Critical Minerals and industrialisation opportunities

ZAMBIA

PRESENTATION OUTLINE

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ABOUT ZAMBIA

- Zambia is located in Southern Africa and is a completely landlocked country bordered by eight countries.
- Zambia is well endowed with various mineral commodities including; **Base metals** (copper, cobalt, manganese, iron), **Precious metals** (gold, silver), **Industrial/Development minerals** (gypsum, limestone, granite, sand, gravel), **Gemstones** (emeralds, amethyst) and **Energy minerals** (coal, uranium);
- The mining sector remains the backbone of the country's economy accounting for about 17.5% of Gross Domestic Product (GDP), 70% of export earnings and 30 per cent of government revenue.

ZAMBIA' DEVELOPMENT AGENDA

- Zambia developmental agenda is anchored on its Vision 2030 whose aspiration is to be a strong and dynamic middle-income industrialised nation by 2030.
- One of the sectors government has prioritised in its economic transformation agenda towards realising Vision 2030 is the mining sector.
- For a long time, mining has been focus on Copper. In 2022, copper exports account for approximately 75% of Zambia's export earnings implying that the copper sector still represents the leading source of revenues for the government.

ZAMBIA' DEVELOPMENT AGENDA

- Due to global developments which include the emergence of electric vehicles and renewable energies, government is promoting its diversification agenda within the mining sector by taping into the emerging opportunities in the Critical Minerals value chains.
- The abundant reserves of cobalt, lithium, Nickel copper and other minerals vital to the green energy transition and modern technologies presents an opportunity for Zambia to spur sustainable development and inclusive growth towards Vision 2030.

ZAMBIA' INTERVENTIONS TO OPTIMESE BENEFITS FROM CRITICAL MINERALS

- Zambia's vision in as far as critical minerals are concerned is to be a country that ensures sustainable exploitation, value addition to critical minerals and reliability in the critical minerals global supply chain to enhance the socio-economic lives of its people.
- In order to seize existing as well as potential opportunities in global green value chains, Zambia has commenced putting in place interventions to become a mining processing and manufacturing hub.
- To start with, Government has developed a National Critical Mineral Strategy which will run from 2024-2028 and focuses on the following:

ZAMBIA' INTERVENTIONS TO OPTIMESE BENEFITS FROM CRITICAL MINERALS

1. Strategic partnership

- The focus is for Government to enter into mutually beneficial agreements with Governments and the Private Sector. At regional level, the partnership with the Democratic Republic of Congo (DRC) to establish electric battery manufacturing plants in both countries is a case in point.
- Strategic partnerships are one of the avenues of enhancing resource-based economic linkages within the continent and beyond as well as increasing Government's stake in the mineral value.
- This will require strong collaboration with all stakeholders.

ZAMBIA' INTERVENTIONS TO OPTIMESE BENEFITS FROM CRITICAL MINERALS CONT…

2. Beneficiation and value addition

- Despite the abundant mineral resources, Zambia has not been able to fully exploit these resources for the benefit of the people.
- This has mainly been attributed to the weak linkages that exists between the mining sector and other sectors of the economy.
- To structurally integrate the economy and integrate into the global supply chains, Zambia aspiration is to graduate from supplying raw materials to exporting semi-finished and finished products through advancements in processing and refining capacity.

ZAMBIA' INTERVENTIONS TO OPTIMESE BENEFITS FROM CRITICAL MINERALS CONT…

3. Research and Development (R&D)

- In order to ensure the sector's capability to revitalize and enhance its competitiveness, Governments has attached importance to R&D.
- R&D will play an active role in the critical minerals value chain particularly in promoting a circular economy in the recycling and reusing of critical minerals.
- Continued innovation is essential for enhancing growth within the mining value chain and providing various opportunities including human capital development through increased technology and knowledge transfer as well as job creation.

CHALLENGES

Critical Energy Transition Minerals being a “new” niche in the Zambian mining sector, challenges exist:

1. **Human capital and technology**

- For the country’s mineral resources to translate to economic wealth, the critical mineral value chain needs to be enhanced with advancements in technological and human resources capabilities.
- Human resources development is key to building and sustaining a diversified economy.
- Government is strengthening geoscience institutions such as, learning institutions and other institutions through human capital development and technological capabilities.

CHALLENGES CONT…

2. infrastructure constraints

- Boosting the minerals value addition requires corresponding upgrade in supporting infrastructure.
- Of particular importance is the energy infrastructure. We have had inadequate investment in the energy sector. With Zambia's ambitious target to increase copper production from 800,000 tonnes to 3,000,000 by 2031, there is a pressing need for additional power generation capacity.
- Government in collaboration with the industry is promoting investment in the energy sector to diversify the energy mix necessary for sustainable exploitation of minerals and access to energy along various economic corridors.

CHALLENGES CONT…

3. Inadequate geological data

- For a country to effectively manage and exploit its mineral resource, there is need to have a comprehensive knowledge of its mineral endowment.
- Currently, the country 55.56 % is geologically mapped, 49% geophysically mapped and 9.2% geochemically mapped.
- This year (2024) Government has commenced countrywide high resolution aerial geological, geophysical and geochemical surveys to ensure adequate geological information.

CHALLENGES CONT…

- Once undertaken, it will make available updated geological information on mineralization of the country which will turn facilitate an increase both in green field and grey field investment.

4. Enforcement challenges

- Currently, Government faces challenges with regards to regulation and carrying out enforcement activities.
- This has created the need for the ministry to separate its policy and regulatory functions in order to effectively manage the sector.

CHALLENGES CONT…

- In this regard, the Government is in undertaking institutional reforms which include the establishment of the Mineral Regulation Commission.
- With a regulator in place, compliance and enforcement is expected to improve which will in turn result in enhanced management of the mining sector in general.

CONCLUSION

Zambia will ensure sustainable and effective management of critical minerals for the benefit of its people. It continues positioning itself to seize various opportunities from emerging developments in the energy transition through among others strategic partnerships.

THANK YOU FOR YOUR ATTENTION