

# News from Zambia

19 November – 16 December 2009

No. 833

**SEVEN COMPANIES BID FOR OIL EXPLORATION:** Mines and Minerals Development Minister Maxwell Mwale has announced that three Zambian companies are among the seven bidders awarded licences to explore for petroleum in eleven demarcated blocks in three provinces. Mr Mwale named the successful local companies as Majetu, which has been offered two blocks in North-Western Province, Barotse Petroleum Company, which has been given two blocks in Western Province, and Chat Milling Company of Lusaka which will explore in two blocks in North-Western Province and another block in Western Province. The foreign companies are Petrodel Resources and GB Petroleum from the UK, Glint Energy of the USA and Exile Resources of Canada. (*Times of Zambia, 19 November*).

**LUMWANA MINE TO RAISE OUTPUT:** Lumwana Mining, owned by Equinox Minerals, and the largest open cast pit in Africa, is to raise its output in 2010 to 170,000 tonnes and is also looking at the possibility of building a uranium processing plant. The mine had to cut its forecast to 110,000 tonnes in 2009 because of the five-month delay in starting production following a fire at the site's processing plant and heavy rains early this year. The announcement was made by new managing director Adam Wright who has recently taken over from Harry Michael. (*Reuters, 25 November*).

**INFLATION SLOWS:** Zambia's inflation slowed to 11.5 percent year-on-year in November from 12.3 percent the previous month according to the Central Statistical Office. The CSO also said the country recorded a trade surplus of K299.5 billion (\$64.90 million) in October after a K302.2 billion surplus in September. The CSO said the decline in the annual inflation rate was a result of decreases in prices of food and non-food items, and forecast the trend would continue in the short term. The trade account would also stay in surplus, thanks to expected higher revenues from the mining sector. (*Reuters, 26 November*).

**TWO NGO OFFICIALS ARRESTED:** Police in Chipata have arrested two officials of a non-governmental organisation (NGO) called Harvest Help for swindling peasant farmers out of more than K600 million. The 400 farmers allege that they had sold maize to the NGO after the Food Reserve Agency (FRA) told them it had filled its requirements. The two officials had sold the grain but had not passed the payments on to the farmers. They are now in police custody pending investigations. (*Times of Zambia, 26 November*).

**CELEBRITY COUPLE ADMIT WIFE-BEATING PAST:** One of Zambia's most famous singers, Saboi Imboela, has revealed how she was once so badly beaten by her husband (popular actor Owas Ray Mwape) that she reported him to the police. She now hopes to lift the lid on the country's ingrained acceptance of domestic violence. Campaigners believe more than half of Zambian women have suffered domestic abuse but cases rarely come to light because of the stigma attached to speaking out. Young women are taught by their elders to accept punishment from their husbands when they are disobedient. Even cooking a bad meal warrants a smack. Ms Imboela is now working on a song about women's rights, called Yenze Nthawi Yakayena (That Was Then). (*BBC News, 30 November*).

**KAFUBU TAKES OVER WATER PLANT:** Kafubu Water and Sewerage Company (KWSC) has taken over the abandoned Lake Ishiku Water Treatment plant in Ndola which it will reinstate at a cost of US\$1.4 million. The plant had been operational until a few years ago under the management of the Ndola City Council. (*Times of Zambia, 2 December*).

**COPPER PRICE NOT SUSTAINABLE:** Copper prices at over \$7,000 a tonne may not be sustainable and a price closer to \$5,000 would be better for the market, according to Caleb Fundanga, Governor of the Bank of Zambia, speaking at the UK-Zambia Investment Forum in London. (*Reuters, 3 December*).

**ZAMBIA TO FIX ANTI-CORRUPTION LAW:** Zambia will strengthen anti-corruption laws, President Rupiah Banda has said, as he seeks to mend the country's reputation for fighting graft following the acquittal of ex-leader Frederick Chiluba. In his state of the nation address, Banda said the government "will accelerate the strengthening of the law on the prevention and combating of corruption in Zambia... so that the fight against corruption becomes meaningful and meets the public's expectations". Banda has been lambasted for lacking the political will to fight corruption after the acquittal of former president Chiluba. His government then blocked a move to appeal the verdict and disbanded the anti-graft team that spearheaded the case, drawing accusations that he was seeking to bury the case. (*news24/AFP, 3 December*).

**ZAMBIANS URGED NOT TO DISCRIMINATE AGAINST THE DISABLED:** Zambia marked the United Nations International Day of Persons with Disabilities on 3 December with appeals from national and local politicians across the country not to discriminate against the disabled. The disabled have continued to be discriminated against, especially in learning institutions and places of work where they are lowly paid. *[Editor's note: The Zambia Society Trust is one of the main financial supporters of APTERS, a Lusaka workshop producing mobility aids and providing employment for people with disabilities]. (Times of Zambia, 4 December).*

**SOUTH AFRICAN COMPANIES PLAN \$600M INVESTMENT:** Trade and Industry Minister Felix Mutati announced in Lusaka during a visit by South African President Jacob Zuma that South African companies plan to invest \$600 million in Zambia over the next two years. President Zuma was accompanied by a delegation of 60 representatives of South African companies. The investments will be made in industries including real estate, agriculture, mining and manufacturing. *(Bloomberg, 8 December).*

**NDOLA AND KITWE ROAD IMPROVEMENTS:** The Zambian Government has signed a US\$23 million contract with a Japanese company, aimed at improving and maintaining roads in Ndola and Kitwe. The project, which has been awarded to the Konoike Corporation, is expected to be completed within 24 months. *(Times of Zambia, 9 December).*

**KONKOLA FACE STRIKE ACTION:** Miners at Konkola Copper Mines (KCM), owned by Vedanta Resources Plc, have threatened to strike after fourteen days if the company does not give them a 25 percent pay rise. Rayford Mbulu, the president of the Mineworkers Union of Zambia (MUZ) said that pay negotiations between the union and management collapsed after KCM rejected the workers' demand for a 25 percent pay rise and instead offered 3 percent. The dispute also involves the National Union of Miners and Allied Workers (NUMAW). The two unions have joined forces and have also demanded a reduction in the number of expatriate employees particularly in the areas of human resources and finance where there were plenty of suitable Zambian candidates. *(Reuters, 11 December; The Post, 11 December).*

**HIGH MINING TAXES WILL NOT RETURN:** Zambia will maintain existing mining taxes over the long term even after it scrapped the present development agreements it has with mining companies, according to Finance Minister Situmbeko Musokotwane. He stated that Zambia did not intend to reintroduce a 25 percent mining windfall tax because that could force some mining companies to close. The Chamber of Mines of Zambia, which represents foreign mining companies, has said that Zambia faces an uncertain long-term mining outlook despite a resurgence in copper prices and government assurances of stable mining taxes in 2010. *(Reuters, 12 December).*

**KONKOLA TO LAUNCH MINE EXTENSION IN APRIL:** Konkola Copper Mines (KCM) will in April launch the extension of one of its mines under plans to double annual finished copper output to about 500,000 tonnes by 2011, Mines Minister Maxwell Mwale has said. KCM has invested \$1.5 billion in new projects, including the Konkola Deep Mining Project (KDMP), which is expected to extend the mine life of KCM by 23 years. KCM data shows that Konkola mine has been mined down to 950 metres level at its South number one shaft and 590 metres at the North number three shaft. The mining firm now wants to reach an ore body beneath the one currently being produced. *(Reuters, 16 December).*

**Exchange Rate, 16 December 2009: £1= K7,752.65 US\$1= K4,743.00**

**Correspondence and general queries to:**

Jo Herkes, Honorary Secretary,  
Zambia Society Trust, 4 Ashurst Way,  
East Preston, Littlehampton BN16 1AG

**Tel:** 01903 783 765

**Email:** [joherkes@zambiasocietytrust.org.uk](mailto:joherkes@zambiasocietytrust.org.uk)

**Membership enquiries to:**

Eileen Hamilton, Membership Secretary,  
Zambia Society Trust, CAC, 2 Secker Street,  
London SE1 8UF

**Tel:** 020 7450 4601

**Email:** [ehamilton95@hotmail.com](mailto:ehamilton95@hotmail.com)

**Newsletter editor:** Anne Fraenkel **Email:** [anne.fraenkel@zambiasocietytrust.org.uk](mailto:anne.fraenkel@zambiasocietytrust.org.uk)

**Website:** [www.zambiasocietytrust.org.uk](http://www.zambiasocietytrust.org.uk)

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