Bank of Zambia, being the Chair and Secretariat of the committee as well as the compiler of Balance of Payments Statistics for Zambia, coordinated the survey.

The 2016 survey was jointly sponsored by the Bank of Zambia, Zambia Development Agency and the Private Sector Development Industrialisation and Job Creation. The survey entirely depended on locally built technical expertise at all stages of the survey including questionnaire design, enumerator training, fieldwork, software update, data entry, analysis and report writing.

1.4 Questionnaire Design

A structured questionnaire was designed to collect data on general information of the enterprise which include; location, shareholding structure, inward foreign affiliates trade in services (FATS), sector (industrial classification), employment, actual investments and profitability and corporate social responsibility. In addition, data on foreign assets and liabilities between residents and non-residents (both flows and stocks) for calendar years 2014 and 2015 as well as for the first and second Quarters of 2016 were obtained.

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

1.5 Training and Sensitization

The training of supervisors and enumerators was held in Lusaka from 8th to 10th June 2016. The objective of the training was to equip the interviewers with the background and purpose of the survey, understanding private investment components of the Balance of Payments (BoP) and International investment Position (IIP) in the context of the Balance of Payments and International Investment Position Manual 6th edition (BPM6); understanding the survey questionnaire; familiarization with investor perception questions and related issues; practical training on how to extract information from financial statements to complete the survey form and how to check for consistency in the data provided by the respondents.

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




1.6 Data collection

Data collection was done in two phases. The survey launch was from 20th June, 2016 to 2nd July 2016. A total of 23 staff comprising supervisors and enumerators participated in the two (2) weeks exercise. The follow-up survey was conducted from 10th to 30th July 2016, with the same number of participants. Thereafter, follow ups were made to deal with non-response, and address some inconsistencies in the data in order to improve data quality.

1.7 Data processing

Questionnaire editing and data entry was done during the period 29th August to 9th September 2016. CSPro software was used to capture the data. This was followed by a data cleaning and validation exercise from 13th to 24th September 2016. Data cleaning and validation involved running diagnostic tests to identify mistakes on aggregate; correcting input errors and inconsistencies in the database before producing data outputs.

Report writing took place from 3rd to 23rd October 2016. Report editing was from 31st October, 2016 to 9th November, 2016.

1.8 Response rate

The survey targeted 350 enterprises. Of the 350 enterprises, 308 responded, yielding a response rate 88.0 percent. Out of the 308 companies, 279 reported having foreign assets and/or liabilities.

1.9 Dissemination

The dissemination workshop was held on 7th December 2016. The workshop was aimed at strengthening the partnership between the lead institutions with the private sector and other stakeholders. Feedback from the workshop provides valuable input in the conduct of the survey. It also helps in the formulation of both policy and institutional reforms to enhance and facilitate growth in foreign private investment. Other than the dissemination workshop, the following were done to widen the coverage of dissemination:

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

1.10 Major Challenges and Limitations

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

- Small sample size due to financial limitations. This limited the adequacy of detailed sectoral analysis.
- Accounting Period – Some companies had accounting periods that did not conform to January – December as required by the survey methodology. For data provided by such companies, adjustments were made to estimate for the calendar year positions and flows;
- Some respondents' understanding of some survey questions, concepts and classifications was low, resulting in incomplete or inaccurate information, thereby increasing the amount of work during data editing.
- Due to non-availability of quarterly financial statements for some enterprises for the first and second quarters of 2015, some of the quarterly numbers provided could not be validated.

1.11 Database Quality, Weaknesses and Up-rating

1.11.1 Data Quality

Data quality of survey response was directly related to:

- The quality of field enumeration and supervision (very good);
- Form design and in-build checks (rated excellent);
- Respondents' understanding of the concepts, classification and survey questions (rated good);
- Respondents' willingness in completing the return (rated good);




- Respondents' accuracy in completing the return (rated good);
- Technical editing skills by enumerators and their supervisors in the field (very good);
- Technical editing and validation skills by the data processing team (excellent);
- The availability of other indicators/tools to compare the data with, such as enterprise financial statements and previous BOP estimates (excellent);

1.11.2 Data Validation and Up-rating:

Data validation was done by:

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

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

1.12 Foreign Affiliates Statistics:

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

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

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

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

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

The analysed statistics include among others:

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




Annex II: Foreign Direct Investment Flows by Source Country, 2015 - 2016 Q2 (US $ million)

Source country	Flows in 2015				2016 Q1 Flows				2016 Q2 Flows			
	Equity capital	Accumu-lated Retained Eaning/ Loss	Debt	Total	Equity capital	Accumul-ated Retained Earning/ Loss	Debt	Total	Equity capital	Accumul-ated Retained Earning/ Loss	Debt	Total
Australia	-	(12.4)	17.8	5.4	(0.2)	(0.5)	2.6	1.8	0.0	(0.1)	(3.8)	(3.9)
Austria	-	-	7.6	7.6	-	-	0.0	0.0	-	-	(3.2)	(3.2)
Bangladesh	-	(0.3)	-	(0.3)	0.0	(0.1)	-	(0.1)	0.0	-	-	0.0
Belgium	-	-	0.1	0.1	-	-	(0.1)	(0.1)	-	-	0.2	0.2
Bermuda	-	(36.7)	(0.4)	(37.0)	0.0	(8.3)	3.2	(5.2)	0.0	(2.2)	3.1	1.0
Botswana	11.9	10.9	1.8	24.6	(0.3)	(68.0)	1.8	(66.5)	3.3	(0.3)	2.1	5.1
Brazil	-	15.2	2.5	17.6	0.0	-	0.6	0.6	0.1	1.2	1.2	2.5
Bulgaria	-	-	0.1	0.1	-	-	0.0	0.0	-	-	1.1	1.1
Cameroon	3.9	(7.9)	-	(4.1)	0.0	(0.5)	-	(0.5)	(8.6)	12.2	-	3.6
Canada	605.1	(613.3)	76.8	68.6	139.2	328.0	1.9	469.2	23.7	(146.1)	14.5	(108.0)
Cayman Islands	0.1	0.1	0.6	0.8	(0.1)	0.0	0.0	(0.1)	0.0	-	0.0	0.0
Channel Islands	3.5	(2.6)	-	0.9	0.0	0.3	0.1	0.4	0.1	0.2	(0.1)	0.1
Chile	-	-	0.0	0.0	-	-	0.0	0.0	-	-	0.0	0.0
China PR	97.6	(106.7)	254.4	245.3	16.0	(51.3)	88.7	53.4	21.1	(88.3)	101.1	33.9
Congo	-	-	0.7	0.7	-	-	0.0	0.0	-	-	0.0	0.0
Congo (DRC)	-	-	0.2	0.2	-	-	(0.1)	(0.1)	-	-	0.0	0.0
Cote d'Ivoire	-	-	0.0	0.0	-	-	-	-	-	-	-	-
Croatia	-	-	0.1	0.1	-	-	0.0	0.0	-	-	0.0	0.0
DBSA	-	-	(0.4)	(0.4)	-	-	0.6	0.6	-	-	0.2	0.2
Egypt	-	(0.8)	1.8	1.1	0.0	0.9	(0.7)	0.1	0.0	0.5	(5.1)	(4.6)
Estonia	-	-	8.8	8.8	-	-	0.4	0.4	-	-	(1.2)	(1.2)
Finland	-	-	(1.8)	(1.8)	-	-	1.8	1.8	-	-	(3.1)	(3.1)
France	0.5	218.5	1.1	220.0	(1.0)	(178.1)	(4.5)	(183.6)	0.2	1.4	2.1	3.7
Germany	6.1	(0.6)	5.3	10.8	0.0	(0.0)	0.0	0.1	0.1	(0.0)	0.5	0.5
Ghana	-	-	0.8	0.8	-	-	(0.0)	(0.0)	-	-	0.0	0.0
Guernsey	(0.0)	0.0	-	0.0	(0.0)	(0.1)	-	(0.1)	0.0	(0.1)	-	(0.1)
Hong Kong	(1.2)	(5.1)	-	(6.3)	0.0	(0.6)	-	(0.6)	0.0	2.6	-	2.6
India	0.8	2.1	2.5	5.4	12.9	(1.1)	1.3	13.1	0.7	1.5	(5.9)	(3.6)
Ireland	35.4	53.1	10.3	98.8	(0.2)	(22.5)	0.0	(22.7)	5.0	23.7	8.6	37.2
Italy	-	0.5	0.0	0.5	0.0	0.1	0.0	0.1	0.0	0.1	0.0	0.1
Japan	-	1.6	-	1.6	0.0	1.6	-	1.6	3.1	(1.9)	0.0	1.2
Kenya	0.0	(19.7)	6.4	(13.3)	(0.0)	0.1	(0.3)	(0.1)	0.0	0.8	0.7	1.6
Lebannon	(12.5)	(1.3)	-	(13.8)	0.0	(7.4)	-	(7.4)	0.0	-	-	0.0
Luxembourg	(0.2)	(42.1)	(0.1)	(42.4)	3.1	(1.4)	2.9	4.6	4.2	2.6	(0.2)	6.6
Malawi	(5.4)	5.3	0.1	0.0	(0.3)	(0.1)	0.0	(0.4)	(0.1)	0.1	0.0	0.0
Malaysia	-	-	-	-	-	-	-	-	-	-	0.0	0.0
Mali	-	-	0.0	0.0	-	-	-	-	-	-	0.0	0.0
Mauritius	13.5	499.2	20.6	533.3	(0.1)	(283.8)	5.6	(278.2)	1.5	(0.1)	(0.9)	0.5
Mozambique	-	-	0.1	0.1	-	-	(0.0)	(0.0)	-	-	(0.0)	(0.0)
Namibia	-	1.4	-	1.4	0.0	(0.1)	-	(0.1)	0.0	(1.7)	0.0	(1.7)
Netherlands	28.9	18.3	4.7	51.8	7.7	8.6	(2.9)	13.5	2.7	4.1	0.9	7.7
New Zealand	-	-	-	-	-	-	-	-	0.0	0.0	-	0.0
Nigeria	0.0	(0.1)	15.7	15.6	0.0	0.3	0.2	0.5	0.3	3.4	2.4	6.1
Norway	-	(5.0)	0.0	(5.0)	0.0	4.7	-	4.7	0.0	-	-	0.0
Other	-	(0.2)	(4.0)	(4.2)	0.0	(0.0)	0.0	0.0	0.0	(0.0)	0.1	0.1
Panama	-	-	0.1	0.1	-	-	(0.1)	(0.1)	-	-	-	-
Peru	-	1.8	0.7	2.4	1.9	(0.1)	(0.1)	1.7	1.4	1.5	(0.1)	2.8
Poland	-	-	(0.0)	(0.0)	-	-	0.0	0.0	-	-	0.0	0.0
Rwanda	-	-	(0.0)	(0.0)	-	-	(0.0)	(0.0)	-	-	-	-
Samoa	-	0.1	-	0.1	-	(0.1)	(0.0)	(0.1)	-	-	0.0	0.0
Saudi Arabia	-	-	1.1	1.1	-	-	0.0	0.0	-	-	0.0	0.0
Senegal	(0.5)	3.2	-	2.7	0.0	0.0	-	0.0	0.0	0.0	-	0.0
Seychelles	(3.2)	(3.2)	0.2	(6.3)	0.0	(0.0)	(0.5)	(0.5)	0.0	(0.0)	(0.7)	(0.7)
Singapore	-	(127.7)	69.0	(58.8)	0.1	0.5	(0.4)	0.2	1.0	35.9	(55.2)	(18.3)
South Africa	(2.0)	89.9	227.7	315.6	9.0	(11.2)	(2.8)	(5.0)	20.1	(24.9)	3.7	(1.1)
Spain	-	-	0.0	0.0	-	-	(0.1)	(0.1)	-	-	0.0	0.0
Swaziland	-	-	(0.0)	(0.0)	0.0	1.1	(0.0)	1.1	0.0	(0.2)	0.0	(0.2)
Sweden	-	4.4	0.5	4.9	-	(0.2)	(1.3)	(1.5)	-	(2.8)	(1.4)	(4.2)
Switzerland	(3.1)	(236.3)	353.2	113.8	(0.1)	44.4	73.4	117.6	6.8	(33.1)	95.0	68.7
Tanzania	(4.7)	0.6	2.6	(1.5)	(0.1)	(3.1)	0.0	(3.2)	0.3	(0.3)	0.1	0.1
Thailand	-	3.5	-	3.5	0.0	(2.6)	-	(2.6)	0.1	3.6	-	3.7
Togo	0.0	-	-	0.0	(0.0)	1.3	-	1.3	(0.1)	8.3	-	8.2
Uganda	-	-	0.2	0.2	-	-	(0.3)	(0.3)	-	-	0.0	0.0

Source: Foreign Private Investment & Investor Perceptions Survey, 2016



Annex II: Foreign Direct Investment Flows by Source Country, 2015 - 2016 Q2 (US $ million)

Source country	Flows in 2015				2016 Q1 Flows				2016 Q2 Flows			
	Equity capital	Accumu-lated Retained Eaning/ Loss	Debt	Total	Equity capital	Accumul-ated Retained Earning/ Loss	Debt	Total	Equity capital	Accumul-ated Retained Earning/ Loss	Debt	Total
United Arab Emirates	(0.0)	23.8	1.4	25.2	0.0	(23.1)	(0.4)	(23.5)	0.2	(0.1)	2.9	3.0
United Kingdom	5.4	(315.9)	89.9	(220.6)	11.6	8.6	99.3	119.5	20.5	(1.0)	5.9	25.4
United States	25.8	(49.6)	(51.4)	(75.3)	4.4	34.9	2.3	41.7	2.2	40.1	31.8	74.1
Virgin Islands British	0.0	1.7	0.6	2.3	0.0	0.3	0.1	0.4	35.9	37.6	(0.2)	73.2
Yemen	-	(6.6)	-	(6.6)	0.0	0.0	-	0.0	0.1	0.1	-	0.2
Zimbabwe	4.7	3.4	(0.0)	8.1	(5.0)	0.9	(0.1)	(4.2)	0.2	(2.4)	0.0	(2.1)
Grand Total	**810.4**	**(635.6)**	**1,130.2**	**1,304.9**	**198.4**	**(227.4)**	**272.0**	**243.0**	**146.2**	**(124.3)**	**197.3**	**219.2**

Source: Foreign Private Investment & Investor Perceptions Survey, 2016




Annex III: Foreign Direct Investment Stocks by Source Country, 2014 - 2016 Q2 (US $ million)

Source country	2015				2016 Q1				2016 Q2			
	Equity capital	Accumulated Retained Earning/ Loss	Debt	Total	Equity capital	Accumulated Retained Earning/ Loss	Debt	Total	Equity capital	Accumulated Retained Earning/ Loss	Debt	Total
Australia	5.0	(1.1)	32.0	36.0	4.8	(1.4)	33.6	37.0	4.8	(2.3)	33.4	35.9
Austria	-	-	11.8	11.8	-	-	11.5	11.5	-	-	9.5	9.5
Bangladesh	0.0	0.1	-	0.1	0.0	-	-	0.0	0.0	-	-	0.0
Belgium	-	-	0.7	0.7	-	-	0.6	0.6	-	-	0.9	0.9
Bermuda	0.4	(44.2)	355.4	311.6	0.4	(51.0)	358.5	307.9	0.5	(58.8)	361.8	303.4
Botswana	44.5	75.0	3.6	123.0	42.8	4.9	5.2	52.9	49.0	5.1	7.9	62.0
Brazil	8.6	24.7	22.4	55.8	8.4	24.7	22.2	55.3	9.4	28.6	25.9	63.9
Bulgaria	-	-	0.0	0.0	-	-	0.1	0.1	-	-	1.2	1.2
Cameroon	8.9	(10.9)	-	(2.0)	8.6	(11.0)	-	(2.4)	1.0	-	-	1.0
Canada	2,213.1	1,041.2	932.9	4,187.2	2,330.0	1,369.6	921.1	4,620.8	2,276.8	1,223.5	941.9	4,442.2
Cayman Islands	0.1	(0.0)	0.5	0.6	0.0	-	0.5	0.5	0.0	-	0.5	0.5
Channel Islands	5.5	(0.5)	1.8	6.9	5.3	(0.1)	1.8	7.0	6.0	(0.0)	1.9	7.9
Chile	-	-	0.0	0.0	-	-	0.0	0.0	-	-	0.0	0.0
China PR	437.0	153.4	1,654.0	2,244.3	449.3	103.5	1,708.2	2,260.9	482.4	110.8	1,771.7	2,364.9
Congo	-	-	0.6	0.6	-	-	0.6	0.6	-	-	0.6	0.6
Congo (DR)	-	-	152.3	152.3	-	-	152.1	152.1	-	-	152.1	152.1
Cote d'Ivoire	-	-	0.0	0.0	-	-	0.0	0.0	-	-	0.0	0.0
Croatia	-	-	0.1	0.1	-	-	0.1	0.1	-	-	0.1	0.1
DBSA	-	-	17.3	17.3	-	-	17.3	17.3	-	-	19.5	19.5
Egypt	3.0	0.1	9.3	12.4	3.0	1.0	8.5	12.5	3.0	1.4	3.5	7.9
Estonia	-	-	10.6	10.6	-	-	10.6	10.6	-	-	10.6	10.6
Finland	-	-	1.4	1.4	-	-	3.1	3.1	-	-	0.0	0.0
France	16.7	209.7	7.7	234.2	15.1	29.6	3.0	47.7	17.0	31.7	5.4	54.1
Germany	8.5	(2.7)	35.0	40.8	8.2	(2.6)	33.9	39.5	9.2	(2.9)	38.1	44.4
Ghana	-	-	0.7	0.7	-	-	0.7	0.7	-	-	0.8	0.8
Guernsey	0.1	0.3	-	0.5	0.1	0.2	-	0.3	0.1	0.1	-	0.2
Hong Kong	0.0	(5.2)	-	(5.2)	0.0	(5.6)	-	(5.6)	0.0	(3.7)	-	(3.7)
India	42.2	9.3	4.7	56.2	53.7	7.9	5.9	67.5	60.2	10.3	0.6	71.2
Ireland	214.9	435.4	85.7	736.0	210.5	411.8	85.7	708.1	232.2	444.4	95.1	771.7
Italy	0.1	9.1	0.1	9.4	0.1	9.0	0.1	9.2	0.1	10.1	0.1	10.3
Japan	16.0	36.0	9.0	61.0	15.8	37.5	9.0	62.3	19.6	36.1	9.0	64.6
Kenya	0.7	0.2	6.5	7.4	0.7	0.3	6.0	7.0	0.8	1.1	7.4	9.3
Lebannon	0.0	7.4	-	7.4	0.0	-	-	0.0	0.0	-	-	0.0
Luxembourg	98.5	(201.6)	25.2	(78.0)	101.5	(203.3)	27.6	(74.2)	105.8	(199.7)	29.4	(64.6)
Malawi	2.1	3.9	0.0	6.0	1.7	3.7	0.0	5.4	1.9	4.1	0.1	6.1
Malaysia	-	-	-	-	-	-	-	-	-	-	0.0	0.0
Mali	-	-	0.2	0.2	-	-	0.2	0.2	-	-	0.2	0.2
Mauritius	95.6	363.0	250.4	708.9	93.0	76.8	251.5	421.3	102.8	79.5	266.1	448.4
Mozambique	-	-	0.1	0.1	-	-	0.0	0.0	-	-	0.0	0.0
Namibia	0.4	1.6	-	2.1	0.4	1.5	-	1.9	0.5	-	0.0	0.5
Netherlands	124.8	111.8	46.5	283.2	129.7	116.7	42.9	289.3	140.0	133.7	46.0	319.6
New Zealand	-	-	-	-	-	-	-	-	0.0	0.0	-	0.0
Nigeria	23.0	(8.5)	181.4	195.9	22.2	(8.0)	175.5	189.8	25.0	(5.5)	197.3	216.8
Norway	0.0	(4.8)	0.0	(4.8)	0.0	-	0.0	0.1	0.0	-	0.0	0.1
Other	0.0	(0.2)	27.5	27.3	0.0	(0.2)	27.2	27.0	0.0	(0.2)	28.3	28.1
Panama	-	-	0.1	0.1	-	-	-	-	-	-	-	-
Peru	2.0	1.8	1.0	4.8	3.9	1.6	0.9	6.3	3.7	3.3	0.9	7.9
Poland	-	-	0.0	0.0	-	-	0.0	0.0	-	-	0.0	0.0
Rwanda	-	-	0.0	0.0	-	-	-	-	-	-	-	-
Samoa	0.0	0.1	9.5	9.6	0.0	-	9.5	9.5	0.0	-	9.5	9.5
Saudi Arabia	-	-	2.1	2.1	-	-	2.0	2.0	-	-	2.3	2.3
Senegal	0.2	0.2	-	0.4	0.2	0.2	-	0.4	0.3	0.2	-	0.5
Seychelles	0.0	(1.4)	2.5	1.1	0.0	(1.3)	1.9	0.6	0.0	(1.5)	1.5	(0.0)
Singapore	78.2	(123.4)	108.0	62.9	75.8	(118.4)	106.3	63.7	84.5	(96.5)	62.7	50.8
South Africa	170.6	232.2	305.1	707.8	174.0	214.6	292.7	681.4	203.5	210.5	322.1	736.1
Spain	-	-	0.1	0.1	-	-	-	-	-	-	0.0	0.0
Swaziland	0.0	0.3	0.0	0.3	0.0	1.4	-	1.4	0.0	1.3	0.0	1.3
Sweden	4.2	36.6	25.0	65.8	4.2	36.4	23.3	63.9	4.2	33.7	22.8	60.7
Switzerland	52.0	(46.4)	1,903.1	1,908.7	51.6	(0.5)	1,967.7	2,018.8	57.3	(33.0)	2,079.3	2,103.6
Tanzania	20.6	0.0	5.5	26.2	19.9	(3.1)	5.4	22.2	22.3	(3.7)	5.7	24.4
Thailand	5.5	2.7	-	8.3	5.3	-	-	5.3	6.0	3.6	-	9.6
Togo	35.5	(9.0)	-	26.4	34.3	(7.4)	-	26.8	38.0	-	-	38.0
Uganda	-	-	0.3	0.3	-	-	0.0	0.0	-	-	0.0	0.0

Source: Foreign Private Investment & Investor Perceptions Survey, 2016

Annex III: Foreign Direct Investment Stocks by Source Country, 2014 - 2016 Q2 (US $ million)

Source country	2015				2016 Q1				2016 Q2			
	Equity capital	Accumulated Retained Earning/ Loss	Debt	Total	Equity capital	Accumulated Retained Earning/ Loss	Debt	Total	Equity capital	Accumulated Retained Earning/ Loss	Debt	Total
United Arab Emirates	16.1	16.5	50.3	83.0	15.6	(6.8)	49.1	57.8	17.5	(7.7)	56.5	66.3
United Kingdom	554.0	(56.9)	2,649.7	3,146.8	562.3	(50.2)	2,740.6	3,252.7	584.5	(45.6)	2,758.9	3,297.8
United States	47.6	(26.7)	125.3	146.1	50.4	9.1	124.3	183.8	57.0	50.9	166.9	274.7
Virgin Islands British	1.1	7.3	2.2	10.6	1.1	7.5	2.1	10.8	37.1	45.5	2.2	84.7
Yemen	7.1	6.2	-	13.3	6.8	6.0	-	12.9	7.7	6.8	-	14.5
Zimbabwe	5.2	13.3	1.6	20.1	0.2	13.8	1.4	15.4	0.4	12.8	1.6	14.8
Grand Total	**4,369.9**	**2,255.9**	**9,079.1**	**15,704.8**	**4,511.2**	**2,018.2**	**9,252.5**	**15,781.8**	**4,672.2**	**2,027.9**	**9,560.0**	**16,260.0**

Source: Foreign Private Investment & Investor Perceptions Survey, 2016




Annex IV: Portfolio Equity Investment Stocks and Flows by Source country (US $ million), 2014 - 2016 Q2

Source country	Bal 31-Dec-2014	Transactions in 2015	Other changes in volume	Exc rate changes	Other price changes	Bal 31-Dec-2015	2016 Q1 Exc. Rate	2016 Q1Flows	Bal 31-March-2016	2016 Q2 Exc. Rate	2016 Q2 Flows	Bal 30-Jun-2016
Belgium	0.0	(0.0)	-	(0.0)	0.0	0.0	(0.0)	(0.0)	0.0	0.0	0.0	0.0
Botswana	(0.0)	(0.0)	-	0.0	-	(0.0)	0.0	0.0	0.0	0.0	0.0	0.0
Other	4.3	(0.5)	0.1	(1.7)	0.0	2.2	(0.1)	(1.4)	0.4	0.0	0.0	0.4
South Africa	0.1	(0.0)	-	(0.1)	-	0.1	(0.0)	0.0	0.1	0.0	0.0	0.1
United Kingdom	84.8	11.1	(0.0)	(2.8)	(25.5)	67.6	(2.3)	(9.9)	55.4	6.1	(5.3)	56.2
United States	65.4	2.9	0.0	(19.1)	(6.5)	42.8	(1.4)	(2.8)	38.5	4.2	(1.0)	41.7
Zimbabwe	0.1	(0.0)	-	(0.0)	-	0.1	(0.0)	0.0	0.1	0.0	0.0	0.1
Grand Total	**154.8**	**13.5**	**0.1**	**(23.7)**	**(32.0)**	**112.7**	**(3.8)**	**(14.2)**	**94.4**	**10.4**	**(6.3)**	**98.5**

Source: Foreign Private Investment & Investor Perceptions Survey, 2016

Annex V: Portfolio Equity Investment Stocks and Flows by Industry (US $ million), 2014 - 2016 Q2

Industry	Bal 31-Dec-2014	Transactions in 2015	Other changes in volume	Exc rate changes	Other price changes	Bal 31-Dec-2015	2016 Q1 Exc. Rate	2016 Q1 Flows	Bal 31-March-2016	2016 Q2 Exc. Rate	2016 Q2 Flows	Bal 30-Jun-2016
Manufacturing	154.5	13.6	0.1	(23.6)	(32.0)	112.6	(3.8)	(14.2)	94.3	10.4	(6.4)	98.3
Transport & Storage	0.0	(0.0)	-	(0.0)	0.0	0.0	(0.0)	(0.0)	0.0	0.0	0.0	0.0
Wholesale & Retail trade	0.2	(0.0)	-	(0.1)	-	0.1	(0.0)	0.0	0.1	0.0	0.0	0.2
Grand Total	**154.8**	**13.5**	**0.1**	**(23.7)**	**(32.0)**	**112.7**	**(3.8)**	**(14.2)**	**94.4**	**10.4**	**(6.3)**	**98.5**

Source: Foreign Private Investment & Investor Perceptions Survey, 2016

Annex VI: Other Investments Stocks and Flows by country (US $ million), 2014 - 2015 Q2

Source country	Bal 31-Dec-2014	Transacti-ons in 2015	Other changes in volume	Exc rate changes	Other price changes	Bal 31-Dec-2015	2016 Q1 Exc. Rate	2016 Q1 Flows	Bal 31-March-2016	2016 Q2 Exc. Rate	2016 Q2 Flows	Bal 30-Jun-2016
Botswana	43.5	25.0	-	(23.6)	(0.3)	44.5	(1.5)	(1.9)	41.1	4.5	2.7	48.4
Canada	6.1	0.4	-	(2.6)	-	3.9	(0.1)	0.3	4.0	0.4	(5.0)	(0.6)
China PR	813.1	503.7	0.0	(361.9)	(0.0)	954.9	(19.7)	0.8	928.9	79.2	28.6	1,036.7
Cote d'Ivoire	6.0	1.8	(0.0)	(2.9)	0.0	4.9	(0.2)	0.0	4.7	0.5	0.1	5.3
France	16.8	8.5	(2.7)	10.3	(7.2)	25.7	(0.9)	12.9	37.7	4.1	(5.0)	36.8
India	97.4	14.1	(17.8)	(2.3)	-	91.4	(3.1)	(7.4)	81.1	8.9	(0.1)	90.0
Japan	17.7	(8.8)	-	(5.5)	-	3.5	-	-	3.3	0.4	0.0	3.8
Kenya	20.2	(4.9)	-	(1.9)	-	13.4	(0.1)	0.9	14.2	0.3	(0.3)	14.2
Netherlands	333.9	22.9	0.0	(15.6)	(6.3)	335.0	(1.4)	12.9	346.5	5.8	(1.8)	350.4
Norway	37.1	61.5	-	(27.8)	-	70.8	(2.4)	(1.1)	67.3	7.4	0.7	75.4
South Africa	1,466.1	212.5	(74.6)	(42.6)	-	1,561.4	(10.4)	39.8	1,590.5	38.5	(7.1)	1,621.9
Switzerland	13.9	(2.3)	(0.3)	(0.3)	-	11.0	(0.1)	(0.2)	10.7	0.1	0.0	10.9
United Kingdom	628.8	89.4	0.6	(71.0)	-	647.8	(5.4)	(12.9)	629.5	16.7	(9.0)	637.2
United States	117.2	2.1	(7.6)	(1.9)	-	109.7	(0.9)	(8.6)	100.1	2.2	(4.6)	97.8
Other countries	358.3	205.9	(23.1)	(51.0)	(6.2)	483.8	(8.5)	(78.4)	396.8	24.3	(6.8)	414.3
Grand Total	**3,976.1**	**1,131.8**	**(125.4)**	**(600.8)**	**(20.0)**	**4,361.7**	**(54.5)**	**(43.0)**	**4,256.7**	**193.5**	**(7.7)**	**4,442.5**

Source: Foreign Private Investment & Investor Perceptions Survey, 2016



Annex VII: Other Investments Flows and Stocks by Industry & Type, 2014 - 2016 Q2 (US $ million)

Industry & Instrument type	Bal 31-Dec-2014	Transact-ions in 2015	Other changes in volume	Exc rate changes	Other price changes	Other price changes	2016 Q1 Exc. Rate	2016 Q1 Exc. Rate	Bal 31-March-2016	2016 Q1 Exc. Rate	2016 Q2 Flow	Bal 30-Jun-2016
Accommodation & Food service activities	0.4	0.6	0.0	(0.3)	-	-	(0.0)	(0.0)	1.6	0.2	0.0	1.8
Accumulated Retained Earning/Loss	0.3	(0.2)	0.0	(0.1)	-	-	0.0	0.0	1.0	0.1	(0.0)	1.1
Debt	-	0.7	-	(0.2)	-	-	(0.0)	(0.0)	0.5	0.1	0.0	0.6
Equity capital	0.1	0.1	-	(0.1)	-	-	(0.0)	(0.0)	0.1	0.0	0.0	0.1
Administrative and support service activities	0.0	0.0	-	(0.0)	-	-	(0.0)	(0.0)	0.0	0.0	0.0	0.0
Accumulated Retained Earning/Loss	0.0	0.0	-	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	-	-	-	-
Equity capital	0.0	-	-	(0.0)	0.0	0.0	(0.0)	(0.0)	0.0	0.0	0.0	0.0
Agriculture, forestry and fishing	2.5	0.0	(0.7)	0.3	-	-	(0.1)	(0.1)	2.1	0.2	(0.0)	2.3
Accumulated Retained Earning/Loss	(0.3)	(0.1)	-	0.2	-	-	0.0	0.0	(0.3)	(0.0)	0.0	(0.3)
Debt	2.8	0.1	(0.7)	0.1	-	-	(0.1)	(0.1)	2.3	0.2	(0.0)	2.6
Equity capital	0.0	0.0	(0.0)	(0.0)	-	-	(0.0)	(0.0)	0.0	0.0	0.0	0.0
Construction	2.2	2.9	(0.4)	(0.2)	-	-	(0.0)	(0.0)	4.4	0.1	(1.7)	2.8
Accumulated Retained Earning/Loss	(0.0)	(0.0)	-	(0.0)	-	-	(0.0)	(0.0)	-	-	-	-
Debt	2.2	2.9	(0.4)	(0.1)	-	-	(0.0)	(0.0)	4.3	0.1	(1.7)	2.8
Equity capital	0.1	(0.0)	-	(0.0)	-	-	(0.0)	(0.0)	0.0	0.0	0.0	0.0
Deposit Taking Corporations	354.6	323.8	(51.2)	(126.1)	(6.6)	(6.6)	(16.2)	(16.2)	456.8	50.4	(16.5)	490.7
Accumulated Retained Earning/Loss	1.8	1.0	-	(1.0)	-	-	(0.1)	(0.1)	2.2	0.2	(4.2)	(1.8)
Debt	347.9	322.7	(51.2)	(123.0)	(6.6)	(6.6)	(16.0)	(16.0)	451.9	49.8	(15.2)	486.5
Equity capital	4.9	0.1	-	(2.1)	-	-	(0.1)	(0.1)	2.8	0.3	2.9	5.9
Electricity, Gas and Steam	910.8	524.6	(74.8)	(345.5)	-	-	(33.3)	(33.3)	1,011.9	110.0	2.7	1,124.6
Accumulated Retained Earning/Loss	(0.0)	0.0	-	-	-	-	-	-	-	-	-	-
Debt	910.7	524.6	(74.8)	(345.5)	-	-	(33.3)	(33.3)	1,011.8	110.0	2.7	1,124.4
Equity capital	0.2	(0.0)	-	-	-	-	-	-	0.1	-	-	0.1
Information & Communication	59.8	151.7	0.1	(58.5)	-	-	(0.0)	(0.0)	147.2	16.2	15.5	179.0
Accumulated Retained Earning/Loss	(0.0)	(0.0)	-	0.0	-	-	0.0	0.0	(0.0)	(0.0)	(0.0)	(0.0)
Debt	59.6	151.7	-	(58.4)	-	-	(0.0)	(0.0)	147.1	16.2	15.5	178.9
Equity capital	0.3	-	0.1	(0.1)	-	-	(0.0)	(0.0)	0.1	0.0	0.0	0.1
Insurance & Other financial service	29.1	(0.2)	(0.0)	1.1	(7.2)	(7.2)	(0.7)	(0.7)	24.5	2.7	2.1	29.4
Accumulated Retained Earning/Loss	0.1	0.0	0.0	(0.0)	-	-	(0.0)	(0.0)	0.1	0.0	0.0	0.1
Debt	27.1	(0.2)	(0.0)	1.9	(7.2)	(7.2)	(0.7)	(0.7)	23.3	2.6	2.1	28.0
Equity capital	1.9	0.0	-	(0.8)	-	-	(0.0)	(0.0)	1.1	0.1	0.0	1.3
Manufacturing	414.0	120.8	0.9	(39.6)	(5.0)	(5.0)	(2.7)	(2.7)	458.9	9.8	(54.3)	414.4
Accumulated Retained Earning/Loss	2.0	(0.5)	(0.0)	(0.6)	-	-	(0.0)	(0.0)	0.6	0.1	(0.1)	0.6
Debt	411.8	121.1	0.9	(38.9)	(5.0)	(5.0)	(2.7)	(2.7)	457.9	9.7	(54.2)	413.4
Equity capital	0.3	0.2	0.0	(0.1)	-	-	(0.0)	(0.0)	0.4	0.0	0.0	0.4
Mining and Quarrying	2,139.7	2.4	0.2	(9.7)	-	-	(0.2)	(0.2)	2,110.9	0.4	42.5	2,153.8
Accumulated Retained Earning/Loss	(0.3)	(0.4)	-	0.2	-	-	0.0	0.0	(0.5)	(0.1)	(0.0)	(0.6)
Debt	2,139.9	2.8	0.2	(9.9)	-	-	(0.2)	(0.2)	2,111.4	0.5	42.5	2,154.4
Equity capital	0.0	-	-	(0.0)	-	-	(0.0)	(0.0)	0.0	0.0	0.0	0.0
Professional, scientific and technical activities	-	0.0	-	(0.0)	-	-	(0.0)	(0.0)	0.0	0.0	0.0	0.0
Debt	-	0.0	-	(0.0)	-	-	(0.0)	(0.0)	0.0	0.0	0.0	0.0
Real estate activities	10.3	3.5	-	(0.5)	(1.2)	(1.2)	(0.2)	(0.2)	7.4	0.2	(0.2)	7.5
Accumulated Retained Earning/Loss	1.1	4.9	(6.6)	0.1	-	-	0.0	0.0	0.0	0.0	0.0	0.0
Debt	3.1	(1.4)	-	1.0	(1.2)	(1.2)	(0.1)	(0.1)	1.5	0.2	(0.2)	1.5
Equity capital	6.0	-	6.6	(1.6)	-	-	(0.2)	(0.2)	5.9	0.0	0.0	5.9
Transport & Storage	18.2	6.3	0.6	(8.7)	0.0	0.0	(0.5)	(0.5)	15.5	1.6	2.1	19.2
Accumulated Retained Earning/Loss	0.0	0.0	(0.0)	(0.0)	-	-	(0.0)	(0.0)	0.0	0.0	0.0	0.0
Debt	18.2	6.3	0.6	(8.6)	-	-	(0.5)	(0.5)	15.5	1.6	2.1	19.2
Equity capital	0.0	-	-	(0.0)	0.0	0.0	(0.0)	(0.0)	0.0	0.0	0.0	0.0
Wholesale & Retail trade	34.4	(4.6)	(0.1)	(13.3)	(0.0)	(0.0)	(0.5)	(0.5)	15.4	1.7	(0.0)	17.1
Accumulated Retained Earning/Loss	0.9	0.1	(0.1)	(0.4)	-	-	(0.0)	(0.0)	0.2	0.0	0.0	0.2
Debt	33.3	(4.8)	-	(12.9)	-	-	(0.4)	(0.4)	15.2	1.7	(0.0)	16.8
Equity capital	0.2	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	0.1	0.0	0.0	0.1
Grand Total	**3,976.1**	**1,131.8**	**(125.4)**	**(600.8)**	**(20.0)**	**(20.0)**	**(54.5)**	**(54.5)**	**4,256.7**	**193.5**	**(7.7)**	**4,442.5**

Source: Foreign Private Investment & Investor Perceptions Survey, 2016




Annex VIII: Foreign Direct Investment Stocks & Flows by Source country, Relationship and Type (US $ millions), 2015 - 2016 Q2

Source country, Relationship & Instrument type	Bal 31-Dec-2014	Transactions in 2015	Other changes in volume	Exc rate changes	Other price changes	Bal 31-Dec-2015	2016 Q1 Exc. Rate	2016 Q1 flows	Bal 31-March-2016	2016 Q2 Exc. Rate	2016 Q2 flows	Bal 30-Jun-2016
Australia	45.9	5.4	-0.1	-15.3	-	36	(0.8)	1.8	37.0	2.8	(3.9)	35.9
Direct Investor (DI)	43.5	6.1	-0.1	-15.1	-	34.5	(0.8)	2.2	35.9	2.8	(3.3)	35.3
Accumulated Retained Earning/Loss	10.4	-12.4	-0.1	1	0	-1.1	0.2	(0.5)	(1.4)	(0.8)	(0.1)	(2.3)
Debt	27.7	18.6	-	-15.7	-	30.6	(1.0)	2.9	32.5	3.6	(3.2)	32.8
Equity capital	5.4	-	-	-0.3	0	5	(0.0)	(0.2)	4.8	0.0	0.0	4.8
Fellow Enterprise (FE)	2.4	-0.8	-	-0.2	-	1.4	(0.0)	(0.3)	1.1	0.1	(0.6)	0.6
Debt	2.4	-0.8	-	-0.2	-	1.4	(0.0)	(0.3)	1.1	0.1	(0.6)	0.6
Austria	10.2	7.6	-	-5.9	-	11.8	(0.4)	0.0	11.5	1.3	(3.2)	9.5
Direct Investor (DI)	10.2	7.6	-	-5.9	-	11.8	(0.4)	0.0	11.5	1.3	(3.2)	9.5
Debt	10.2	7.6	-	-5.9	-	11.8	(0.4)	0.0	11.5	1.3	(3.2)	9.5
Bangladesh	0.3	-0.3	-	0	-	0.1	(0.0)	(0.1)	0.0	0.0	0.0	0.0
Direct Investor (DI)	0.3	-0.3	-	0	-	0.1	(0.0)	(0.1)	0.0	0.0	0.0	0.0
Accumulated Retained Earning/Loss	0.3	-0.3	-	-	-	0.1	(0.0)	(0.1)	-	-	-	-
Equity capital	0	-	-	0	-	0	(0.0)	0.0	0.0	0.0	0.0	0.0
Belgium	2.1	0.1	0	-1.5	-	0.7	(0.0)	(0.1)	0.6	0.1	0.2	0.9
Fellow Enterprise (FE)	2.1	0.1	0	-1.5	-	0.7	(0.0)	(0.1)	0.6	0.1	0.2	0.9
Debt	2.1	0.1	0	-1.5	-	0.7	(0.0)	(0.1)	0.6	0.1	0.2	0.9
Bermuda	318	-37	10.9	19.8	-	311.6	1.4	(5.2)	307.9	(5.5)	1.0	303.4
Direct Investor (DI)	316.6	-36.7	11.6	19	-	310.5	1.5	(5.1)	306.9	(5.6)	1.1	302.4
Accumulated Retained Earning/Loss	-26.8	-36.7	-	19.3	-	-44.2	1.5	(8.3)	(51.0)	(5.6)	(2.2)	(58.8)
Debt	342.7	-	11.6	0	-	354.2	-	3.2	357.5	-	3.3	360.7
Equity capital	0.8	-	-	-0.3	-	0.4	(0.0)	0.0	0.4	0.0	0.0	0.5
Fellow Enterprise (FE)	1.4	-0.4	-0.7	0.8	-	1.1	(0.0)	(0.1)	1.1	0.1	(0.1)	1.0
Debt	1.4	-0.4	-0.7	0.8	-	1.1	(0.0)	(0.1)	1.1	0.1	(0.1)	1.0
Botswana	177.7	24.6	-13.6	-65.7	0.1	123	(3.7)	(66.5)	52.9	4.1	5.1	62.0
Direct Investor (DI)	176.8	24.5	-13.6	-65.4	0.1	122.5	(3.7)	(66.5)	52.3	4.0	5.1	61.4
Accumulated Retained Earning/Loss	132.4	10.9	-13.2	-55.1	-	75	(2.1)	(68.0)	4.9	0.5	(0.3)	5.1
Debt	2	1.8	-0.8	0	0.1	3	(0.1)	1.8	4.7	0.5	2.1	7.3
Equity capital	42.4	11.9	0.4	-10.3	-	44.5	(1.5)	(0.3)	42.8	3.0	3.3	49.0
Fellow Enterprise (FE)	0.8	0.1	-	-0.4	-	0.5	(0.0)	0.0	0.5	0.1	0.0	0.6
Debt	0.8	0.1	-	-0.4	-	0.5	(0.0)	0.0	0.5	0.1	0.0	0.6
Brazil	57.8	17.6	-8.2	-11.5	-	55.8	(1.0)	0.6	55.3	6.1	2.5	63.9
Direct Investor (DI)	57.8	17.7	-8.2	-11.5	-	55.7	(1.0)	0.6	55.3	6.1	2.5	63.9
Accumulated Retained Earning/Loss	9.2	15.2	-9.3	9.7	-	24.7	-	-	24.7	2.7	1.2	28.6
Debt	33.7	2.5	1.1	-14.9	-	22.4	(0.7)	0.6	22.2	2.5	1.2	25.9
Equity capital	14.9	-	-	-6.2	-	8.6	(0.3)	0.0	8.4	0.9	0.1	9.4
Fellow Enterprise (FE)	0	0	-	-	-	0	(0.0)	(0.0)	-	-	-	-
Debt	0	0	-	-	-	0	(0.0)	(0.0)	-	-	-	-
Bulgaria	-	0.1	-	0	-	0	(0.0)	0.0	0.1	0.0	1.1	1.2
Fellow Enterprise (FE)	-	0.1	-	0	-	0	(0.0)	0.0	0.1	0.0	1.1	1.2
Debt	-	0.1	-	0	-	0	(0.0)	0.0	0.1	0.0	1.1	1.2
Cameroon	4.1	-4.1	-1.5	-0.5	-	-2	0.1	(0.5)	(2.4)	(0.3)	3.6	1.0
Direct Investor (DI)	4.1	-4.1	-1.5	-0.5	-	-2	0.1	(0.5)	(2.4)	(0.3)	3.6	1.0
Accumulated Retained Earning/Loss	-8.1	-7.9	-	5.1	-	-10.9	0.4	(0.5)	(11.0)	(1.2)	12.2	-
Equity capital	12.2	3.9	-1.5	-5.6	-	8.9	(0.3)	0.0	8.6	1.0	(8.6)	1.0
Canada	4,141.30	68.6	-5.1	-18.3	0.8	4,187.20	(35.6)	469.2	4,620.8	(70.6)	(108.0)	4,442.2
Direct Investor (DI)	4,140.40	68.9	-5.3	-18	0.8	4,186.90	(35.6)	469.5	4,620.8	(70.6)	(108.0)	4,442.1
Accumulated Retained Earning/Loss	1,649.50	-613.3	-	5	-	1,041.20	0.4	328.0	1,369.6	0.0	(146.1)	1,223.5
Debt	882.4	77.1	-5.3	-22.5	0.8	932.6	(13.7)	2.3	921.1	6.3	14.4	941.8
Equity capital	1,608.50	605.1	-	-0.5	-	2,213.10	(22.3)	139.2	2,330.0	(76.9)	23.7	2,276.8
Fellow Enterprise (FE)	0.9	-0.4	0.2	-0.4	-	0.4	(0.0)	(0.3)	0.0	0.0	0.0	0.1
Debt	0.9	-0.4	0.2	-0.4	-	0.4	(0.0)	(0.3)	0.0	0.0	0.0	0.1
Cayman Islands	-0.1	0.8	-	-0.1	-	0.6	(0.0)	(0.1)	0.5	0.0	0.0	0.5
Direct Investor (DI)	-0.1	0.8	-	-0.1	-	0.6	(0.0)	(0.1)	0.5	0.0	0.0	0.5
Accumulated Retained Earning/Loss	-0.2	0.1	-	0.1	-	0	0.0	0.0	-	-	-	-
Debt	-	0.6	-	-0.1	-	0.5	(0.0)	0.0	0.5	0.0	0.0	0.5
Equity capital	0.1	0.1	-	-0.1	-	0.1	(0.0)	(0.1)	0.0	0.0	0.0	0.0
Channel Islands	9.1	0.9	-1	-2.2	-	6.9	(0.2)	0.4	7.0	0.7	0.1	7.9
Direct Investor (DI)	9.1	0.9	-1	-2.2	-	6.9	(0.2)	0.4	7.0	0.7	0.1	7.9
Accumulated Retained Earning/Loss	2.5	-2.6	-	-0.3	-	-0.5	0.0	0.3	(0.1)	(0.1)	0.2	(0.0)
Debt	1.9	-	-1	0.9	-	1.8	(0.1)	0.1	1.8	0.2	(0.1)	1.9
Equity capital	4.7	3.5	-	-2.8	-	5.5	(0.2)	0.0	5.3	0.6	0.1	6.0
Chile	-	0	-	0	-	0	(0.0)	0.0	0.0	0.0	0.0	0.0
Fellow Enterprise (FE)	-	0	-	0	-	0	(0.0)	0.0	0.0	0.0	0.0	0.0

Source: Foreign Private Investment & Investor Perceptions Survey, 2016



Annex VIII: Foreign Direct Investment Stocks & Flows by Source country, Relationship and Type (US $ millions), 2015 - 2016 Q2 *(Continued)*

Source country, Relationship & Instrument type	Bal 31-Dec-2014	Transac-tions in 2015	Other changes in volume	Exc rate changes	Other price changes	Bal 31-Dec-2015	2016 Q1 Exc. Rate	2016 Q1 flows	Bal 31-March-2016	2016 Q2 Exc. Rate	2016 Q2 flows	Bal 30-Jun-2016
Debt	-	0	-	0	-	0	(0.0)	0.0	0.0	0.0	0.0	0.0
China PR	2,192.60	245.3	1.9	-195.2	-0.3	2,244.30	(36.9)	53.4	2,260.9	70.0	33.9	2,364.9
Direct Investor (DI)	2,017.30	3.8	2.2	-68.3	-0.3	1,954.70	(27.2)	46.6	1,974.1	39.7	59.3	2,073.0
Accumulated Retained Earning/Loss	248	-106.7	-0.1	11.8	-	153	1.4	(51.3)	103.1	95.6	(88.3)	110.4
Debt	1,363.90	12.9	1.8	-13.8	-	1,364.70	(24.9)	81.9	1,421.7	(67.9)	126.4	1,480.3
Equity capital	405.4	97.6	0.5	-66.3	-0.3	437	(3.7)	16.0	449.3	11.9	21.1	482.3
Fellow Enterprise (FE)	175.3	241.5	-0.3	-126.9	-	289.6	(9.7)	6.9	286.8	30.3	(25.3)	291.8
Accumulated Retained Earning/Loss	0.4	0	-	-	-	0.4	-	0.0	0.4	-	0.0	0.4
Debt	174.9	241.5	-0.3	-126.9	-	289.3	(9.7)	6.8	286.4	30.3	(25.4)	291.4
Equity capital	0	-	-	-	-	0	-	-	0.0	-	-	0.0
Congo	-	0.7	-	-0.2	-	0.6	(0.0)	0.0	0.6	0.1	0.0	0.6
Fellow Enterprise (FE)	-	0.7	-	-0.2	-	0.6	(0.0)	0.0	0.6	0.1	0.0	0.6
Debt	-	0.7	-	-0.2	-	0.6	(0.0)	0.0	0.6	0.1	0.0	0.6
Congo (Democratic Republic of the)	152	0.2	0	0.1	-	152.3	(0.0)	(0.1)	152.1	0.0	0.0	152.1
Fellow Enterprise (FE)	152	0.2	0	0.1	-	152.3	(0.0)	(0.1)	152.1	0.0	0.0	152.1
Debt	152	0.2	0	0.1	-	152.3	(0.0)	(0.1)	152.1	0.0	0.0	152.1
Cote d'Ivoire	-	0	-	0	-	0	-	-	0.0	-	-	0.0
Fellow Enterprise (FE)	-	0	-	0	-	0	-	-	0.0	-	-	0.0
Debt	-	0	-	0	-	0	-	-	0.0	-	-	0.0
Croatia	-	0.1	-	0	-	0.1	(0.0)	0.0	0.1	0.0	0.0	0.1
Fellow Enterprise (FE)	-	0.1	-	0	-	0.1	(0.0)	0.0	0.1	0.0	0.0	0.1
Debt	-	0.1	-	0	-	0.1	(0.0)	0.0	0.1	0.0	0.0	0.1
DBSA	17.7	-0.4	-9.4	9.5	-	17.3	(0.6)	0.6	17.3	1.9	0.2	19.5
Direct Investor (DI)	17.7	-0.4	-9.4	9.5	-	17.3	(0.6)	0.6	17.3	1.9	0.2	19.5
Debt	17.7	-0.4	-9.4	9.5	-	17.3	(0.6)	0.6	17.3	1.9	0.2	19.5
Egypt	12.5	1.1	-1.7	0.5	-	12.4	0.0	0.1	12.5	(0.0)	(4.6)	7.9
Direct Investor (DI)	12.5	0.9	-1.7	0.6	-	12.2	0.0	0.3	12.5	(0.0)	(4.6)	7.9
Accumulated Retained Earning/Loss	2	-0.8	-1.7	0.6	-	0.1	0.0	0.9	1.0	(0.0)	0.5	1.4
Debt	7.5	1.6	-	-	-	9.1	-	(0.6)	8.5	-	(5.1)	3.5
Equity capital	3.1	-	-	0	-	3	(0.0)	0.0	3.0	0.0	0.0	3.0
Fellow Enterprise (FE)	0	0.2	-	0	-	0.2	(0.0)	(0.2)	-	-	-	-
Debt	0	0.2	-	0	-	0.2	(0.0)	(0.2)	-	-	-	-
Estonia	6.4	8.8	-	-4.6	-	10.6	(0.4)	0.4	10.6	1.2	(1.2)	10.6
Fellow Enterprise (FE)	6.4	8.8	-	-4.6	-	10.6	(0.4)	0.4	10.6	1.2	(1.2)	10.6
Debt	6.4	8.8	-	-4.6	-	10.6	(0.4)	0.4	10.6	1.2	(1.2)	10.6
Finland	3.2	-1.8	-	-	-	1.4	-	1.8	3.1	-	(3.1)	0.0
Fellow Enterprise (FE)	3.2	-1.8	-	-	-	1.4	-	1.8	3.1	-	(3.1)	0.0
Debt	3.2	-1.8	-	-	-	1.4	-	1.8	3.1	-	(3.1)	0.0
France	107.2	220	-4.3	-88.7	0	234.2	(2.8)	(183.6)	47.7	2.7	3.7	54.1
Direct Investor (DI)	105.7	219.3	-4.3	-88.2	0	232.5	(2.8)	(183.6)	46.1	2.6	1.4	50.1
Accumulated Retained Earning/Loss	71.7	218.5	-2.9	-77.5	-	209.7	(2.0)	(178.1)	29.6	0.7	1.4	31.7
Debt	5.9	0.4	-1.4	1.3	-	6.1	(0.2)	(4.5)	1.4	0.2	(0.2)	1.4
Equity capital	28.1	0.5	-	-11.9	0	16.7	(0.6)	(1.0)	15.1	1.7	0.2	17.0
Fellow Enterprise (FE)	1.5	0.7	-	-0.6	-	1.7	(0.1)	(0.0)	1.6	0.2	2.3	4.0
Debt	1.5	0.7	-	-0.6	-	1.7	(0.1)	(0.0)	1.6	0.2	2.3	4.0
Germany	55.6	10.8	0.1	-25.7	-	40.8	(1.4)	0.1	39.5	4.4	0.5	44.4
Direct Investor (DI)	55.6	10.8	0.1	-25.7	-	40.8	(1.4)	0.1	39.5	4.4	0.5	44.4
Accumulated Retained Earning/Loss	-4	-0.6	0.1	1.8	-	-2.7	0.1	(0.0)	(2.6)	(0.3)	(0.0)	(2.9)
Debt	53.2	5.3	-	-23.5	-	35	(1.2)	0.0	33.9	3.7	0.5	38.1
Equity capital	6.3	6.1	-	-4	-	8.5	(0.3)	0.0	8.2	0.9	0.1	9.2
Fellow Enterprise (FE)	0	0	-	0	-	0	(0.0)	(0.0)	-	-	-	-
Debt	0	0	-	0	-	0	(0.0)	(0.0)	-	-	-	-
Ghana	0.1	0.8	-	-0.2	-	0.7	(0.0)	(0.0)	0.7	0.1	0.0	0.8
Fellow Enterprise (FE)	0.1	0.8	-	-0.2	-	0.7	(0.0)	(0.0)	0.7	0.1	0.0	0.8
Debt	0.1	0.8	-	-0.2	-	0.7	(0.0)	(0.0)	0.7	0.1	0.0	0.8
Guernsey	0.8	0	0	-0.3	-	0.5	(0.0)	(0.1)	0.3	0.0	(0.1)	0.2
Direct Investor (DI)	0.8	0	0	-0.3	-	0.5	(0.0)	(0.1)	0.3	0.0	(0.1)	0.2
Accumulated Retained Earning/Loss	0.7	0	-0.2	-0.3	-	0.3	(0.0)	(0.1)	0.2	0.0	(0.1)	0.1
Equity capital	0	0	0.2	0	-	0.1	(0.0)	(0.0)	0.1	0.0	0.0	0.1
Hong Kong	-2.1	-6.3	1.2	2	-	-5.2	0.2	(0.6)	(5.6)	(0.6)	2.6	(3.7)
Direct Investor (DI)	-2.1	-6.3	1.2	2	-	-5.2	0.2	(0.6)	(5.6)	(0.6)	2.6	(3.7)
Accumulated Retained Earning/Loss	-2.1	-5.1	-	2	-	-5.2	0.2	(0.6)	(5.6)	(0.6)	2.6	(3.7)
Equity capital	0	-1.2	1.2	0	-	0	(0.0)	0.0	0.0	0.0	0.0	0.0
India	87.1	5.4	0.5	-36.8	0.1	56.2	(1.8)	13.1	67.5	7.3	(3.6)	71.2

Source: Foreign Private Investment & Investor Perceptions Survey, 2016




Annex VIII: Foreign Direct Investment Stocks & Flows by Source country, Relationship and Type (US $ millions), 2015 - 2016 Q2 *(Continued)*

Source country, Relationship & Instrument type	Bal 31-Dec-2014	Transactions in 2015	Other changes in volume	Exc rate changes	Other price changes	Bal 31-Dec-2015	2016 Q1 Exc. Rate	2016 Q1 flows	Bal 31-March-2016	2016 Q2 Exc. Rate	2016 Q2 flows	Bal 30-Jun-2016
Direct Investor (DI)	84	3	0.5	-35.6	0.1	51.9	(1.7)	11.8	62.1	6.8	2.1	70.9
Accumulated Retained Earning/Loss	12.3	2.1	0.7	-5.7	0.1	9.3	(0.3)	(1.1)	7.9	0.9	1.5	10.3
Debt	0.3	0.2	-0.2	0.3	-	0.5	(0.0)	(0.0)	0.5	0.1	(0.1)	0.4
Equity capital	71.5	0.8	-	-30.1	-	42.2	(1.4)	12.9	53.7	5.8	0.7	60.2
Fellow Enterprise (FE)	3.1	2.3	-	-1.2	-	4.3	(0.1)	1.3	5.4	0.6	(5.7)	0.3
Debt	3.1	2.3	-	-1.2	-	4.3	(0.1)	1.3	5.4	0.6	(5.7)	0.3
Ireland	765.4	98.8	-7.6	-158.4	37.9	736	(5.3)	(22.7)	708.1	26.4	37.2	771.7
Direct Investor (DI)	765.4	98.8	-7.6	-158.4	37.9	736	(5.3)	(22.7)	708.1	26.4	37.2	771.7
Accumulated Retained Earning/Loss	455.9	53.1	-	-73.6	-	435.4	(1.1)	(22.5)	411.8	8.9	23.7	444.4
Debt	78.7	10.3	-4.9	3.6	-2	85.7	-	0.0	85.7	0.8	8.6	95.1
Equity capital	230.8	35.4	-2.8	-88.4	39.9	214.9	(4.2)	(0.2)	210.5	16.7	5.0	232.2
Italy	15.4	0.5	-	-6.5	-	9.4	(0.3)	0.1	9.2	1.0	0.1	10.3
Direct Investor (DI)	15.3	0.5	-	-6.5	-	9.3	(0.3)	0.1	9.1	1.0	0.1	10.2
Accumulated Retained Earning/Loss	15.1	0.5	-	-6.4	-	9.1	(0.3)	0.1	9.0	1.0	0.1	10.1
Equity capital	0.2	-	-	-0.1	-	0.1	(0.0)	0.0	0.1	0.0	0.0	0.1
Fellow Enterprise (FE)	0.1	0	-	0	-	0.1	(0.0)	0.0	0.1	0.0	0.0	0.1
Debt	0.1	0	-	0	-	0.1	(0.0)	0.0	0.1	0.0	0.0	0.1
Japan	65.4	1.6	-	-6.1	-	61	(0.3)	1.6	62.3	1.2	1.2	64.6
Direct Investor (DI)	65.4	1.6	-	-6.1	-	61	(0.3)	1.6	62.3	1.2	1.2	64.6
Accumulated Retained Earning/Loss	36	1.6	-	-1.6	-	36	(0.1)	1.6	37.5	0.5	(1.9)	36.1
Debt	9	-	-	-	-	9	-	-	9.0	-	-	9.0
Equity capital	20.5	-	-	-4.5	-	16	(0.2)	0.0	15.8	0.7	3.1	19.6
Fellow Enterprise (FE)	-	-	-	-	-	-	-	-	-	-	0.0	0.0
Debt	-	-	-	-	-	-	-	-	-	-	0.0	0.0
Kenya	31.2	-13.3	-2	-8.5	-	7.4	(0.2)	(0.1)	7.0	0.8	1.6	9.3
Direct Investor (DI)	30.4	-14.6	-2	-7.9	-	5.9	(0.2)	0.1	5.8	0.6	0.9	7.3
Accumulated Retained Earning/Loss	26.7	-19.7	-	-6.8	-	0.1	(0.0)	0.1	0.3	0.0	0.8	1.1
Debt	2.5	5.1	-2	-0.5	-	5	(0.2)	0.0	4.9	0.5	0.1	5.5
Equity capital	1.2	0	-	-0.5	-	0.7	(0.0)	(0.0)	0.7	0.1	0.0	0.8
Fellow Enterprise (FE)	0.8	1.3	-	-0.6	-	1.5	(0.0)	(0.3)	1.2	0.1	0.7	2.0
Accumulated Retained Earning/Loss	0	0	-	0	-	0	(0.0)	(0.0)	0.0	-	-	0.0
Debt	0.8	1.3	-	-0.6	-	1.5	(0.0)	(0.3)	1.2	0.1	0.7	2.0
Equity capital	0	-	-	0	-	0	(0.0)	0.0	0.0	0.0	0.0	0.0
Lebannon	21.1	-13.8	-	0.1	-	7.4	0.0	(7.4)	0.0	0.0	0.0	0.0
Direct Investor (DI)	21.1	-13.8	-	0.1	-	7.4	0.0	(7.4)	0.0	0.0	0.0	0.0
Accumulated Retained Earning/Loss	8.6	-1.3	-	0.1	-	7.4	0.0	(7.4)	-	-	-	-
Equity capital	12.5	-12.5	-	0	-	0	(0.0)	0.0	0.0	0.0	0.0	0.0
Luxembourg	-26.1	-42.4	-6.7	-2.8	0	-78	(0.8)	4.6	(74.2)	3.0	6.6	(64.6)
Direct Investor (DI)	-44.7	-42.3	-	-6.5	-	-93.6	(0.3)	1.7	(92.2)	1.0	6.8	(84.4)
Accumulated Retained Earning/Loss	-153.3	-42.1	-	-6.2	-	-201.6	(0.3)	(1.4)	(203.3)	1.0	2.6	(199.7)
Debt	9.6	-	-	-	-	9.6	-	-	9.6	-	-	9.6
Equity capital	99	-0.2	-	-0.3	-	98.5	(0.0)	3.1	101.5	0.0	4.2	105.8
Fellow Enterprise (FE)	18.7	-0.1	-6.7	3.7	0	15.6	(0.5)	2.9	18.0	2.0	(0.2)	19.8
Debt	18.7	-0.1	-6.7	3.7	0	15.6	(0.5)	2.9	18.0	2.0	(0.2)	19.8
Malawi	9.9	0	0.4	-4.2	0	6	(0.2)	(0.4)	5.4	0.6	0.0	6.1
Direct Investor (DI)	9.9	-0.1	0.4	-4.2	0	6	(0.2)	(0.4)	5.4	0.6	0.0	6.0
Accumulated Retained Earning/Loss	-0.9	5.3	0.3	-0.9	-	3.9	(0.1)	(0.1)	3.7	0.4	0.1	4.1
Equity capital	10.8	-5.4	0	-3.3	0	2.1	(0.1)	(0.3)	1.7	0.2	(0.1)	1.9
Fellow Enterprise (FE)	0	0.1	-	0	-	0	(0.0)	0.0	0.0	0.0	0.0	0.1
Debt	0	0.1	-	0	-	0	(0.0)	0.0	0.0	0.0	0.0	0.1
Malaysia	-	-	-	-	-	-	-	-	-	-	0.0	0.0
Fellow Enterprise (FE)	-	-	-	-	-	-	-	-	-	-	0.0	0.0
Debt	-	-	-	-	-	-	-	-	-	-	0.0	0.0
Mali	0.2	0	-	0	-	0.2	-	-	0.2	-	0.0	0.2
Fellow Enterprise (FE)	0.2	0	-	0	-	0.2	-	-	0.2	-	0.0	0.2
Debt	0.2	0	-	0	-	0.2	-	-	0.2	-	0.0	0.2
Mauritius	485.5	533.3	1.4	-280.1	-31.2	708.9	(9.4)	(278.2)	421.3	26.6	0.5	448.4
Direct Investment Entity (DIE)	0.4	0.1	-0.2	0.1	-	0.5	(0.0)	(0.0)	0.5	0.0	0.2	0.7
Accumulated Retained Earning/Loss	-0.3	0.1	-	0.1	-	-0.1	0.0	(0.0)	(0.1)	(0.0)	0.3	0.2
Debt	0.4	-	-0.2	0.2	-	0.3	-	-	0.3	0.0	(0.0)	0.4
Equity capital	0.4	-	-	-0.2	-	0.2	(0.0)	(0.0)	0.2	0.0	(0.1)	0.1
Direct Investor (DI)	217.2	527.8	6.8	-219.2	-31.2	501.3	(6.2)	(284.3)	210.8	15.5	1.5	227.8
Accumulated Retained Earning/Loss	40.5	499.1	16.1	-161.4	-31.2	363	(2.4)	(283.8)	76.9	2.8	(0.4)	79.2
Debt	49.5	15.2	-5.4	-16.5	-	42.9	(1.3)	(0.5)	41.2	4.4	0.3	45.9

Source: Foreign Private Investment & Investor Perceptions Survey, 2016



Annex VIII: Foreign Direct Investment Stocks & Flows by Source country, Relationship and Type (US $ millions), 2015 - 2016 Q2 *(Continued)*

Source country, Relationship & Instrument type	Bal 31-Dec-2014	Transactions in 2015	Other changes in volume	Exc rate changes	Other price changes	Bal 31-Dec-2015	2016 Q1 Exc. Rate	2016 Q1 flows	Bal 31-March-2016	2016 Q2 Exc. Rate	2016 Q2 flows	Bal 30-Jun-2016
Equity capital	127.1	13.5	-3.9	-41.3	-	95.4	(2.5)	(0.1)	92.8	8.3	1.6	102.7
Fellow Enterprise (FE)	267.9	5.4	-5.2	-61	-	207.1	(3.2)	6.1	210.0	11.1	(1.2)	219.9
Debt	267.9	5.4	-5.2	-61	-	207.1	(3.2)	6.1	210.0	11.1	(1.2)	219.9
Mozambique	0	0.1	-	0	-	0.1	(0.0)	(0.0)	0.0	0.0	(0.0)	0.0
Fellow Enterprise (FE)	0	0.1	-	0	-	0.1	(0.0)	(0.0)	0.0	0.0	(0.0)	0.0
Debt	0	0.1	-	0	-	0.1	(0.0)	(0.0)	0.0	0.0	(0.0)	0.0
Namibia	1.8	1.4	-	-1	-	2.1	(0.1)	(0.1)	1.9	0.2	(1.7)	0.5
Direct Investor (DI)	1.8	1.4	-	-1	-	2.1	(0.1)	(0.1)	1.9	0.2	(1.7)	0.5
Accumulated Retained Earning/Loss	1	1.4	-	-0.7	-	1.6	(0.1)	(0.1)	1.5	0.2	(1.7)	-
Equity capital	0.8	-	-	-0.3	-	0.4	(0.0)	0.0	0.4	0.0	0.0	0.5
Fellow Enterprise (FE)	-	-	-	-	-	-	-	-	-	-	0.0	0.0
Debt	-	-	-	-	-	-	-	-	-	-	0.0	0.0
Netherlands	362.1	51.8	13.6	-141.3	-3	283.2	(7.4)	13.5	289.3	22.7	7.7	319.6
Direct Investor (DI)	343	37	13.6	-130.3	-3	260.4	(6.6)	19.5	273.2	20.9	6.4	300.5
Accumulated Retained Earning/Loss	157.2	18.3	9.5	-73.2	-	111.8	(3.8)	8.6	116.7	12.9	4.1	133.7
Debt	33.8	-10.1	0.5	-0.5	-	23.7	(0.0)	3.1	26.8	0.4	(0.4)	26.8
Equity capital	152	28.9	3.7	-56.6	-3	124.8	(2.8)	7.7	129.7	7.6	2.7	140.0
Fellow Enterprise (FE)	19.1	14.8	-	-11	-	22.8	(0.8)	(6.0)	16.1	1.8	1.3	19.1
Debt	19.1	14.8	-	-11	-	22.8	(0.8)	(6.0)	16.1	1.8	1.3	19.1
New Zealand	-	-	-	-	-	-	-	-	-	-	0.0	0.0
Direct Investor (DI)	-	-	-	-	-	-	-	-	-	-	0.0	0.0
Accumulated Retained Earning/Loss	-	-	-	-	-	-	-	-	-	-	0.0	0.0
Equity capital	-	-	-	-	-	-	-	-	-	-	0.0	0.0
Nigeria	316.1	15.6	-	-135.8	-	195.9	(6.5)	0.5	189.8	20.9	6.1	216.8
Direct Investor (DI)	316.1	15.7	-	-135.8	-	195.9	(6.5)	0.5	189.8	20.9	6.1	216.8
Accumulated Retained Earning/Loss	-14.5	-0.1	-	6.1	-	-8.5	0.3	0.3	(8.0)	(0.9)	3.4	(5.5)
Debt	291.1	15.7	-	-125.4	-	181.4	(6.1)	0.2	175.5	19.4	2.4	197.3
Equity capital	39.5	0	-	-16.5	-	23	(0.8)	0.0	22.2	2.5	0.3	25.0
Fellow Enterprise (FE)	0	0	-	0	-	0	(0.0)	(0.0)	-	-	0.0	0.0
Debt	0	0	-	0	-	0	(0.0)	(0.0)	-	-	0.0	0.0
Norway	-1.6	-5	-	1.8	-	-4.8	0.2	4.7	0.1	0.0	0.0	0.1
Direct Investor (DI)	-1.6	-5	-	1.8	-	-4.8	0.2	4.7	0.1	0.0	0.0	0.1
Accumulated Retained Earning/Loss	-1.6	-5	-	1.8	-	-4.8	0.2	4.7	-	-	-	-
Debt	-	0	-	-	-	0	-	-	0.0	-	-	0.0
Equity capital	0	-	-	0	-	0	(0.0)	0.0	0.0	0.0	0.0	0.0
Other	22.3	-4.2	11.7	-2.5	-	27.3	(0.3)	0.0	27.0	1.0	0.1	28.1
Direct Investor (DI)	22.3	-4.2	11.7	-2.5	-	27.3	(0.3)	0.0	27.0	1.0	0.1	28.1
Accumulated Retained Earning/Loss	0	-0.2	-	0.1	-	-0.2	0.0	(0.0)	(0.2)	(0.0)	(0.0)	(0.2)
Debt	22.4	-4	11.7	-2.6	-	27.5	(0.3)	0.0	27.2	1.0	0.1	28.3
Equity capital	0	-	-	0	-	0	(0.0)	0.0	0.0	0.0	0.0	0.0
Panama	-	0.1	-	0	-	0.1	(0.0)	(0.1)	-	-	-	-
Fellow Enterprise (FE)	-	0.1	-	0	-	0.1	(0.0)	(0.1)	-	-	-	-
Debt	-	0.1	-	0	-	0.1	(0.0)	(0.1)	-	-	-	-
Peru	5	2.4	-	-2.6	-	4.8	(0.2)	1.7	6.3	(1.3)	2.8	7.9
Direct Investor (DI)	4.2	1.8	-	-2.1	-	3.8	(0.1)	1.8	5.5	(1.4)	2.9	7.0
Accumulated Retained Earning/Loss	0.7	1.8	-	-0.7	-	1.8	(0.1)	(0.1)	1.6	0.2	1.5	3.3
Equity capital	3.5	-	-	-1.5	-	2	(0.1)	1.9	3.9	(1.6)	1.4	3.7
Fellow Enterprise (FE)	0.8	0.7	-	-0.5	-	1	(0.0)	(0.1)	0.9	0.1	(0.1)	0.9
Debt	0.8	0.7	-	-0.5	-	1	(0.0)	(0.1)	0.9	0.1	(0.1)	0.9
Poland	0	0	-	0	-	0	(0.0)	0.0	0.0	0.0	0.0	0.0
Fellow Enterprise (FE)	0	0	-	0	-	0	(0.0)	0.0	0.0	0.0	0.0	0.0
Debt	0	0	-	0	-	0	(0.0)	0.0	0.0	0.0	0.0	0.0
Rwanda	0	0	-	-	-	0	(0.0)	(0.0)	-	-	-	-
Fellow Enterprise (FE)	0	0	-	-	-	0	(0.0)	(0.0)	-	-	-	-
Debt	0	0	-	-	-	0	(0.0)	(0.0)	-	-	-	-
Samoa	9.5	0.1	-	-	-	9.6	-	(0.1)	9.5	-	0.0	9.5
Direct Investor (DI)	9.5	0.1	-	-	-	9.6	-	(0.1)	9.5	-	0.0	9.5
Accumulated Retained Earning/Loss	-	0.1	-	-	-	0.1	-	(0.1)	-	-	-	-
Debt	9.5	-	-	-	-	9.5	-	(0.0)	9.5	-	0.0	9.5
Equity capital	0	-	-	-	-	0	-	-	0.0	-	-	0.0
Saudi Arabia	1.3	1.1	-0.9	0.6	-	2.1	(0.1)	0.0	2.0	0.2	0.0	2.3
Direct Investor (DI)	1.3	1.1	-0.9	0.6	-	2.1	(0.1)	0.0	2.0	0.2	0.0	2.3
Debt	1.3	1.1	-0.9	0.6	-	2.1	(0.1)	0.0	2.0	0.2	0.0	2.3
Senegal	-1.8	2.7	-	-0.5	-	0.4	(0.0)	0.0	0.4	0.0	0.0	0.5

Source: Foreign Private Investment & Investor Perceptions Survey, 2016

Annex VIII: Foreign Direct Investment Stocks & Flows by Source country, Relationship and Type (US $ millions), 2015 - 2016 Q2 *(Continued)*

Source country, Relationship & Instrument type	Bal 31-Dec-2014	Transactions in 2015	Other changes in volume	Exc rate changes	Other price changes	Bal 31-Dec-2015	2016 Q1 Exc. Rate	2016 Q1 flows	Bal 31-March-2016	2016 Q2 Exc. Rate	2016 Q2 flows	Bal 30-Jun-2016
Direct Investor (DI)	-1.9	2.8	-	-0.4	-	0.4	(0.0)	0.0	0.4	0.0	0.0	0.4
Accumulated Retained Earning/Loss	-2.9	3.2	-	-0.1	-	0.2	(0.0)	0.0	0.2	0.0	0.0	0.2
Equity capital	1	-0.4	-	-0.3	-	0.2	(0.0)	0.0	0.2	0.0	0.0	0.2
Fellow Enterprise (FE)	0.1	-0.1	-	0	-	0	(0.0)	0.0	0.0	0.0	0.0	0.0
Accumulated Retained Earning/Loss	0	0	-	0	-	0	(0.0)	0.0	0.0	0.0	0.0	0.0
Equity capital	0.1	0	-	0	-	0	(0.0)	0.0	0.0	0.0	0.0	0.0
Seychelles	6.1	-6.3	-	1.4	-	1.1	(0.0)	(0.5)	0.6	0.1	(0.7)	(0.0)
Direct Investor (DI)	2	-6.5	-	3.1	-	-1.4	0.0	(0.0)	(1.3)	(0.1)	(0.0)	(1.5)
Accumulated Retained Earning/Loss	2	-3.2	-	-0.1	-	-1.4	0.0	(0.0)	(1.3)	(0.1)	(0.0)	(1.5)
Equity capital	0	-3.2	-	3.2	-	0	(0.0)	0.0	0.0	0.0	0.0	0.0
Fellow Enterprise (FE)	4.1	0.2	-	-1.7	-	2.5	(0.1)	(0.5)	1.9	0.2	(0.7)	1.5
Debt	4.1	0.2	-	-1.7	-	2.5	(0.1)	(0.5)	1.9	0.2	(0.7)	1.5
Singapore	177	-58.8	-	-55.3	-	62.9	0.6	0.2	63.7	5.4	(18.3)	50.8
Direct Investor (DI)	177	-58.8	-	-55.3	-	62.9	0.6	0.2	63.7	5.4	(18.7)	50.4
Accumulated Retained Earning/Loss	-46.8	-127.7	-	51.2	-	-123.4	4.4	0.5	(118.4)	(14.0)	35.9	(96.5)
Debt	93.4	69	-	-54.3	-	108	(1.4)	(0.4)	106.3	11.7	(55.6)	62.4
Equity capital	130.4	-	-	-52.2	-	78.2	(2.4)	0.1	75.8	7.7	1.0	84.5
Fellow Enterprise (FE)	-	-	-	-	-	-	-	-	-	-	0.4	0.4
Debt	-	-	-	-	-	-	-	-	-	-	0.4	0.4
South Africa	724.2	315.6	-24.9	-307.9	0.8	707.8	(21.5)	(5.0)	681.4	55.9	(1.1)	736.1
Direct Investment Entity (DIE)	5.6	-3.8	-	-1.5	-	0.3	-	-	0.3	0.0	0.0	0.3
Debt	5.6	-3.8	-	-1.5	-	0.3	-	-	0.3	0.0	0.0	0.3
Direct Investor (DI)	622.6	126	-8.4	-232.1	0.8	508.9	(15.1)	(13.5)	480.4	34.6	18.0	533.0
Accumulated Retained Earning/Loss	256.6	89.9	-31	-83.3	-	232.2	(6.4)	(11.2)	214.6	20.8	(24.9)	210.5
Debt	118.9	38.1	-0.5	-50.3	-0.1	106.1	(3.1)	(11.3)	91.8	4.4	22.8	118.9
Equity capital	247.1	-2	23.2	-98.5	0.9	170.6	(5.6)	9.0	174.0	9.4	20.1	203.5
Fellow Enterprise (FE)	96	193.4	-16.6	-74.3	-	198.6	(6.4)	8.5	200.7	21.3	(19.1)	202.8
Debt	96	193.4	-16.6	-74.3	-	198.6	(6.4)	8.5	200.7	21.3	(19.1)	202.8
Spain	0.1	0	0	-0.1	-	0.1	(0.0)	(0.1)	-	-	0.0	0.0
Fellow Enterprise (FE)	0.1	0	0	-0.1	-	0.1	(0.0)	(0.1)	-	-	0.0	0.0
Debt	0.1	0	0	-0.1	-	0.1	(0.0)	(0.1)	-	-	0.0	0.0
Swaziland	0.7	0	-0.1	-0.3	-	0.3	(0.0)	1.1	1.4	0.2	(0.2)	1.3
Direct Investor (DI)	0.7	-	-0.1	-0.3	-	0.3	(0.0)	1.1	1.4	0.2	(0.2)	1.3
Accumulated Retained Earning/Loss	0.7	-	-0.1	-0.3	-	0.3	(0.0)	1.1	1.4	0.2	(0.2)	1.3
Equity capital	0	-	-	0	-	0	(0.0)	0.0	0.0	0.0	0.0	0.0
Fellow Enterprise (FE)	0	0	-	0	-	0	(0.0)	(0.0)	-	-	0.0	0.0
Debt	0	0	-	0	-	0	(0.0)	(0.0)	-	-	0.0	0.0
Sweden	70.1	4.9	-3.1	-6.1	-	65.8	(0.4)	(1.5)	63.9	1.0	(4.2)	60.7
Direct Investor (DI)	36.4	4.4	-	-	-	40.8	-	(0.2)	40.7	-	(2.8)	37.9
Accumulated Retained Earning/Loss	32.2	4.4	-	-	-	36.6	-	(0.2)	36.4	-	(2.8)	33.7
Equity capital	4.2	-	-	-	-	4.2	-	-	4.2	-	-	4.2
Fellow Enterprise (FE)	33.7	0.5	-3.1	-6.1	-	25	(0.4)	(1.3)	23.3	1.0	(1.4)	22.8
Debt	33.7	0.5	-3.1	-6.1	-	25	(0.4)	(1.3)	23.3	1.0	(1.4)	22.8
Switzerland	1,724.60	113.8	-38.4	112.8	-4.1	1,908.70	(7.5)	117.6	2,018.8	16.0	68.7	2,103.6
Direct Investor (DI)	1,664.40	128.4	-38.4	113	-4.1	1,863.30	(7.5)	117.1	1,973.0	16.0	68.6	2,057.5
Accumulated Retained Earning/Loss	168.4	-236.3	-5.1	27	-	-46.1	1.5	44.1	(0.5)	0.6	(33.1)	(33.0)
Debt	1,433.90	367.8	-33.1	92.9	-4.1	1,857.40	(8.7)	73.2	1,921.9	16.5	94.9	2,033.2
Equity capital	62.2	-3.1	-0.1	-7	0	52	(0.3)	(0.1)	51.6	(1.1)	6.8	57.3
Fellow Enterprise (FE)	60.2	-14.6	-0.1	-0.1	-	45.4	(0.0)	0.5	45.9	0.0	0.2	46.1
Accumulated Retained Earning/Loss	-0.2	0	-0.1	0	-	-0.3	(0.0)	0.3	0.0	0.0	(0.0)	0.0
Debt	60.4	-14.5	-	-0.1	-	45.7	(0.0)	0.2	45.9	0.0	0.2	46.1
Equity capital	0	-	-	0	-	0	(0.0)	0.0	0.0	0.0	0.0	0.0
Tanzania	41.6	-1.5	0.3	-14.3	-	26.2	(0.8)	(3.2)	22.2	2.1	0.1	24.4
Direct Investor (DI)	37.9	-4.1	0.3	-13.5	-	20.6	(0.7)	(3.2)	16.8	1.8	0.1	18.7
Accumulated Retained Earning/Loss	4.5	0.6	-0.4	-4.7	-	0	(0.0)	(3.1)	(3.1)	(0.3)	(0.3)	(3.7)
Equity capital	33.4	-4.7	0.7	-8.8	-	20.6	(0.7)	(0.1)	19.9	2.2	0.3	22.3
Fellow Enterprise (FE)	3.7	2.6	0	-0.8	-	5.5	(0.1)	0.0	5.4	0.2	0.1	5.7
Debt	3.7	2.6	0	-0.8	-	5.5	(0.1)	0.0	5.4	0.2	0.1	5.7
Thailand	9.5	3.5	-	-4.8	-	8.3	(0.3)	(2.6)	5.3	0.6	3.7	9.6
Direct Investor (DI)	9.5	3.5	-	-4.8	-	8.3	(0.3)	(2.6)	5.3	0.6	3.7	9.6
Accumulated Retained Earning/Loss	-	3.5	-	-0.8	-	2.7	(0.1)	(2.6)	-	-	3.6	3.6
Equity capital	9.5	-	-	-4	-	5.5	(0.2)	0.0	5.3	0.6	0.1	6.0
Togo	40.5	0	7.4	-21.5	-	26.4	(0.9)	1.3	26.8	3.0	8.2	38.0
Direct Investor (DI)	40.5	0	7.4	-21.5	-	26.4	(0.9)	1.3	26.8	3.0	8.2	38.0

Source: Foreign Private Investment & Investor Perceptions Survey, 2016



Annex VIII: Foreign Direct Investment Stocks & Flows by Source country, Relationship and Type (US $ millions), 2015 - 2016 Q2 *(Continued)*

Source country, Relationship & Instrument type	Bal 31-Dec-2014	Transac-tions in 2015	Other changes in volume	Exc rate changes	Other price changes	Bal 31-Dec-2015	2016 Q1 Exc. Rate	2016 Q1 flows	Bal 31-March-2016	2016 Q2 Exc. Rate	2016 Q2 flows	Bal 30-Jun-2016
Accumulated Retained Earning/Loss	-17.8	-	7.1	1.7	-	-9	0.3	1.3	(7.4)	(0.8)	8.3	-
Equity capital	58.3	0	0.3	-23.1	-	35.5	(1.2)	(0.0)	34.3	3.8	(0.1)	38.0
Uganda	0.3	0.2	-	-0.2	-	0.3	(0.0)	(0.3)	0.0	0.0	0.0	0.0
Fellow Enterprise (FE)	0.3	0.2	-	-0.2	-	0.3	(0.0)	(0.3)	0.0	0.0	0.0	0.0
Debt	0.3	0.2	-	-0.2	-	0.3	(0.0)	(0.3)	0.0	0.0	0.0	0.0
United Arab Emirates	63.5	25.2	-32.4	26.6	-	83	(1.7)	(23.5)	57.8	5.5	3.0	66.3
Direct Investor (DI)	60.3	23.8	-30.7	25	-	78.4	(1.5)	(23.0)	53.9	5.1	0.7	59.7
Accumulated Retained Earning/Loss	11.7	23.8	-2.3	-16.8	-	16.5	(0.3)	(23.1)	(6.8)	(0.8)	(0.1)	(7.7)
Debt	45.3	-	-24.4	24.9	-	45.8	(0.7)	0.1	45.1	4.1	0.6	49.9
Equity capital	3.3	0	-4	16.9	-	16.1	(0.5)	0.0	15.6	1.7	0.2	17.5
Fellow Enterprise (FE)	3.2	1.4	-1.6	1.6	-	4.6	(0.2)	(0.5)	3.9	0.4	2.3	6.6
Debt	3.2	1.4	-1.6	1.6	-	4.6	(0.2)	(0.5)	3.9	0.4	2.3	6.6
United Kingdom	3,456.50	-220.6	-20.5	-119.8	51.1	3,146.80	(13.5)	119.5	3,252.7	19.7	25.4	3,297.8
Direct Investment Entity (DIE)	0.9	-	-	-	-	0.9	-	-	0.9	-	-	0.9
Debt	0.9	-	-	-	-	0.9	-	-	0.9	-	-	0.9
Direct Investor (DI)	1,159.90	-176.8	0.2	-93	-7.9	882.4	(5.4)	18.3	895.4	7.9	17.5	920.8
Accumulated Retained Earning/Loss	296.1	-315.9	0.9	-38.1	-	-56.9	(2.0)	8.6	(50.2)	5.6	(1.0)	(45.6)
Debt	253.2	133.7	-0.7	-0.7	-	385.3	(0.2)	(1.8)	383.3	0.5	(2.0)	381.9
Equity capital	610.6	5.4	0	-54.2	-7.9	554	(3.2)	11.6	562.3	1.7	20.5	584.5
Fellow Enterprise (FE)	2,295.70	-43.8	-20.7	-26.8	59	2,263.40	(8.2)	101.1	2,356.4	11.8	7.9	2,376.1
Debt	2,295.70	-43.8	-20.7	-26.8	59	2,263.40	(8.2)	101.1	2,356.4	11.8	7.9	2,376.1
United States	292.3	-75.3	-52.1	5.8	-24.6	146.1	(4.0)	41.7	183.8	16.8	74.1	274.7
Direct Investor (DI)	288.2	-91.4	-49.6	7.8	-24.6	130.4	(3.7)	41.3	168.0	15.9	73.8	257.6
Accumulated Retained Earning/Loss	22.5	-49.6	-0.6	1	-	-26.7	0.9	34.9	9.1	1.7	40.1	50.9
Debt	178.1	-67.5	-18.8	42.3	-24.6	109.5	(3.0)	2.0	108.5	9.9	31.4	149.8
Equity capital	87.6	25.8	-30.3	-35.5	-	47.6	(1.6)	4.4	50.4	4.3	2.2	57.0
Fellow Enterprise (FE)	4.2	16.1	-2.5	-2	-	15.7	(0.3)	0.3	15.8	1.0	0.3	17.1
Debt	4.2	16.1	-2.5	-2	-	15.7	(0.3)	0.3	15.8	1.0	0.3	17.1
Virgin Islands British	15.1	2.3	-	-6.8	-	10.6	(0.2)	0.4	10.8	0.8	73.2	84.7
Direct Investor (DI)	14.9	2.2	-	-6.7	-	10.4	(0.2)	0.4	10.6	0.7	73.2	84.5
Accumulated Retained Earning/Loss	10.3	1.7	-	-4.7	-	7.3	(0.1)	0.3	7.5	0.4	37.6	45.5
Debt	2.7	0.5	-	-1.2	-	2	(0.1)	0.1	2.0	0.2	(0.2)	2.0
Equity capital	1.9	0	-	-0.8	-	1.1	(0.0)	0.0	1.1	0.1	35.9	37.1
Fellow Enterprise (FE)	0.2	0.1	-	-0.1	-	0.2	(0.0)	0.0	0.2	0.0	0.0	0.2
Debt	0.2	0.1	-	-0.1	-	0.2	(0.0)	0.0	0.2	0.0	0.0	0.2
Yemen	23.2	-6.6	3.1	-9.7	3.3	13.3	(0.4)	0.0	12.9	1.4	0.2	14.5
Direct Investor (DI)	23.2	-6.6	3.1	-9.7	3.3	13.3	(0.4)	0.0	12.9	1.4	0.2	14.5
Accumulated Retained Earning/Loss	14.4	-6.6	0.6	-5.4	3.3	6.2	(0.2)	0.0	6.0	0.7	0.1	6.8
Equity capital	8.8	-	2.5	-4.2	-	7.1	(0.2)	0.0	6.8	0.8	0.1	7.7
Zimbabwe	21.7	8.1	0	-9.7	-	20.1	(0.5)	(4.2)	15.4	1.5	(2.1)	14.8
Direct Investor (DI)	19.5	8.1	0	-9.1	-	18.5	(0.5)	(4.1)	14.0	1.4	(2.2)	13.2
Accumulated Retained Earning/Loss	18.9	3.4	-0.2	-8.8	-	13.3	(0.4)	0.9	13.8	1.4	(2.4)	12.8
Equity capital	0.6	4.7	0.2	-0.3	-	5.2	(0.0)	(5.0)	0.2	0.0	0.2	0.4
Fellow Enterprise (FE)	2.2	0	-0.1	-0.6	-	1.6	(0.0)	(0.1)	1.4	0.1	0.0	1.6
Debt	2.2	0	-0.1	-0.6	-	1.6	(0.0)	(0.1)	1.4	0.1	0.0	1.6
Grand Total	**16,149.30**	**1,304.90**	**-181.5**	**-1,598.80**	**30.9**	**15,704.80**	**(166.1)**	**243.0**	**15,781.8**	**259.0**	**219.2**	**16,260.0**

Source: Foreign Private Investment & Investor Perceptions Survey, 2016




Annex IX: Foreign Direct Investment Stocks & Flows by Industry, Relationship and Type (US $ million), 2014 - 2016 Q2

Industry, Relationship & Instrument type	Bal 31-Dec-2014	Transactions in 2015	Other changes in volume	Exc rate changes	Other price changes	Bal 31-Dec-2015	2016 Q1 Exc. Rate	2016 Q1 flows	Bal 31-March-2016	2016 Q2 Exc. Rate	2016 Q2 flows	Bal 30-Jun-2016
Accommodation & Food service activities	155.6	5.0	(30.5)	(6.6)	0.1	123.6	(3.1)	44.2	164.7	17.0	2.9	184.6
Direct Investor (DI)	154.0	3.9	(30.1)	(6.2)	0.1	121.5	(3.0)	44.2	162.7	16.7	2.9	182.4
Accumulated Retained Earning/Loss	(25.3)	(16.5)	0.5	14.0	-	(27.3)	0.9	46.7	20.4	2.1	4.6	27.0
Debt	153.3	16.8	(30.7)	(9.9)	0.1	129.6	(3.4)	1.7	127.8	13.0	(2.4)	138.5
Equity capital	25.9	3.6	0.0	(10.3)	-	19.2	(0.5)	(4.2)	14.5	1.6	0.7	16.9
Fellow Enterprise (FE)	1.6	1.1	(0.3)	(0.3)	-	2.1	(0.1)	(0.0)	2.0	0.2	0.0	2.2
Debt	1.6	1.1	(0.3)	(0.3)	-	2.1	(0.1)	(0.0)	2.0	0.2	0.0	2.2
Administrative and support service activities	11.7	1.1	(0.2)	(0.2)	-	12.4	(0.0)	(0.4)	12.0	0.1	0.2	12.3
Direct Investment Entity (DIE)	0.5	0.3	(0.2)	0.0	-	0.6	(0.0)	0.0	0.6	0.1	0.1	0.8
Accumulated Retained Earning/Loss	(0.1)	0.3	-	(0.0)	-	0.1	-	-	0.1	(0.0)	0.1	0.2
Debt	0.4	-	(0.2)	0.2	-	0.3	-	-	0.3	0.0	(0.0)	0.4
Equity capital	0.3	-	-	(0.1)	-	0.2	(0.0)	0.0	0.2	0.0	0.0	0.2
Direct Investor (DI)	11.2	0.8	-	(0.2)	-	11.7	(0.0)	(0.4)	11.4	0.0	0.1	11.5
Accumulated Retained Earning/Loss	6.2	0.7	-	(0.0)	(0.0)	6.9	(0.0)	(0.1)	6.8	-	0.0	6.8
Debt	-	0.1	-	-	-	0.1	-	(0.0)	0.0	-	0.1	0.1
Equity capital	4.9	-	-	(0.2)	0.0	4.8	(0.0)	(0.2)	4.6	0.0	0.0	4.6
Agriculture, forestry and fishing	163.1	37.3	(76.5)	60.1	(2.0)	181.9	(5.6)	15.3	191.6	20.5	25.7	237.8
Direct Investment Entity (DIE)	0.9	-	-	-	-	0.9	-	-	0.9	-	-	0.9
Debt	0.9	-	-	-	-	0.9	-	-	0.9	-	-	0.9
Direct Investor (DI)	153.7	33.7	(73.6)	60.2	(2.0)	172.1	(5.3)	18.0	184.7	19.8	24.8	229.4
Accumulated Retained Earning/Loss	(5.6)	(7.1)	0.1	4.9	-	(7.6)	0.4	21.2	13.9	1.4	17.8	33.1
Debt	125.3	3.8	(71.0)	75.7	(2.0)	131.9	(4.2)	(3.2)	124.5	13.7	5.0	143.3
Equity capital	34.0	37.0	(2.8)	(20.4)	-	47.8	(1.5)	(0.0)	46.3	4.7	2.0	53.0
Fellow Enterprise (FE)	8.4	3.6	(2.9)	(0.1)	-	9.0	(0.3)	(2.7)	6.0	0.7	0.9	7.5
Debt	8.4	3.6	(2.9)	(0.1)	-	9.0	(0.3)	(2.7)	6.0	0.7	0.9	7.5
Construction	144.1	(38.7)	(0.2)	(5.5)	-	99.6	(2.6)	63.2	160.3	4.0	5.7	170.0
Direct Investor (DI)	137.3	(40.4)	(0.2)	(2.5)	-	94.2	(2.4)	63.2	155.0	3.5	5.6	164.1
Accumulated Retained Earning/Loss	24.9	(47.3)	(0.1)	11.0	-	(11.5)	1.3	48.6	38.4	0.2	4.4	43.0
Debt	91.1	7.7	-	(7.1)	-	91.7	(3.4)	16.7	105.0	3.4	(1.4)	107.0
Equity capital	21.2	(0.7)	(0.1)	(6.4)	-	14.1	(0.3)	(2.2)	11.6	(0.1)	2.6	14.1
Fellow Enterprise (FE)	6.8	1.6	-	(3.1)	-	5.4	(0.2)	0.0	5.3	0.5	0.1	5.9
Accumulated Retained Earning/Loss	0.4	0.0	-	(0.0)	-	0.4	(0.0)	0.0	0.4	-	0.0	0.5
Debt	6.4	1.6	-	(3.1)	-	5.0	(0.2)	0.0	4.8	0.5	0.1	5.4
Equity capital	0.0	-	-	(0.0)	-	0.0	(0.0)	0.0	0.0	0.0	0.0	0.0
Deposit Taking Corporations	852.1	60.1	(11.2)	(359.0)	(3.0)	539.0	(18.0)	23.2	544.2	51.8	113.1	709.2
Direct Investor (DI)	852.1	60.1	(11.2)	(359.0)	(3.0)	539.0	(18.0)	23.2	544.2	51.8	113.1	709.2
Accumulated Retained Earning/Loss	171.7	38.2	(8.6)	(82.7)	0.1	118.7	(4.0)	18.7	133.4	14.7	61.9	210.0
Equity capital	680.4	21.9	(2.5)	(276.3)	(3.0)	420.4	(14.0)	4.5	410.8	37.1	51.2	499.2
Education	0.1	0.0	-	(0.0)	-	0.1	(0.0)	(0.0)	0.0	0.0	0.0	0.0
Direct Investor (DI)	0.1	0.0	-	(0.0)	-	0.1	(0.0)	(0.0)	0.0	0.0	0.0	0.0
Accumulated Retained Earning/Loss	0.1	0.0	-	(0.0)	-	0.1	(0.0)	(0.0)	-	-	-	-
Equity capital	0.0	-	-	(0.0)	-	0.0	(0.0)	0.0	0.0	0.0	0.0	0.0
Electricity	337.5	16.7	-	(131.1)	39.9	263.1	(3.2)	17.2	277.1	24.5	3.0	304.6
Direct Investor (DI)	337.5	16.7	-	(131.1)	39.9	263.1	(3.2)	17.2	277.1	24.5	3.0	304.6
Accumulated Retained Earning/Loss	115.2	28.5	-	(52.3)	-	91.4	0.1	2.6	94.1	9.2	1.1	104.4
Debt	32.4	(9.1)	-	-	-	23.4	-	-	23.4	-	-	23.4
Equity capital	189.9	(2.7)	-	(78.8)	39.9	148.4	(3.2)	14.6	159.7	15.3	1.9	176.9
Human health and social work activities	0.0	(0.0)	-	-	-	0.0	(0.0)	(0.0)	0.0	0.0	(0.0)	0.0
Fellow Enterprise (FE)	0.0	(0.0)	-	-	-	0.0	(0.0)	(0.0)	0.0	0.0	(0.0)	0.0
Debt	0.0	(0.0)	-	-	-	0.0	(0.0)	(0.0)	0.0	0.0	(0.0)	0.0
Information & Communication	76.6	57.5	34.0	(66.6)	(31.2)	70.2	(1.5)	5.5	74.2	5.3	10.9	90.4
Direct Investor (DI)	49.3	61.6	34.0	(59.5)	(31.2)	54.2	(1.2)	6.6	59.6	4.6	3.2	67.5
Accumulated Retained Earning/Loss	(34.0)	61.0	35.8	(34.7)	(31.2)	(3.2)	0.1	4.7	1.6	0.1	2.5	4.3
Debt	5.4	(0.4)	(1.9)	1.0	-	4.0	(0.1)	0.6	4.5	0.5	(0.5)	4.5
Equity capital	77.9	1.1	0.1	(25.7)	-	53.4	(1.2)	1.3	53.5	4.0	1.2	58.6
Fellow Enterprise (FE)	27.3	(4.2)	-	(7.2)	-	16.0	(0.3)	(1.1)	14.6	0.7	7.7	22.9
Debt	27.3	(4.2)	-	(7.2)	-	16.0	(0.3)	(1.1)	14.6	0.7	7.7	22.9
Insurance & Other financial service	164.0	17.3	0.4	(72.2)	(0.0)	109.4	(3.2)	(71.6)	34.5	4.5	(4.2)	34.9
Direct Investor (DI)	155.6	15.8	0.4	(68.6)	(0.0)	103.2	(3.0)	(72.4)	27.8	3.7	(4.0)	27.5
Accumulated Retained Earning/Loss	131.3	14.9	(0.4)	(58.2)	-	87.6	(2.5)	(75.4)	9.6	1.7	(3.3)	8.1
Debt	2.0	0.5	0.5	(1.0)	-	2.0	(0.1)	2.6	4.6	0.5	(0.6)	4.5
Equity capital	22.3	0.4	0.3	(9.4)	(0.0)	13.6	(0.5)	0.4	13.6	1.5	(0.2)	14.9
Fellow Enterprise (FE)	8.4	1.5	0.0	(3.7)	-	6.2	(0.2)	0.7	6.8	0.7	(0.2)	7.3
Debt	8.4	1.5	0.0	(3.7)	-	6.2	(0.2)	0.7	6.8	0.7	(0.2)	7.3

Source: Foreign Private Investment & Investor Perceptions Survey, 2016



Annex IX: Foreign Direct Investment Stocks & Flows by Industry, Relationship and Type (US $ million), 2014 - 2016 Q2 *(Continued)*

Industry, Relationship & Instrument type	Bal 31-Dec-2014	Transac-tions in 2015	Other changes in volume	Exc rate changes	Other price changes	Bal 31-Dec-2015	2016 Q1 Exc. Rate	2016 Q1 flows	Bal 31-March-2016	2016 Q2 Exc. Rate	2016 Q2 flows	Bal 30-Jun-2016
Manufacturing	2,108.2	604.1	(66.8)	(483.3)	27.0	2,189.2	(34.3)	(573.2)	1,581.6	74.7	74.4	1,730.7
Direct Investor (DI)	1,925.4	620.0	(66.8)	(425.9)	(32.0)	2,020.7	(25.1)	(565.1)	1,430.5	64.8	56.6	1,552.0
Accumulated Retained Earning/Loss	441.9	654.6	(9.7)	(299.2)	-	787.5	(8.0)	(499.4)	280.1	13.9	15.1	309.1
Debt	1,017.2	(135.9)	(26.5)	(70.2)	(24.6)	760.1	(11.6)	(83.0)	665.6	33.5	12.0	711.0
Equity capital	466.3	101.3	(30.6)	(56.4)	(7.5)	473.1	(5.5)	17.3	484.9	17.5	29.5	531.9
Fellow Enterprise (FE)	182.8	(15.9)	-	(57.5)	59.0	168.4	(9.2)	(8.2)	151.1	9.9	17.7	178.7
Debt	182.8	(15.9)	-	(57.5)	59.0	168.4	(9.2)	(8.2)	151.1	9.9	17.7	178.7
Mining and Quarrying	11,019.3	325.0	20.4	(232.5)	-	11,132.3	(72.8)	719.9	11,779.4	11.8	(12.3)	11,778.9
Direct Investor (DI)	8,444.2	6.1	44.5	(105.7)	-	8,389.1	(61.0)	571.6	8,899.8	(35.4)	29.3	8,893.7
Accumulated Retained Earning/Loss	2,319.2	(1,372.0)	(18.6)	88.5	-	1,017.0	5.1	184.2	1,206.4	80.0	(216.7)	1,069.6
Debt	3,719.5	772.6	62.7	(125.9)	-	4,428.9	(40.7)	233.4	4,621.6	(46.7)	206.2	4,781.1
Equity capital	2,405.4	605.5	0.4	(68.2)	-	2,943.1	(25.4)	154.1	3,071.8	(68.7)	39.8	3,042.9
Fellow Enterprise (FE)	2,575.2	318.9	(24.1)	(126.8)	-	2,743.2	(11.8)	148.2	2,879.6	47.2	(41.6)	2,885.2
Debt	2,575.2	318.9	(24.1)	(126.8)	-	2,743.2	(11.8)	148.2	2,879.6	47.2	(41.6)	2,885.2
Professional, scientific and technical activities	10.8	(1.5)	0.0	(3.1)	-	6.2	(0.2)	(2.1)	3.9	0.4	(0.2)	4.2
Direct Investor (DI)	10.8	(1.5)	0.0	(3.1)	-	6.2	(0.2)	(2.1)	3.9	0.4	(0.2)	4.2
Accumulated Retained Earning/Loss	1.4	0.9	0.0	(0.8)	-	1.6	(0.1)	(1.1)	0.4	0.0	0.0	0.4
Debt	8.2	(2.2)	-	(1.9)	-	4.1	(0.1)	(1.0)	3.0	0.3	(0.2)	3.1
Equity capital	1.2	(0.2)	-	(0.4)	-	0.5	(0.0)	(0.0)	0.5	0.1	0.0	0.6
Real estate activities	343.7	159.1	0.2	(120.7)	-	382.4	(8.2)	8.2	382.3	16.5	(12.2)	386.6
Direct Investor (DI)	169.1	54.1	0.2	(23.5)	-	199.9	(2.1)	20.0	217.7	(0.4)	10.6	227.9
Accumulated Retained Earning/Loss	2.9	8.2	(24.8)	4.7	-	(9.1)	0.3	8.7	(0.0)	(0.0)	0.0	(0.0)
Debt	78.7	9.4	-	(2.1)	-	86.0	(0.2)	0.0	85.8	0.8	0.1	86.6
Equity capital	87.5	36.6	25.0	(26.1)	-	123.0	(2.2)	11.2	132.0	(1.2)	10.5	141.3
Fellow Enterprise (FE)	174.7	105.0	(0.0)	(97.2)	-	182.5	(6.1)	(11.8)	164.6	16.9	(22.8)	158.7
Debt	174.7	105.0	(0.0)	(97.2)	-	182.5	(6.1)	(11.8)	164.6	16.9	(22.8)	158.7
Transport & Storage	93.7	(14.6)	0.8	(21.2)	(0.3)	58.3	(1.7)	(3.7)	52.8	5.4	3.0	61.2
Direct Investor (DI)	88.2	(19.4)	0.8	(18.3)	(0.3)	50.9	(1.6)	(3.9)	45.5	4.8	2.7	53.0
Accumulated Retained Earning/Loss	28.1	(7.2)	0.6	(9.5)	3.3	15.2	(0.4)	(5.7)	9.1	0.8	2.9	12.9
Debt	16.8	(2.3)	(2.3)	5.0	(4.1)	13.1	(0.4)	(0.2)	12.5	1.3	(1.0)	12.8
Equity capital	43.4	(10.0)	2.5	(13.8)	0.5	22.5	(0.7)	2.1	23.9	2.6	0.8	27.3
Fellow Enterprise (FE)	5.5	4.8	-	(2.9)	-	7.3	(0.2)	0.1	7.3	0.7	0.3	8.2
Debt	5.5	4.8	-	(2.9)	-	7.3	(0.2)	0.1	7.3	0.7	0.3	8.2
Wholesale & Retail trade	668.9	76.5	(51.9)	(156.7)	0.4	537.2	(11.5)	(2.5)	523.2	22.5	9.2	554.8
Direct Investment Entity (DIE)	5.5	(3.9)	-	(1.4)	-	0.1	0.0	(0.0)	0.1	0.0	0.1	0.3
Accumulated Retained Earning/Loss	(0.1)	(0.1)	-	0.1	-	(0.2)	0.0	(0.0)	(0.2)	(0.0)	0.2	0.0
Debt	5.6	(3.8)	-	(1.5)	-	0.3	-	-	0.3	0.0	0.0	0.3
Equity capital	0.0	-	-	(0.0)	-	0.0	(0.0)	(0.0)	0.0	0.0	(0.1)	(0.1)
Direct Investor (DI)	493.4	66.1	(21.9)	(138.0)	0.4	399.9	(9.3)	3.5	394.1	16.1	13.0	423.2
Accumulated Retained Earning/Loss	261.9	7.4	(6.7)	(74.0)	-	188.6	(3.6)	18.6	203.7	9.9	(15.0)	198.5
Debt	131.7	42.1	(13.1)	(35.8)	0.7	125.6	(3.7)	(14.7)	107.2	5.8	21.7	134.8
Equity capital	99.9	16.6	(2.1)	(28.3)	(0.3)	85.7	(2.0)	(0.4)	83.2	0.4	6.3	89.9
Fellow Enterprise (FE)	170.0	14.4	(30.0)	(17.2)	(0.0)	137.2	(2.3)	(6.0)	128.9	6.4	(4.0)	131.3
Accumulated Retained Earning/Loss	(0.2)	(0.0)	(0.1)	(0.0)	-	(0.3)	(0.0)	0.3	0.0	0.0	0.0	0.0
Debt	170.1	14.5	(29.9)	(17.2)	(0.0)	137.4	(2.3)	(6.3)	128.8	6.4	(4.0)	131.2
Equity capital	0.1	(0.0)	-	(0.0)	-	0.0	(0.0)	0.0	0.0	0.0	0.0	0.0
Grand Total	**16,149.3**	**1,304.9**	**(181.5)**	**(1,598.8)**	**30.9**	**15,704.8**	**(166.1)**	**243.0**	**15,781.8**	**259.0**	**219.2**	**16,260.0**

Source: Foreign Private Investment & Investor Perceptions Survey, 2016

Annex X: Foreign Direct Investment Stocks & Flows by Regional Grouping and Type (US $ million), 2014 - 2016 Q2

Regional grouping & Instrument type	Bal 31-Dec-2014	Transactions in 2015	Other changes in volume	Exc rate changes	Other price changes	Bal 31-Dec-2015	2016 Q1 Exc. Rate	2016 Q1 flows	Bal 31 -March-2016	2016 Q2 Exc. Rate	2016 Q2 flows	Bal 30-Jun-2016
Asia	2,593.4	215.7	(28.8)	(269.6)	(0.2)	2,510.5	(40.2)	41.6	2,511.9	89.4	22.4	2,623.8
Accumulated Retained Earning/Loss	259.8	(208.8)	(1.7)	40.1	0.1	89.4	5.2	(76.6)	18.0	81.6	(46.7)	52.9
Debt	1,693.0	327.3	(24.8)	(169.5)	-	1,826.1	(37.0)	89.2	1,878.3	(20.7)	42.9	1,900.5
Equity capital	640.6	97.2	(2.3)	(140.2)	(0.3)	595.0	(8.4)	29.1	615.6	28.5	26.2	670.3
COMESA & SADC	711.4	540.2	1.9	(308.5)	(31.2)	913.8	(10.9)	(285.0)	617.9	30.9	(1.7)	647.1
Accumulated Retained Earning/Loss	63.5	508.6	15.7	(176.0)	(31.2)	380.5	(3.0)	(284.9)	92.6	4.4	(2.9)	94.1
Debt	475.7	23.5	(10.8)	(78.6)	-	409.8	(4.6)	5.4	410.6	15.8	(0.8)	425.6
Equity capital	172.2	8.1	(3.0)	(53.9)	(0.0)	123.5	(3.3)	(5.5)	114.7	10.7	2.0	127.4
EU	3,084.5	460.6	(46.5)	(321.2)	30.8	3,208.2	(26.1)	(65.3)	3,116.9	78.5	116.3	3,311.6
Accumulated Retained Earning/Loss	741.3	10.8	1.5	(206.4)	-	547.2	(5.7)	(144.3)	397.2	24.9	(4.1)	417.9
Debt	1,760.3	382.2	(48.8)	53.6	(6.1)	2,141.3	(12.2)	69.7	2,198.7	27.7	101.5	2,327.9
Equity capital	582.9	67.6	0.8	(168.3)	36.9	519.7	(8.1)	9.4	521.0	25.9	19.0	565.8
Exclusively COMESA	43.7	(12.2)	(3.7)	(8.0)	-	19.7	(0.2)	0.0	19.5	0.7	(3.0)	17.2
Accumulated Retained Earning/Loss	28.7	(20.5)	(1.7)	(6.3)	-	0.2	0.0	1.0	1.2	(0.0)	1.3	2.5
Debt	10.8	8.2	(2.0)	(1.2)	-	15.8	(0.2)	(1.0)	14.6	0.7	(4.3)	10.9
Equity capital	4.3	0.0	-	(0.5)	-	3.8	(0.0)	(0.0)	3.7	0.1	0.0	3.8
Exclusively SADC	909.7	335.4	(38.5)	(373.3)	0.9	834.2	(25.3)	(72.1)	736.8	60.3	1.6	798.6
Accumulated Retained Earning/Loss	392.0	98.9	(44.2)	(139.3)	-	307.4	(8.5)	(79.3)	219.6	21.4	(26.9)	214.1
Debt	227.5	229.8	(18.0)	(128.2)	0.0	311.2	(9.7)	(1.6)	299.9	26.5	5.1	331.5
Equity capital	290.3	6.6	23.6	(105.8)	0.9	215.6	(7.1)	8.7	217.2	12.4	23.4	253.0
OECD (Non-EU)	8,327.1	(231.2)	(75.2)	(147.9)	27.3	7,900.1	(54.1)	629.2	8,475.3	(30.7)	(9.3)	8,435.3
Accumulated Retained Earning/Loss	1,961.6	(1,011.0)	(9.0)	(2.7)	(0.0)	938.8	1.0	362.6	1,302.3	3.7	(106.6)	1,199.5
Debt	4,034.3	143.5	(35.9)	(46.6)	35.2	4,130.6	(27.6)	109.8	4,212.7	37.1	49.3	4,299.1
Equity capital	2,331.2	636.3	(30.2)	(98.6)	(7.9)	2,830.8	(27.5)	156.9	2,960.2	(71.4)	48.0	2,936.7
Other	479.5	(3.5)	9.3	(170.3)	3.3	318.3	(9.3)	(5.5)	303.6	29.9	92.9	426.4
Accumulated Retained Earning/Loss	(7.0)	(13.7)	7.5	2.3	3.3	(7.6)	0.7	(5.9)	(12.8)	(1.9)	61.6	46.9
Debt	347.3	15.6	0.4	(119.0)	-	244.3	(7.2)	0.5	237.6	23.1	3.7	264.4
Equity capital	139.2	(5.5)	1.5	(53.6)	-	81.6	(2.7)	(0.1)	78.8	8.7	27.7	115.1
Grand Total	**16,149.3**	**1,304.9**	**(181.5)**	**(1,598.8)**	**30.9**	**15,704.8**	**(166.1)**	**243.0**	**15,781.8**	**259.0**	**219.2**	**16,260.0**

Source: Foreign Private Investment & Investor Perceptions Survey, 2016

Annex XI: Private Sector External Debt by Source Country (US $ million), 2014 - 2016 Q2

Source country	Bal 31-Dec-2014	Transactions in 2015	Other changes in volume	Exc rate changes	Other price changes	Bal 31-Dec-2015	2016 Q1 Exc. Rate	2016 Q1 flows	Bal 31-March-2016	2016 Q2 Exc. Rate	2016 Q2 flows	Bal 30-Jun-2016
ADB	11.4	95.0	(12.6)	1.0	-	94.8	(3.2)	(0.5)	91.1	10.0	1.2	102.4
Australia	33.5	16.3	0.4		(1.2)	33.9	(1.1)	2.4	35.2	3.8	(4.0)	35.0
Austria	10.2	7.6	-	(15.0)	-	11.8	(0.4)	0.0	11.5	1.3	(3.2)	9.5
Bahrain	100.0	-	-	(5.9)	-	100.0	-	-	100.0	-	-	100.0
Belgium	2.1	0.1	(0.0)	-	-	0.7	(0.0)	(0.1)	0.6	0.1	0.2	0.9
Bermuda	344.1	(0.4)	10.9	(1.5)	-	355.4	(0.0)	3.2	358.5	0.1	3.1	361.8
Botswana	46.3	26.8	(0.8)	0.8	(0.2)	48.1	(1.6)	(0.1)	46.4	5.1	4.8	56.3
Brazil	33.8	2.5	1.1	(24.0)	-	22.4	(0.7)	0.6	22.2	2.5	1.2	25.9
Bulgaria	-	0.1	-	(14.9)	-	0.0	(0.0)	0.0	0.1	0.0	1.1	1.2
Canada	883.3	76.8	(5.1)	(0.0)	0.8	932.9	(13.7)	1.9	921.1	6.3	14.5	941.9
Cayman Islands	-	0.6	-	(22.8)	-	0.5	(0.0)	0.0	0.5	0.0	0.0	0.5
Channel Islands	1.9	-	(1.0)	(0.1)	-	1.8	(0.1)	0.1	1.8	0.2	(0.1)	1.9
Chile	-	0.0	-	0.9	-	0.0	(0.0)	0.0	0.0	0.0	0.0	0.0
China PR	2,073.7	565.7	1.5	(0.0)	-	2,297.2	(43.8)	89.0	2,342.4	2.6	125.6	2,470.5
Congo	-	0.7	-	(343.7)	-	0.6	(0.0)	0.0	0.6	0.1	0.0	0.6
Congo DR	154.9	0.2	0.1	(0.2)	0.1	154.1	(0.1)	(1.9)	152.1	0.0	2.0	154.1
Cote d'Ivoire	6.0	1.8	(0.0)	(1.3)	0.0	4.9	(0.2)	0.0	4.7	0.5	0.1	5.3
Croatia	-	0.1	-	(2.9)	-	0.1	(0.0)	0.0	0.1	0.0	0.0	0.1
DBSA	38.5	(2.7)	(9.4)	(0.0)	-	30.1	(0.9)	(0.2)	29.0	2.9	0.4	32.2
Egypt	7.8	35.3	-	3.7	-	43.0	(0.0)	(1.6)	41.4	-	(37.0)	4.4
EIB	32.9	(2.2)	(0.4)	(0.0)	-	23.5	(0.8)	(5.8)	16.9	1.9	0.2	19.0
Estonia	6.4	8.8	-	(6.9)	-	10.6	(0.4)	0.4	10.6	1.2	(1.2)	10.6
Exim Bank of China	278.2	192.5	-	(4.6)	-	311.8	(10.4)	0.3	301.7	33.3	4.1	339.1
Exim Bank of India	58.0	17.6	-	(159.0)	-	53.1	(1.8)	(5.5)	45.8	5.1	0.6	51.5
Finland	3.2	0.0	-	(22.4)	-	3.2	-	1.6	4.8	-	(3.3)	1.5
France	24.1	9.6	(4.1)	(0.0)	(7.2)	33.3	(1.1)	8.4	40.7	4.5	(2.9)	42.2
Germany	53.3	5.3	-	11.0	-	35.1	(1.2)	0.0	33.9	3.7	0.5	38.2
Ghana	0.1	0.8	-	(23.5)	-	0.7	(0.0)	(0.0)	0.7	0.1	0.0	0.8
Hong Kong	1.7	(0.3)	-	(0.2)	-	1.5	-	-	1.5	-	-	1.5
IFC	31.2	11.9	-	-	-	27.4	(0.9)	0.9	27.4	3.0	(3.0)	27.4
India	40.3	(0.8)	(17.9)	(15.7)	-	41.7	(1.4)	(0.2)	40.1	4.4	(6.6)	38.0
Ireland	78.7	10.3	(4.9)	20.0	(2.0)	85.7	-	0.0	85.7	0.8	8.6	95.1
Italy	1.2	0.2	-	3.6	-	0.9	(0.0)	(0.0)	0.9	0.1	0.2	1.1
Japan	9.0	0.0	-	(0.4)	-	9.0	-	-	9.0	-	0.0	9.0
JICA	17.7	(8.8)	-	(0.0)	-	3.5	-	-	3.5	0.4	0.0	3.9
Kenya	22.8	1.8	(2.0)	(5.5)	-	19.7	(0.3)	0.5	20.0	1.0	0.4	21.4
Korea (Democratic People's Republic)	2.5	(0.6)	-	(2.9)	-	2.0	(0.0)	(0.1)	1.9	-	-	1.9
Lebannon	0.8	(0.1)	-	-	-	0.7	-	-	0.7	-	-	0.7
Luxembourg	29.5	(0.0)	(6.7)	-	(0.0)	25.9	(0.5)	2.9	28.3	2.1	(0.2)	30.2
Malawi	0.0	0.1	-	3.2	-	0.0	(0.0)	0.0	0.0	0.0	0.0	0.1
Malaysia	-	-	-	(0.0)	-	-	-	-	-	-	0.0	0.0
Mali	0.2	0.0	-	-	-	0.2	-	-	0.2	-	0.0	0.2
Mauritius	318.9	34.5	(11.2)	0.0	-	264.3	(4.6)	6.2	265.9	15.8	(11.8)	269.9
Mozambique	0.0	0.1	-	(77.8)	-	0.1	(0.0)	(0.0)	0.0	0.0	(0.0)	0.0
Namibia	4.2	5.6	0.3	(0.0)	-	7.0	(0.2)	(6.8)	-	-	3.0	3.0
Netherlands	386.6	27.3	0.5	(3.1)	(6.3)	381.1	(2.1)	10.0	389.0	7.9	(0.9)	396.0
Nigeria	291.1	22.4	-	(27.0)	-	186.6	(6.2)	0.2	180.7	19.9	44.2	244.8
NORSAD	32.4	60.7	-	(126.9)	-	67.4	(2.3)	(1.2)	64.0	7.1	0.9	71.9
Norway	4.7	0.9	-	(25.6)	-	3.4	(0.1)	0.1	3.4	0.4	(0.2)	3.5
Other	64.8	10.2	1.0	(2.2)	-	72.9	(1.5)	(10.4)	61.0	4.4	(6.8)	58.7
Panama	-	0.1	-	(3.2)	-	0.1	(0.0)	(0.1)	-	-	-	-
Peru	0.8	0.7	-	(0.0)	-	1.0	(0.0)	(0.1)	0.9	0.1	(0.1)	0.9
Poland	0.0	(0.0)	-	(0.5)	-	0.0	(0.0)	0.0	0.0	0.0	0.0	0.0
PTA Bank	11.9	55.7	0.8	(0.0)	(5.1)	68.6	(0.3)	(40.5)	27.8	1.1	1.1	29.9
Rwanda	0.0	(0.0)	-	5.3	-	0.0	(0.0)	(0.0)	-	-	-	-
Samoa	9.5	-	-	-	-	9.5	-	(0.0)	9.5	-	0.0	9.5
Saudi Arabia	1.3	1.1	(0.9)	-	-	2.1	(0.1)	0.0	2.0	0.2	0.0	2.3
Seychelles	4.1	0.2	-	0.6	-	2.5	(0.1)	(0.5)	1.9	0.2	(0.7)	1.5
Singapore	93.4	69.0	-	(1.7)	-	108.0	(1.4)	(0.4)	106.3	11.7	(55.2)	62.8
South Africa	1,679.0	441.4	(91.7)	(54.3)	(0.1)	1,860.3	(19.9)	36.9	1,877.3	64.1	(3.3)	1,938.1
Spain	0.1	0.0	(0.0)	(168.4)	-	0.1	(0.0)	(0.1)	-	-	0.0	0.0
Swaziland	0.0	(0.0)	-	(0.1)	-	0.0	(0.0)	(0.0)	-	-	0.0	0.0
Sweden	36.1	0.3	(3.3)	(0.0)	-	26.9	(0.4)	(1.8)	24.7	1.0	(2.5)	23.2
Switzerland	1,508.2	350.9	(33.4)	(6.1)	(4.1)	1,914.1	(8.8)	73.2	1,978.4	16.7	95.1	2,090.2

Source: Foreign Private Investment & Investor Perceptions Survey, 2016




Annex XI: Private Sector External Debt by Source Country (US $ million), 2014 - 2016 Q2 ***(Continued)***

Source country	Bal 31-Dec-2014	Transac-tions in 2015	Other changes in volume	Exc rate changes	Other price changes	Bal 31-Dec-2015	2016 Q1 Exc. Rate	2016 Q1 flows	Bal 31-March-2016	2016 Q2 Exc. Rate	2016 Q2 flows	Bal 30-Jun-2016
Tanzania	3.7	2.7	0.0	(0.8)	-	5.6	(0.1)	(0.1)	5.5	0.2	0.1	5.7
Thailand	0.1	0.2	-	(0.1)	-	0.3	(0.0)	0.0	0.3	0.0	0.1	0.4
Togo	0.8	(0.2)	(0.2)	0.2	-	0.6	(0.0)	(0.1)	0.5	0.0	(0.0)	0.5
Uganda	0.3	0.2	-	(0.2)	-	0.3	(0.0)	1.7	2.0	0.2	(1.2)	1.0
United Arab Emirates	50.8	3.9	(26.2)	26.0	-	54.4	(0.9)	(2.1)	51.4	4.6	1.5	57.5
United Kingdom	3,177.9	179.0	(20.8)	(98.3)	59.0	3,296.8	(13.7)	86.1	3,369.2	28.9	(3.1)	3,395.0
United States	299.3	(49.3)	(28.9)	38.4	(24.6)	235.0	(4.2)	(6.5)	224.3	13.1	23.5	260.8
Virgin Islands British	5.3	0.4	-	(2.3)	-	3.4	(0.1)	0.1	3.3	0.4	(0.2)	3.5
World Bank	78.0	(33.7)	-	(17.8)	-	26.5	(0.9)	(7.2)	18.4	2.0	0.3	20.7
Zimbabwe	3.1	(0.1)	(0.0)	(1.2)	-	1.7	(0.0)	(0.1)	1.6	0.1	0.0	1.7
Grand Total	**12,505.6**	**2,256.7**	**(265.3)**	**(1,083.8)**	**9.2**	**13,422.4**	**(152.7)**	**232.9**	**13,502.7**	**297.1**	**190.9**	**13,990.7**

Source: Foreign Private Investment & Investor Perceptions Survey, 2016



Annex XII: Foreign Direct Investment by Destination Country (US $ million), 2014 - 2016 Q2

Recipient country	Bal 31st Dec 2014	Transac-tions	Other changes in volume	Exc. rate	Other prices changes	Bal 31st Dec 2015	Q1 Exc. Rate	Q1 Flows	Bal 31st March 2016	Q2 Exc. Rate	Q2 Flows	Bal 30th June 2016
Belgium	0.6	(0.0)	-	-	-	0.6	-	-	0.6	-	(0.6)	-
Botswana	4.1	2.3	-	(1.4)	-	5.0	(0.1)	0.0	5.0	0.2	0.0	5.2
Burkina Faso	0.5	0.3	-	(0.3)	-	0.5	(0.0)	(0.0)	0.5	0.1	0.0	0.6
Canada	-	102.4	-	-	-	102.4	-	6.7	109.0	-	28.3	137.4
Congo	18.7	0.1	-	-	-	18.8	-	-	18.8	-	-	18.8
Congo DR	22.0	4.3	0.0	(7.5)	-	18.4	(0.5)	(0.2)	17.7	1.5	0.3	19.5
Germany	1.5	0.5	-	-	-	2.1	-	(0.1)	2.0	-	(1.9)	0.1
Ghana	1.3	(0.1)	-	(0.0)	-	1.1	(0.0)	(0.0)	1.1	0.0	0.0	1.1
Hong Kong	5.1	-	-	-	-	5.1	-	(1.5)	3.6	-	(1.1)	2.5
Ireland	2.4	-	(0.5)	(0.9)	-	1.0	(0.0)	0.0	1.0	0.1	0.0	1.1
Kenya	7.7	27.6	-	(0.1)	0.0	35.1	(0.1)	(0.1)	34.9	0.2	(0.1)	35.0
Luxembourg	281.0	-	-	-	-	281.0	-	(84.3)	196.7	-	-	196.7
Malawi	27.7	(0.8)	0.2	(0.8)	-	26.4	(0.0)	(0.1)	26.2	0.1	(25.0)	1.3
Mauritius	308.1	(10.6)	(0.0)	(1.9)	-	295.6	(0.0)	(22.8)	272.8	0.1	(33.1)	239.8
Mozambique	19.1	3.0	(0.3)	(1.6)	-	20.3	(0.1)	(5.3)	14.8	0.4	0.7	15.9
Netherlands	16.5	(3.9)	-	(6.1)	-	6.6	(0.2)	0.2	6.6	0.7	(0.2)	7.2
Nigeria	137.9	(0.6)	-	(0.2)	-	137.1	(0.0)	(13.4)	123.6	0.0	(12.1)	111.6
Seychelles	3.9	0.1	1.2	(2.8)	-	2.4	(0.1)	(2.2)	0.1	0.0	2.6	2.6
South Africa	158.7	(56.7)	0.2	(6.1)	-	96.5	(0.4)	(8.3)	87.8	1.3	(2.9)	86.2
Switzerland	107.4	(77.0)	-	(10.9)	-	19.5	(0.1)	0.0	19.4	0.4	0.1	19.9
Tanzania	14.5	(1.5)	(1.7)	(2.5)	-	8.8	(0.2)	(0.0)	8.6	0.6	0.1	9.2
United States	22.4	19.0	-	(19.5)	-	21.8	(0.0)	0.0	21.8	0.0	(0.7)	21.1
Zimbabwe	1.2	4.3	(0.5)	(1.3)	-	3.7	(0.1)	2.1	5.6	0.6	(0.4)	5.8
Other countries	13.3	114.9	0.8	(0.9)	-	128.0	(0.0)	11.6	139.6	0.2	5.4	145.1
Grand Total	**1,175.8**	**127.5**	**(0.6)**	**(64.9)**	**0.0**	**1,237.6**	**(2.0)**	**(117.9)**	**1,117.8**	**6.5**	**(40.5)**	**1,083.8**

Source: Foreign Private Investment & Investor Perceptions Survey, 2016

Annex XIII: Private Sector External Lending by Destination Country (US $ million), 2014 - 2016 Q2

Recipient country	Bal 31st Dec 2014	Transac-tions	Other changes in volume	Exc.rate	Other prices changes -	Bal 31st Dec 2015	Q1 Exc. Rate	Q1 Flows	Bal 31st March 2016	Q2 Exc. Rate	Q2 Flows	Bal 30th June 2016
Belgium	0.6	(0.0)	-	-	-	0.6	-	-	0.6	-	(0.6)	-
Botswana	5.5	1.6	(0.0)	(2.6)	-	4.4	(0.1)	0.0	4.3	0.5	0.1	4.8
Burkina Faso	0.5	0.3	-	(0.3)	-	0.5	(0.0)	(0.0)	0.5	0.1	0.0	0.6
Cameroon	1.7	-	-	(0.7)	-	1.0	(0.0)	0.0	1.0	0.1	0.0	1.1
Canada	-	102.4	-	-	-	102.4	-	6.7	109.0	-	28.3	137.4
China PR	8.7	(1.1)	-	0.2	-	7.8	(0.2)	(0.4)	7.1	0.7	(0.1)	7.7
Congo DR	21.5	4.6	-	(7.5)	-	18.2	(0.5)	(0.4)	17.3	1.5	0.5	19.3
Germany	32.9	103.2	44.1	(45.2)	-	135.1	(4.4)	(18.4)	112.3	12.1	(78.5)	45.9
India	0.3	25.1	0.2	(5.7)	-	19.9	(0.7)	0.0	19.3	2.1	0.3	21.7
Ireland	2.4	-	(0.5)	(0.9)	-	1.0	(0.0)	0.0	1.0	0.1	0.0	1.1
Italy	5.0	(3.2)	-	(1.4)	-	0.4	(0.0)	(0.0)	0.4	0.0	29.0	29.4
Kenya	9.3	(2.1)	-	(0.2)	-	6.9	(0.1)	2.8	9.6	0.6	0.1	10.3
Luxembourg	281.0	-	-	-	-	281.0	-	(84.3)	196.7	-	-	196.7
Malawi	26.5	(0.9)	-	(0.3)	-	25.4	(0.0)	(0.2)	25.2	0.0	(24.4)	0.9
Mauritius	297.5	(32.3)	(0.0)	(1.9)	-	263.3	(0.0)	(22.7)	240.5	0.1	(30.5)	210.1
Mozambique	19.1	3.0	(0.3)	(1.6)	-	20.3	(0.1)	(5.3)	14.8	0.4	0.7	15.9
Netherlands	16.5	(3.9)	-	(6.1)	-	6.6	(0.2)	0.2	6.6	0.7	(0.2)	7.2
Nigeria	138.8	12.4	0.0	(3.1)	-	148.1	(0.4)	(13.1)	134.6	1.3	(13.3)	122.6
Other	25.3	(0.2)	-	7.8	-	32.8	(0.3)	6.5	39.0	2.3	(13.0)	28.3
South Africa	248.9	(64.1)	63.2	(53.4)	-	194.9	(3.4)	53.6	245.1	17.9	(96.0)	167.0
Sweden	5.6	(0.7)	0.7	(0.0)	-	5.6	(0.0)	0.0	5.6	0.0	(5.2)	0.5
Switzerland	107.4	(77.0)	-	(10.9)	-	19.5	(0.1)	0.0	19.4	0.4	0.1	19.9
Tanzania	11.1	(2.7)	0.0	(2.5)	-	5.9	(0.1)	(0.0)	5.7	0.3	0.0	6.0
Uganda	2.9	(1.6)	-	(0.9)	-	0.4	(0.0)	0.9	1.3	0.1	0.0	1.5
United Kingdom	259.1	147.4	1.4	(107.1)	-	300.8	(6.2)	15.1	309.7	19.9	12.5	342.1
United States	90.4	(22.2)	-	(22.8)	-	45.3	(0.3)	14.6	59.6	2.7	(31.3)	31.1
Other countries	10.2	12.8	(0.5)	(2.0)	-	20.6	(0.2)	(3.2)	17.3	0.9	6.9	25.1
Grand Total	**1,628.7**	**200.8**	**108.4**	**(269.0)**		**1,668.8**	**(17.7)**	**(47.7)**	**1,603.5**	**64.8**	**(214.4)**	**1,453.9**

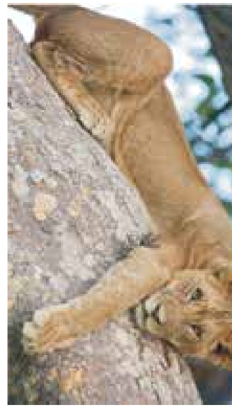
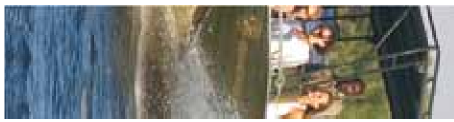
Source: Foreign Private Investment & Investor Perceptions Survey, 2016

Annex XIV: Inward Foreign Affiliates Statistics by Partner country (US $ million, 2015)

Description	Australia	Bermuda	Botswana	Cameroon	Canada	Cayman Islands	Channel Islands	China PR	Egypt	France	Germany	Guernsey	Hong Kong	India	Ireland	Italy	Japan	Kenya	Luxembourg	Malawi	Mauritius	Namibia
Total assets at end 2015	21.0	2.1	234.1	23.7	8,937.2	1.1	18.0	2,898.5	25.0	110.9	12.9	3.4	3.9	1.4	1,434.0	20.5	60.0	15.4	297.2	20.7	2,288.1	6.8
Total liabilities (excluding Equity) at end 2015	122.5	48.0	200.1	30.8	52.4	0.9	1.4	1,440.2	18.0	115.8	6.8	2.6	141.2	1.6	686.8	36.1	63.5	7.7	411.7	23.1	295.2	2.2
Net worth at end 2015	(9.8)	(45.9)	33.9	(2.1)	3,769.2	0.2	4.5	604.8	7.0	32.0	6.1	0.8	(5.3)	0.5	850.6	12.9	42.8	7.3	(115.8)	1.9	837.1	2.3
Sales or turnover in 2015	-	-	37.8	5.4	2,016.2	1.2	34.3	1,471.2	21.1	392.7	4.4	14.4	1.7	1.5	1,184.8	44.0	105.0	102.4	248.1	24.5	1,006.9	15.0
Net Operating Surplus (or loss)	(12.4)	(37.0)	0.3	(4.1)	9.8	0.2	0.4	603.1	2.1	12.6	(3.6)	0.3	(3.6)	5.7	105.1	1.2	15.5	1.2	(25.1)	(1.8)	133.9	2.1
Taxes on Income	-	-	2.8	0.1	(490.0)	0.1	0.2	10.1	-	1.8	0.5	0.1	-	0.0	46.1	0.5	7.8	1.0	1.5	(0.1)	42.0	0.5
Net Profit After Tax (Earnings)	(12.0)	(35.7)	(0.9)	(3.9)	(466.5)	0.3	0.2	(150.0)	(2.8)	4.8	(2.7)	0.1	(3.5)	(0.5)	95.9	0.6	-	1.2	(42.1)	(0.1)	1.3	1.5
Total dividends distributed/declared	-	-	-	-	-	-	-	16.4	-	5.0	-	0.0	-	-	18.7	-	5.0	-	-	-	36.5	-
Compensation of Employee	0.3	0.4	7.1	1.3	197.1	14.4	4.9	98.8	1.5	13.2	1.1	1.3	8.7	2.1	108.5	4.0	6.3	1.9	13.2	1.9	81.8	0.9
Of which :Salary and wages paid	0.3	0.4	6.3	1.3	194.4	14.4	4.8	91.4	1.4	10.2	0.9	1.3	8.7	2.1	107.0	3.6	6.3	1.8	12.9	1.7	77.8	0.9
Of which :Employer's Social Contributions	0.0	0.0	0.8	-	2.7	0.0	0.1	7.3	0.1	3.0	0.2	0.1	0.0	-	1.5	0.3	-	0.1	0.3	0.1	4.0	-
Total purchases of domestic goods and services	5.6	0.4	14.1	-	944.6	0.0	0.4	1,545.5	2.2	7.0	-	8.2	-	0.3	208.0	3.9	-	2.0	165.6	-	598.5	3.7
Of which: goods	0.7	0.1	11.4	-	280.3	0.0	0.1	877.1	1.2	5.1	-	8.2	-	0.1	206.9	2.3	-	1.2	125.6	-	303.2	2.4
Of which: services	4.9	0.3	-	-	664.3	-	0.3	596.1	1.0	0.8	-	-	-	-	1.1	1.6	-	4.5	40.0	-	217.5	1.3
Total imports of goods	-	0.0	2.2	-	323.2	0.7	25.0	170.7	-	81.1	-	6.4	3.3	0.6	348.3	15.3	46.7	2.8	274.0	0.1	255.8	1.4
Of which: from foreign affiliates	0.0	-	0.1	-	71.7	0.7	0.2	23.1	22.4	-	-	6.4	-	4.8	-	-	-	1.6	(366.7)	(17.5)	145.7	1.0
Total imports of services	-	-	3.9	-	-	-	0.0	2.8	-	-	-	0.1	-	-	-	2.3	-	0.6	-	-	17.3	0.8
Of which: from foreign affiliates	1.4	-	3.9	-	19.3	0.0	0.0	0.7	-	-	-	0.1	-	-	-	-	-	-	180.3	(17.5)	4.5	0.8
Total exports of goods	-	0.0	0.1	-	1,339.5	-	0.6	1,247.0	0.0	20.3	-	0.1	-	0.1	1.9	1.0	0.0	0.5	194.1	-	64.2	0.3
Of which: to foreign affiliates	-	-	-	-	690.7	-	0.4	176.4	-	-	-	-	-	0.5	4.4	-	-	-	-	-	3.7	-
Total exports of services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.6	0.3
Of which: to foreign affiliates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.3
Gross Fixed Capital formation	26.0	(0.3)	2.9	-	824.0	-	0.1	184.0	0.1	13.9	-	0.2	3.6	0.1	111.5	2.5	1.9	0.5	2.0	0.1	106.5	0.1
Of which:Research and Development Expenditure	26.0	(0.3)	-	-	-	-	-	-	-	0.8	-	-	-	-	87.4	-	-	-	-	-	-	-
Of which:Aquisition less Disposal of building..	-	-	-	-	286.8	-	0.1	31.7	0.0	3.1	-	-	-	0.0	-	0.6	0.4	0.2	-	-	20.3	-
Of which:Land improvements	0.1	-	-	-	-	-	-	0.0	0.0	9.6	-	0.2	-	0.0	-	-	-	0.0	-	-	3.1	-
Of which: Aquisition less Disposal Of Machinery	-	-	2.5	-	524.6	-	-	41.4	0.0	0.4	-	-	2.5	0.0	9.1	1.7	1.0	0.1	2.0	-	67.7	0.1
Of which: Aquisition less Disposal Of other fixed assests	-	0.1	0.4	-	12.5	-	0.0	110.8	0.0	-	-	-	1.0	0.0	15.1	0.1	0.5	0.2	-	0.1	15.5	-
Training Expenditure	0.1	0.0	0.3	-	13.7	0.0	0.0	0.1	-	2.2	0.1	0.0	-	-	0.8	-	-	0.0	0.0	0.1	1.1	-
Payments for royalties and license fees	-	0.1	0.2	-	317.4	-	0.0	0.0	-	2.2	-	-	-	-	9.9	-	-	0.0	-	-	0.8	0.2
Of which non-residents	-	-	-	-	-	-	-	-	-	13.4	-	-	-	-	-	-	-	-	4.6	0.0	0.3	0.2
Value of closing stock	-	-	0.3	-	90.7	0.2	3.7	113.0	2.2	18.7	-	0.8	-	0.5	20.7	2.3	20.1	1.6	16.7	-	95.5	0.3

Source: Foreign Private Investment & Investor Perceptions Survey, 2016

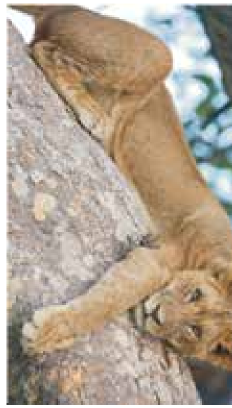


Annex XIV: Inward Foreign Affiliates Statistics by Partner country (US $ million, 2015) (Continued)

Description	Aust-ralia	Bermu-da	Botsw-ana	Came-roon	Canada	Cayman Islands	Channel Islands	China PR	Egypt	France	Germa-ny	Guern-sey	Hong Kong	India	Ireland	Italy	Japan	Kenya	Luxem-bourg	Malawi	Maurit-ius	Namibia
Value of opening stock	-	-	-	-	270.2	0.3	7.0	107.7	2.2	448.9	-	2.5	-	0.5	21.4	2.7	20.6	3.5	17.2	-	97.0	0.5
Gross Output	-	-	38.1	5.4	1,836.7	1.2	33.8	1,477.8	21.2	82.1	4.4	13.6	-	1.8	1,195.4	44.9	104.5	101.9	254.3	24.5	1,054.2	15.0
Management fees	-	-	-	-	-	0.0	0.0	20.6	-	0.4	1.3	-	0.1	0.0	3.3	0.1	-	0.2	1.7	0.7	21.3	0.1
Operating Expenditure	0.5	0.5	25.8	4.2	1,811.7	0.5	33.4	682.5	17.6	30.5	5.6	3.5	3.6	24.1	533.9	42.3	13.4	65.0	238.7	4.7	356.2	9.6
Value-added	(0.5)	(0.5)	12.4	1.2	25.0	0.7	0.4	754.0	3.6	51.7	(1.2)	10.1	(3.6)	(22.4)	661.5	2.6	91.1	36.9	15.6	19.9	613.9	12.7
Total Employment (Number of employees)	**3.0**	**8.0**	**404.0**	**110.0**	**7,022.0**	**14.0**	**245.0**	**10,382.0**	**94.0**	**810.0**	**407.0**	**56.0**	**128.0**	**39.0**	**5,231.0**	**373.0**	**271.0**	**107.0**	**1,363.0**	**79.0**	**8,463.0**	**81.0**

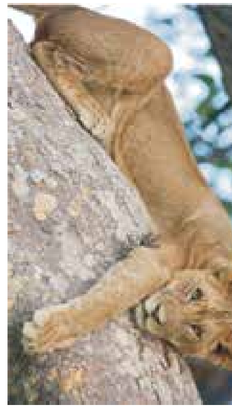
Source: Foreign Private Investment & Investor Perceptions Survey, 2016



Annex XIV: Inward Foreign Affiliates Statistics by Partner country (US $ million, 2015) cont'd

Description	Netherlands	Nigeria	Norway	Other	Peru	Samoa	Seychelles	Singapore	South Africa	Sweden	Switzerland	Tanzania	Togo	United Arab Emirates	United Kingdom	United States	Virgin Islands British	Yemen	Zimbabwe	Grand Total
Total assets at end 2015	1,380.2	58.6	32.7	7.4	20.1	3.8	10.4	173.3	1,920.6	68.2	2,654.5	38.9	119.2	70.7	3,552.1	376.6	15.8	14.8	23.3	26,977.1
Total liabilities (excluding Equity) at end 2015	458.1	48.3	0.3	2.1	15.6	3.7	2.3	58.9	3,554.5	8.2	678.4	232.7	92.8	167.2	3,987.9	1,706.4	25.2	1.8	0.5	14,753.8
Net worth at end 2015	257.2	10.2	(4.8)	(1.6)	3.8	0.1	(1.4)	(67.4)	381.6	40.8	19.1	0.1	26.4	36.5	542.7	22.0	10.3	14.8	17.9	7,343.2
Sales or turnover in 2015	633.8	0.7	36.3	32.1	10.4	1.5	28.1	20.6	1,119.5	103.1	1,264.1	40.2	13.9	77.4	1,339.7	285.2	21.1	14.3	20.7	11,795.4
Net Operating Surplus (or loss)	263.6	0.2	5.1	(0.0)	6.0	0.1	-	(55.7)	143.4	7.3	(405.1)	(5.2)	2.7	11.2	(88.1)	85.8	3.6	9.2	5.0	794.8
Taxes on Income	26.3	0.1	0.7	-	0.0	-	0.2	1.1	40.3	2.9	107.3	-	1.0	1.7	147.4	10.0	0.5	0.3	0.0	(35.0)
Net Profit After Tax (Earnings)	74.6	0.1	(4.8)	(1.0)	1.7	0.1	(3.1)	(194.2)	75.4	4.4	(302.2)	(5.0)	1.7	(13.3)	(336.3)	(34.3)	1.6	0.6	4.6	(1,344.1)
Total dividends distributed/declared	39.6	-	-	-	-	-	-	-	14.6	2.0	1.8	-	-	-	19.2	(32.9)	-	-	1.5	122.7
Compensation of Employee	61.3	2.0	2.2	3.6	11.0	0.5	1.3	4.8	180.0	6.0	224.2	1.2	4.4	1.8	181.5	14.0	1.3	5.2	1.5	1,278.8
Of which :Salary and wages paid	57.0	1.9	2.2	3.5	11.0	0.5	1.3	4.7	163.0	5.7	199.9	1.2	4.0	1.8	165.2	13.4	1.2	0.0	1.5	1,189.1
Of which :Employer's Social Contributions	4.3	0.1	0.1	0.1	0.0	0.0	-	0.1	17.0	0.3	24.3	0.0	0.4	0.0	16.3	0.7	0.1	5.2	-	89.6
Total purchases of domestic goods and services	57.0	-	2.4	24.6	19.4	0.9	19.6	4.6	380.6	7.6	116.9	-	-	38.8	82.6	136.7	5.7	8.2	10.6	4,426.1
Of which: goods	45.2	-	2.4	24.6	12.9	0.4	17.5	3.2	279.7	1.4	89.6	-	-	38.8	24.0	109.7	2.0	-	7.9	2,485.4
Of which: services	9.3	-	-	-	5.3	0.5	2.1	1.4	100.3	6.2	23.5	-	-	-	51.5	27.1	0.2	-	2.7	1,763.6
Total imports of goods	151.0	0.1	22.5	0.0	2.7	-	0.2	109.1	343.1	74.7	585.5	0.0	0.1	31.5	240.9	25.2	8.0	0.3	0.7	3,153.0
Of which: from foreign affiliates	100.9	-	-	3.7	0.1	-	-	-	128.3	71.0	13.0	35.3	-	-	62.0	11.5	2.0	-	-	321.4
Total imports of services	6.5	-	-	-	-	0.1	-	-	25.9	0.8	1.9	-	-	-	0.3	0.4	0.1	-	6.2	70.1
Of which: from foreign affiliates	13.2	-	-	-	-	-	-	-	15.5	0.8	1.3	-	-	-	5.8	0.8	-	-	6.2	237.1
Total exports of goods	22.9	-	16.7	3.7	-	-	0.0	0.2	235.9	7.0	1,094.2	9.3	-	24.2	1,284.7	148.2	2.1	-	15.8	5,734.7
Of which: to foreign affiliates	4.4	-	-	-	-	-	-	-	94.7	1.0	1,049.9	9.1	-	-	-	75.5	1.5	-	-	2,112.2
Total exports of services	0.0	-	-	-	-	-	-	-	15.0	0.3	-	-	-	0.1	0.5	2.6	-	-	-	19.2
Of which: to foreign affiliates	-	-	-	-	-	-	-	-	5,080.4	0.3	-	-	-	0.1	-	2.6	-	-	-	5,083.7
Gross Fixed Capital formation	63.2	-	7.2	0.0	0.6	0.1	(0.0)	120.8	192.3	16.8	174.3	0.0	5.8	2.5	35.4	27.2	1.3	-	10.6	1,937.8
Of which: Research and Development Expenditure	-	-	-	-	-	-	-	-	16.4	-	-	-	-	-	0.8	-	-	-	0.9	132.0
Of which: Aquisition less Disposal of building..	7.5	-	-	-	0.1	-	0.0	-	60.3	17.3	4.8	-	-	1.1	0.1	0.3	-	-	0.0	434.7
Of which: Land improvements	1.5	-	-	-	-	0.0	-	0.6	11.4	1.7	110.0	-	2.5	-	-	-	0.7	-	3.2	144.6
Of which: Aquisition less Disposal Of Machinery	26.3	-	7.2	-	0.8	0.1	(0.1)	2.6	18.7	0.4	58.3	-	3.3	0.8	6.2	7.6	0.3	-	4.0	789.5
Of which: Aquisition less Disposal Of other fixed assests	27.9	-	0.0	0.0	(0.3)	-	0.0	117.6	85.6	(2.6)	1.2	0.0	-	0.7	28.4	19.3	0.3	-	2.5	437.0
Training Expenditure	0.1	0.1	0.0	0.0	-	0.0	0.0	-	13.9	0.1	1.7	-	65.1	0.0	1.4	0.1	0.0	-	0.1	101.1
Payments for royalties and license fees	0.7	-	0.0	0.0	-	-	-	-	6.6	-	46.0	-	-	0.4	6.5	0.0	0.0	0.1	-	391.1
Of which non-residents	6.3	-	-	0.0	-	-	-	-	1.2	-	-	-	-	-	0.1	-	-	-	-	26.2
Value of closing stock	45.7	-	1.8	3.0	1.6	-	0.4	19.5	65.4	20.3	153.4	13.1	-	8.7	76.9	8.4	3.9	-	6.0	815.4
Value of opening stock	41.0	-	2.4	2.7	2.7	-	0.9	(29.8)	101.0	20.0	262.5	16.5	-	13.8	104.7	15.8	4.3	-	11.1	1,571.7
Gross Output	657.0	0.7	36.9	34.0	10.4	1.5	28.0	67.9	1,121.4	103.4	1,170.9	44.7	13.9	75.9	1,319.4	283.5	22.9	14.3	20.0	11,337.5

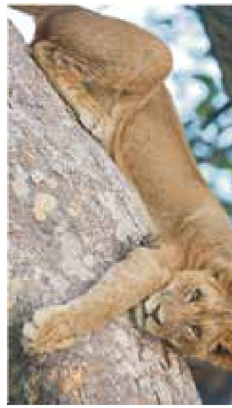
Source: Foreign Private Investment & Investor Perceptions Survey, 2016



Annex XIV: Inward Foreign Affiliates Statistics by Partner country (US $ million, 2015) cont'd

Description	Nethe-rlands	Nigeria	Norway	Other	Peru	Samoa	Seyche-lles	Singa-pore	South Africa	Sweden	Switz-erland	Tanzania	Togo	United Arab Emirates	United Kingdom	United States	Virgin Islands British	Yemen	Zimba-bwe	Grand Total
Management fees	7.6	-	1.4	-	-	-	-	-	21.2	-	2.5	-	1.0	-	7.7	0.4	0.2	-	-	91.6
Operating Expenditure	319.0	3.2	1.8	8.1	7.1	1.1	11.5	7.4	509.9	9.8	1,024.4	10.2	11.6	6.6	1,296.4	32.2	4.1	-	5.7	7,178.0
Value-added	447.2	(2.5)	35.1	25.9	(5.3)	0.4	16.5	60.5	609.5	93.5	154.1	34.4	2.3	69.3	28.7	251.3	6.9	14.3	14.3	4,141.3
Total Employment (Number of employees)	**2,796.0**	**115.0**	**153.0**	**2**	**1,559.0**	**42.0**	**140.0**	**292.0**	**13,301.0**	**361.0**	**7,579.0**	**340.0**	**140.0**	**757.0**	**10,869.0**	**2,015.0**	**571.0**	**178.0**	**670.0**	**77,570.0**

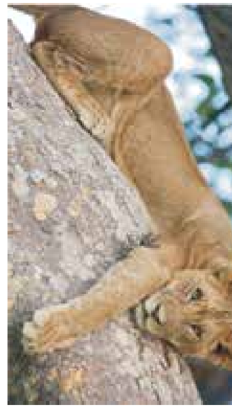
Source: Foreign Private Investment & Investor Perceptions Survey, 2016



Annex XIV: Inward Pure Services by Industry (US $ million, 2015)

ICFA Headings/Elements	Total assets at end 2015	Total liabilities (excluding Equity) at end 2015	Net worth at end 2015	Sales or turnover in 2015	Net Operating Surplus (or loss)	Taxes on Income	Net Profit After Tax (Earnings)	Total dividends distributed/declared	Compensation of Employee	Total purchases of domestic goods and services	Of which: goods	Of which: services	Total imports of goods	Of which: from foreign affiliates	Total imports of services	Of which: from foreign affiliates	Total exports of goods	Of which: to foreign affiliates	Total exports of services	Of which: to foreign affiliates
AGRICULTURE, FORESTRY AND FISHING	137.0	122.3	8.0	168.3	5.6	1.2	3.0	1.5	13.3	134.1	117.4	16.6	22.2	1.1	6.9	12.0	88.6	37.6	2.6	2.6
Support services to agriculture & Post harvest crop activities	137.0	122.3	8.0	168.3	5.6	1.2	3.0	1.5	13.3	134.1	117.4	16.6	22.2	1.1	6.9	12.0	88.6	37.6	2.6	2.6
MINING AND QUARRYING	66.1	24.3	21.3	72.9	15.0	4.4	13.6	4.4	28.6	176.3	159.5	15.5	8.4	5.1	3.9	3.8	3.9	-	-	-
Mining support service activities	66.1	24.3	21.3	72.9	15.0	4.4	13.6	4.4	28.6	176.3	159.5	15.5	8.4	5.1	3.9	3.8	3.9	-	-	-
MANUFACTURING	33.8	3.8	20.8	90.5	33.2	0.7	32.4	-	6.2	3.5	0.8	2.7	20.9	20.9	-	-	4.1	4.1	6.1	6.1
Repair and installation of machinery and equipment	33.8	3.8	20.8	90.5	33.2	0.7	32.4	-	6.2	3.5	0.8	2.7	20.9	20.9	-	-	4.1	4.1	6.1	6.1
ELECTRICITY	823.7	434.5	421.5	323.8	52.0	22.7	66.1	15.0	22.0	207.1	204.6	-	14.6	-	4.0	-	0.7	-	-	-
Electric power generation, transmission & distribution	823.7	434.5	421.5	323.8	52.0	22.7	66.1	15.0	22.0	207.1	204.6	-	14.6	-	4.0	-	0.7	-	-	-
CONSTRUCTION	173.6	165.8	3.5	318.4	(29.3)	7.1	(93.4)	-	65.6	165.5	77.1	19.5	75.1	5.8	1.4	0.8	0.9	-	0.4	0.4
Construction	173.6	165.8	3.5	318.4	(29.3)	7.1	(93.4)	-	65.6	165.5	77.1	19.5	75.1	5.8	1.4	0.8	0.9	-	0.4	0.4
WHOLESALE & RETAIL TRADE	862.9	2,928.5	288.1	2,048.5	100.9	36.8	38.5	25.0	101.7	596.7	387.4	130.9	754.0	375.6	5.3	3.6	89.2	34.0	0.3	0.3
Retail trade, except for motor vehicles & motor cycles	774.9	2,859.3	235.2	1,888.1	84.5	28.6	38.1	20.0	88.0	583.3	375.0	129.9	671.2	369.2	5.2	3.4	88.3	33.6	0.3	0.3
Wholesale & retail trade and repair of motor vehicles & motor cycles	88.0	69.3	52.9	160.4	16.5	8.2	0.5	5.0	13.7	13.4	12.4	1.0	82.8	6.4	0.1	0.1	0.9	0.4	-	-
TRANSPORT & STORAGE	90.8	133.5	26.7	145.4	19.0	2.1	2.4	1.8	18.8	49.3	18.9	18.1	485.9	-	-	-	81.4	-	5.1	5,074.3
Air transport	5.1	25.1	1.8	1.8	-	-	(0.0)	-	0.8	-	-	0.3	0.1	-	-	-	-	-	-	-
Freight transport by road	53.2	57.4	21.6	97.5	11.8	0.6	(0.9)	-	12.8	44.8	18.3	17.6	5.6	-	-	-	14.7	-	5.1	5,074.3
Warehousing & support activities for transportation	32.5	51.0	3.3	46.0	7.3	1.6	3.4	1.8	5.2	4.4	0.6	0.2	480.2	-	-	-	66.7	-	-	-
ACCOMMODATION & FOOD SERVICE ACTIVITIES	21.1	67.7	(28.2)	20.7	(8.6)	1.4	(21.0)	0.5	6.9	9.3	3.9	5.3	0.4	0.5	0.7	-	2.0	0.8	-	-
Accommodation & Food service activities	21.1	67.7	(28.2)	20.7	(8.6)	1.4	(21.0)	0.5	6.9	9.3	3.9	5.3	0.4	0.5	0.7	-	2.0	0.8	-	-
INFORMATION & COMMUNICATION	423.4	220.7	35.3	491.5	224.3	20.0	48.5	23.6	40.2	50.9	1.4	49.5	39.3	0.3	11.3	1.9	0.2	0.2	0.0	0.0
Other information technology and computer service activities	1.2	0.3	1.0	2.2	0.1	0.0	0.1	-	0.0	-	-	-	-	0.0	-	-	0.2	0.2	0.0	0.0
Publishing of books, periodicals & other publishing activities	0.4	0.6	(0.1)	0.5	(0.1)	0.0	(0.1)	-	0.0	0.1	0.0	0.1	0.2	0.2	0.0	0.0	-	-	-	-
Telecommunications	421.7	219.9	34.4	488.8	224.4	20.0	48.5	23.6	40.2	50.8	1.4	49.4	39.1	0.1	11.3	1.9	0.1	-	-	-
FINANCE & INSURANCE ACTIVITIES	4,218.2	2,840.2	486.7	564.9	150.3	61.7	126.5	38.7	134.5	110.6	20.0	87.3	8.0	(17.5)	25.2	(0.2)	0.1	-	0.2	0.0
Financial service activities, except insurance and pension funding	4,152.3	2,791.9	475.1	490.2	146.2	60.3	122.1	37.5	127.5	98.7	17.9	78.3	7.5	-	17.5	16.4	0.1	-	0.2	0.0
Monetary intermediation	4,152.3	2,791.9	475.1	490.2	146.2	60.3	122.1	34.5	127.5	98.7	17.9	78.3	7.5	-	17.5	16.4	0.1	-	0.2	0.0
Insurance, reinsurance and pension funding, except compulsory social security	47.8	40.9	8.8	67.2	1.7	0.5	2.8	-	4.6	10.3	2.2	7.4	0.5	(17.5)	7.7	(16.6)	-	-	-	-
Life insurance	18.9	14.5	4.4	27.6	1.0	0.0	0.9	-	1.4	9.1	1.7	7.4	0.0	-	7.7	0.8	-	-	-	-
Non-life insurance	28.9	26.4	4.3	39.5	0.7	0.4	1.9	-	3.3	1.2	0.4	0.1	0.4	(17.5)	-	(17.5)	-	-	-	-
Activities auxiliary to insurance and pension funding	18.1	7.4	2.9	7.5	2.4	0.9	1.6	1.2	2.4	1.6	-	1.6	0.0	-	-	-	0.0	-	-	-
Activities auxiliary to insurance and pension funding	18.1	7.4	2.9	7.5	2.4	0.9	1.6	1.2	2.4	1.6	-	1.6	0.0	-	-	-	0.0	-	-	-
ADMINISTRATIVE AND SUPPORT SERVICE ACTIVITIES	1.3	0.5	0.4	2.9	1.2	-	(0.2)	-	0.4	1.7	-	1.7	0.0	-	-	-	0.0	-	-	-
Rental and leasing activities	0.5	0.0	0.0	0.3	0.2	-	-	-	0.0	-	-	-	-	-	-	-	-	-	-	-
Travel agency, tour operator reservation service & related activities	0.9	0.5	0.3	2.6	0.9	-	(0.2)	-	0.4	1.7	-	1.7	0.0	-	-	-	0.0	-	-	-
EDUCATION	0.1	0.0	0.1	0.2	0.0	-	0.0	-	-	0.1	0.0	0.0	-	-	-	-	-	-	-	-
Education	0.1	0.0	0.1	0.2	0.0	-	0.0	-	-	0.1	0.0	0.0	-	-	-	-	-	-	-	-
PROFESSIONAL, SCIENTIFIC AND TECHNICAL ACTIVITIES	7.7	11.5	2.3	9.8	2.9	0.3	0.9	-	3.5	2.7	-	1.2	0.0	-	-	1.4	0.0	-	1.0	-
Accounting, bookkeeping and auditing activities; tax consultancy	2.2	7.7	0.6	2.4	0.5	-	0.4	-	1.1	1.2	-	1.2	0.0	-	-	1.4	0.0	-	0.6	-
Advertising	3.3	2.2	1.1	2.0	0.3	-	0.3	-	0.1	0.1	-	-	-	-	-	-	-	-	-	-
Architectural and engineering activities; technical testing and analysis	2.1	1.2	0.8	5.4	2.1	0.3	0.4	-	2.3	1.5	-	-	0.0	-	-	-	0.0	-	0.5	-
Management consultancy activities	0.1	0.4	(0.2)	0.1	(0.0)	-	(0.2)	-	-	0.0	-	0.0	0.0	-	-	-	-	-	-	-
REAL ESTATE ACTIVITIES	366.5	76.6	102.1	31.1	(6.8)	(5.0)	(8.5)	-	0.9	22.8	22.4	0.3	0.6	-	-	-	0.0	-	-	-
Real estate activities	366.5	76.6	102.1	31.1	(6.8)	(5.0)	(8.5)	-	0.9	22.8	22.4	0.3	0.6	-	-	-	0.0	-	-	-
GRAND TOTAL	**7,226.2**	**7,030.2**	**1,388.6**	**4,288.9**	**559.8**	**153.4**	**208.8**	**107.4**	**442.6**	**1,530.4**	**1,013.3**	**348.7**	**1,429.2**	**391.8**	**58.8**	**23.4**	**271.3**	**76.7**	**15.7**	**5,083.7**

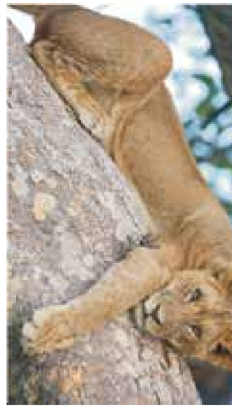
Source: Foreign Private Investment & Investor Perceptions Survey, 2016



Annex XIV: Inward Pure Services by Industry (US $ million, 2015) (Continued)

ICFA Headings/Elements	Gross Fixed Capital formation	Of which: Research and Development	Of which: Disposal of buildings & other structures	Of which: Land improvements	Of which: Machinery & Equipment	Of which: Other fixed assests	Training Expenditure	Payments for royalties and license fees	Value of closing stock	Value of opening stock	Gross Output (value)	Management fees	Operating Expenditure	Value-added	Total number of employees at end 2015
AGRICULTURE, FORESTRY AND FISHING	20.6	0.9	3.1	3.2	8.2	5.2	0.1	0.0	38.6	82.3	147.1	(0.0)	34.4	112.7	2,895.0
Support services to agriculture & Post harvest crop activities	20.6	0.9	3.1	3.2	8.2	5.2	0.1	0.0	38.6	82.3	147.1	(0.0)	34.4	112.7	2,895.0
MINING AND QUARRYING	1.1	-	0.1	-	1.3	(0.3)	0.0	-	1.6	2.9	75.6	0.7	61.1	3.0	2,308.0
Mining support service activities	1.1	-	0.1	-	1.3	(0.3)	0.0	-	1.6	2.9	75.6	0.7	61.1	3.0	2,308.0
MANUFACTURING	127.1	-	53.5	-	-	73.6	0.0	0.2	20.0	36.7	88.8	-	57.4	31.4	140.0
Repair and installation of machinery and equipment	127.1	-	53.5	-	-	73.6	0.0	0.2	20.0	36.7	88.8	-	57.4	31.4	140.0
ELECTRICITY	90.3	87.4	-	-	2.7	0.2	-	-	-	-	323.8	1.0	60.2	263.5	465.0
Electric power generation, transmission & distribution	90.3	87.4	-	-	2.7	0.2	-	-	-	-	323.8	1.0	60.2	263.5	465.0
CONSTRUCTION	48.3	-	1.7	0.0	46.1	0.5	0.0	0.0	0.3	1.4	318.0	1.4	201.6	77.8	6,268.0
Construction	48.3	-	1.7	0.0	46.1	0.5	0.0	0.0	0.3	1.4	318.0	1.4	201.6	77.8	6,268.0
WHOLESALE & RETAIL TRADE	65.5	0.0	31.3	11.5	19.5	3.2	4.5	14.7	249.9	688.0	1,819.0	19.5	508.8	1,218.9	8,862.0
Retail trade, except for motor vehicles & motor cycles	63.3	0.0	30.8	11.4	18.5	2.6	4.4	14.7	222.2	654.4	1,659.1	19.5	456.0	1,111.9	8,231.0
Wholesale & retail trade and repair of motor vehicles & motor cycles	2.2	-	0.5	0.2	1.0	0.5	0.1	0.0	27.6	33.6	159.9	0.1	52.8	107.0	631.0
TRANSPORT & STORAGE	12.4	0.8	0.9	4.1	5.3	1.2	0.2	0.4	2.0	2.1	146.3	1.4	48.1	99.2	1,974.0
Air transport	4.7	-	-	0.9	3.8	0.1	0.0	-	-	0.0	1.8	-	0.5	1.3	20.0
Freight transport by road	1.5	0.8	0.0	-	0.7	0.0	0.0	0.1	1.9	2.0	98.4	0.9	31.2	67.2	1,287.0
Warehousing & support activities for transportation	6.2	-	0.9	3.3	0.9	1.2	0.2	0.3	0.1	0.1	46.1	0.6	16.4	30.7	667.0
ACCOMMODATION & FOOD SERVICE ACTIVITIES	2.8	-	2.0	0.0	0.5	0.3	0.1	0.1	0.6	1.1	20.6	0.8	13.4	14.2	857.0
Accommodation & Food service activities	2.8	-	2.0	0.0	0.5	0.3	0.1	0.1	0.6	1.1	20.6	0.8	13.4	14.2	857.0
INFORMATION & COMMUNICATION	43.3	-	0.6	2.5	26.9	13.3	-	0.0	4.8	2.1	494.4	6.4	112.1	382.4	1,144.0
Other information technology and computer service activities	0.1	-	0.1	-	-	0.1	-	-	0.1	0.0	2.3	-	2.2	0.1	104.0
Publishing of books, periodicals & other publishing activities	0.0	-	-	-	-	0.0	-	0.0	-	-	0.5	-	0.0	0.5	19.0
Telecommunications	43.2	-	0.6	2.5	26.9	13.2	-	-	4.7	2.0	491.6	6.4	109.8	381.8	1,021.0
FINANCE & INSURANCE ACTIVITIES	20.9	0.8	0.4	10.2	8.8	0.8	67.1	1.8	-	-	564.9	7.9	200.2	369.3	4,702.0
Financial service activities, except insurance and pension funding	20.6	0.8	0.4	10.2	8.6	0.7	67.0	1.3	-	-	490.2	6.4	174.3	313.2	4,385.0
Monetary intermediation	20.6	0.8	0.4	10.2	8.6	0.7	67.0	1.3	-	-	490.2	6.4	174.3	313.2	4,385.0
Insurance, reinsurance and pension funding, except compulsory social security	0.3	-	-	-	0.1	0.2	0.1	0.2	-	-	67.2	1.1	21.4	53.1	237.0
Life insurance	0.3	-	-	-	0.3	0.0	-	-	-	-	27.6	0.1	4.6	23.0	102.0
Non-life insurance	(0.0)	-	-	-	(0.1)	0.1	0.1	0.2	-	-	39.5	1.0	16.8	30.1	135.0
Activities auxiliary to insurance and pension funding	0.1	-	-	-	0.1	-	0.0	0.3	-	-	7.5	0.3	4.5	3.0	80.0
Activities auxiliary to insurance and pension funding	0.1	-	-	-	0.1	-	0.0	0.3	-	-	7.5	0.3	4.5	3.0	80.0
ADMINISTRATIVE AND SUPPORT SERVICE ACTIVITIES	0.4	-	-	-	0.4	0.0	0.0	0.0	0.1	-	3.0	-	3.0	3.0	263.0
Rental and leasing activities	0.3	-	-	-	0.3	-	-	-	0.1	-	0.4	-	0.2	0.2	206.0
Travel agency, tour operator reservation service & related activities	0.2	-	-	-	0.2	0.0	0.0	0.0	-	-	2.6	-	2.8	2.8	57.0
EDUCATION	-	-	-	-	-	-	-	-	-	-	0.2	-	0.2	0.0	4.0
Education	-	-	-	-	-	-	-	-	-	-	0.2	-	0.2	0.0	4.0
PROFESSIONAL, SCIENTIFIC AND TECHNICAL ACTIVITIES	0.2	-	-	-	0.2	-	0.2	0.4	-	-	9.8	-	5.7	4.0	327.0
Accounting, bookkeeping and auditing activities; tax consultancy	0.1	-	-	-	0.1	-	0.2	-	-	-	2.4	-	1.0	1.4	124.0
Advertising	-	-	-	-	-	-	0.0	-	-	-	2.0	-	1.5	0.5	8.0
Architectural and engineering activities; technical testing and analysis	0.1	-	-	-	0.1	-	-	0.4	-	-	5.4	-	3.2	2.1	187.0
Management consultancy activities	-	-	-	-	-	-	-	-	-	-	-	-	0.0	(0.0)	8.0
REAL ESTATE ACTIVITIES	111.7	-	-	0.6	-	111.1	0.0	0.0	-	-	31.1	0.3	37.6	(6.5)	189.0
Real estate activities	111.7	-	-	0.6	-	111.1	0.0	0.0	-	-	31.1	0.3	37.6	(6.5)	189.0
GRAND TOTAL	**544.7**	**90.0**	**93.5**	**32.2**	**119.9**	**209.1**	**72.2**	**17.6**	**317.8**	**816.6**	**4,042.7**	**39.5**	**1,344.0**	**2,572.9**	**30,398.0**

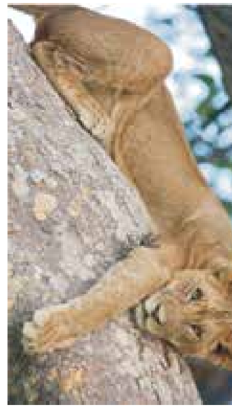
Source: Foreign Private Investment & Investor Perceptions Survey, 2016



Annex XVI: Inward Pure Services Categories Affiliates Statistics by source country (US $ million, 2015)

FATS Category	Botswana	Cameroon	Canada	Cayman Islands	Channel Islands	China PR	France	Germany	Guernsey	Hong Kong	Ireland	Japan	Kenya	Luxembourg	Malawi	Mauritius	Namibia	Netherlands
Total assets at end 2015	234.1	23.7	12.2	1.1	18.0	785.1	98.0	12.9	3.4	0.4	954.7	60.0	15.4	10.8	20.7	392.2	6.8	1,149.7
Total liabilities (excluding Equity) at end 2015	200.1	30.8	24.5	0.9	1.4	536.4	104.0	6.8	2.6	0.8	349.0	63.5	7.7	0.8	23.1	227.0	2.2	359.6
Net worth at end 2015	33.9	(2.1)	(12.4)	0.2	4.5	99.7	30.9	6.1	0.8	(3.4)	494.7	42.8	7.3	8.7	1.9	57.9	2.3	129.7
Sales or turnover in 2015	37.8	5.4	2.9	1.2	34.3	309.4	390.2	4.4	14.4	1.7	669.3	105.0	102.4	44.1	24.5	708.9	15.0	430.6
Net Operating Surplus (or loss)	0.3	(4.1)	(10.9)	0.2	0.4	(21.5)	13.3	(3.6)	0.3	(1.2)	57.0	15.5	1.2	4.5	(1.8)	64.1	2.1	234.5
Taxes on Income	2.8	0.1	-	0.1	0.2	6.1	2.1	0.5	0.1	-	27.2	7.8	1.0	1.5	(0.1)	17.0	0.5	19.9
Net Profit After Tax (Earnings)	(0.9)	(3.9)	(10.5)	0.3	0.2	(33.3)	5.3	(2.7)	0.1	(1.2)	63.7	-	1.2	2.8	(0.1)	(22.8)	1.5	59.3
Total dividends distributed/declared	-	-	-	-	-	4.4	5.0	-	0.0	-	18.7	5.0	-	-	-	15.0	-	32.9
Compensation of Employee	7.1	1.3	0.2	14.4	4.9	48.1	13.2	1.1	1.3	8.7	23.4	6.3	1.9	3.0	1.9	35.9	0.9	46.5
Total purchases of domestic goods and services	14.1	-	-	0.0	0.4	178.1	6.4	-	8.2	-	206.3	-	2.0	5.4	-	500.4	3.7	19.5
Of which: goods	11.4	-	-	0.0	0.1	91.9	4.9	-	8.2	-	205.9	-	1.2	5.4	-	271.0	2.4	7.7
Of which: services	-	-	-	-	0.3	14.1	0.8	-	-	-	0.3	-	4.5	-	-	151.7	1.3	9.3
Total imports of goods	2.2	-	3.1	0.7	25.0	78.5	81.1	-	6.4	0.0	128.6	46.7	2.8	27.9	0.1	190.6	1.4	60.7
Of which: from foreign affiliates	0.1	-	0.3	0.7	0.2	6.2	-	-	6.4	-	-	-	1.6	25.1	(17.5)	99.5	1.0	57.1
Total imports of services	3.9	-	-	-	0.0	0.1	-	-	0.1	-	-	-	0.6	-	-	12.3	0.8	6.5
Of which: from foreign affiliates	3.9	-	-	0.0	0.0	-	-	-	0.1	-	-	-	-	-	(17.5)	4.3	0.8	2.4
Total exports of goods	0.1	-	3.3	-	0.6	1.9	20.3	-	0.1	-	0.8	0.0	0.5	-	-	22.8	0.3	12.2
Of which: to foreign affiliates	-	-	0.9	-	0.4	1.9	-	-	-	-	4.4	-	-	-	-	-	-	1.3
Total exports of services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.6	0.3	0.0
Of which: to foreign affiliates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.3	-
Gross Fixed Capital formation	2.9	-	0.1	-	0.1	154.2	13.6	-	0.2	-	87.5	1.9	0.5	2.0	0.1	66.8	0.1	6.5
Of which: Research & Development	-	-	-	-	-	-	0.8	-	-	-	87.4	-	-	-	-	-	-	-
Of which: Buildings & Structure	-	-	-	-	0.1	2.0	3.1	-	-	-	-	0.4	0.2	-	-	10.5	-	0.0
Of which: Land improvements	-	-	-	-	-	0.0	9.6	-	0.2	-	-	-	0.0	-	-	2.5	-	1.5
Of which: Machinery& Equipment	2.5	-	0.1	-	-	41.0	0.1	-	-	-	-	1.0	0.1	2.0	-	39.9	0.1	4.0
Of which: Other fixed assests	0.4	-	-	-	0.0	111.1	-	-	-	-	0.0	0.5	0.2	-	0.1	13.8	-	1.0
Training Expenditure	0.3	-	-	0.0	0.0	0.1	2.2	0.1	0.0	-	0.0	-	0.0	0.0	0.1	1.1	-	0.0
Payments for royalties and license fees	0.2	-	-	-	0.0	0.0	2.2	-	-	-	9.9	-	0.0	-	-	0.5	0.2	0.7
Value of closing stock	0.3	-	-	0.2	3.7	0.9	18.7	-	0.8	-	18.1	20.1	1.6	11.9	-	82.4	0.3	23.9
Value of opening stock	-	-	-	0.3	7.0	4.2	448.9	-	2.5	-	21.2	20.6	3.5	13.1	-	80.0	0.5	27.5
Gross Output (value)	38.1	5.4	2.9	1.2	33.8	307.4	79.7	4.4	13.6	-	676.7	104.5	101.9	49.5	24.5	755.2	15.0	440.8
Management fees	-	-	-	0.0	0.0	2.6	0.0	1.3	-	0.1	2.7	-	0.2	-	0.7	14.4	0.1	1.8
Operating Expenditure	25.8	4.2	-	0.5	33.4	197.5	29.7	5.6	3.5	1.2	72.9	13.4	65.0	25.7	4.7	180.6	9.6	144.4
Value-added	12.4	1.2	2.9	0.7	0.4	68.6	50.0	(1.2)	10.1	(1.2)	603.7	91.1	36.9	23.8	19.9	486.3	12.7	296.4
Total number of employees at end 2015	404.0	110.0	49.0	14.0	245.0	4,538.0	795.0	407.0	56.0	30.0	561.0	271.0	107.0	647.0	79.0	4,612.0	81.0	1,282.0

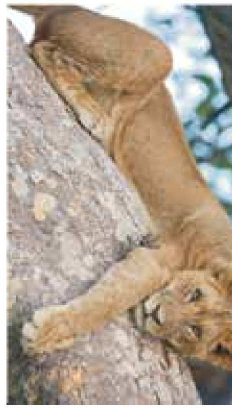
Source: Foreign Private Investment & Investor Perceptions Survey, 2016



Annex XVI: Inward Pure Services Categories Affiliates Statistics by source country (US $ million, 2015) cont'd

FATS Category	Nigeria	Other	Peru	Samoa	Seychelles	Singapore	South Africa	Sweden	Switzerland	Togo	United Arab Emirates	United Kingdom	United States	British Virgin Islands	Yemen	Zimbabwe	Grand Total
Total assets at end 2015	58.6	0.4	20.1	3.8	10.4	36.1	1,564.4	68.2	119.2	119.2	0.2	1,146.7	238.3	3.3	14.8	23.3	7,226.2
Total liabilities (excluding Equity) at end 2015	48.3	0.4	15.6	3.7	2.3	38.9	3,216.0	8.2	648.3	92.8	0.1	832.1	177.6	2.2	1.8	0.5	7,030.2
Net worth at end 2015	10.2	(0.2)	3.8	0.1	(1.4)	28.2	217.5	40.8	(76.7)	26.4	0.1	147.5	55.1	1.1	14.8	17.9	1,388.6
Sales or turnover in 2015	0.7	-	10.4	1.5	28.1	9.6	732.3	103.1	143.1	13.9	0.7	251.5	55.7	2.0	14.3	20.7	4,288.9
Net Operating Surplus (or loss)	0.2	(0.2)	6.0	0.1	-	3.0	110.3	7.3	(3.6)	2.7	0.0	63.1	6.0	0.3	9.2	5.0	559.8
Taxes on Income	0.1	-	0.0	-	0.2	1.1	25.6	2.9	1.8	1.0	0.0	25.2	8.4	-	0.3	0.0	153.4
Net Profit After Tax (Earnings)	0.1	(0.2)	1.7	0.1	(3.1)	1.9	82.4	4.4	(17.0)	1.7	0.0	71.3	1.1	0.3	0.6	4.6	208.8
Total dividends distributed/declared	-	-	-	-	-	-	4.9	2.0	1.8	-	-	19.2	-	-	-	1.5	110.4
Compensation of Employee	2.0	0.1	11.0	0.5	1.3	2.4	119.0	6.0	14.6	4.4	0.1	46.3	8.0	0.1	5.2	1.5	442.6
Total purchases of domestic goods and services	-	-	19.4	0.9	19.6	-	323.7	7.6	116.9	-	-	44.4	34.4	0.1	8.2	10.6	1,530.4
Of which: goods	-	-	12.9	0.4	17.5	-	234.1	1.4	89.6	-	-	10.3	29.0	-	-	7.9	1,013.3
Of which: services	-	-	5.3	0.5	2.1	-	88.1	6.2	23.5	-	-	32.6	5.5	-	-	2.7	348.7
Total imports of goods	0.1	0.0	2.7	-	0.2	0.0	225.1	74.7	395.7	0.1	-	70.3	3.6	-	0.3	0.7	1,429.2
Of which: from foreign affiliates	-	-	0.1	-	-	-	67.1	71.0	13.0	-	-	59.8	0.1	-	-	-	391.8
Total imports of services	-	-	-	0.1	-	-	25.0	0.8	1.9	-	-	0.3	0.1	-	-	6.2	58.8
Of which: from foreign affiliates	-	-	-	-	-	-	14.7	0.8	1.3	-	-	5.8	0.4	-	-	6.2	23.4
Total exports of goods	-	-	-	-	0.0	0.0	102.0	7.0	66.7	-	0.1	10.5	6.2	-	-	15.8	271.3
Of which: to foreign affiliates	-	-	-	-	-	-	43.7	1.0	22.5	-	-	-	0.8	-	-	-	76.7
Total exports of services	-	-	-	-	-	-	11.4	0.3	-	-	0.1	0.5	2.6	-	-	-	15.7
Of which: to foreign affiliates	-	-	-	-	-	-	5,080.4	0.3	-	-	0.1	-	2.6	-	-	-	5,083.7
Gross Fixed Capital formation	-	0.0	0.6	0.1	(0.0)	0.4	159.6	16.8	4.0	5.8	-	4.9	5.6	-	-	10.6	544.7
Of which: Research & Development	-	-	-	-	-	-	-	-	-	-	-	0.8	-	-	-	0.9	90.0
Of which: Buildings & Structure	-	-	0.1	-	0.0	-	58.8	17.3	0.6	-	-	0.1	0.3	-	-	0.0	93.5
Of which: Land improvements	-	-	-	0.0	-	0.6	10.3	1.7	-	2.5	-	-	-	-	-	3.2	32.2
Of which: Machinery& Equipment	-	-	0.8	0.1	(0.1)	(0.2)	10.1	0.4	2.2	3.3	-	3.3	5.3	-	-	4.0	119.9
Of which: Other fixed assests	-	0.0	(0.3)	-	0.0	-	80.4	(2.6)	1.2	-	-	0.7	0.0	-	-	2.5	209.1
Training Expenditure	0.1	0.0	-	0.0	0.0	-	1.5	0.1	0.0	65.1	-	1.3	0.1	0.0	-	0.1	72.2
Payments for royalties and license fees	-	0.0	-	-	-	-	1.8	-	1.1	-	0.0	1.1	0.0	-	0.1	-	17.6
Value of closing stock	-	-	1.6	-	0.4	-	49.3	20.3	33.3	-	-	21.2	2.9	-	-	6.0	317.8
Value of opening stock	-	-	2.7	-	0.9	-	79.0	20.0	46.7	-	-	23.1	3.8	-	-	11.1	816.6
Gross Output (value)	0.7	-	10.4	1.5	28.0	9.6	730.3	103.4	145.6	13.9	0.7	251.4	56.6	2.0	14.3	20.0	4,042.7
Management fees	-	-	-	-	-	-	8.8	-	2.5	1.0	-	3.3	-	-	-	-	39.5
Operating Expenditure	3.2	-	7.1	1.1	11.5	3.7	302.5	9.8	58.7	11.6	0.5	88.7	20.7	1.5	-	5.7	1,344.0
Value-added	(2.5)	-	(5.3)	0.4	16.5	5.9	425.8	93.5	94.5	2.3	0.2	162.1	35.9	0.5	14.3	14.3	2,572.9
Total number of employees at end 2015	115.0	2.0	1,559.0	42.0	140.0	65.0	7,605.0	361.0	2,003.0	140.0	146.0	2,575.0	501.0	8.0	178.0	670.0	30,398.0

Source: Foreign Private Investment & Investor Perceptions Survey, 2016






Annex XVI: List of Survey Team

Bank of Zambia (BoZ)

Ms Chisala Sofia Ngandwe

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Ms Barbara Muntanga

Mr Royd Manenga

Mr Fred Mushimba

Mr Kafula Longa

Mr Emmanuel Chokwe

Mr Godwin Sichone

Mr Wachisa Sibale

Zambia Development Agency (ZDA)

Mr Collins Sifafula

Ms Sombo Kaweza

Mr Mbachi Kaunda

Mr Vincent Likomeno

Central Statistical Office (CSO)

Mr Chipulu Kapaya

Ms Inkwase Daka

Ms Nancy Kazembe

Ministry of Tourism

Ms Robina Chilambwe

Ms Agness Lungu

Ministry of Commerce, Trade and Industry

Mr Humphrey Kaunda

Bank Of Zambia

Republic of Zambia