Indian Private Companies and Zambia’s Economic Development, 1964-2015

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Abstract: Most scholarly writings on the presence of business people of Indian origin in Zambia have tended to emphasise their role in commerce; retail and wholesale trading. However, since Zambia’s liberalisation of the economy and introduction of plural politics in 1991, there emerged a paradigm shift towards other economic sectors. Business people of Indian origin gravitated towards manufacturing, farming, agro-processing, water exploration and drilling and, by 2015, construction and real estate development. Their contribution emerged as one of the major pillars of the post-1991 liberalised Zambian economy. Since then these firms were making steady but significant inroads into Zambia’s agricultural and emerging industrial sectors. There were private Indian business people and Zambians of Indian origin who invested in crop and livestock farming. There were also some companies that engaged in agricultural plant machinery and equipment merchandising and production of agro-chemicals. Zambia’s largest steel plant commissioned in 2010; with both direct and indirect linkages to agriculture is owned by one of Zambia’s largest manufacturing companies, Trade Kings. Zambians of Indian ancestry have a significant shareholding in Trade Kings. The only Coal powered electricity generation plant (300 megawatts) situated in southern Zambia, commissioned in 2016 was developed by an Indian-owned company. In the last decade, most private companies involved in underground water exploration and drilling for irrigation and for domestic consumption are of Indian origin. Up to 2015 the Zambian economy witnessed increased investments in the construction industry and real estate development by investors of Indian origin or Zambians of Indian descent. This study attempts to investigate the emergence, growth and contribution of Indian private companies to Zambia’s economic development from 1964 to 2015.

Key Words: - Private, Development, Economic, Investments, Companies.

I. INTRODUCTION

Scholarly discourse on the presence of Indian private companies in Zambia has tended to emphasise Indian people’s role in commerce; retail and wholesale trading. Lewis H. Gann, BJ Phiri, Friday Mufuzi and others have written about Indians and Indian traders in both colonial and post-colonial Zambia.1 These writers show how Indians played a role in providing trading services, and to the extent to which they went in establishing a niche for themselves in trade-related commercial activities in colonial and post-colonial Zambia. Some writers, for example Biswas and Dubey emphasised Indian’s role in Africa’s economic landscape for purposes of India’s energy security and a market for India’s goods and services;2 yet others, like Fantu Cheru and Cyril Obi, have compared India’s economic performance and influence in Africa with that of China.3 This paper takes a divergent perspective by looking at India’s economic footprint on the African landscape through a micro-prism of Indian private companies and their role and impact on Zambia’s economic development between 1964 and 2015.

Since Zambia’s liberalisation of the economy and introduction of plural politics in 1991, there was a surge followed by continuous flow of Indian investments into the Zambian economy underpinned mostly by factors both internal and external to the Zambian economy. The internal factors had to do with the introduction of ‘investor-friendly’ policies by the Zambian government since 1991, and the existence of relative peace in Zambia. The external factors mostly arose in India’s paradigm shift from the restrictive policy regime to a liberalised and relaxed economic policy regime. In 1991-92 the Indian trade and industrial policy framework underwent a dramatic opening up of the policy frontiers to both external investments and also legalisation of external investment through foreign direct investment (FDI). A combination of these two policy drives gave impetus to the Indian business community to seize some of the opportunities in the Zambian economy by undertaking private investments in Zambia. Unlike their colonial and early post-colonial

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counterparts, post-1991 Indian private companies that sought to invest in Zambia tended to be biased towards mining, manufacturing, farming, agro-processing, water exploration and drilling, and most recently, power generation and construction. The contribution of these private companies has emerged as one of the major pillars of the post-1991 liberalised Zambian economy. In terms of size of investment (by annual revenue turnover), mining took the lion’s share of not just Indian private companies, but all foreign companies doing business in Zambia. At the end of 2015, for example, the second highest revenue turnover among Zambian industries, by Konkola Copper Mines (KCM), owned by India’s Vedanta Resources, stood second highest. It recorded a revenue turnover of US$1.1 billion; second only to Kansanshi Copper Mines owned by First Quantum Minerals, which earned a turnover of US$1.7 billion. In spite of its lower revenue turnover than Konkola Copper Mines, Tata Africa Holdings was the first major Indian company to invest in Zambia. Tata Africa Holdings established a motor assembly plant in Ndola on Zambia’s mining Copperbelt Province in 1977, in the days of the restrictive socialist policies that Zambia pursued then. Tata Africa also acquired Pamodzi Hotel and renamed it Taj Pamodzi Hotel, in the post-1991 liberalisation of the Zambian economy. 6 Another (though later) entrant into the Zambian mining sphere is Taurian Manganese. This company was reported by Reuters, to have had plans of investing a total US$150 million in manganese processing in central Zambia by 2015. At full capacity, the company was envisaged to be able to produce 720 thousand tonnes of processed manganese, and would employ about 700 workers once fully operational. 6

In addition to these private investments from India into the Zambian economy, there were other Indian private investments in Zambia. Bharti Airtel of India acquired Zain Zambia in 2010, and since then Airtel became one of Zambia’s fastest growing mobile communication service providers. Although Airtel faced very stiff completion from both MTN and ZAMTEL, and later Vodafone (the latest Internet provider entrant), Airtel’s market share kept growing. Airtel was only second to MTN in terms of mobile phone subscriber base and revenue in Zambia. In 2017, while MTN posted total annual revenue of US$289 million, Airtel Zambia posted US$208 million. 7 In April, 2014 Indian investments in Zambia employed about 25,000 workers in various sectors of the Zambian economy. 8

II. HISTORICAL BACKGROUND

The presence in Zambia of business entities of Indian origin is not a new phenomenon. It is often jokingly said that Indian businessmen followed colonialism into northern Rhodesia. These companies have been major pillars of the Zambian economy for a very long time. Indian private companies’ and individual business people of Indian origin could be traced to the imposition of British colonial rule during the first two decades of the twentieth century. British colonial rule in present day Zambia, initially began in the 1890s with the signing of treaties between some African chiefs and the European concession hunters acting as agents of the British South Africa Company (BSAC) owned by Cecil John Rhodes. These concession hunters signed two major treaties with the King of Barotseland, Lewanika that brought North-western Rhodesia under effective British control. North-eastern Rhodesia was colonised differently as the inhabitants of these lands were not ready to give up their lands without a fight. Thus, the BSAC fought battles with the Ngoni of eastern Zambia and the Bemba-speaking peoples of the northern part of Zambia. Ngoniland and Bembaland were only forcibly incorporated into the new colonial enterprise in the late 1890s. This remained so until 1911 when the amalgamation of the two territories of North-western and North-eastern Rhodesia into Northern Rhodesia was made by the BSAC. In 1924 the BSAC ceded administrative responsibility over Northern Rhodesia to the British Colonial Office in London; who made it a Protectorate in that year.

The establishment of Indian private companies in Zambia happened across all economic frontiers. Historically Indian private companies provided the second of the two earliest foreign direct investments (FDI) in Zambia; although this has largely not been recognised. Although the first form of foreign direct investment that came to Zambia in the first decades of the 20th century were from South Africa, Europe, and the Unites States of America, in the form of large scale mining investments, these were followed by business people and service providers whose services complemented mining capital. Among these early service providers were Indian business people (from East Africa, South Africa and some, later especially private enterprises, directly from India. These, from very early times of the colonial enterprise in Zambia, established key retail and wholesale trading enterprises. 3 This was an early form of foreign direct investment into Zambia.

Later, descendants (Zambians from independence in 1964) of these pioneer Indian business people continued to play a critical role in retail, wholesale trading and, in

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manufacturing later. Some of the manufacturing firms in Zambia up to 1991 and beyond, were owned by Indian private companies. Such companies as Tata Africa in Ndola since 1977 and Sackiza Spinning Mills in Kitwe had been in Zambia for a long time. Up to 2015, Indian private companies in Zambia were on the upsurge both in manufacturing and in other economic sectors. Manufacturing companies like Varun Holdings (Pepsi), and others like Saro-Agro, Bharti Ventures Limited, Kalpataru Power, Taj Pamosdi Hotel, Airtel, and, indirectly other companies like Indo-Zambia Bank which is a state bank in India, but for purposes of this study, the bank is used because of its lending portfolio to the private sector and to individuals especially those engaged in Small and Medium Enterprises (SMEs). Therefore, since 1991 Indian private investments have enjoyed steady and significant inroads into Zambia’s re-emerging economic sector and more so in the emerging industrial sectors. Up to 2015 a few more Indian companies intended to set base in Zambia, or to increase their existing investment portfolios in the various sectors of the Zambian economy including agriculture and mining. In 2010 Ahmed Sheni, of Sheni Agro-Suppliers, in an interview in Chipata, stated that ‘There are … Indians investing in agriculture in Zambia… though many of them are involved in other kinds of businesses other than agriculture. So we can say Indian investment here (Chipata) is not stagnant, but growing’.10 In the same year, the Zambia Development Agency (ZDA) signed a memorandum of understanding (MoU) with Neha International Limited, through which the latter acquired 100, 000 hectares of land for agricultural food production. In a research report in March 2013, Annalisa Prizzon noted that since 2011-2012, Zambia graduated from being a lower income bracket into the lower middle income group, such that ‘In September 2012 the Government of the Republic of Zambia (henceforth, the GRZ) issued $750 million 10-year Eurobonds, which were oversubscribed 24 times’.11 This meant that the Zambian economy had graduated from being mostly dependent on donor funding to being able to negotiate for FDI and for other forms of development investment other than donor aid. It also enabled Zambia to be seen in better light by private companies as a safe haven where to invest their capital. This included Indian private companies. Thus, in the India Africa Brief titled ‘Courting Africa through Economic Diplomacy’, the authors, Persis Taraporevala and Rani D Mullen state that:

Indian foreign direct investment in Africa has increased from US$ 3.2 billion in 2008 to US$ 5.8 billion dollars in 2012. The phenomenal increase of Indian trade in Africa particularly between 2008 and 2013 is indicative of India’s increased focus on economic engagement with African countries.12 These figures are for the whole of Africa, but for Zambia what was comforting was the fact that Indian private companies were increasingly investing in Zambia, arising, first, from the traditional long-term bond between Zambia and India, but, and more importantly, Zambia’s rich natural resource base coupled with her improved international economic rating and the political stability that has characterised Zambia’s political landscape since independence in 1964. Further, in a survey titled ‘Foreign Direct Investment Report 2015’ for Zambia, the Zambia Development Agency (ZDA) found that ‘flows by source country in 2014 was dominated by the United Kingdom followed by Switzerland, Canada, China, India and Nigeria’.13 The fact that Indian private investments in Zambia were ranked second last, means that India’s portfolio of investment in Zambia up to 2015 were not as high as both countries would have wished the situation to be, but they were growing steadily. The reality of the matter is that India still lagged behind her competitor bracket of highly developed developing countries such as China, though the latter is also only ahead of India, according to the Report, by one step.

III. ORIGINS OF INDIAN INVESTMENTS IN ZAMBIA

The origins of Indian investments in Zambia are traceable to three major sources. First there was direct investment from India, South Africa, East Africa and elsewhere. Secondly, some Indian private investors generated capital from commercial investments within Zambia and then invested it in other economic ventures away from retail and wholesale trade. In fact, it has been observed that a good number of local Indian entrepreneurs in Zambia have been shifting their capital outlays away from retail and wholesale trading to other sectors, leading among which were manufacturing and agriculture.

Besides Individual Indian investors, and existing private Indian companies in Zambia, since 2004 there have been some major and landmark investments by Indian private companies in Zambia. Leading among these investments has been Vedanta Resources, a London listed Indian private mining conglomerate. This mining giant bought the assets of Nchanga underground and open pit mines of the Zambia Consolidated Copper Mines (ZCCM) in 2004. The new Chairman of Konkola Copper Mines, Naveen Agarwal was reported in several news media as having stated that:

… the acquisition of one of the world’s largest copper mines makes us the fifth largest producer of refined copper globally…. With 51 per cent stake in the company that contributes 15 per cent of the

10 Interview with Ahmed Sheni, Chipata, Zambia, 12th December, 2010.

African country’s GDP, Vedanta has gained full control of management as well as operations.\(^{14}\)

Vedanta Resources of India bought the Nchanga Mine comprising three mines, Nchanga underground and Nchanga Open Pit Mine, Nampundwe pyrite Mine, plus a leaching plant and a smelter and refinery, all for US$48.2 million.\(^{15}\) As stated earlier, in 2015 KCM is reported to have recorded a turnover of US$1.1 billion. This turnover was only second to that of another mining conglomerate, Kansanshi Copper Mine, owned by First Quantum Minerals Limited of Canada whose 2015 turnover stood at US$1.7 billion. These are the two largest companies in Zambia, among both private and public companies.

In the few years before 2015 there were other Indian companies that invested in Zambia. In the mining sector only one other Indian company staked its investment. On 7 February, 2012, an Online news report stated that an Indian company called Taurian Manganese Limited had ‘obtained six large concessions in Zambia for mining high-grade manganese ore and has started production in Mansa… (and) will spend US$250 million on a new manganese plant’.\(^{16}\)

Away from mining, Indian private investments grew steadily particularly in agriculture, agro-processing and agricultural machinery and equipment manufacturing and merchandising. There are companies such as Saro Group of Companies whose:

Product range encompasses tractors, trailers and agricultural equipment, Agro-processing machinery, Industrial Mining and Construction Machines, Pumps and irrigation equipment, generators and electric motors and solar solutions (sic. as well hammer mills).\(^{17}\)

Saro Group of Companies commenced operations in Zambia in 1986, as a supplier of farm equipment. It is divided into several specialised branches such as Saro Agro-Industrial Limited and Saro Technical. By 2015 Saro had grown into a large company with branches in Lusaka, the Copperbelt and other parts of Zambia.

In the Information Communication Technology (ICT) sector, Indian private companies in Zambia had quite a presence in the form of Airtel Zambia which acquired Zain Zambia in 2010 at the cost of US10.7 billion for the network spread across 18 countries in Africa. This became ‘India’s second largest overseas acquisition and first significant offshore expansion by one of the country’s telecoms operators’.\(^{18}\) Other (smaller but significant) Indian private companies in Zambia are such entities as Reliance and Shreeji, both of which deal in communications equipment operations in form of supplies rather than manufacturing.

IV. INDIAN PRIVATE COMPANIES AND INDIAN GOVERNMENT’S FOREIGN ECONOMIC POLICY

Vidhan Pathak argues that historically and until the 1990s, India and Africa enjoyed age-old relationships, with Africa occupying a special place in India’s national political consciousness and arising from India’s moral and material support for Africa’s liberation movements. India’s own anti-discrimination crusader, Mahatma Gandhi’s anti-racial fight in South Africa prior to India’s independence in 1947, together strengthened India’s presence in Africa in general and Zambia in particular. Jawaharlal Nehru, first Prime Minister of India, also once said about Africa, “though separated by the Ocean from us, it is our next door neighbour”.\(^{19}\) However, relying on history in confronting emerging problems was no longer adequate. Vidhan Pathak states that from the 1990s India’s foreign policy trajectory towards Africa underwent a ‘major comprehensive policy shift thrust’, from being mostly dependent on political relationships to being hinged on economic factors.\(^{20}\) Aparajita Biswas and Ajay Dubey go further by referring to Mawdsely and Gerard as having stated back in 2011 that:

At the forefront of India’s foreign policy priorities is energy security. Second, Africa has emerged as an important market for Indian goods and services as well as a vital element in India’s quest for strategic minerals and other natural resources needed to feed its burgeoning economy.\(^{21}\)

The above view about India’s economic policy shift thrust, and echoed by Aparajita Biswas and Akay Dubey, towards Africa, does not tell the whole story. In addition to the factors stated above India, from 1991-92 underwent a major trade and industrial policy turn-around from a highly regulated economic policy environment to a liberalised and deregulated economic direction. In addition, India could not stand aloof while China went into Africa to take all the resources for her own economic development. “Competition” with China for Africa’s abundant natural resources was also an important factor why India changed her economic policy relationship with Africa. India saw her old ties with Africa as good leverage to hing her quest for development cooperation with African countries. Therefore, the Indian government’s

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economic policy changes greatly facilitated the entry and expansion of Indian private companies in Africa generally and Zambia in particular. This was in addition to the lucrative liberal policies and other investment incentives that the Zambian government put in place to lure foreign direct investments (FDI) into Zambia.

V. GROWTH OF INDIAN PRIVATE COMPANIES IN ZAMBIA

Indian private investments in Zambia between 1964 and 2015 did actually grow. Nagaraj states that India’s investment and trade policy reforms of the 1990s, boosted India’s investment policy trajectory shifts towards foreign markets. Old companies’ investment portfolios generally grew while new entrants brought into the Zambian economy appreciable amounts of foreign direct investment. A look at such existing companies as Tata Africa and Konkola Copper Mines (KCM), shows that over the years both their investment outlays and their returns on investments did grow. For example, KCM, having bought Nchanga Copper Mines for $48.2 million in 2004, by 2015 the company was talking in terms of an annual return of $1.1 billion. Barring all the costs incurred in recapitalising the mines and other related costs, the return on KCM’s investment was appreciable. It was often argued, based on a video that went viral of the chief executive officer of KCM having bragged that after spending only $48.2 million to acquire KCM in 2004, within a year the mine had raised $500 million per year.

The arrival of the single largest Indian investment in Zambia, Nava Bharat Ventures with an initial investment of 65 per cent of the total Maamba Thermal Electricity Power Plant cost of $ 828 Million to set up a 300 megawatts power plant displayed very good prospects for Indian private companies in Zambia. Sixty-five per cent of the above amount translated into $538 million. Although the money was borrowed from several sources, the bulk of it still belonged to Nava Bharat Ventures as they borrowed from several sources, the bulk of it still belonged to Nava Bharat Ventures as they had the responsibility to make good their part of the loan. This also indicates that Indian private companies in Zambia were in for a long haul; they were there to stay. Moreover, their confidence was boosted by Zambia’s own record of peace and stability since independence in 1964.

In addition, another Indian private company, Tata Africa developed Itezhi Tezhi Hydro Power Station in conjunction with Zambia’s national power utility firm, the Zambia Electricity Supply Corporation (ZESCO) in a 50–50 joint venture in the 120-megawatt capacity electricity generation plant. On 26 December, 2015 the Zambian Minister of Energy, Dora Siliya announced that the $224 million Itezhi Tezhi power project upgrade had been successfully completed and the first phase of 60 megawatts was due for commissioning that month and the other 60 megawatts in January 2016. Being a 50-50 equity investment partnership, although the investment amount had been borrowed, invariably Tata Africa had put in its equity portfolio of $112 million and ZESCO the other half of the total investment amount.

Kalpataru Power Transmission Limited was another Indian electricity company specialised in electricity transmission that came onto the Zambian investment scene. The company was awarded a contract for the regional transmission line and reinforcement project to upgrade the Kafue Town-Muzuma-Victoria Falls electricity grid line from 220Kv to 330 Kv, covering approximately 706 kms at a total cost of $113 million. The grid line upgrade included construction of a new 330/220 Kv substation at Livingstone.

In the telecommunications sector, the purchase of Zain Africa (a Kuwait-owned) mobile phone company by Bharti Airtel of India in 2010, signalled another major investment of India’s private sector into the Zambian economy. Criticised for the rather higher than normal price of $10.7 billion that Bharti Airtel paid Zain Africa to acquire the mobile phone company, Bharti Airtel went ahead and paid. In Zambia Airtel was second only to MTN in subscriber base size. On 31 March 2014 Airtel Zambia’s subscriber base stood at 3.54 million against MTN’s 3.49 million, but by May 2014 the figures had changed and this time Airtel Zambia’s subscriber base was 4.04 million, while that of MTN was 4.26 million. The fact that Bharti went ahead and even paid above normal pricing for the stake in Airtel was a great mark of confidence that the parent company Bharti had in the Zambian economic landscape.

Besides the Indian private companies that already set up base in Zambia, there were several others that were in the pipeline of establishing their operations in Zambia. Some of these were companies like Asian Medicines Investment Limited which had announced interest in establishing a pharmaceutical manufacturing plant in the Lusaka South Multi-facility Economic Zone (MFEZ); just like Taurian Manganese had announced an investment portfolio of more than $150 million in a manganese processing plant in Serenje, central Zambia. A look at the various investment pledges at the Zambia Development Agency (ZDA) gave a very good picture of prospects for investment in Zambia by Indian private companies.

In the hospitality industry, the purchase of the five-star Pamodzi Hotel by the Indian Taj group following Zambia’s privatisation drive from the 1990s was yet another of those Indian companies that came to Zambia. Since then,

the Taj Pamodzi Hotel had established a niche for itself in Zambia’s lucrative but competitive hospitality industry. The hotel was later to list on the Lusaka Stock Exchange.

DMI-St. Eugene University is also worth discussing here as an Indian private investment; in Zambia’s education sector. It is run by a Catholic Order of Sisters from India, and offers a competitive university education system. Although the figures of its investment portfolio are not available, it is critical to bring it into this fold because education plays a very critical role in national and international development. DMI-St. Eugene University was one of the first Zambian universities to offer distance learning through virtual classroom interactive learning technology in Zambia.

Besides all these Indian private companies that have been discussed above, it is important to take cognisance of the various small and medium enterprises in agriculture, agro-processing, water exploration and drilling, and other economic ventures and individual entrepreneurs that invested in various economic ventures in Zambia, as well as the many farmers of Indian background in Zambia between 1964 and 2015.

VI. DOES INDIA COMPETE WITH CHINA IN ZAMBIA?

Some scholars have argued that India need not compete with China over Africa’s resources and investment destinations because the former enjoys a comfort zone in her relations with Zambia which are rooted in historical relations between the two countries. The challenge is that even China has special historical connections with Zambia. Zambia was the first African country to recognise China in 1964 and supported China’s bid for a seat on the United Nations Security Council which China eventually got. Secondly, China built the Tanzania-Zambia Railway (TAZARA) from the port of Dar Es Salaam in Tanzania to Kapiri Mposhi in Central Zambia in the 1970s when Zambia was in dire economic straits following the closure of Zambia’s then only economic lifeline route to the sea in 1965 by the rebel Rhodesian regime led by Ian Douglas Smith when the white Rhodesians declared unilateral independence in that country. The alternative route, the Benguela Railway, through Democratic Republic of Congo (DRC) to Lobito Bay in Angola, had been laid waste by the civil wars in the DRC and Angola. In addition, China built the Serenje-Samfya-Mansa (Tuta) road, spanning 300 plus kilometres and a 3.5-kilometre-long bridge on the Luapula River, beginning in the 1960s and completed in the late 1980s.28 This was at a time when Zambians faced grave dangers in the Congo-pedicle road, then the only connection between the Luapula Province and the Copperbelt of Zambia.

Therefore, to argue that India’s relations with Zambia run deeper than China’s may not entirely be correct. They may stem more from sentimentality than fact. The competition between India and China for Zambia’s natural resources, like minerals and others is also real. However, India has some comparative advantages over China in Zambia, but unless India can take full advantage of these, she may not utilise them to her advantage. The first is language; Indian investors in Zambia do not have to struggle to communicate through interpreters who themselves are not very conversant with the English language or the Chinese language. This is a major dilemma for the Chinese, who in recent times opted to teach Zambians Chinese to ease their communication challenges, instead of learning English or at least some Zambian languages. Apparently, most Indians are also very good at learning Zambian languages. Secondly, Indians have a rich history of sound relations with Zambians and generally other African peoples in all spheres and at all levels. Generally, there is no mistrust that often characterises relations with the Chinese people. Moreover, Indian people’s record on human rights issues in their dealings with Zambians in general and Zambian workers in particular is not tumultuous. Thirdly, Indian private companies that undertake contracts in various fields in Zambia have rarely been accused of poor or shoddy work compared to their Chinese counterparts, who, often find themselves accused of cutting corners in contracts performance.

Overall, that both the Indians and the Chinese invested in the Zambian economy between 1964 and 2015 is a fact. China may even be investing more than Indians may, but the difference is that most Chinese companies were state-owned while the Indian companies were privately-owned.

The existence of the Bank of China and Indo-Zambia Bank gave an added comparative advantage to Indian private companies over the Chinese ones. While the Bank of China was an exclusively Chinese bank, Indo-Zambia Bank operated as an ordinary commercial bank. Indo-Zambia Bank accepted deposits from all and sundry, but the Bank of China was mostly for the transfer of Chinese earnings in Zambia to China and for all other people importing or buying things from China or paying to Chinese contractors. For this arrangement the Bank of China was often accused of being a conduit for Chinese people’s syphoning of foreign currency from Zambia. This is unlike Indo-Zambia Bank which gave loans to individuals, SMEs, and large companies, and had a robust corporate social responsibility through its “soft loans” portfolio to SMEs and, especially women groups in agriculture across the country. Indo-Zambia Bank is jointly owned by the Zambian and the Indian governments in a 40-60 per cent share mechanism. Its critical role in the Zambian economy is through its retail banking and lending services.

VII. CONCLUSION

Arising from what has been discussed above, it is clear that by 2015 Indian private companies and individuals

had established a firm presence on the Zambian economic landscape. Indian firms had ventured in all fields of the Zambian economy. It is also a fact that the presence of Indian private investment in Zambia stretched far back to the pre-1964 times. Therefore, the future held very good prospects for Indian private companies in Zambia. Yet there was great need to avoid banking on historical relationships between Zambia and India as factors for an advantageous investment environment for Indian private companies compared to that of the Chinese. The Chinese had an equally impressive and even better-grounded historical relationship with Zambia than India’s as it was based on developmental rather than nostalgic relationships from old times. In fact, most Zambians were unaware that such Zambia-India relationships ever existed, but they were alive to the deeds of the Chinese in Zambia’s infrastructure development from 1964 to 2015. Therefore, there was great need to boost the presence of Indian private companies, especially in the technological relationships between Zambia and India in Information Communication Technology (ICT) in which India enjoyed a comparative advantage over Zambia. Up to 2015 ICT education and knowledge in Zambia was still in infancy, but highly advanced in India. There was also need for greater support to SMEs where India had enormous experience in nurturing small scale and medium and small enterprises development. There was need to foster complementarity between Indo-Zambia Bank and the Citizens Economic Empowerment Commission (CEEC) in augmenting SMEs and individual business development in Zambia. There was also need to build on the existing mutual trust between Indian private companies and the Zambian people in general and the workers in particular.

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