

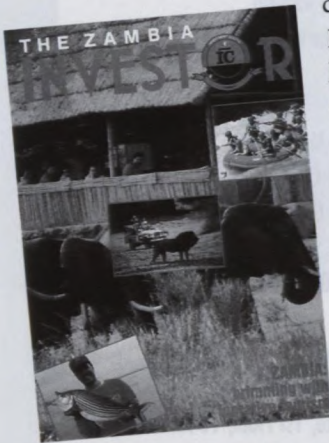
world. Using modern processing methods at its new Kabwe Mineral Processing Plant, the company can extract both cobalt and copper from the slag left after 60 years of copper smelting in the area. To enable advanced processing Colossal purchased a company in South Africa and now operates a modern hydrometallurgical processing plant near Johannesburg.

Lusaka Stock Exchange

Not nearly as highly capitalized as Johannesburg nor as active as Namibia, the youthful Lusaka Stock Exchange (LuSE) is still an important indicator of Zambia's increasing market orientation as well as a potentially important way to raise money or invest in privatized

companies. Operational from 1994 with help from the International Finance Corporation and the World Bank, the LuSE's listed companies now include ZCCM, Rothmans, Standard Chartered Bank, Bata Shoes, Zambia Sugar, Zambia Breweries, and Trans Zambezi Industries. Listed companies receive an added benefit:

corporate tax 5% less than the 35% standard rate. And unlike some other stock exchanges in Africa, there are no restrictions on foreign investment.



Challenges & Opportunity

Zambia is making tough adjustments to make its economy more efficient and more attractive to foreign investors. Outside the mining and telecom sectors, however, the economy remains relatively small and unsophisticated. With continued assistance from IFIs and donors, the rehabilitation of infrastructure should help provide the groundwork for a growing economy and increasing employment. Inflation and interest rates, both running unacceptably high, are obstacles to local investment but access to foreign equity and loans can overcome this hurdle.

Opportunities exist not only for Canadian exports and investment in mining (exploration, production, and suppliers), but also in the energy, telecom, transportation, tourism, manufacturing, forest products, agri-business – including horticulture – plus the education, training and consulting service sectors.

Recently, for instance, the Association of Canadian Community Colleges won a World Bank-funded consulting contract as part of the Zambia Education Rehabilitation Project.

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