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Government is indicating all the good intentions to improve the country's mining landscape, such initiatives should be celebrated.

The country's mining industry has continuously tabled challenges affecting the sector and seeing government responding positively to the dialogue is a welcome development.

Christopher Yaluma, mines minister’s reiterated assurance to do more to lure investors for the sector, sends hope across the nation and ignites potential of the already operating mines.

The ability to resolve several outstanding issues in the mining sector including VAT refund issues, inconsistencies in taxes and power deficit has far reaching benefits.

Supported by these changes, the country already expects a rise in copper production.

International research firm BMI says proposed regulatory changes could spur Zambia’s mining industry and Yaluma has also announced that the country expects to hit 850,000 tonnes copper production, this year, a rise from 774,000 tonnes recorded last year.

With all these positive highlights, not only will the mining industry bask in glory but the benefits will trickle down to communities and government coffers will also enjoy the royalties – envisaged win-win situation.

The positive outlook for the country’s mining industry is also worthy celebrating because the International Copper Study Group (ICSG) says the world copper mines production is expected to decline by 1% in 2017 and remain essentially unchanged in 2018.

The development ushers in an opportunity for copper prices increase that would sustain the reviving of the country's copper mining.

On the other hand, big kudos to Yaluma and his team who are already pushing for the country to diversify the mining away from copper as the mainstay, the economy needs to be cushioned from turbulences of the copper industry.

However, as we celebrate all these positive developments it is disheartening to realise that illicit mining and trade is also growing.

We call upon authorities to effectively nub this cancer in the bud.

Enjoy the read!
**Bright prospects for Zambia's copper industry**

International research firm BMI says proposed regulatory changes could spur Zambia's mining industry.

“We forecast the Zambian mining industry will grow by a yearly average of 5.5% between 2017 and 2021, significantly faster than the average decline of 5.4% experienced between 2012 and 2016,” BMI said recently.

The research institute said Zambia with an output of 740,000 t in 2016, and as a top ten global cobalt producer will benefit from the positive outlook for commodities.

“We forecast copper prices will rise from an average of $5,500/t in 2017 to $5,800/t in 2021, supported by Chinese fiscal spending in the short term and a consistently tight global market in the longer term,” the company said.

Despite the positive outlook, BMI says Zambia’s power shortages and policy uncertainty will pose downside risks to growth in the mining sector in the coming years.

“Finally, policy uncertainty will remain a concern for mining companies looking to enter the country as reflected by government’s latest decision to change royalty rates on the production of minerals for the third time in only two years,” BMI noted.

**Copper production set to increase - Yaluma**

Government is optimistic that the country’s copper production will increase, this year, on the backdrop of prudent steps the authorities are taking to create a favourable investment environment in the mining sector.

Christopher Yaluma, mines minister recently indicated that the country expects to hit 850,000 tonnes copper production, this year.

Last year, the red metal production was 774,000 tonnes, up from 710,860 tonnes produced the previous year.

Yaluma told the Zambia Mining Investment Forum in London that his administration was keen to ensure that mining operations benefit the investors and the country.

He said the revision of its mining law would bring about transparency and accountability in the sector.

The last mining laws overhaul was done in 2015 which saw the mineral royalty tax for open cast mines pegged at nine percent from 20 percent while underground mining operations tax was pegged at six percent.

**Diamond drilling commence at Mitu copper belt discovery**

British miner Midnight Sun Mining has commenced drilling on the Mitu copper-belt discovery the company’s optioned Solwezi properties.

The development comes after the company contracted Blu Rock Mining Services to conduct a diamond drilling program to further extend the previously discovered ore-shale type copper-cobalt.

According to the air core drilling are currently being conducted to confirm the presence of the ore-shale unit closest surface as indicated by the NSAMT survey.

NSAMT is a passive electromagnetic imaging technique using the earth’s magnetotelluric field to map geologic contacts and structure typically to depths of 500 meters or more.

The Zambia / Congo Copperbelt, the largest single copper belt in the world extensively use NSAMT surveys.

“We are at a transformative time for the company. This drilling program at the Mitu area should give us the big picture – whether Mitu has the strike and dip extent to potentially develop into a world-class deposit,” said Robert Sibthorpe, Midnight Sun Mining President.

**First Quantum record loss despite Kansanshi strong performance**

Australian junior miner First Quantum has recorded a US$29 million loss for the first three months of the year.

According to the company the comparative loss was incurred as no tax credit has been recognized with respect to losses realised under the sales hedge program.

However, the company indicates that the first quarter copper production increased 11 percent year-over-year to 132,356 tonnes attributed to a strong performance at the Kansanshi and Las Cruces mines.

In addition, continued ramp-up of the Sentinel mine in its first full quarter of commercial operations was recorded.

“We are pleased with the strong start to 2017 as the momentum of last year was carried into the first quarter,” said Philip Pascall, Chairman and Chief Executive Officer at First Quantum.

“Overall production and unit cost were good despite the rainy season in Zambia and the difficulties at Cayeli. The performance at the Kansanshi and the Las Cruces mine are particularly noteworthy.”

Pascall further said the successful initiation and completion of the liability management initiative during the quarter greatly strengthened the company’s financial profile while making it more appropriate for the company's forthcoming substantial production capacity increase.”

**Munali Nickel Mine set to reopen**

British firm Consolidated Nickel Mine is set to open Munali Nickel Mine in Mazabuka, three years after the mine was shut down.

Simon Purkiss, Consolidated Nickel Mine Chief Executive Officer told delegates at the 2017 Zambia Mining Investment Forum in London.

The company plans to extend the lifespan of the mine by 10 years, once a 40 million US dollars financing agreement operation is concluded.

According to Purkiss all the initial work to prepare the mine for reopening has been done.
Previously owned by the Australian company Albidon Ltd, the mine consists of two deposits – Enterprise, also known as Munali Phase 1, and Voyager.

Although it is billed as a nickel project, Munali also contains commercial quantities of copper, cobalt and platinum group metals (PGMs).

US$1 billion investment for Konkola Copper Mines

Vedanta Resources developers of Konkola Copper Mines (KCM) have announced a 50-year blueprint for the integrated copper mine.

With a budget of US$1 billion, the long term project is expected to grow KCM’s employment to 7000 jobs.

“I want Konkola Copper Mines (KCM) to be the largest integrated copper producer in Africa, the pride of Zambia and Vedanta Resource's hub for copper and cobalt production in Africa,” said Anil Agrawal, Chairman of Vedanta Resources.

KCM is Zambia’s largest integrated copper producer, technically very challenging, because of the massive amount of water but Agrawal is resolute and wants to ramp up operations.

“I'm determined to find technical solutions,” said Agrawal who is committed to diversify the economy of the Copperbelt by supporting initiatives in agriculture and technology.

KCM currently supports 2 700 families and small scale farmers through its Sustainable Livelihoods programme.

KCM is one of Zambia's largest copper producers, with mining operations in Chingola, Chililabombwe, Kitwe and Nampundwe.

The group produces aluminium, copper, zinc, lead, silver, iron ore, oil & gas and commercial energy.

The developers Vedanta Resources have operations in India, Zambia, Namibia, South Africa, Ireland and Australia.

Yaluma wants assorted mining economy

Government intends to diversify from traditional copper mining, to evade uncertainties in the copper industry.

Christopher Yaluma mines minister told delegates at the Zambia Mining Investment Forum in UK that his administration believes other minerals least affected by global turbulence in prices can help hedge the mining sector against such unforeseen turbulences.

Yaluma said gemstones is one of the mineral well but needs to be developed further.

The minister further said the country's mining industry has potential to be catapulted by the positive dialogue enjoyed by mining companies and government currently.

"We are enjoying a good relationship with the mines and we will continue to do so to ensure a win-win situation that will eventually benefit all," Yaluma said.

So far, government has resolved several outstanding issues in the mining sector including VAT refund issues with the mines, inconsistencies in taxes and power deficit.

"These and several matters have however been resolved and this is how government wants things to be done," Yaluma said.
Illegal mining activities are slowly becoming a big headache for authorities, as numerous reports on illicit mining emerge across the country.

The activities have potential to dent the country’s mining reputation and also expose the perpetrators to various health and safety risks.

So far reports on gold looting surfaced in the Sandwe’s area in Petauke district in Eastern Province.

Chanda Kasolo, the provincial permanent secretary confirmed the alleged prohibited mining saying unscrupulous business person with aid of unsuspecting villagers are allegedly selling kilograms of gold at K10, 000 tax free.

Kasolo said the activities are against the Minerals Act and others provisions of the Law that stipulate procedures to be followed regarding mining.

KONKOLA Copper Mine (KCM) has also expressed concern about the growing illegal mining to the Parliamentary Committee on Legal Affairs, Governance, Human Rights and Gender Affairs visiting the Copperbelt recently.

Howard Chilundika, KCM Manager Corporate Affairs and Power said told the committee that illegal mining activities are on the increase.

He said illicit mining was mostly conducted by youths and was on the increase within KCM premises.

Meanwhile the Parliamentary Committee on Legal Affairs, Governance, Human Rights and Gender Affairs has called on mining companies to adhere to regulations in the mining industry.

Meanwhile civil society group Banfu Africa Research Institute (BARI) has asked Government to provide a blue print in terms of the alternative livelihood support programs for people engaged in illegal mining.

According to BARI the fight against illicit mining will fail without adequate alternative livelihood programs to support operators when they exit.

President of the Institute, Eugene Bawelle, made the call when he interacted with the Deputy Minister of Lands and Natural Resources, Benito Owusu-Bio in Australia on the sidelines of the Kimberly Process meeting.

“If you ask why we will not just discard the galamseyers because galamsey is criminal, then you are forgetting the political factor as well as the security implications of no income generating activity for these illegal miners.

Human Rights and Gender Affairs has called on mining companies to adhere to regulations in the mining industry.

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“"The issue of alternative livelihood programme is important because of the economic multiplier effect of stopping galamsey altogether. There are a number of beneficiaries along the chain in this galamsey business so as a country it is important that we research into countries such as Chile, Brazil, Zambia and South Africa and how they have dealt with similar situations.”

“If you ask why we will not just discard the galamseyers because galamsey is criminal, then you are forgetting the political factor as well as the security implications of no income generating activity for these illegal miners. So it is important that they are offered other alternatives such that they can hang on to in terms of their economic wellbeing,” he added.

Galamseyers are people who do gold mining independent of mining companies, digging small working (pits, tunnels and sluices) by hand.
As ZESCO electricity tariffs hikes continues to attract backlash from various sectors of the economy.

Analysts have urged government and the utility company to consider learning from Germany’s failed green energy.

ZESCO has proposed a 75% increase in electricity prices, prompting an array of reactions from media, Africa Consumer Union and Millers Association of Zambia among others.

The rationale behind the tariff hikes is to fund investment in new power infrastructure through tariff hikes.

However, think-tanks question why the survival of cash-strapped ZESCO should be pinned on tariff increase and wants government to learn lessons from Germany’s forced green energy initiatives.

Media reports indicate that Germany’s political objective of forcibly pursuing ‘green’ energy resulted in cripplingly high power tariffs and other ripple effects.

As a result, prominent German multinationals – such as BMW, Siemens and BASF – relocated new manufacturing investments worth billions of dollars to the USA, where energy tariffs are several times lower.

Ripple effects of excessive tariff hikes

A study shows Germany’s high energy prices cost its manufacturing sector €52 billion in net export losses between 2008 and 2013.

“Energy prices are a key component of Germany’s competitiveness. Rising electricity prices in Germany – and strikingly lower electricity prices in North America – are making German products less competitive and forcing firms to relocate to other countries, a problem known as ‘investment leakage’.”

Households have been hard-hit too, with energy costs running nearly 50% above the European average. Government figures show that nearly 7 million German households live in energy poverty; some 350,000 households have had their power cut off.

The analyst have warned government to be on the overlook striking similarities citing that Zambia is export-dependent, and the economy is highly sensitive to any change in global competitive position.

The German experience shows there is a limit to how far tariffs can be used to achieve political ends. If tariff increases are reasonable, and can be absorbed by consumers without negative consequences, the political objectives can still be achieved.

However, if tariffs become so high that they end up being divorced from economic reality, then the consequences – both political and economic – can be serious.

The think-tanks have warned that unsustainably high power tariffs have devastating consequences on the economic and social fabric of a nation.

“If an economy as powerful, wealthy and diversified as Germany’s can be affected so seriously by high electricity costs, one can only imagine how much more they would affect an economy as small, fragile and undiversified as Zambia’s.”

The German experience is a salutary reminder of the importance of well-thought-out reform of the Zambian power sector with a proper balance between political and economic objectives. Ultimately, a country’s energy policy should first and foremost be aimed at providing abundant, competitively priced energy that keeps businesses and households functioning smoothly, and ensures sustained economic growth.
40 YRS OF ENGINEERING EXCELLENCE

C.P. Engineering Ltd, a company formed in 1972 and was originally founded by an Italian. It was later purchased in 1975 by the current owners making the Company 100% Zambian owned. Over a period of almost forty years, C.P. Engineering Ltd has grown in size and now has a staff of over thirty eight employees and is sub-divided into four different sections, namely: The Machine Shop, Boiler Shop, Bulk Storage Warehouse and a Retail outlet.

The Company was originally started with only a few machines, but over the years has built a healthy fleet of almost thirty different pieces of equipment which includes lathes, milling, drilling, boring, power saws, welding, pressing, rolling, guillotine and threading machines. All four sections of the Company are spread over an area of sixty five thousand square feet of space with a manager in each section.

THE MACHINE SHOP

The machine shop and the boiler shop are the two original sections of the Company where all our machining and fabrications are done. The machine shop manufactures various types of gears, sprockets, anchor bolts, pins, sleeves, couplings and numerous other products.

THE BOILER SHOP

The boiler shop is involved in fabrication of tanks, repairs and rebuilding axles, repairing dumper truck bodies, bulldozer and excavator buckets, customized containers, and other items as per drawings. Trolleys are also manufactured and distributed to other hardware stores.

Most of the staff have been with the Company for more than ten years and are experienced in various aspects of engineering. C.P. Engineering Ltd has three full time engineers with more than fifty years of experience combined. Over the past years the Company has serviced several different industries such as textile, food & beverage, transport, construction and mining. With the advent of numerous new mines and several new major construction projects, the company is deliberately focusing more on servicing these sectors.

FASTENERS

The third section deals with wide range of fasteners. C.P. Engineering Ltd in recent years has become the country’s largest stockists of numerous types of bolts, nuts, washers, threaded bars, screws, and studs in mild steel, high tensile steel and stainless steel. No other dealer in the country carries as much variety of fasteners.

RETAIL SHOP

Lastly, the fourth section of the Company is the Shop. The storefront has been C.P. Engineering Ltd’s latest expansion to expose the range of fasteners to individuals and other Companies. Additionally, a lot other hardware items related to fasteners have been introduced such as Ring, Combination and Open ended spanners. Impact Wrenches, Screw Drivers, Torque Wrenches and Vices. Pipe Wrenches, Allen keys and complete mechanics, fitters and electrician tool boxes. Items such as welding machines, boiler shop supplies, machine shop tooling, heavy duty jacks, shackles, and numerous other supplies can be found. C.P. Engineering Ltd is an Authorized Exclusive Dealer of High Quality world renowned HEYCO and HYTECH tools of Germany who are also the principle suppliers of all major tools to Mercedes Benz, Audi, Volvo, VW, and MAN trucks of Europe.

In the field of machining tools for the workshop, CP Engineering Ltd are the exclusive agents in Zambia for PILOT TOOLS (PTY) LIMITED of South Africa. Pilot is one of the leading manufacturers of tungsten carbide blanks for the mining industry. Additionally, they also manufacture tungsten carbide metal cutting inserts, brazed turning tools, brazed boring tools, brazed threading tools and also tool holders for the engineering industries.

The management and the engineers of C.P. Engineering Ltd are always available for consultation and professional advice.
Let's talk Energy

ERB’s Alternative Complaints Handling Avenues

The Mobile Office, a fit-for-purpose vehicle, was deemed to be the most appropriate avenue through which to reach various communities. This is because it can go out to different parts of the country.

By Fred Hang’andu

ERB has since inception established channels to lodge complaints. The channels have been spelt out in the ERB Complaints Procedure to guide consumers on how to go about lodging a complaint to the regulator.

Complaints channels to the ERB have traditionally included letters, emails, phone calls, facsimile and visits to the regulator’s offices.

The established channels help consumers to engage with the ERB to resolve disputes.

However, over time, the ERB has evaluated its accessibility to the public with a view to improving.

The evaluation has been both formal and informal. Formally, the ERB has conducted surveys and obtained feedback through community meetings in various parts of the country. Further, more recently the ERB also conducted a Perception Study to gauge the public perception of the regulator.

From the evaluation of the effectiveness of the available channels, it was felt that the avenues available to consumers and other stakeholders for lodging complaints needed to be enhanced.

Therefore, the ERB determined that it needed to spread its regulatory footprint to reach out to more consumers.

For a start, the ERB engaged a fellow regulator the National Water Supply and Sanitation Council (NWASCO) in 2005. NWASCO had pioneered an initiative to use volunteers to work as its agents to receive and investigate complaints and also sensitise the community.

The initiative was initially called Water Watch Groups. At the same time, the forerunner to the Zambia Information and Communication Technology (ZICTA) had expressed similar interest.

Following discussions among the three regulators, the Consumer Watch Groups (CWGs) were born to cater for water supply and sanitation, energy and information and communication technologies consumers.

The alliance lasted for three years until 2009. Having gathered enough lessons on how to run the initiative, the ERB reconstituted the CWGs to handle energy complaints only.

Under ERB, the CWGs were spread out to cover all 10 provincial centres and five other strategic districts namely Kitwe, Livingstone, Kaoma, Mazabuka and Chingola.

In terms of impact, the introduction of CWGs almost immediately saw the number of complaints reported to the ERB increase by a minimum of 150%. This was because the volunteer groups being present at the community level are able to engage consumers more directly and frequently.

Further, it has been observed that consumers felt more comfortable to engage CWGs because they are members of the community.

As a result of their efforts at community level, some CWGs were even co-opted into the Resident Development Committees. Furthermore, the initiative has attracted the interest of other energy regulatory agencies in countries such as Ghana, Malawi, Uganda, Tanzania and Mozambique.
However, the initiative has not come without challenges. The ERB has had to deal with misapplication of funds by CWGs on a number of occasions.

As the number of energy consumers kept increasing, the idea of a Mobile Office was born in 2012.

With the positive feedback from the CWGs, it was felt that there was still need to reach out to more consumers to allow more consumers lodge complaints.

It had been observed that some of the major hindrances to consumers lodging complaints were lack of awareness and the costs associated with pursuing a complaint.

It should be noted that social media and community media were just taking root in Zambia at the time. Therefore, it had become common that complaints were voiced out through the media and not through the established channels.

Considering that most energy complaints require that details of a complainant are available to enable the ERB to follow up with the licencee, it became necessary to go out to the community more regularly.

The Mobile Office, a fit-for-purpose vehicle, was deemed to be the most appropriate avenue through which to reach various communities. This is because it can go out to different parts of the country.

Thus, the Mobile Office has since 2013 been used to sensitise consumers at markets, bus stations, shopping malls, traditional ceremonies and schools to sensitise consumers and receive complaints.

This has seen the level of awareness on the ERB increase among ordinary consumers. Principally, the Mobile Office has allowed consumers with complaints to save on time and resources, which they would have spent if they had to go to ERB offices.

On the other hand, the initiative has enabled the ERB to reach various remote districts of the country where the regulator has no physical presence.

Even with the Mobile Office, ERB recognized that the energy consumer had become more sophisticated particularly with the reported marked increase in the use of mobile phones.

It had been realized that with the increased level of awareness owing to recent outreach innovations, there was need to offer consumers more alternatives. Therefore, it was determined that there was need to establish a Toll Free Line (TFL) to allow consumers to engage the ERB at no cost to themselves.

Thus, in November 2014 the ERB launched the TFL with the short code 8080. The TFL has allowed consumers to call the ERB to lodge a complaint through Airtel and MTN numbers at no cost.

However, the facility has also been subjected to abuse with some callers knowing that it is free, have used the line to talk about matters unrelated to energy. As unwanted calls still attract charges the ERB changed the short code to 8484 in May 2016.

In conclusion, the ERB shall continue to innovate new ways through which to easily reach out to consumers.

*The author is Senior Manager – Consumer & Public Affairs at the Energy Regulation Board.*
Aury Africa has announced management reshuffle, as the company position itself to be a leading manufacturer and supplier of high-performance mineral-processing equipment.

The company's latest blueprint under new management of Director Sydney Parkhouse targets to lead the industry by 2022.

According to the company, key to the ongoing ambition to become leader original equipment manufacturer (OEM) is the industry-leading expertise and experience of its management team.

Parkhouse at the helm of the team is a professional engineer with 40 years’ experience in the mining industry, from coal to gold, and has worked as far afield as China, Mozambique, and Colombia.

Other members of his team include George Sturgeon as Business Development Manager, Ameen Peters as Regional Sales Manager, Kiran Singh as Production Manager, and Active Ngwenya as Sales Administrator.

“In the meantime, we would like to reassure all of our customers that it is business as usual,” Parkhouse stresses.

Parkhouse said he will ensure that Aury Africa has good representation in Africa, with the initial focus being on Zambia and Mozambique.

“Our mission is to provide our clients with reliable and cost-effective solutions to their production challenges, supported by professional aftersales service teams,” he comments.

In addition, Parkhouse says will strive to forge a closer working relationship with both Aury China and Aury Australia.

“We will draw on the technical expertise and project successes of the international group, combined with our local knowledge of African operating conditions.”

Aury Africa produces a complete range of high-quality vibrating screens for the coal, gold, and minerals-processing sectors, which consists of banana, horizontal, circular, high-frequency, and flip-flop vibrating screens.

The company also supplies a range of exciters to fit most OEM screen types and consumable products available include centrifuge baskets, polyurethane (PU) wedge wire panels, intank/interstage cylinder screens for classification, sieve bends, static panels for separation.

“A significant competitive advantage for Aury Africa, and a major cost-saver for our clients, is our capability to manufacture these PU wedge wire panels locally,” Parkhouse points out.

He said the panels are available at a fraction of the price of similar imported products panels, citing that combined with Aury’s technical back-up and support, the company is able to offer total solution.

Parkhouse is optimistic that the green shoots appearing in commodity sectors such as copper and iron ore bodes well for the industry as a whole.

“We will ramp up our production in conjunction with our clients, as they ramp up their operations in anticipation of meeting the increased demand for commodities globally,” he said.

Aury Africa’s goal is to provide the best innovative screening and vibrating equipment solutions and services to the African mining market.
The International Copper Study Group (ICSG) says the world copper mines production is expected to decline by 1% in 2017 and remain essentially unchanged in 2018.

Last year, the world mine production increased strongly—benefitting from new and expanded capacity brought on stream mainly in Mexico and Peru and the low frequency of supply disruptions due to strikes, accidents or adverse weather conditions.

However, the group notes that lack of significant output from new projects or expansions, contrary to what happened in 2016 and reduced output from some SX-EW mines will impact world mine production growth rates in 2017 and 2018.

In addition, the group says the 2017 production growth is also impacted by the significant supply disruptions that occurred in the 1st quarter of the year notably in Chile, Indonesia and Peru.

Though the world concentrate production is expected to remain essentially unchanged in 2017, an anticipated decline of around 5% in SX-EW output will lead to an overall decline in world mine production of around 1%.

Meanwhile production in Chile and Peru, the world’s biggest copper mine producers, is only expected to present higher growth in 2018.

The world refined production is also expected to increase by around 2% in 2017 with lower growth of about 1.5% expected for 2018.

On the other hand, China is expected to remain the biggest contributor to world refined production growth in 2017 and 2018.
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Zambia and Togo are set to establish a framework of co-operation and share best practices and information in agriculture, energy and mining, as part of efforts to strengthen bilateral relations.

President Edgar Lungu said given the similarities in the two countries’ economies and industries, there is great potential for collaboration.

Lungu further said both countries desire to have finished products from the raw materials found within their borders.

“We both have raw materials that need to be changed into finished products. We in Zambia have copper but we import its finished products, and Togo has phosphate but you import fertiliser. We thus both desire to break away from that,” Lungu said.

Togo is already expressed interest to benchmark from Kafue Steel Plant on how to exploit steel.

“There is room for similar cooperation in the area of mining, such as the exchange of expertise in legislation pertaining to foreign investment, royalties, taxing policy and value addition to primary products,” he said.

The proposed framework of co-operation will encompass and facilitate multi-sectoral collaboration between Zambia and Togo in agriculture, mining and energy production.

Meanwhile the President also called for the continuation of collaboration between the two countries in various fora to which both countries share common membership on key issues such as peace and security, reform of the United Nations system and the fight against terrorism.

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- Small Scale Mining Licence
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- Small Scale Gemstone Licence
- Artisan Mining Right

1. **MINERAL ROYALTY** is a payment received by Government in consideration for the extraction of minerals.
2. Holders of mining rights are liable to Mineral Royalty on minerals produced under their respective licenses.
3. Any person without a mining right but in possession of minerals on which Mineral Royalty has not been paid by supplier is liable to pay Mineral Royalty.
4. All persons carrying out quarrying of industrial minerals are liable to Mineral Royalty; this includes quarrying of gravel, sand and clay.
5. All persons that mine minerals for use as input or raw materials in their manufacturing process are also liable to Mineral Royalty.

**MINERAL ROYALTY RETURNS**
- Mineral royalty returns and payments are due 14th of every month.
- Rates for Mineral Royalty are:
  - 5% of norm value of base metals produced except when base metal is copper.
  - 5% of gross value of energy and industrial minerals produced.
  - 6% of gross value of gemstones produced.
  - 6% of norm value of precious metals produced.

Where the base metal produced is copper, the rate payable is as follows:
- 4% of norm value when norm price of copper is less than $4,500 per tonne.
- 5% of norm value when norm price of copper is $4,500 or greater but less than $6,000 per tonne.
- 6% of norm value when norm price of copper is $6,000 per tonne or greater.

All returns and payments are to be done electronically via the ZRA web portal [www.zra.org.zm](http://www.zra.org.zm).

For more information on taxation of mining activities, visit your local ZRA tax office or call our national call centre on 5972/0211 381111/260 0971281111 or email advice@zra.org.zm.
EML/EIS - MORE THAN 50 YEARS PRESENCE IN ZAMBIA

INTRODUCTION

Both Electrical Maintenance Lusaka (EML) situated in Lusaka, and Electrical Instrumentation Services (EIS) in Kitwe, have had a long-standing presence in Zambia, and therefore would like to take this wonderful opportunity via the CBMTEC2017 show to introduce some of the company's core competencies, namely:

DIVERSIFICATION

Both our companies are very diverse, serving the retail, commercial, mining and farming sectors. During our decades of operations in Zambia, we have adapted to economic swings, variations in copper price, changes in direct foreign investment, power outages and the recent drought affecting the Southern African region.

ENERGY MANAGEMENT

With the recent application by Zesco to the NER requesting a tariff increase, the various market sectors will now need to explore cost effective energy management solutions available through both EML / EIS, such as Power factor correction for both ZESCO compliance and reduction in wasted energy for the consumer, energy management studies and solutions such as solar solutions, energy efficient lighting solutions, with LED offering 35,000hrs plus operation, max demand control utilizing VSD's, and other options. This has benefits for both the consumer and power utility.

POWER FACTOR CORRECTION

Both companies have been actively involved in this business since 2010 and has effectively captured 80-90% of the market through reliable and cost effective solutions, together with after sales service and support. Satisfied clients range from millers, medium to large industries and recently the farming community. We have invested in equipment such as the Fluke power analyzer and Fluke thermal imagers so as to determine the exact requirements of the customer and to recommend appropriate solutions. These instruments can identify the presence of harmful harmonics / transients in the system and other related problems such as temperature.

VARIABLE SPEED DRIVES

The fact that the manufacturing and mining industry, together with farming community, are largely dominated by the constant speed induction motor, necessitates the need for VSD’s to regulate starting and speed control particularly with conveyors, pumps etc. The advantage of the VSD is that huge starting currents affecting maximum demand can be reduced, thus saving energy and starting torques on equipment and water pressure can be regulated with the VSD thus reducing the need to control valves. A typical diagram and photo of a VSD is shown. Important to note is that the power factor is still below the PF=0.92 lower limit set by Zesco, hence the need for installing PFC still exists in most instances, with the VSD fulfilling the role of reducing maximum demand and allowing better control of typical equipment outputs i.e. pressure, speed, etc. There is some confusion regarding the ability of the VSD to effect PFC to the power utility lower limit set point, this typically requires the introduction of costly front end VSD or low harmonic drives. We therefore recommend for the general motor user the introduction of PFC to meet first the Zesco requirement, and then later the introduction of the VSD.
**EML** is not only an authorized distributor of many leading brands of products, but in addition has qualified and experienced service and installation staff in both Lusaka and Kitwe.

**Instrumentation and Control**

**FESTO**

A worldwide leading supplier of pneumatic and electrical automation technology. Offering a wide range of quality industrial, process automation, components and solutions.

**SICK**

One of the world’s leading producers of quality sensors and sensor solutions for all industrial applications.

**FLUKE**

From industrial electronic installation, maintenance and service, to precision measurement and quality control, Fluke tools help keep business and industry around the globe up and running.

**DCRL8 – STATE OF THE ART PFC CONTROLLER**

**SOLAR RENEWABLE ENERGY**

Relying on diesel generators for your energy needs has various negative impacts on the environment, human health and your financial position.

The pollutants emitted by diesel exhaust include a mixture of particles and gases that contribute to air pollution and have proven negative effects on the human respiratory system. Diesel generators add to the greenhouse effects through the combustion of fossil fuel and are at the same time a source of noise pollution. On top of these negative effects, a diesel generator is very costly when one considers fuel and maintenance costs in the long run. Switch to solar for reliable, clean and silent energy supply. Payback periods will vary from 5 to 7 years depending on your individual situation.

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- 250 KVA, 3 Phase, 400V

Dedicated to industry in Zambia. Reliable service quality.
De Beers Group has announced its leading ground-breaking research project that aims to deliver carbon-neutral mining at some of the company’s operations in as few as five years.

The company’s scientist are working in close collaboration with a team of internationally-renowned scientists to investigate the potential to store large volumes of carbon at its diamond mines through the mineralisation of kimberlite ‘tailings’, the material that remains after diamonds have been removed from the ore.

According to De Beers Group, the project will investigate the storage potential across its diamond mines globally.

The project will utilise extensive research to assess the carbonation potential of kimberlite, a rare type of rock that has been found to offer ideal properties for storing carbon through mineral carbonation technologies.

De Beers wants to accelerate what is already a naturally occurring with a safe process of extracting carbon from the atmosphere and storing it at a speed that could offset man-made carbon emissions.

Scientists estimate that the carbon storage potential of kimberlite tailings produced by a diamond mine every year could offset up to 10 times the emissions of a typical mine.

De Beers Group’s Project Lead for the initiative, Dr Evelyn Mervine, said: “This project offers huge potential to completely offset the carbon emissions of De Beers’ diamond mining operations.

“Mineral carbonation technologies are not new, but what is new is the application of these technologies to kimberlite ore, which is found in abundance in the tailings at diamond sites, and which offers ideal properties for the storage of very large volumes of carbon.

“As part of the project, we are looking at how these existing technologies can be modified to develop specific solutions suitable for storing carbon in kimberlite tailings.

“The research is in its early stages and it may take some time before it is economically or practically achievable to tap into this full storage potential. However, even just tapping into a small amount could greatly reduce the net emissions at many of our mine sites in the near future, and possibly lead to carbon-neutral mining at some sites within the next five to ten years.

“As technology improves over time, more and more carbon could feasibly be stored in kimberlite tailings, meaning we could ultimately offset more emissions than we are producing.”

Mineral carbonation is a natural or artificial process whereby rocks at the Earth’s surface react with carbon dioxide sourced from the atmosphere and lock it away in safe, non-toxic, solid carbonate materials – taking that form in kimberlite rock in this instance.

The work being undertaken by the project team could have significant applications for the broader mining industry, as the ideal carbon storage characteristics of kimberlite rock are also found in rocks mined for other commodities, such as nickel and platinum.

“By replicating this technology at other mining operations around the world, this project could play a major role in changing the way not only the diamond industry, but also the broader mining industry, addresses the challenge of reducing its carbon footprint.

“By investing in ground-breaking projects such as this, aligned with the FutureSmart Mining™ innovation programme of our parent company, Anglo American, we have the real potential to leave a positive, long-lasting legacy for the global mining industry,” said Bruce Cleaver, De Beers Group Chief Executive Officer.

Mineral carbonation potential assessment studies are currently underway for Venetia Mine in South Africa and Gahcho Kué Mine in Canada. Further research and detailed studies will continue in 2017 and 2018 to assess the carbonation potential at these and other De Beers Group mines.
International mining company De Beers Group and its joint ventures spent more than P4 billion (approximately US$380 million) in Botswana in 2016 purchasing goods and services from local businesses.

According to the Group’s latest Report to Society, the procurement comprised payments for both core business and ancillary services.

The report further notes that De Beers Group and its joint ventures also increased the amount they invested in community development programmes in Botswana.

“Recognising the importance of Botswana’s rich ecosystem, De Beers Group and its joint ventures also ran a number of programmes designed to protect species under threat or in danger of extinction,” reads part of the report.

One of the beneficiaries is a rhino conservation initiative, supported by Debswana – the 50/50 joint venture between De Beers Group and Botswana – to increase the country’s rhino population through a breeding programme that then releases rhinos back into the wild.

Other projects include the HIV/AIDS programmes, helping reduce the number of HIV positive employees in Debswana dying from the disease to less than one per cent – down from 31 per cent just 15 years ago.

“While our diamond partnership with Botswana has delivered a great deal of direct economic benefit over the last five decades, we are increasingly looking for ways in which we can also maximise our contribution outside of our core business.

“Putting the supply chain to work is helping to secure jobs and deliver substantial benefits to local businesses across a range of sectors,” Bruce Cleaver, CEO, De Beers Group, said.

He said the company’s community investments are helping with the provision of important services for people who need them across the country.

Globally De Beers Group returned US$5 billion to stakeholders – a 26 per cent rise on 2015 – through taxes, payments and dividends, emphasising the importance of the relationships with stakeholders, including governments, communities, suppliers and joint venture partners in 2016.

“Putting the supply chain to work is helping to secure jobs and deliver substantial benefits to local businesses across a range of sectors,”
Bannerman Resources Limited developers of Etango Mine have reported a successful first quarter positioning the company to improve Namibia’s uranium sector outlook.

The company says has continued its solid progress over another successful quarter, culminating in commencement of Definitive Feasibility Study (DFS) update to gauge the capital and operating cost improvements.

“Uranium sector sentiment is improving, supply and demand dynamics are tightening and we can foresee a number of catalysts potentially coming into play in the short term,” said Brandon Munro, Bannerman’s Chief Executive Officer.

The DFS update in conjunction with our key consultants, AMEC Foster Wheeler will target substantial capital and operating cost improvements through incorporating the results from the Etango Demonstration Plant and evaluating other value accretive opportunities in processing, mining and infrastructure that have been developed through internal engineering undertaken by the Bannerman team.

According to the company, the DFS update will focus on the key results obtained from the demonstration plant and other work including potential improvements on comminution, heap leaching, processing, infrastructure and mining.

Meanwhile Bannerman has entered into a subscription agreement with the One Economy Foundation to become a 5% loan-carried shareholder in the Etango Project.

This Namibian ownership complies with the Etango project licence conditions and cements a key pillar of Bannerman’s corporate social responsibility in Namibia.

The One Economy Foundation is a prominent Namibian not-for-profit organization with programs that directly support government’s flagship Harambee Prosperity Plan for poverty alleviation.
The latest 'Africa Attractiveness' report by EY has highlighted that the continent has moved a leap to use other sectors to attract investors apart from mining.

According to the report, 6.2% of foreign direct investment (FDI) for the mining sector, including industrial and precious metals, coal, oil, as well as natural gas, landed in Africa last year.

However, the surge in capital investment was primarily driven by capital-intensive projects in two sectors — real estate, hospitality and construction (RHC), and transport and logistics. The continent’s share of global FDI capital flows increased to 11.4% from 9.4% in 2015. This made Africa the second-fastest growing FDI destination by capital, EY says.

The EY analysts attribute the small figure corresponding to mining to a broadening of greenfield FDI projects beyond the extractive sectors, with most of the money (58%) flowing to the so called “hub economies” — South Africa, Egypt, Morocco, Nigeria and Kenya.

South Africa remains the continent’s leading FDI destination, when measured by project numbers, increasing 6.9%.

Morocco regained its place as Africa’s second largest recipient with projects up by 9.5%, followed by Egypt, which attracted 19.7% more FDI projects than the previous year.

EY says there are new clusters emerging in the continent, being the Francophone and East African markets of particular interest to investors.

In addition, Ghana, West Africa’s second largest economy, remains a key FDI market.
INTERNATIONAL NEWS

Letšeng continue to raise high Gem Diamonds flag

“Although this 80 carat diamond is not the very large size for which Letseng is renowned, it is one of the highest quality diamonds recovered at the Letseng mine and is entirely undamaged making this a significant recovery”.

British company Gem Diamonds continues to recover high quality diamonds from its Letšeng mine in Lesotho.

In May, the company announced the recovery of a high-quality 80 carat, D colour Type II diamond, this follows the recovery of a 114 carat diamond from Letšeng, the highest dollar per carat kimberlite diamond mine in the world early April.

Commenting on this recovery Clifford Elphick, Gem Diamonds Chief Executive Officer said: “Although this 80 carat diamond is not of the very large size for which Letseng is renowned, it is one of the highest quality diamonds recovered at the Letseng mine and is entirely undamaged making this a significant recovery”.

Gem Diamonds is a leading global diamond producer of high value diamonds and owns 70% of the Letšeng mine in Lesotho.

Since Gem Diamonds’ acquisition of Letšeng in 2006, the mine has produced four of the 20 largest gem-quality white diamonds ever recorded.

Liqhobong’s diamond recoveries surge

Quarterly update on commissioning and production ramp up activities at Lesotho’s Liqhobong Diamond Mine has indicated that commissioning activities are complete with final ramp up progressing on track.

The developers Firestone Diamonds recently told stakeholders that 639,000 tonnes were treated with nameplate capacity continuing to be achieved.

According to the company said scheduled plant commissioning modifications carried out in the quarter resulted in a higher grade of 20.1 cpht achieved for March and the grade expected to continue to rise post the implemented plant modifications and the mining of higher grade ore in the main pit in the coming months.

So far recovery of over 31 special stones larger than 10.8 carats as well as the continued recovery of fancy yellow diamonds has been recorded compared to the previous quarter, 27 special stones were recovered.

Meanwhile, Firestone Diamonds’ first two diamond sales held during the quarter in Antwerp saw all 127,590 carats offered for sale sold, achieving an average price of US$107 per carat for total sale proceeds of US$13.7 million.

“It is pleasing to see that the improvements and modifications made to the plant during commissioning have improved performance.

We are now starting to move towards the better quality ore areas which will be treated towards the end of the current quarter and I look forward to providing further updates as we complete the final ramp up phase over the coming months,” said Stuart Brown, Firestone Diamonds Chief Executive Officer.

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Kwikform supplies a large range of accessories and sundries to complement its vast range of products and services, from the standard fittings and clamps linked to specific systems to Ties that works on multiple systems to individual components such as Road-Forms and Concrete Buckets

Beams and Bearers span between two or more points to create a supporting structure for horizontal formwork. The beams supplied by Form-Scaff span up to 30m.

Kwikform manufactures and supplies standard or purpose made Column formwork to accommodate all shapes and sizes.

Kwikform’s decking ranges offer fantastic concrete finishes in combination with safety and cost effectiveness, for single and double waffle slab construction through to heavy civil type structures such as bridge decks.

Kwikform offers two modular scaffolding systems that conform to all the relevant South African standards. Self-locking tower scaffold systems are also available for light duty access projects.

Special Formwork is purpose made formwork to suit a specific shape or size and is only available on a sale basis.

Kwikform has what it takes to carry almost any load, from standard decking structures to heavy duty girders. Form-Scaff’s new Super-Beam range enables unsupported spans.

Kwikform’s popular systems are used for vertical formwork applications such as columns, walls and beam sides. Circular applications are also possible.

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International mining tire services and a global independent tire dealer – Kal Tire Mining Tire Group has expanded its footprint in Africa by opening a branch in South Africa.

This comes after the acquisition of the South Africa operations of Tyre Corporation.

“Tyre Corporation is a recognized market leader in underground mining tire services and sales and we’re excited to bring their capabilities and strengths to Kal Tire,” says Dan Allan, senior vice president, Kal Tire’s Mining Tire Group.

“We’ve been building our business in parts of Africa since 2009, but this acquisition goes a long way for us to ensure a long-term sustainable business in South Africa.”

Tyre Corporation has been operating in South Africa for 12 years with fully equipped branches throughout the country.

The company is confident that Kal Tire is the right organization to acquire its South African operations and continue to build on the strong reputation they have developed.

“We are very pleased to be joining forces with a company like Kal Tire who has such a strong reputation in the industry and understands the mining tire business as well as they do,” said Patrick Brown, Sales Director, Tyre Corporation.

Tyre Corporation is optimistic that Kal Tire will serve with passion. Kal Tire provides full-service customized mining tire solutions across five continents.

With 45 years’ experience in every type of mining operation, and a strong balance sheet, the organization is positioned to properly support and fund the working capital needs of a venture of this magnitude as well as continued growth.

More than 800 Tyre Corporation team members across 80 South Africa mine sites will be welcomed into Kal Tire.

“We believe every team member in our organization is the key to our success and we know our new team members joining us from Tyre Corporation bring invaluable experience with them,” says Robert Foord, president, Kal Tire.

The additional advantages for existing Tyre Corporation customers is that they will now have access to other Kal Tire services such as Kal Tire’s exclusive Ultra Repair® process for ultra-class tires and other tire service innovations.

Kal Tire’s focus is on delivering tire management services and products of measureable value for mining customers globally which includes creating alternative commercial models that are focused on aligning the goals of both the customer and Kal Tire, as well as developing innovative and patented solutions and tools.

Kal Tire is Canada’s largest independent tire dealer and one of North America’s largest commercial tire dealers.
Two crane giants join forces following acquisition

Konecranes has completed acquisition of Terex MHPS trading as Demag Cranes, Hoists, Material Handling and Ports Solutions.

According to the company the acquisition will improve Konecranes’ position as a focused global leader in the industrial lifting and port solutions market, as the two crane brands share their considerable combined knowledge and technology, becoming a substantial force in the lifting business in sub-Saharan Africa.

Konecranes anticipates achieving substantial growth opportunities in the service business which is already a stronghold of the company in Southern Africa.

The company has a long history of conducting routine service inspections, repairs and refurbishment of Demag cranes.

In South Africa, the merger also extends to the Wolff Cranes brand which was acquired by Demag in the late 1980’s.

In terms of the port material segment, it includes handling technology with a broad range of manual, semi-automated solutions under the Gottwald and Noell brands.

“We are extremely proud to combine forces with Demag. We want to provide a home for Demag and Port Solutions, from which these businesses can grow and become stronger as part of our joint organization.

The acquisition makes it possible for us to realize a long list of synergies between our two companies. We will be one technology company, ready to create the next generation of lifting,” Knut Stewen, Konecranes’ Managing Director Southern African Countries and Vice President Head of Region Africa, said.

Stewen’s sentiments were also echoed by John Haarhoff, Managing Director of Demag MHPS (Pty) Ltd. “We strongly believe that in the long term, the sharing of combined technology will allow the two businesses to develop solutions that will further improve the productivity and safety of the Demag, Wolff and Konecranes.

We aim together to excel at providing the services our customers require”.

In a first joint team effort, the Demag/Konecranes team signed a three year service and maintenance contract for Arcellor Mittal Saldanha Steel Mill which will require a supervisor and four technical teams on site.

Based on 2015 financials, Konecranes and Demag had aggregated sales of approximately EUR 3.5 billion, adjusted EBITDA of EUR 267 million and a total workforce of approximately 19,000”.

The acquisition makes it possible for us to realize a long list of synergies between our two companies. We will be one technology company, ready to create the next generation of lifting.

The Demag V-type girder – less is more.

Thanks to the high quality of manufacture, efficient, light-weight design and reduced oscillation characteristics, the crane and components are exposed to reduced loads. The lower wear makes a noticeable difference in terms of cost efficiency. Whereas a comparable box-section girder will manage some 200,000 changes of load, a Demag V-type crane will easily manage more than 500,000 changes of load, delivering more than double the service life.
The CAMINEX/CBM-TEC 2017 organisers - Copperbelt Mining, Agricultural and Commercial Show Society (CACSS) and Specialised Exhibitions Montgomery have applauded traditional supporters of the trade show.

Over the year's government and industry including the Zambia Chamber of Mines, the Ministry of Mines and Mineral Development, the Ministry of Trade, Commerce and Industry, the Ministry of Agriculture and Livestock, the Department of Trade and Industry South Africa and the Zambia Association of Manufacturers have remained staunch supporters.

According to Karen O’Neil from CACSS says the event is Zambia’s premier networking event for international and regional companies that operate within the country's mineral rich Copperbelt and surrounding regions.

Adding his sentiments Charlene Hefer, Portfolio Director at Specialised Exhibitions Montgomery, said the show further highlights commitment to develop trade in the Copperbelt region and to ensuring the best experience possible for both exhibitors and visitors.

CACSS is a non-profit making non-governmental organisation based in Zambia and charged with the responsibility of organising Copperbelt’s annual show.

For 60 years CACSS has built a reputation for its ability to provide an annual exhibition platform that has recorded success in showcasing products and services available in the Country and the Region.

Specialised Exhibitions Montgomery is renowned for its biennial world class Electra Mining Africa exhibition held in Johannesburg, South Africa, as well as various other highly successful trade exhibitions on the African continent.

The company is a subsidiary of Montgomery Group, one of the most widely respected exhibition companies in the world with trade shows, consumer shows and specialist projects currently spanning Europe, Africa, the Middle East and Asia.

Covering an area of 31,328 km², Zambia’s Copperbelt region accounts for more than a tenth of the world’s copper deposits and the production of Copper, Gold and Cobalt is of significant importance, earning up to 80% of Zambia’s foreign exchange.

The Copperbelt Province and its neighbour the North West Province form Zambia’s major industrial hub. Adjacent to the Copperbelt Province is the mineral rich Katanga Province of the Democratic Republic of Congo (DRC) with its high value metal resources.
High profile speakers for CAMINEX/CBM-TEC

The annual CAMINEX/CBM-TEC exhibition has lined-up high profile speakers to share knowledge, at this year trade show.

According to the organisers thousands of business decision makers and professionals are expected at the show.

In addition, the trade exhibition is positioned to provide a platform to stimulate business in the agricultural, mining and industrial sectors in the Copperbelt area.

Slated for the 6th to 8th June at the Kitwe Showgrounds, technical experts and high profile speakers are to share knowledge at the exhibition stands and through seminars.

Christopher Yaluma Mines and Mineral Development minister is to lead the line-up with highlights on the outlook of Zambia’s mineral market from 2017 to 2020.

The minister will speak to the country’s mineral development, as a vehicle of economic diversification and key challenges the mineral industry face.

Yaluma’s will also assess the impact of infrastructure constraints on mining development, the increasing importance of building relationships between the mining sector and the private sector, and an update on the mineral road map and what new strategies are in the pipeline.

Adding to the minister dialogue, Nathan Chishimba, President, Zambia Chamber of Mines is to unpack the topic of policy options for local content and local procurement.

Other speakers include Kirby Vermaak, General Manager: Central Africa at Metso to talk about innovation and technological advances in mining, Michael Mundashi SC, Partner at Mulenga Mundashi Kasonde to provide updates on the mining regulatory environment and driving a sustainable mining sector.

On agriculture Leon Kotze, Head of Agribusiness at Standard Bank will look at raising financing for agriculture and farm management while Brian Malambo, Technical Manager: Southern Africa at BASF Zambia, will talk about the role of technology in agriculture and how it is driving modern farming.

Adding more to the agriculture exchange of ideas Ballard Zulu, Outreach Director at the Indaba Agricultural Policy Research Institute (IAPRI) will unpack the topic of the use of technology for increasing production and productivity.

Other seminar series will include discussion on energy transport and infrastructure.

“Our primary goal is to maintain plant, components and machinery in tip-top condition to yield maximum output.

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Zambia is pulling all strings for the country to be Africa’s leading copper producer.

Chris Yaluma, Mines and Minerals Minister said the country will soon regain the top spot and overthrow Democratic Republic of Congo.

“We’re close, very close,” said Yaluma citing that policy reengineering is propelling the country’s copper industry.

“I don’t see any reason why we can’t. It’s all about stable policies, and finding new ways to encourage Zambian mines to perform even better”

Yaluma emphatically believes with a production forecast of at least 800 000 tonnes this year, the country will reach its target.

DRC overtook Zambia to become Africa’s largest producer of copper, with an output of 942 000 tonnes in 2013.

However, DRC suffered its first decline in production in 2015 after several years of steady growth, but production was back up to just over 1 million tonnes in 2016.

Yaluma is also optimistic that Zambia’s political stability will help grow the copper industry, as opposed ethnic or tribal violence witnessed in other African countries.

“In Zambia, we kick governments out through a ballot, and not the barrel of a gun,” Yaluma said.

Yaluma highlighted Zambia’s other key strengths as an investment destination are the abundant and varied mineral resources that include base metals, precious metals, gemstones and energy metals such as uranium; a competitive mining tax regime and stable policies and an open economy with no restrictions on expatriation of profits.

Yaluma admitted that it hadn’t always been easy for the mining industry in recent years, and that it had taken government a while to face up to various challenges and correct them.

“Even up to three years ago, we were still grappling with inconsistent policies, changing tax regimes and moving the goalposts. The 20% Mineral Royalty Tax regime really frustrated investors.

That’s when we realised that we must start talking and dialoguing with the Chamber of Mines. We never really consulted them adequately. It’s like we were doing our own thing.”

The new spirit of dialogue has led to a better, more accommodating sliding-scale MRT regime based on the prevailing copper price.

Yaluma is cognisant of the fact that the overall tax burden on Zambia’s mines is still high by international standards, and has not ruled out further reductions when circumstances permit it.

“Tax rates are highly competitive, and you have to do the right thing to keep yourself afloat in this business,” he said.
International consultancy firm EY says Africa’s mining potential is no longer the central attraction for foreign investment into the continent.

According to EY’s latest Africa Attractiveness’ report, the mining sector, including industrial and precious metals, coal, oil, as well as natural gas, collectively accounted for just 6.2% of foreign direct investment (FDI) that landed in Africa last year.

The report provides an analysis of FDI investment into Africa over the past ten years and the 2016 data shows Africa attracted 676 FDI projects, a 12.3% decline from the previous year, and FDI job creation numbers declined 13.1%, despite capital investment rising 31.9%.

According to EY the surge in capital investment was primarily driven by capital intensive projects in two sectors, namely real estate, hospitality and construction (RHC), and transport and logistics.

The continent’s share of global FDI capital flows increased to 11.4% from 9.4% in 2015, making Africa the second-fastest growing FDI destination by capital.

“This somewhat mixed picture is not surprising to us. Investor sentiment toward Africa is likely to remain somewhat softer over the next few years.

This has far less to do with Africa’s fundamentals than it does with a world characterised by heightened geopolitical uncertainty and greater risk aversion. Investors with an existing presence in Africa remain positive about the continent’s longer-term investment attractiveness, but they are also cautious and discerning,” said Ajen Sita, Africa Chief Executive Officer at EY.

In a sign of ongoing diversification of Africa’s FDI investors, more than one fifth of FDI projects and more than half of capital investment into Africa came from Asia-Pacific in 2016, an all-time record.

Most notably, Chinese FDI into Africa increased dramatically, making the country the single largest contributor of FDI capital and jobs in Africa in 2016.

Mining industry’s prospects to attract FDI slowdown

Egypt, Kenya, Morocco, Nigeria and South Africa (the key hub economies) collectively attracted 58% of the continent’s total FDI projects in 2016.

South Africa remains the continent’s leading FDI destination, when measured by project numbers, increasing 6.9%. Morocco regained its place as Africa’s second largest recipient with projects up by 9.5%, followed by Egypt, which attracted 19.7% more FDI projects than the previous year.

Although foreign investors still favour the key hub economies in Africa, a new set of FDI destinations is emerging, with Francophone and East African markets of particular interest.

“By 2030, Africa remains on track to be a US$3t economy. However growth needs to become more inclusive and sustainable to eradicate poverty at the levels that are required,” said Sita.

Sita said the continent need to accept the reality that physical connectivity – enabled by regional integration and the development of physical infrastructure – will remain a key stumbling block to inclusive growth across Africa for at least the next decade, then the need to actively embrace digital connectivity becomes critical.

“However, efforts to harness the potential of digital technologies as a fundamental driver of inclusive growth are still far too piecemeal and fragmented.”

He said a far more collaborative effort between governments, business and non-profit organisations to adopt technological disruption, and create digitally enabled offerings with a particular focus on health, education and entrepreneurship is required.

The EY Africa Attractiveness Index (AAI) was introduced last year, to measure the relative investment attractiveness of 46 African economies based on a balanced set of shorter and longer-term metrics.
Transport and logistics specialist, Concargo, looks back on 30 successful years in supply chain and road freight logistics.

Meticulous planning, tailor-made solutions, attention to detail, delivering on time and within budget and keeping clients happy – that, in a nutshell, is Cape Town-based Concargo (Pty) Ltd’s secret to beating the competition in the fast-paced, highly-competitive freight forwarding and logistics industry.

This success story began back in January 1987 when Concargo was founded, in Cape Town, by David and Beverley Kruyer. Today – 30 years on Concargo is represented throughout Southern Africa.

The company offers an ever-expanding portfolio of supply chain solutions and transport planning with customer services as its foundation, supported by strategic partnerships and alliances.

‘Our philosophy from day one was ‘service above all else’ and this has remained the basis for all our relationships,’ says David Kruyer, founder and MD.

‘We are dedicated to preserving this viewpoint as a constant in all our planning and interactions with clients and suppliers. Our challenge is to find solutions and implement them while exceeding expectations.’

Reflections over the decades
Kruyer says that starting his own business was a natural progression after spending time in the distribution industry, initially circulating newspapers to shops and street vendors for the Daily Mirror in the UK and then for The South African Associated Newspaper (SAAN) Group, the Cape Times Limited and Allied Publishing before working for a succession of distribution companies including DHL, TNT Skypak and Ace Express Logistics.

‘The distribution business was an invaluable grounding and where I gained most of my experience and knowledge ahead of opening the doors of Concargo back in 1987,’ he explains. ‘My analogy of the business is a shipping one. My wife, Beverley, is and has been the rudder in my life, Gregory Bathurst Tighe has been the keel since day one, Janine Bernadette Conradie is the mast of this operation with Dean Page the anchor.

‘It has been a long and eventful journey, navigating throughout the decades of good and lean years, learning and adapting our methodology along the way to find new solutions to logistic challenges, but we’ve also had loads of fun.

‘When I look back to our humble beginnings and where we are today, we are clearly doing something right. I can only attribute our success and longevity in the industry to solid partnerships with clients and service providers who have loyally stood alongside us as we’ve grown.’

It takes teamwork
Being successful in the freight forwarding industry requires teamwork and synergy of planning to ensure the smooth passage of cargo. Concargo boasts a dedicated and skilled team, as well as strategic business partners, working together to ensure a seamless and co-ordinated solution - whether transporting within South Africa or across borders into Africa.

The highly experienced team has decades of experience: Greg Tighe, Projects Director has been with the company for 28 years; COO, Dean Page for 16; Director of National Transport Janine Conradie celebrates 23 years at Concargo while Loretta George, Accounts Manager, has being around for 17.

‘Our management team is solid and has the experience to adapt to the new challenges presented by this ever-changing industry,’ says Kruyer.

‘Transport logistics in Africa is a vibrant and exciting industry to be part of. Our desire is to mentor a future generation by showcasing transport logistics as a career and are excited to have four logistics graduates join us as interns this coming year.’

Solutions driven
Successful delivery of cargo, no matter what the load, requires skilled staff to manage the often complicated logistics.

Over the years Concargo has been presented with some notable and rather unusual projects which have required intricate pre-planning and creative thinking to meet the brief, especially within tight time constraints.

These include:
· Managing the transport and logistics for big budget movies such as Racing Stripes, Home Alone, Lord of War, Blood Diamonds and more.
· Co-ordinating and managing the transport and logistics for BMW's
international medical supply logistics initiatives, and in various Southern African countries.

- Transportation of abnormal loads such as wind tower tubes, mining bucket wheel reclaimers, combine harvesters, 100 ton LP heaters for Medupi.

One of the most challenging projects took a total of three months to complete, a month of planning and two months of transportation. It involved relocating 45 loads of bucket wheel reclaimers from Saldahna to Sishen South mine. Considered abnormal out-of-gauge haulage and at 9m wide, the transportation required special permission and escorts as it snaked its way up and over the steep Piekeniersberg Pass, in four hour intervals (to allow for other traffic to pass) as part of the route.

'This industry lends itself to new challenges on a daily basis and one learns to adapt to the situation like a chameleon,' says Janine Conradie. 'Some days are really trying and others exhilarating, but in the end, always rewarding. Transport and supply chain logistics is not for the faint hearted. This industry teaches you the skills that can carry you through any situation life presents.'

'Besides all the interesting people I have met, I have also learned so much about this industry and many others too.'

'Taking the time to really understand a client's business is the best way to assist them when developing their logistics solution. I have been fortunate to travel to Madrid to accept a transport award on behalf of Concargo, to Antwerp for a Heavy Lift conference and to the Breakbulk Europe Expo. We have also participated as exhibitors at various expo's, such as SAPICS, The International Book Fair and at Breakbulk Africa.'

Three transport divisions, scalable business model
Concargo has three distinct transport divisions encompassing all aspects and types of logistics solutions, namely: Road Transport Short-haul and Long-haul and Express Distribution throughout South Africa; Road Transport Cross/Over Border via all Ports in SA, SADC and neighbouring countries in Sub-Saharan Africa; and Project Cargo Management, Abnormal Out-of-Gauge, Heavy Haulage and Mobile Crane and Rigging Services, Relocation/Mobilisation Services.

According to Kruyer, service management - within the framework of distribution and logistics - is the name of the game in providing reliable supply chain services from start to finish.  'Our expedited trucking provides a daily door-to-door road haulage service throughout South Africa, hauling general dry cargo from one tonne up to thirty-six tonne loads to and from all destinations as into all SADC, neighbouring and remote countries in Sub-Saharan Africa.

'We have invested heavily in customer relationship management (CRM) systems to preserve our knowledge base for the benefit of our customers while encouraging old school personalised service. Our business model is highly scalable due to its Owner Driver Hauliers and Sub-Contractor fleet base.

'We can supply from 1 to 100 trucks, or more, at short notice, especially when a ship docks and cargo needs to be discharged on a scheduled basis.

'Our Project Department, manned with highly qualified engineering specialists and experienced in all aspects of project transportation, assess the scope of work, survey the terrain, and quantify the end-to-end solution to complete the project,' explains Kruyer.

'Over the years, the project division have conveyed project shipments including vast over-dimensional and heavy lifts, and delivered on time and to the client's ultimate satisfaction. We foster partnerships with a wide range of asset owners, thereby providing access to a great variety of vessels and rolling stock through our strategic partnerships and alliances.

Forward thinking
'The regulatory and business landscapes are changing dramatically and there is a transition within our industry with disruptive innovation, drone logistics, (IoT) Internet of Things, Blockchain Technology and more,' says Kruyer.

'We have had to learn to adapt and innovate as never before. But the need to keep pace with these changes has a cost, and how we address these challenges must, in the end, benefit our customer and service providers. That's why collaboration amongst all players in the global supply chain community has never been more important.'

'Despite the many changes we are experiencing in terms of stagnation in the mining industry, reduced activity in the offshore drilling sector, the delay in infrastructure development and the unpredictable global economy we are confident of our future.

'We have a succession plan in place and continue to innovate. We are currently developing improved technology with apps to make tracking and tracing of cargo easier.

'Our experience is invaluable in being able to handle complex logistics and we have proved that no problem is insurmountable.

'We have not made it to this milestone of 30 years by sitting back, we are proactive and continue to adapt our business model to suit the business,' says Kruyer.

'But we would not have made it this far without our clients and partners and we thank them for their loyal support. We are energised about the future and look forward to continuing to be the 'go-to' company for transport and supply chain logistics in Africa.'
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