Zambia has a long history with mining.

Historical records indicate that Tom Davey, a consulting engineer for Bechuanaland Exploration Company obtained information in 1896 to the effect that copper had been smelted by the natives near Kafue River.

It was not long before that commercial production by foreign investors started at Kansanshi in 1908 and Sable Antelope in 1911.

By the time Zambia attained its independence in 1964 several commercial mining operations were in existence and Zambia’s destiny and fortunes lay with mining, particularly copper mining.
These developments in those early years were just confirming the significant mineral resources that my country is endowed with. Zambia is endowed with Base and Precious metals, Industrial minerals and Gemstones. Examples of the Minerals found in Zambia include:

- Copper/Cobalt
- Gold
- Lead Zinc
- Nickel
- Tin
- Manganese
- Iron
- Aquamarine
- Emerald
- Diamond
- Coal
- Oil, Gas
- Uranium
- Amethyst
The period 1969 to about 2000 was a period of decline in mining activity in Zambia. Copper production fell from about 737,586 tonnes per annum to just above 226,804 tonnes per annum.
In order to redress the situation, the Government of the Republic of Zambia made a lot of effort and continues to do so in ensuring that:

The country has an enabling political and social environment, in particular:

- Maintaining Peace and Political Stability (Zambia has no history of war or search parties for abducted foreign investors);
- Having a favorable policy environment for private sector investment;
- Having a favorable regulatory framework.
The country has an attractive Fiscal Regime, in particular:

- Mining Corporation Tax in Zambia is at 30%;
- Mineral Royalty Rate on Base Metals is at 6% of Gross Value;
- Zambia has Zero Percent Withholding Tax on Dividends;
- Zambia allows 100% Capital Allowances Deduction for the Mining Sector;
- Zambia has a VAT REFUND period for Exploration of 7 Years;
- Zambia has No limit on earnings externalization.
The Government has established a consultative approach to mining business in Zambia.

The Chamber of Mines of Zambia, a registered association of mining employers, is frequently consulted on a number of issues that affect the mining industry.

It is expected that once the Mines and Minerals Development Act has been revised and enacted into Law, it will further improve the competitiveness of the environment for mining in Zambia relative to other countries.
These measures and efforts by the Government of the Republic of Zambia supported by favourable commodity prices have seen a reversal of the trend in Zambia’s mining industry with copper production now in excess of 800,000 tonnes per annum and headed towards 1,000,000 per annum in the next year or so.

The government will continue improving in all the areas I have mentioned above in order to encourage and support growth in the mining sector in Zambia. In particular, Government will continue working towards a well organized private sector led mineral resource exploration and exploitation that contributes to sustainable social economic development by 2030 with the goal of raising the mining sector’s contribution to GDP to at least 20 percent from 9.1 percent. In this regard, the focus will be on encouraging increased investment in exploration projects, sustainable production and management of mineral resources and...
Furthermore, the sector will focus on increasing value
addition through forward and backward linkages.

In order to refine processes and procedures the
Ministry of Mines, Energy and Water Development
suspended during the later part of last year the
issuance of mining licences.

This was a clean up exercise that has since been
concluded and lifted. Efforts to dialogue with players
in the sector will continue for purposes of getting right
many of the factors that are relevant to the success of
the sector.
Considering the fact that 58% of the country has been geologically mapped and has exploitable copper grades that range between 0.8% – 4.0%, it therefore means that opportunities exist in mapping, exploration to delineate resources, and the development of future mines.
In consideration of the opportunities mentioned above and the likelihood of Zambia moving up in the top 10 producers globally, ZCCM–IH will seek to play a more active role in managing its stakes. The company is an important player in the country’s mining industry and intends to play a catalytic role in helping to develop the Zambian mining industry further. ZCCM–IH has equity investments in 12 of the mining companies in Zambia and will continue to seek and establish strategic partnerships with new entities in developing the mining industry.
The Zambian Government fully understands the need for well developed infrastructure to support mining development and indeed overall economic development. In this regard the Government intends to increase electricity generation capacity by at least 1,000 Mw and build appropriate transmission lines. In particular Government intends to expand and improve infrastructure for electricity generation, transmission and distribution, establish an open and non-discriminatory transmission access regime in the electricity industry and implement a Cost-Reflective Electricity Tariff Regime as well as adopting the Electricity Grid Code.

Further, the Ministry of Mines, Energy and Water Development has under its mandate an office that promotes private power projects.
With regard to transportation infrastructure, emphasis is being placed on road and railway transport maintenance and rehabilitation. The specific objectives include:

- Coordinating and strengthening transport infrastructure development;
- Maintaining and rehabilitating road transport infrastructure; and
- Maintaining rehabilitating and upgrading of rail transport infrastructure.

Some of the specific strategies in these areas include:

- Development and implementation of a National Transport and Communications Master Plan;
- Promoting Public Private Partnerships;
- Replacing pontoons with bridges;
- Enhancing investment in rail infrastructure;
- Re-capitalizing TAZARA; and
- Developing a strategy on Railway Systems of Zambia (RSZ) to expand railway network.
In order to mobilise adequate funds for investment beyond those of Government, the Ministry of Finance has established an office that liaises matters to do with Private Public Partnerships in all forms.

The government has now integrated infrastructure development into its broader growth objectives in its 5–year plan. As a landlocked country, Zambia relies for shipment of its exports and imports on countries like South Africa, Namibia (Walvis Bay), Tanzania (Port of Dar es Salaam) and Mozambique (Nacala Port). Within the context of SADC and COMESA both rail and road transport infrastructure are being addressed with neighbouring countries. SADC is developing an Infrastructure Master Plan which is expected to cover the region's road, rail, ports, power, communication and water infrastructure.
I am aware that there have been insinuations as regards changes to the mining code in particular relating to taxes, government participation or levels of ownership. I want to affirm the position clearly stated by the President, the Vice President of Zambia, the Minister of Finance and the Minister of Mines – Zambia will not nationalize private entities, Zambia will not introduce windfall taxes on mining companies and Zambia, through ZCCM–IH will not increase its existing stake in mining companies, beyond what is necessary to protect national interests and this would be done with full recognition of the commercial, financial and business requirements.

Zambia believes that stability in the Mining Code is important to attract foreign investment and will therefore put in place necessary steps to support this.
The aspect of local content has become a major concern not just in Zambia but the world over.

More recently we heard that the Australian Government expressed concern as to the limited input by Australian entities into mining contracts.

The Zambian Government is aware that the determination of what constitutes local content has proved elusive. But the Government knows that just as the mining companies seek innovative ways and means to explore, identify and develop mining projects they must also seek ways and means of engaging local business in a meaningful manner.

Vertical integration in the mining sector is therefore something the Government is actively addressing.

Significant opportunities exist to create value adding backward and forward linkages in Zambia’s mining sector. Currently, the framework that is managed under the Zambia Development Agency (ZDA) Act provides for a number of incentives that support business developments.
An added concern that is worldwide is the perception that mining companies invade local territories and leave gaping holes once they have extracted mineral resources. In this regard, we see the interaction of mining companies with the communities in which they are hosted as opportunities for sustainable partnerships built on providing education and thus potential for quality employment, local business development as well as citizens’ ownership of the mining companies.

Our experience in Zambia is not different from that of other parts of the world. The reason for this is simple enough. The general populace tend to perceive mining companies as reaping huge benefits without compensating the local communities what they deem to be their just rewards for sitting on potential wealth. The general expectation is simply that there has to be a partnership between mining companies, government and the local communities in which mining projects are located. The partnership has to identify success factors which include infrastructure (water, power generation, transport facilities), governance, social & environmental issues and livelihoods.
It is my hope that this brief discussion has given you some insight on the many opportunities that Zambia presents as a mining investment destination and also how the Zambian Government is managing the challenges the country faces.
I Thank You.