



THE ZAMBIAN MINING INDUSTRY INBOUND AND OUTBOUND LOGISTICS

THE 13TH INTERMODAL AFRICA TRADE EXHIBITION AND CONFERENCE - LUSAKA

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“advancing the interests of our members, local communities, the country and all stakeholders while promoting sustainable and responsible mining”

ZAMBIA'S MINING PROFILE



EMPLOYMENT



EMPLOYMENT STATUS

	DIRECT EMPLOYEES	CONTRACTED LABOUR	OTHER(specify)
MOPANI	10,000	10,000	
KONKOLA	7,000	9,000	
LUMWANA	1,882	2,054	
KANSANSHI	4,781	3,731	5407 (on the expansion projects)
ALBIDON	63(due to care and maintenance of mine)		
LUBAMBE	1,200	1,000	
CHIBULUMA	602	345	
CHAMBISHI METALS	741	147	
CHAMBISHI COPPER SMELTER	1,600	400	
NFCA	1,064	1,219	
TOTAL	28,870	27,896	5407
GRAND TOTAL			62,173



FOREIGN DIRECT INVESTMENT



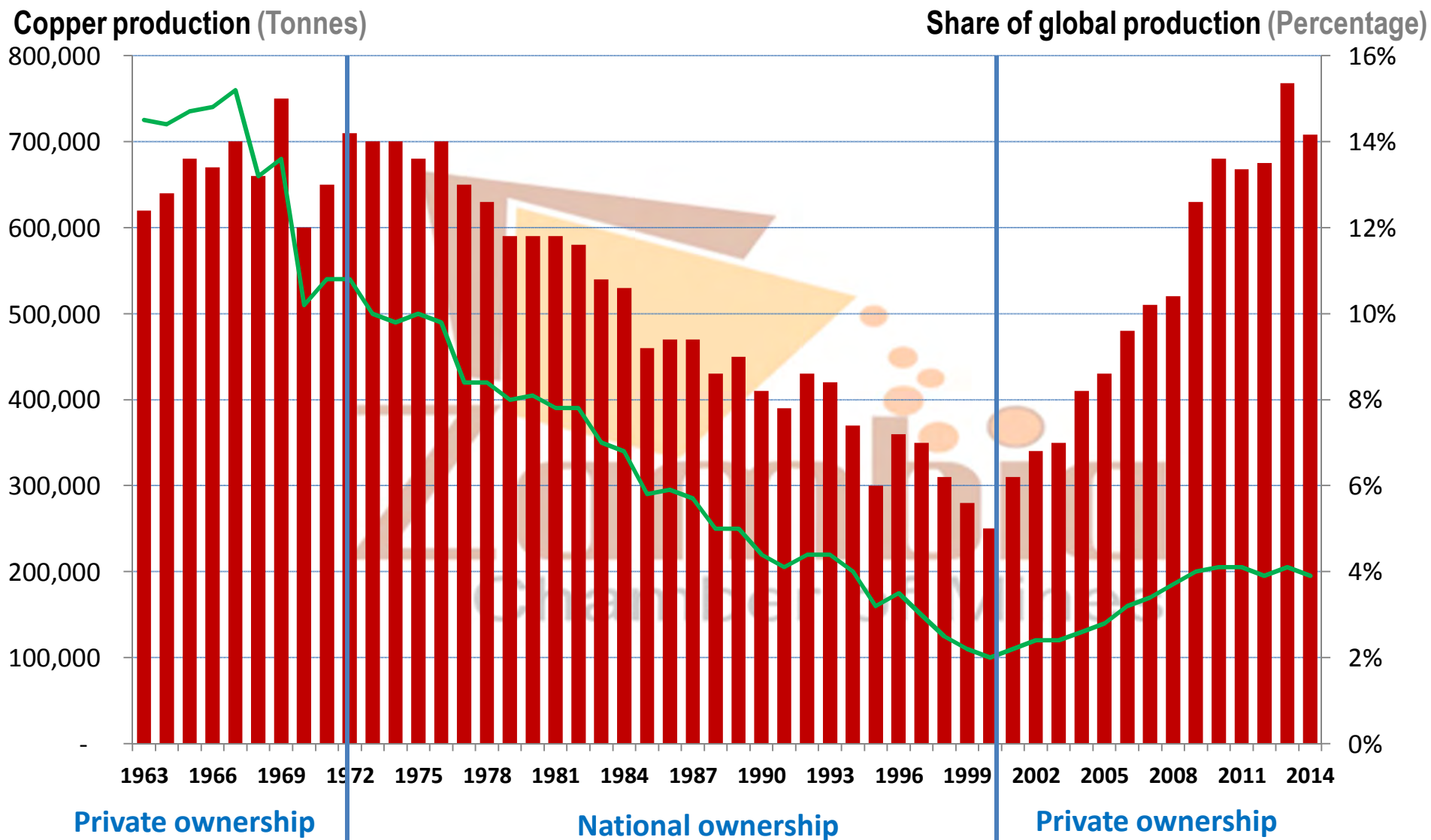
MAJOR INVESTMENT PROJECTS 2000 TO DATE (US\$12.4BN)

MOPANI	KONKOLA	LUBAMBE	FQM	LUMWANA	KANSANSHI
US\$ 2.24BN	US\$ 2.9BN	US\$ 0.49BN	US\$ 2.23BN	US\$ 2BN	US\$ 2.54BN



COPPER PRODUCTION

COPPER PRODUCTION

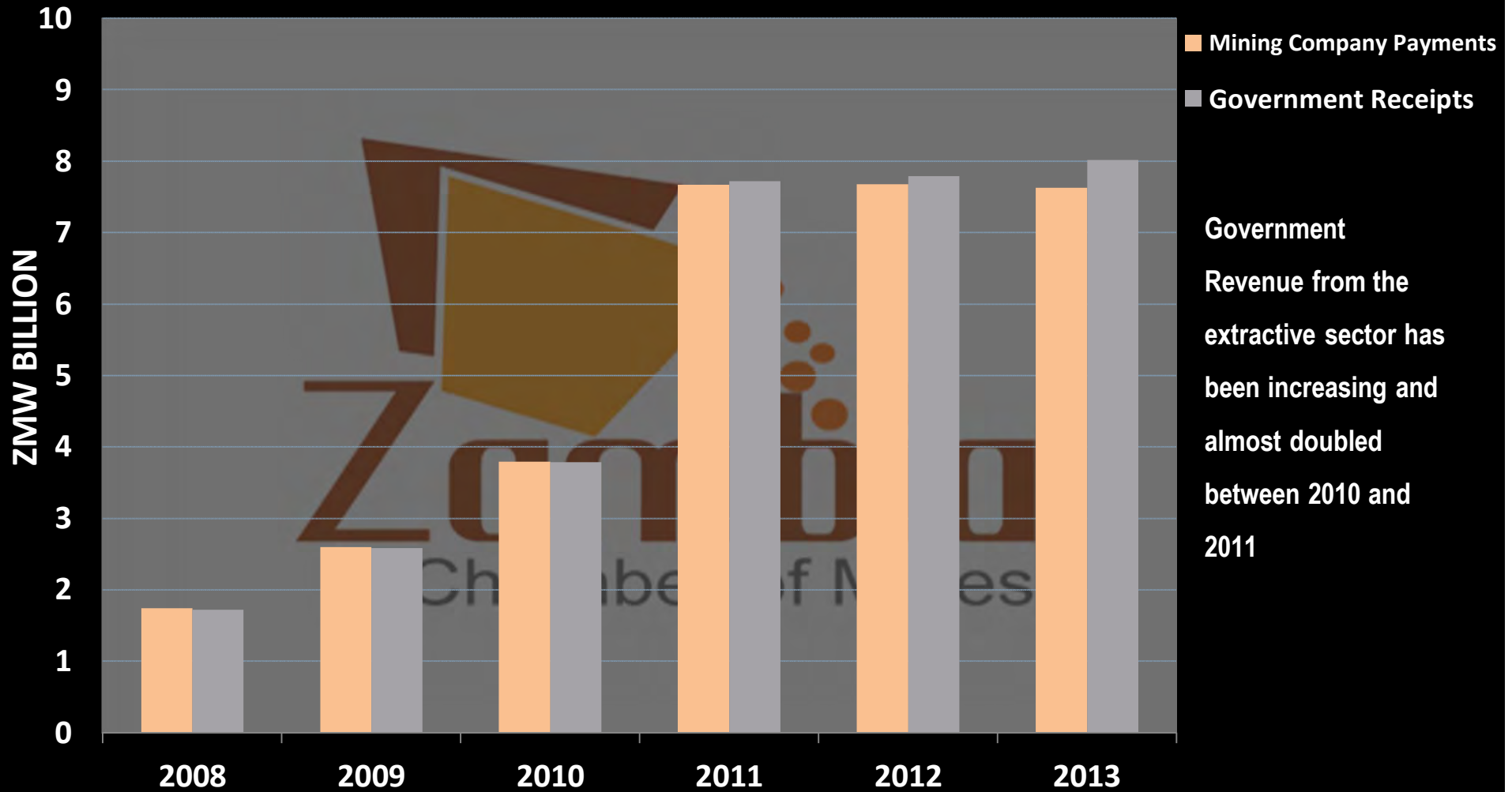


Source: International Council on Mining and Metals 2012 (Enhancing the Contribution of the Zambian Mining Sector to the Economy and Society) from 1963 - 2011 and Zambia Chamber of Mines onwards



GOVERNMENT REVENUE

GOVERNMENT REVENUE FROM THE EXTRACTIVE SECTOR HAS BEEN INCREASING

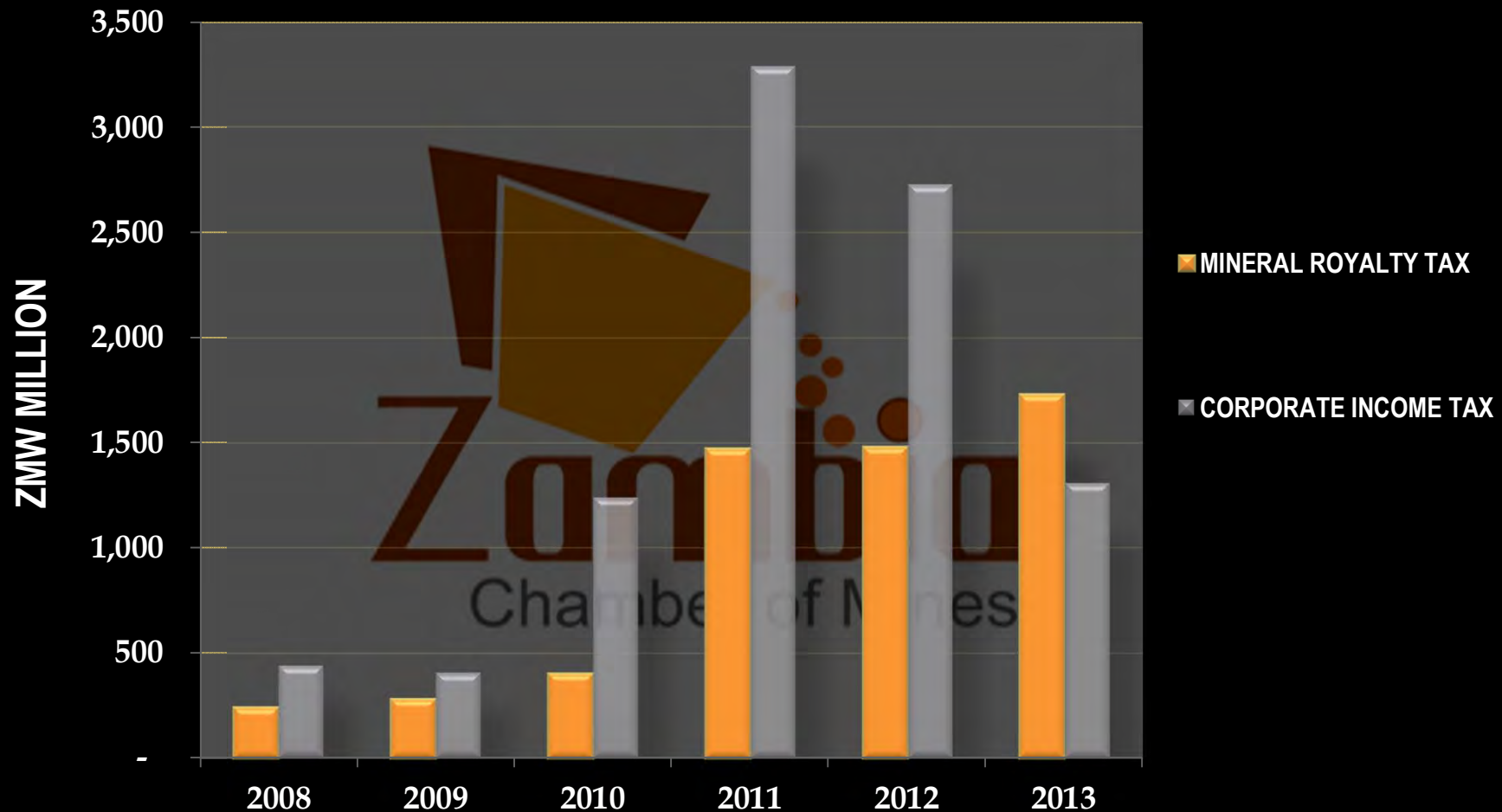


Government Revenue from the extractive sector has been increasing and almost doubled between 2010 and 2011

*Note: all figures are in ZMW and encompass the overall extractive sector

Source: Zambia Extractive Industries Transparency Initiative (ZEITI), Ministry of Mines, Energy and Water Development.

MINERAL ROYALTY AND CORPORATE INCOME TAX CONTRIBUTIONS HAVE INCREASED



*Note: all figures are in ZMW and encompass the overall extractive sector

Source: Zambia Extractive Industries Transparency Initiative (ZEITI), Ministry of Mines, Energy and Water Development.

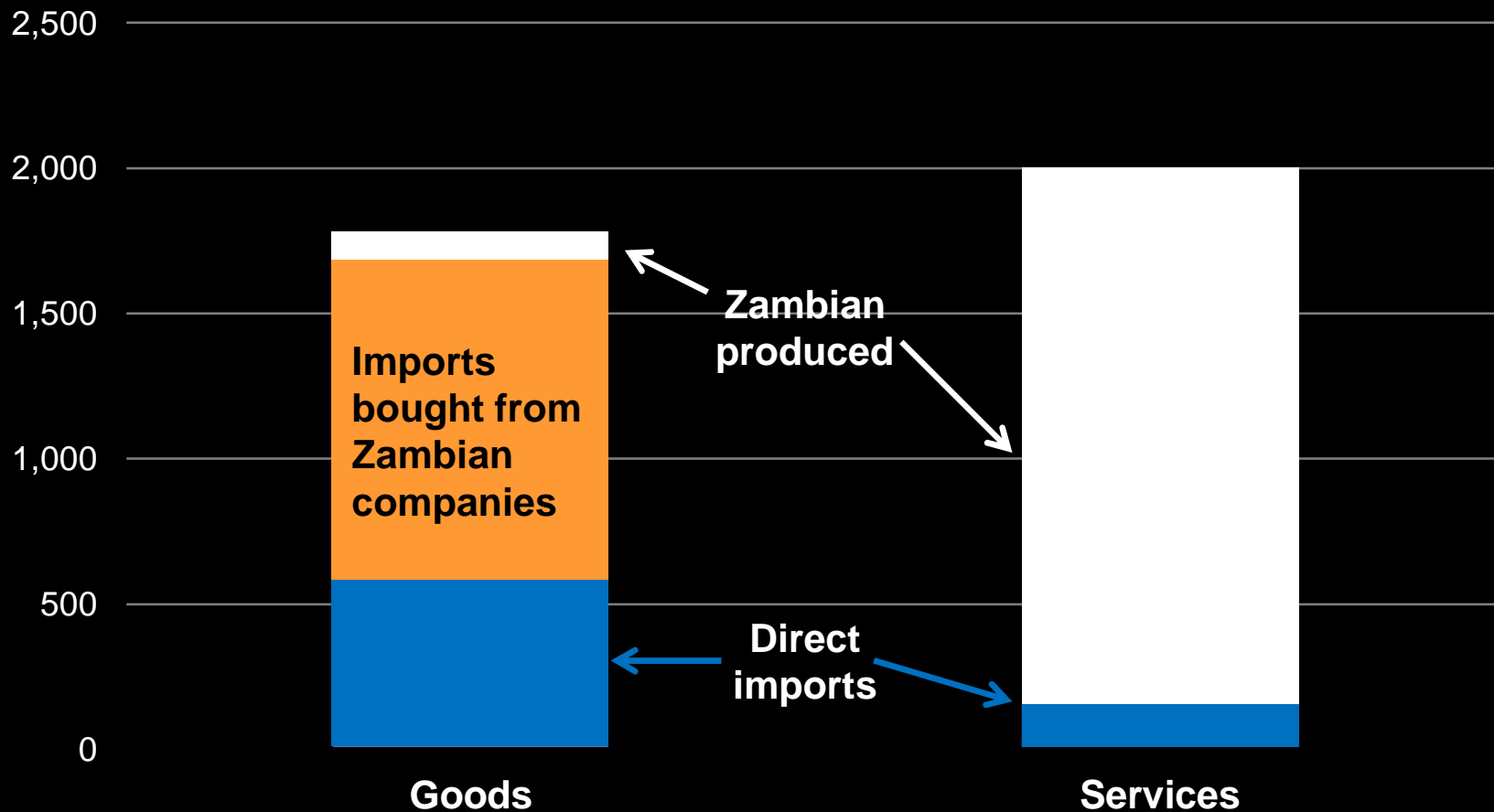


SOCIAL INVESTMENTS

PROCUREMENT OF GOODS AND SERVICES

Mining industry procurement

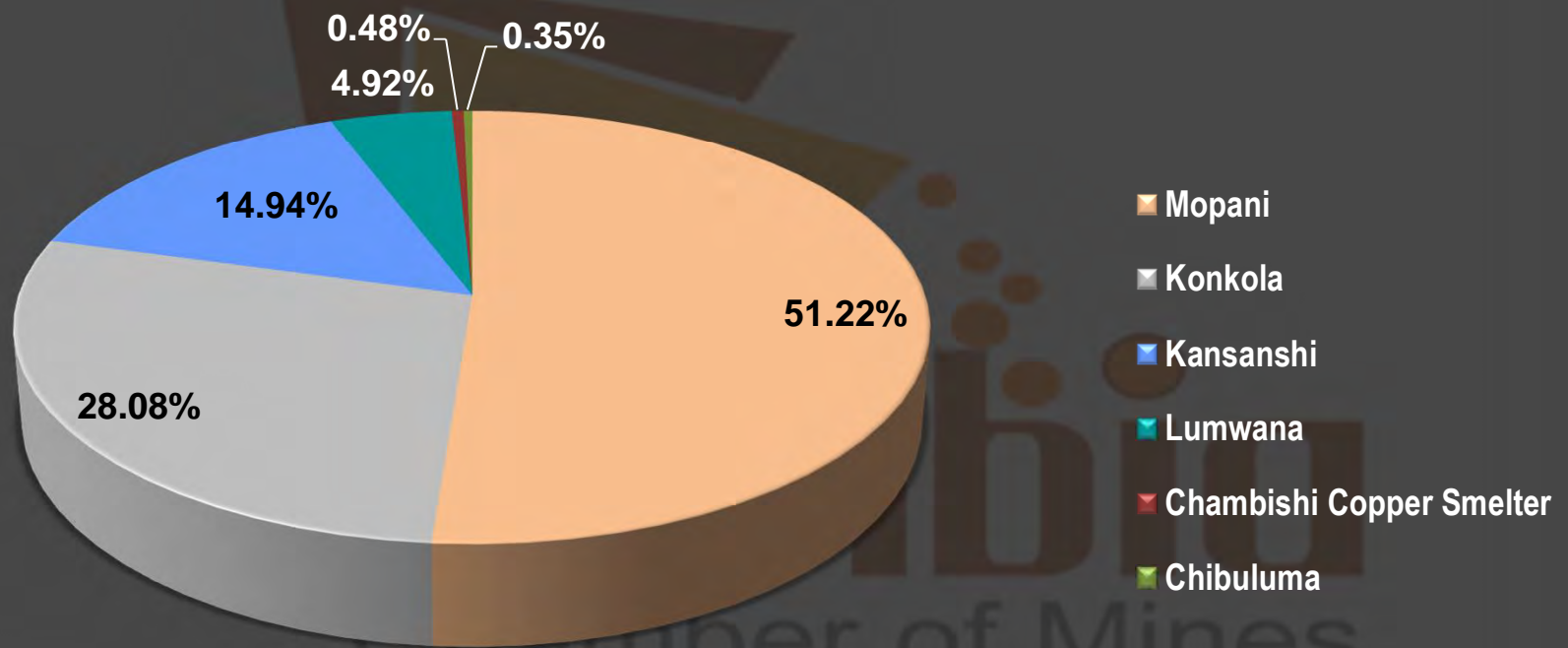
(2012 data extrapolated from sample; US\$ million)





2014 CSR EXPENDITURE

ZMW 322 MILLION - 6 OPERATIONS

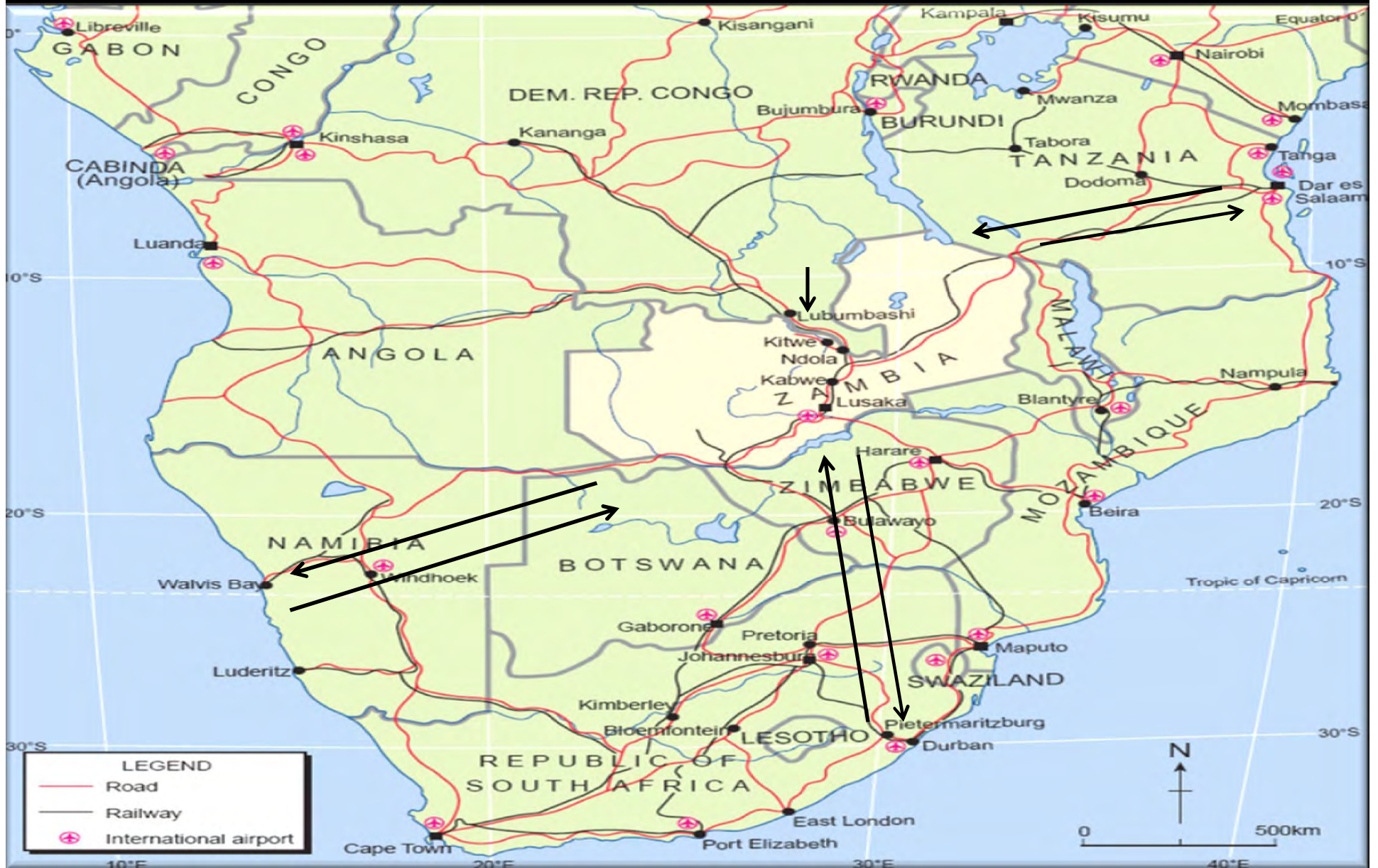




THE ZAMBIAN MINING INDUSTRY LOGISTICS



ZAMBIA'S MAIN POINTS OF ENTRY AND EXIT - MINING LOGISTICS





ZAMBIAN MINING INDUSTRY LOGISTICS

INBOUND LOGISTICS	INTRA-TRADE LOGISTICS	OUTBOUND LOGISTICS
MINING EQUIPMENT AND IMPLEMENTS	COPPER CONCENTRATES	FINISHED COPPER:
FUEL	MINING EQUIPMENT AND IMPLEMENTS	Cathode, Anode, Blister
COPPER CONCENTRATES	FUEL	



INBOUND LOGISTICS

PROCURED WITHIN ZAMBIA	PROCURED FROM SOUTH AFRICA	PROCURED FROM EUROPE	PROCURED FROM INDIA
Caterpillar spares	Conveyor belts	Radial mining tyres (Michelin)	Conveyor belts
Mill Balls	Mining Solvents	Caterpillars and spares	
Lubes	Steel	Atlas Copco Machines and Spares	
Weir Pumps			
Tyres (U/G)			
PPE			
Bearings (SKF)			
Drilling Accessories			
Drugs (Medical)			
Drifter spares (U/G)			
Lifting tools			
Conveyor accessories			
Ventilation ducting (U/G)			
P&H Excavator spares			
Cement			
Coal			
Mine flow pipes			



COPPER INTRA-TRADE LOGISTICS

ITEM	CONSUMPTION OR PROCESSING CAPACITY
Copper Concentrate Production	2,959,000 tonnes per annum
Copper concentrates treatment capacity	3,675,000 tonnes per annum
Anode and Blister Copper production	1,004,000 tonnes per annum
Anode Refining	542,000 tonnes per annum
Anode Slimes Processing	Nil
Nickel Concentrate production (Munali and FQM)	Nil



OUTBOUND LOGISTICS (ZAMBIA PRODUCES AN ANNUAL AVERAGE OF OVER 700,000 TONNES OF COPPER – 99% IS EXPORTED)

BORDER POST	PORT	DESTINATION(s)
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Nakonde	Dar-es-Salaam	1. China 2. India 3. South Korea 4. Dubai
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Chirundu	Durban	1. China 2. India
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Katima Mulilo	Walvis Bay	Europe
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GENERAL INDUSTRY VIEWS:

A. THE NEED FOR INCREASED LOCAL CONTENT:

1. There is huge spend by mining companies on procurement from Zambian companies. However, more needs to be done to increase value-addition within Zambia especially in the manufacturing sector

3. Mining is for the strong hearted, high risk takers with high levels of perseverance and not for faint hearted.

4. It requires long term investment mind-set. The investment runs from hundreds of USD millions to billions.

B. CURRENT STATUS OF ZAMBIAN MINING INDUSTRY:

- ▣ Copperbelt Mines – Old, Mature and Mainly Underground & labour Intensive, structural factors and legacy issues rendering them high cost
- ▣ New Mines – e.g Northwestern Province – New frontier, mainly open pits which are highly mechanised.