

Vedanta postpones KCM re-opening

Vedanta Resources Limited, the parent company of Konkola Copper Mines (KCM), has disclosed that it has shifted the commencement of operations to unknown dates due to the ongoing court process which has not yet concluded.

The company had earlier indicated that it anticipated commencing operations latest January 2024. However, the scheme of the...

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NHIMA fails to safeguard confidential patients data

The auditor general's report for the financial years ended 31st December 2021 and 2022 has revealed that the National Health Insurance Management Authority (NHMA), put customer "who are in most cases patients" data at a risk of being breached because of the authority's failure to secure a...

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Mealie meal prices hits K400 per bag

The locals in the Nakonde District of the Muchinga Province are feeling the pinch as the prices of mealie meal and maize grain continue to rise in the country.

According to the District Prices for Selected Products report for February 2024 obtained by the *Zambian Business Times - ZBT*, from the government's statistics Agency Zamstat, a 25kg bag of breakfast mealie meal costs K380 (about K400) in Nakonde, showing a difference of about K150 when compared to Monze district with the ..

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KWACHA TO APPRECIATE TO K15 PER DOLLAR



Economist Yusuf Dodia says the Zambian Kwacha is likely to strengthen to K15 per 1 USD after the full implementation of the export proceeds tracking framework which came into effect on January 1, 2024, as announced by the Bank of Zambia (BoZ). The export proceeds tracking framework compels all exporters to deposit their export earnings within 90 days of export in banks domiciled in Zambia...

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Maamba Collieries Limited mute on \$160m ZESCO debt write-off

Zambia's largest coal mine and the nation's biggest Independent Power Producer (IPP) with Zambia's only coal-fired Thermal Power Plant (TPP), Maamba Collieries Limited (MCL), has gone mute on the \$160 million given up to the state-owned power compan...

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Degree holders struggling to become business owners - BOZ survey

A survey conducted by the Bank of Zambia - BOZ in corroboration with the Ministry of Finance and Zamstats has revealed that Masters degree and other higher qualifications holders make up only 3% of Zambians that have successfully managed to set up and transition to become business owners. Business ownership as opposed to being employed is considered vital for economic growth as this reduces the burden...

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Toll Gates raises K2.9 billion

The National Road Fund Agency (NRFA) collected K2.9 billion from Toll Gates in 2023 against the revenue target of K2.3 billion representing a 15 percent increase compared to the previous year of 2022 where a total of K2.5 billion was collected. Despite the impressive figures, many road users are questioning where the money has been going, especially considering the poor state of many of Zambia's road networks...

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Lumwana mine does not export copper

Barrick's Lumwana mine, the second largest copper miner in Zambia has confirmed that they are fully compliant with the Bank of Zambia - BOZ Export Proceeds Tracking Framework Directives issued in December 2023 as they do not export copper.

The BOZ export tracking framework requires that all exporters in Zambia open bank accounts with a bank or financial institution domiciled in Zambia and deposit all export proceeds to that account within a period of 90 days...

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Funding delays derail Lusaka-Ndola dual carriageway construction

Concerns are mounting as the much-needed full resumption of construction of the Lusaka-Ndola dual carriageway continues to face funding delays. The project, which was expected to commence in 2020, is yet to substantially take off, leaving the public in despair.

Road Development Agency -RDA- says the official commencement of the Lusaka - Ndola dual-carriageway is expected to commence in March which is the last extension the authority has given to...

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Another Western Province dream dies - Barotse Cashew Company liquidated

The Barotse Cashew Company, one of the companies that was set up to drive up economic activity for western Province has been placed under liquidation and its assets have been offered for sale to the general public.

Western Province, one of the bottom two poorest regions of Zambia by economic activity, has had Cashew nuts production and processing identified as one of the key Agribusiness...

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Lack of tailored products hindering local firms from accessing finance - BOZ

The Micro Small and Medium Sized Enterprises - MSMEs finance survey report has revealed that the lack of suitable and tailored products is among the critical challenges hindering 'local' business growth in Zambia.

The Bank of Zambia BoZ, in collaboration with various stakeholders, has officially launched the Micro, Small, and Medium Enterprises (MSME) Finance Survey 2022 report which provides insights into...

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Well done ZESCO for saving Zambia over \$600 million - Editorial

We are aware that the country is currently saddled with a looming food crisis, a draught that threatens not only staple food and national security but also the vivid possibility of the return of business killing and much-dreaded load shedding.

We are also on record of having condemned the current ZESCO board and management team for having allowed in 2022, the country to plunge into another round of load shedding even after...

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Toll Gates raises K2.9 billion

The National Road Fund Agency (NRFA) collected K2.9 billion from Toll Gates in 2023 against the revenue target of K2.3 billion representing a 15 percent increase compared to the previous year of 2022 where a total of K2.5 billion was collected. Despite the impressive figures, many road users are questioning where the money has been going, especially considering the poor state of many of Zambia's road networks.

The high collection figures have raised questions about the allocation and utilization of funds by the National Road Fund Agency.

In a statement availed to the *Zambian Business Times* - ZBT, NRFA Public Relations Manager Alphonsius Hamachiila said the revenue was disbursed for road projects and related activities undertaken by the Road Development Agency (RDA), Road Transport and Safety Agency (RTSA) and Ministry of Local Government and Rural Development with most of the monies being channeled to clearing arrears owed to road contractors and consultants. Hamachiila said the NRFA processed a total number of 26 million vehicle transactions at all Toll Gates cross the country registering an increase of about 7.8 percent compared to 24 million recorded in the year 2022.

A total of 8 million transactions were processed from foreign registered motor vehicles resulting in a total revenue collection of K1 billion while in 2022 only 2 million vehicle transactions under this category were processed with a total revenue of K370 million. He said the NRFA which also collects road sector revenue from fuel levy, government appropriations, loans and grants disbursed K1.7 billion for maintenance of urban and feeder roads across the country and over K1 billion for the rehabilitation and upgrading of roads across the 10 provinces of Zambia, among other disbursements.

Some of the major road projects financed during the year included K240 million for the upgrading and rehabilitation of selected urban roads in Lusaka, K87 million for the rehabilitation of the Mongu Limulunga Road in Western Province K86 million for the upgrading of Chiengi – Kaputa Road in Luapula province. The upgrading of 100-kilometer Mwinilunga to Jimbe Road in Northwestern Province got K44 million, K28 million was spent on the Kafue Hook Bridge in Central Province, K21 million for periodic maintenance of feeder roads in Lufwanyama on the Copperbelt Province and K43 million for the upgrading of Mpika-Nabwalya - Mfuwe Road in Muchinga Province.

Others are 27 million for the periodic maintenance of Livingstone Sesheke Road in Western Province, Emergence works on Chipata-Lundazi, Katete Chanida and Ngoze Culvert embankment in Eastern Province got Road got K20 million while while K24 million was expended on the emergence maintenance of Lukulu Bridge in Chinsali, Muchinga Province among others.



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ZTA criticized for prioritizing international over local tourism

The Zambia Tourism Agency - ZTA has been roasted on social media for their lopsided tourism promotion activities that favour more spend on attracting international tourists despite statistics showing that Zambia gets more local and Africa region tourists.

ZTA seems to be captured by multi-national hotels and chains such that they spend more of Tourism packages in the tour-

ism industry. People have raised concerns about this issue but it seems the Tourism agency is not interested in creating a conducive atmosphere where local Zambians can visit various tourism areas and hotels at an affordable cost. This can be done by incorporating percentage reduction rates structured to allow more visits to tourism areas and this should be centred on accom-

modation especially". Another person Rodger Wilson stated that ZTA should "look to Kenya tourism industry. They embraced and marketed local tourism. It is now the mainstay of the industry, especially in Coastal region"

ZBT query on the value of the contract that was awarded to PC from neighboring countries and agency. ZBT received information from concerned players in ZTA promotion activities shows a bigger concentration of the public institution serving the international hotels at the expense of local and citizen owned packages.

Statistics seen and published by ZBT clearly showed that Zambia

receives about 90% of its tourists from neighboring countries and the Africa region but a check on ZTA promotion activities shows a bigger concentration of the public institution serving the international hotels at the expense of local and citizen owned packages.

Statistics seen and published by ZBT clearly showed that Zambia

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COMPANIES



Lack of tailored products hindering local firms from accessing finance - BOZ

The Micro Small and Medium Sized Enterprises - MSMEs finance survey report has revealed that the lack of suitable and tailored products is among the critical challenges hindering 'local' business growth in Zambia.

The Bank of Zambia BoZ, in collaboration with various stakeholders, has officially launched the Micro, Small, and Medium Enterprises (MSME) Finance Survey 2022 report which provides insights into the financing needs, constraints, and preferences of MSMEs, highlighting areas that require attention and intervention.

The main challenges highlighted include the high cost of credit, lack of collateral and proper documentation, low-income levels, as well as unsuitable loan products that do not meet the needs of the MSMEs.

As to be expected, these factors limit the ability of MSMEs, or more specifically 'local businesses' to access credit to invest, expand, and create jobs in the economy.

Speaking during the launch MSMEs financial Survey Report, Bank of Zambia Governor Dr. Denny Kalyalya said addressing these barriers is essential to unlocking the full potential of local firms for them to upscale and prosper, and thus be able to play their much-expected viral economic growth role.

Dr Kalyalya recognized the importance of the MSME sector in contributing to economic activity and poverty reduction (wealth creation) in Zambia.

Dr. Kalyalya explained that as a response to the general complaints about the challenges this important sector faces concerning financial access and to support these efforts, the Bank of Zambia undertook the MSME Finance Survey to provide the

much-needed information required to understand the landscape, behavior, and challenges faced by MSMEs.

Dr.Kalyalya added that only 3 percent of startup capital was sourced from formal Financial Services Providers (FSPs), while 7.3 percent of MSMEs applied for a loan during the five years prior to the Survey (2017-2022). "Furthermore, the report highlights the importance of fostering a conducive regulatory and policy environment that supports MSME development. Simplifying regulatory processes, enhancing financial literacy, promoting innovative financing mechanisms as well as establishing relevant infrastructure and market linkages are some of the measures that can help MSMEs overcome obstacles and thrive in today's dynamic business environment."

The Bank of Zambia Governor has since urged all key stakeholders, notably, policymakers, regulators, FSPs, and MSMEs themselves, to leverage the solutions provided in the report to inform their decision-making and actions.

The Bank of Zambia governor believes that by working together and implementing targeted interventions, they can address the challenges facing local enterprises and create an enabling ecosystem where they can drive economic development through innovation and more job creation.

"By working together and implementing targeted interventions, we can do a better job of addressing the challenges facing MSMEs (local firms) and create an enabling ecosystem where they are able to drive economic development through innovation and job creation." Remarked Dr Kalyalya.

Speaking at the same event Min-

istry of Finance and National Planning Secretary to the Treasury, Felix Nkulukusa said the Government is actively exploring various fiscal policies to enhance private sector investment in micro, small, and medium enterprises.

"Given the challenges still faced by local enterprises (MSMEs) in accessing credit and formalizing business, there is a need for a coordinated approach by the Government and key stakeholders to develop national policies, strategies, and interventions that would enhance financial literacy levels and access to finance for MSMEs." Said Nkulukusa.

Meanwhile, the Ministry of Small and Medium Enterprise Development, permanent secretary, Subeta Mutelo said The dissemination of the survey report marks an important milestone in the journey towards supporting the growth and success of MSMEs in Zambia as it provides evidence-based recommendations that will guide our policies and interventions in the coming years.

Mutelo said about the recommendation for the Ministry to initiate the development of legislation specifically targeted at supporting MSMEs, the Ministry has commenced the process of facilitating the development of legislation to support the growth and development of the micro, small, and medium enterprises, particularly by addressing the unique needs and challenges they face, such as accessible financial products and services.

She said through this legislation, the Ministry aims to provide a conducive environment for MSMEs to thrive and access the necessary financial support for their growth and development and ultimately resulting in the growth and development of the country.

Maamba Collieries Limited mute on \$160M ZESCO debt write-off

Zambia's largest coal mine and the nation's biggest Independent Power Producer (IPP) with Zambia's only coal-fired Thermal Power Plant (TPP), Maamba Collieries Limited (MCL), has gone mute on the \$160 million given up to the state-owned power company - ZESCO after a protracted period of dispute, negotiation, and final arbitration. The debt between Maamba Collieries Limited and ZESCO had been allowed to accumulate to over \$600 million as of 2021 due to the reluctance and dispute by the state-owned power utility Company - ZESCO to settle the bill.

According to the statement issued by ZESCO Managing Director Victor Mapani, Maamba power plant has since agreed to write off the receivables of \$160 (\$453 a situation which has raised suspicion that Maamba Collieries Limited (the parent company) may have deliberately and corruptly tried to over bill the public utility ZESCO as there has been no justification as to how this huge debt was allowed to continue to grow over time.

This means that the amount of debt owed by ZESCO to the Mamba power plant has been

lowered down from \$607 million to now only \$250 million after the writing off of the \$160 million as well as an additional payment of about \$197 million by ZESCO to Mamba in the last two years.

When contacted for a comment by the Zambian Business Times - ZBT, the Maamba corporate affairs office could not comment on the matter stating that the country director was outside the country and was the only one authorized to speak.

"There is no one who can give you that information because the director PJ Sudhir left the Country for India on holiday and there is no one sitting in for him so you just have to wait for him to return."

Maamba power plant is just another independent power producer - IPP after the Itezhi Tezhi Power Corporation - ITPC received half a billion dollars (\$653) knock after ZESCO debt write-off following a protracted period of dispute, negotiation, and final arbitration.

The dispute between MCL and the state-owned power utility Company - ZESCO last year 2023 saw even Maamba shutting

down operations at one of the 150 MW units thereby affecting the country's power supply and leading to massive load shedding as the situation was only resolved after the closed-door meeting in which the Head of states President Hakainde Hichilema.

Meanwhile, the state-owned power company in Zambia (ZESCO) has been commended for bringing down the debt owed to IPPs from over \$1,800 million in 2021 to now about \$583 million representing over 32 percent decrease as of 31st January 2024.

Maamba Collieries Limited (MCL) operates a 300 MW (2 X 150 MW units) modern coal-fired power plant with the capacity to supply 10 percent of the country's current installed electricity generation capacity.

MCL is owned 65 percent by Nava Bharat Singapore Pte. Ltd and 35 percent by ZCCM-IH, with some US\$919 million invested since 2010.

The power generated from the Maamba is sold to ZESCO under a power purchase agreement for a period of 20 years.

Luanshya's SERIOES Property sold at an undervalued price of 'K1.3m' to Nyimba Investments Limited

The sale of Luanshya's SERIOES International Company Limited properties, a company that was once a producer of suits for the local and international markets before the privatization era, has been rounded off by alleged corrupt deals.

Questions have risen on the alleged corrupt sale of the SERIOES International Limited Property Stand No. 1554 in Luanshya by the Office of the Administrator General and Official Receiver to Nyimba Investments Limited after it was revealed that the property was sold at a price that was lower than the reserve price by about K1.3 million .

The sale, which was finalized in May 2021, saw Nyimba Investments Limited acquire the property for K1,650,000, despite a higher offer of K2,951,000 being made by Antelope Wholesale

Merchants Limited in June 2020. According to the audit findings on the accounts of parastatal bodies and other statutory institutions for the financial year ended 31st December 2022, On 10th February 2020 Nyimba Investment Limited as seating tenants was offered to purchase property

at stand No. 1554 situated in Luanshya at a reserve price of K2,935,000.

However, the company (Nyimba Investments) responded with a counteroffer of K1,560,000 resulting in the Office of the Administrator General and Official Receiver placing an advert in the print media in May 2020 for the sale of the property at a reserve price of K2,935,000.

In this regard, on 3rd June 2020 Antelope Wholesale Merchants Limited made an offer of K2,951,000 for the property.

However, it was observed that the property was finally sold to Nyimba Investment Limited in May 2021 at a price of K1,650,000 which was lower than the price offered by Antelope Wholesale Merchants Limited by K1, 301, 000.

The sale of property at a price lower than the reserve price is highly irregular and raises serious questions about the motives behind the sale.

With experts questioning the transparency and fairness of the sale process, it has also emerged that management did not provide a copy of the valuation report of the property sold, further fueling suspicions of foul play.



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COMPANIES

IPP takes half a billion dollars knock after ZESCO debt write-off

Itezhi Tezhi Power Corporation - ITPC, an Independent Power Producer - IPP is on the verge of suffering serious financial losses after the power-generating corporation agreed to write off about half a billion United States dollars' receivables from ZESCO after a protracted period of dispute, negotiation, and final arbitration.

Itezhi Tezhi Power Corporation - ITPC is a 120MW hydropower project located on the Kafue river basin in Southern, Zambia and currently supplying power to ZESCO.

ITPC's debt with ZESCO had been allowed to accumulate to over \$780 million from 2016 to 2023 due to the reluctance and dispute by the state-owned power utility Company - ZESCO to settle the bill.

According to the statement issued by ZESCO Managing Director Victor Mapani, ITPC has since agreed to write off the receivables of close to half a billion US dollar (\$453 million dollars) a situation which has raised suspicion that Tata Power Company (the co-shareholder) may have deliberately and corruptly tried to over bill the public utility ZESCO as there has been no justification as to how this huge debt was allowed to continue to grow over a period of about 7 years.

This means that the amount of debt owed by ZESCO to ITPC has been slashed down from \$784 million to now only \$179 million after the writing off of the whopping \$453 million as well as an additional payment of about \$152 million by ZESCO to ITPC in the last two years.

Speaking in an exclusive interview with the *Zambian Business Times* - ZBT, ITPC Chief Executive Officer - CEO Moses Mbuta, however, highlighted that the reduction in the amount in question is a result of the revised tariff which was backdated to the time when they started supplying power to ZESCO.

He confirmed that there has indeed been a reduction in the debt owed by ZESCO admitting that there were some mathematical and business financial modeling errors that could have resulted in the miscalculation of tariffs and subsequently the total debt accrued by ZESCO.

"Yes there is that reduction and it can be attributed to two things, the first is that the tariffs were renegotiated between ZESCO and ITPC as the independent power producer, so the tariff was reduced and that reduction was back-dated to the commencement of operation date - COD which was in 2016."

"So that entails that just by that

reduction in tariff, [overall] debt was reduced and ZESCO has been servicing and has made some payments to that debt so that also caused the reduction."

"That difference [of \$453m] is because the reduction in tariff was back-dated from the time that we started selling power to ZESCO so that difference between the earlier tariff and the revised tariff is what gives you approximately that amount. The other term is to write it off but in our case, we say re-stating the account so we went back in time to 2016 and started re-invoicing using the revised tariff so that was automatic by virtue of that." Remarkd Mbuta.

When put to him that there are allegations that Tata Power and ITPC may have attempted to defraud ZESCO and Zambians since it's a public utility? Mbuta could not confirm if ITPC was using tricks to overcharge the power utility Company - ZESCO a situation which could have led to the loss of over \$453 million in debt from ZESCO which ITPC has now let go.

ITPC is 50% owned by Tata Africa and 50% by ZESCO. The company has a 25-year concession and off-take agreement with ZESCO. More details to follow...

Funding delays derail Lusaka-Ndola dual carriageway construction

Concerns are mounting as the much-needed full resumption of construction of the Lusaka-Ndola dual carriageway continues to face funding delays. The project, which was expected to commence in 2020, is yet to substantially take off, leaving the public in despair.

Road Development Agency -RDA- says the official commencement of the Lusaka - Ndola dual-carriageway is expected to commence in March which is the last extension the authority has given to Macro Oceans Investment Limited who were awarded the contract.

In February, 2023, the New Dawn Government signed a USD 577 Million concession agreement deal with Macro-Ocean Investment Consortium for the financing, construction, operation and maintenance of 327 Kilometers Ndola-Lusaka Dual Carriage Way and the rehabilitation of the 45 Kilometers Luanshya-Fisenge Masangano Road. Speaking in an exclusive interview with the *Zambian Business Times* - ZBT, RDA, Acting Communications Manager, Anthony Mulowa said the agency anticipates that the funding will be attained by Macro Oceans Investment Limited within the projected time for the commencement of the project.

According to RDA spokesperson, Mulowa, the concessionaire has until March to seek funding for the project, but could not confirm where the funds will

come from. The Lusaka-Ndola road is a critical transport link that connects the capital city of Lusaka to the Copperbelt province, where most of the country's mining activities take place. The current road is narrow, poorly maintained, and has become a major hindrance to trade and commerce in the country.

The construction of the dual carriageway has been on the cards for a long time, and the government promised to commence the project last year. However, the delays in funding have stalled the much-needed project, leaving the public unsatisfied.

Mulowa explained that the concessionaire still has only up to March, 2024 to secure funding adding that so far the indications have been positive.

Asked about where the source of funding is coming from and who exactly has delayed the project by not releasing funds on time, Mulowa said, "Am not aware of where they are getting the funds from but remember last time there was an issue with NAPSA so if at all they agreed, they are in business because they have been lending several businesses so if they agree on certain terms there is no problem but at the moment Macro Oceans Investment Limited has not come to us to say where they are getting the funding from and once that is done we will tell the public because definitely, this is a matter of public interest."

Asked about the assurance that RDA is giving to the public as to whether indeed the construction of this project will commence in March when there have been several postponements and considering the fact that only days are remaining to March, Mulowa said, "We are working around the clock to ensure that the project starts after the rainy season." "Remember I said we have given this to the concessionaire so we don't have much control as we are only the contracting authority so they have to come back to tell us when the funds are ready but it has to be within the given timeframe."

"But what is so important is that they have been doing reasonable work on site because one thing that you need to know is that we have to create a diversion where cars should pass when the actual construction start, so I think things are going just well and we are certain that we will attain our desired goal."

Asked if RDA is likely to postpone the commencement of the construction of the road if the Concessionaire fails again to find funds during the time which has been given, Mulowa said, "We are not looking at that because we have been assured that the funding will be sourced before the time, so we are not looking at failure or whatsoever as far as we are concerned we are on course and the concessionaire is on course and has been giving us positive indications."

ZAMMSA K600m 'local' supply hoax exposed - Only about 10 out of 24 companies awarded are citizen owned

The Zambia Medicines and Medical Supplies Agency - ZAMMSA attempts to hoodwink the public that local citizens were awarded K600 million worth of contracts to supply medicine to government has been exposed after sources confirmed that more than half of the companies awarded as local companies are actually foreign owned but locally registered.

Sources whose names have been withheld told the *Zambian Business Times* - ZBT that only about 10 out of the 24 companies awarded the contracts to supply under a mop up exercise were citizen owned, with others being mere fronts. Meaning that the use of 'locals' is misleading to the general public.

The impeccable sources told ZBT that if you look at the list, the bigger size in value contracts were given to foreign companies registered in Zambia but owned by foreign nationals. It's therefore wrong

for ZAMMSA to pretend and sell the list as local citizens when they are very much aware that most of those funds will be taken out of the country, and other genuine local citizens have been denied the opportunity due to selfish officers in government.

"I can tell you that Citizen owned companies share should be less than 30% of that K600 million, and the citizen owned companies included may have just been used to color and paint a local suppliers picture", stated the source. ZBT has since received the list from ZAMMSA and confirmed with experts that indeed most of the companies are not local citizen owned companies.

ZAMMSA and ZAMRA have been situated as institutions that are contributing heavily to forex outflows out of Zambia as they seem to resist supporting local players to build capacity and retain the

profits in Zambia. Locally owned and developed pharma industry will deliver local manufacturing and bring down the medicines import bill.

The source further told ZBT that some corrupt politicians are also to blame for this situation. They are responsible for the amendment of the public procurement act in 2022 which removed the prioritization of citizen owned companies with the new definition of "local" companies being diluted to include foreign owned companies registered in Zambia. ZAMMSA has been challenged to fully publish the final list in accordance with the current procurement act with the accompanying values so that members of the public can see this for themselves.

Photo below for illustration purposes only

Mop-Up Suppliers	
No.	Name
1	International Drug Company Limited
2	Live Healthy Pharmaceuticals
3	Cube Pharmaceuticals
4	Glenfied Pharmaceuticals Limited
5	Karibu Pharmaceuticals
6	Mair Pharmaceuticals
7	Melcome Pharmaceuticals
8	P & G Pharmaceuticals Ltd
9	Pharmanova Zambia Ltd
10	Shalina Pharmaceuticals Ltd
11	VL Healthnet Services
12	Western Pharmaceuticals Ltd
13	Yash Pharmaceuticals Ltd
14	Vyking Pharmaceuticals Ltd
15	Nchanga Healthcare Ltd
16	Orange Pharma Ltd
17	Zambia Alternative Pharmaceuticals Ltd
18	Ace Pharmaceuticals
19	Asclepius Pharmaceuticals Ltd
20	Augusta Ltd
21	Chemcity International Pharmaceuticals
22	Lumumba Pharmaceuticals Ltd
23	Sterelin Medical & Diagnostics
24	Mukushi Business Ventures



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Agricultural export earnings down 15%

The Zambia Statistics Agency (ZamStats) has revealed that export earnings from agricultural products decreased by about 15 percent to K1.8 billion in January 2024 from K2.1 billion in December 2023.

According to the ZamStats monthly statistics obtained by the *Zambian Business Times* – ZBT, the major export commodities were Oil-cake of soybean which accounted for 12.5 percent, Buttermilk, curdled milk and cream which accounted for 5.9 percent, and Tobacco, partly or wholly stemmed/stripped 4.3 percent. The latest statistics also revealed that Agricultural products accounted for 23.9 percent of Zambia's non-traditional exports (NTEs) in January 2024 compared to 29.0 percent in December 2023.

“Agricultural products accounted for 23.9 percent of Zambia's (NTEs) in January 2024 compared to 29.0 percent in December 2023.

Export earnings from agricultural products decreased by 14.2 percent to K1.8 billion in January 2024 from K2.1 billion in December 2023. The major export commodities were Oil-cake of soybean accounting for 12.5 percent, Buttermilk, curdled milk and cream (5.9 percent), and Tobacco, partly or wholly stemmed/stripped (4.3 percent).”

Meanwhile crushers and edible oils refiners association (CEDORA) Director Aubrey Chibumba attributed the reduction in export earnings in January 2024 to the reduction in maize and mealie exports in 2023. “In 2022 we exported a lot of maize but in 2023 there were no maize exports. So obviously you would expect that with the reduced maize exports in 2023, you would expect that overall agricultural exports would have declined. I would probably say that the decline in agricultural export earnings are mostly due to the reduction in maize and mealie exports,” said Chibumba.



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Mpulungu Harbour explains 93% profit loss and reduction in cargo volume

Following audit findings that Mpulungu Harbour Corporation Limited (MHCL) Company made a profit loss of 93% which they attributed to a reduction in cargo volume passing through the Port, MHCL has revealed that the Reduction in cargo throughput and 93% profit loss was due to Limited shipping capacity, Fuel Shortage in Burundi, Reduced export of sugar to the Great Lakes region and Low Clinker exports.

According to the auditor general's report for the financial years ended 31st December 2021 and 2022, Mpulungu Harbour Corporation Limited (MHCL) Company's profit reduced by 93% from over K4 million in 2021 to about K363 thousand in 2022.

The AG report also revealed that the reduction in profit was mainly attributed to a reduction in cargo volume passing through the Port from 231,000 metric tons in 2021 to 185,000 metric tons in 2022.

However according to a press query response from Mpulungu Harbour Corporation Limited (MHCL) to the *Zambian Business Times* – ZBT, MHCL Acting Managing Director Katowa Kabunda revealed that between 2022 and 2023 the Mpulungu Port ship calls were restricted because of inadequate cargo ship operators on the Lake amidst many competing Ports of call, a situation he said was

exacerbated by the sinking of two ships in February and March 2022 which led to ship calls reducing from 308 to 267.

Kabunda said that the Persistent fuel shortages in Burundi negatively affected vessel operators' turnaround time and calls per month.

He said that a Surge in domestic market demand for Sugar reduced quantities available for export adding that the increase in supply chain costs made the Mpulungu Corridor less attractive as an export route.

“Reduction in cargo throughput and net profit was a result of the following factors; a) Limited

shipping capacity – Mpulungu Port ship calls are restricted because of inadequate cargo ship operators on the Lake amidst many competing Ports of call. This situation was exacerbated by the sinking of two ships (2,200Mt lost capacity per ship call) in February and March 2022. As a consequence, ship calls were reduced from 308 to 267 between 2022 and 2023. b) Fuel Shortage in Burundi – Persistent fuel shortages in Burundi negatively affected vessel operators' turnaround time and calls per month. c) Reduced export of sugar to the Great Lakes region – Surge in domestic market demand for Sugar reduced quantities available for export. In addition, the increase in sup-

ply chain costs made the Mpulungu Corridor less attractive as an export route,” he said. Kabunda noted that the demand for Clinker dropped from 112,000 Mt (2021) to 46,000 Mt (2022), due to supply contract credit terms disagreements between Burundi Cement Company (BUCECO) and Chilanga Cement Plc following a change of ownership.

He noted that the decline in cargo volumes resulted in a significant reduction in sales revenue while fixed costs such as salaries, constituting a major portion of the company's costs remained largely constant.

He further added that the combined effect of declining revenues and fixed costs resulted in a reduction in net profit.

“Low Clinker exports - Demand for Clinker dropped from 112,000 Mt (2021) to 46,000 Mt (2022), due to supply contract credit terms disagreements between BURUNDI Cement Company (BUCECO) and Chilanga Cement Plc following a change of ownership. The decline in cargo volumes resulted in a significant reduction in sales revenue while fixed costs, such as salaries, constituting a major portion of the company's costs remained largely constant,” said Kabunda.

Kwacha to appreciate to K15 per dollar

Economist Yusuf Dodia says the Zambian Kwacha is likely to strengthen to K15 per 1USD after the full implementation of the export proceeds tracking framework which came into effect on January 1, 2024, as announced by the Bank of Zambia (BoZ).

The export proceeds tracking framework compels all exporters to deposit their export earnings within 90 days of export in banks domiciled in Zambia.

The Framework is intended to enhance the compilation of balance of payments statistics by expanding the coverage of external sector statistics, particularly relating to the capture of data on the utilization of export earnings

and information on balances held abroad by resident enterprises.

Speaking in an exclusive interview with the Zambian Business Times, Dodia explained that the full implementation of the framework would result in a significant increase in revenue for the country, with as much as K30 million US dollars coming in every day. Dodia argued that if the framework is successfully implemented, there is no way the Kwacha will continue to depreciate.

He also warned that failure to implement the framework would lead to continued pressures from multinational companies, resulting in little money being paid through mineral royalty tax and ultimately hindering

the country's economic growth.

Dodia said the implementation of the export proceeds tracking framework will play a significant role in shaping the future of Zambia's economy.

He said when money begins to come in through the framework, the kwacha may begin to gain strength. "My prediction is that if we stay the course if we are committed, if we are consistent, we should see a kwacha to dollar relationship below K15 to 1 US dollar," said Dodia.

He said if the local currency continues to depreciate, it will mean the framework is not being implemented.

"If it is implemented, we should be seeing K30 million US dollars coming in every day. If that amount of money is coming in there is no way you can say the Kwacha will continue to deteriorate" said Dodia.

He said if the framework is not implemented and the country continues to succumb to the pressures of the large multinational companies, the economy will be condemned to remain as it is for many years as all the wealth will be going out leaving the country with the little money being paid through mineral royalty tax which is not enough to grow the economy.

See table below the thirteen (13) IDC subsidiary companies incurred losses amounting to over K5.6 billion

Below are the 13 IDC subsidiaries that posted K5.6 billion losses

See table below the thirteen (13) IDC subsidiary companies incurred losses amounting to over K5.6 billion in 2022 and another

K750 million in 2021. If you dont take administrative action, let the managers who were not employed on merit continue due to nepotism or political alignment and turn around and say Zambians can't

run companies profitably... Let IDC take necessary corrective action, and if they can't, then changes should be made at IDC itself for lack of taking corrective and timely action. Zambians have proved that they

can run parastatal companies efficiently and profitably, but let's employ people on MERIT and sack people that fail to make the grade.

Table 6: Loss Making Subsidiaries

No.	Name of Company	Shareholding %	Net Asset Value K	Loss K	
				2022	2021
	Subsidiaries				
1	Infratel	100%	2,046,955,573	(158,944,516)	(70,712,000)
2	Times Printpak	100%	(691,284,718)	(19,160,768)	(15,356,000)
3	ZCCM-IH Plc	62.3%	36,789,674	(3,785,533,000)	-
4	Zambia Railways Limited	100%	649,729,000	(155,295,000)	-
5	Zamtel	100%	(1,693,831,339)	(544,649,000)	(441,501,000)
6	ZESCO	100%	15,008,451	(97,955,000)	-
7	Indeni Petroleum Limited	100%	(492,270,000)	(728,286,000)	(172,563,000)
8	Superior Milling Company	76%	(58,406,177)	(15,518,000)	-
9	Zambia Airways Limited	55%	71,903,037	(78,906,000)	-
10	Zamplam Limited	90%	65,743,000	(31,653,000)	(43,802,000)
	Mulungushi Village				
11	Complex Limited	100%	255,543,000	(20,314,000)	(2,150,000)
12	Mukuba Hotel Limited	100%	(6,510,000)	(374,000)	-
13	NIEC Business School Trus	100%	-	(62,000)	-
	Total			(5,636,650,284)	(746,084,000)

Inflation shoots up to 13.5%

Zambia is currently facing a major economic crisis as inflation rates continue to soar, causing financial strain on families and businesses.

According to the latest statistics obtained by the Zambian Business Times, the annual inflation rate has hit an alarming 13.5 percent in February 2024, up from 13.2 percent in the preceding month.

This means that on average, prices of goods and services in-

creased by 13.5 percent between February 2023 and February 2024. This development has been mainly attributed to price movements of selected food and non-food items.

The continued rise in inflation is a major concern for families who are already struggling to make ends meet.

According to the official statistics obtained by the Zambian Business Times – ZBT, from the government's statistics Agen-

cy Zamstat, of the overall 13.5 percent annual inflation, Lusaka province contributed the highest at 3.9 percentage points followed by Copperbelt which contributed 2.7 percentage points.

Central and Southern Provinces contributed 1.7 and 1.4 percentage points respectively while Northwestern province had the lowest contribution of 0.5 percentage points.

Meanwhile, the overall monthly inflation for February 2024 was recorded at 2.2 percent from 2.1

percent recorded in the previous month. This outturn was mainly attributed to price movements in selected food and non-food items.

The Zambian government has since been urged to take immediate action to control inflation and ensure that the people of the country are not burdened with rising prices. Failure to do so could result in a further deterioration of the economy and an increase in poverty levels.

Degree holders struggling to become business owners - BOZ survey

A survey conducted by the Bank of Zambia - BOZ in collaboration with the Ministry of Finance and Zamstats has revealed that Masters degree and other higher qualifications holders make up only 3% of Zambians that have successfully managed to set up and transition to become business owners.

Business ownership as opposed to being employed is considered vital for economic growth as this reduces the burden on government for expanding an already bloated government payroll. A country having more successful local Business owners also leads to more job creation in the private sector as well as forex retention were export is achieved.

According to the Micro, Small and Medium Enterprises - MSME Finance survey report made available to the Zambian Business Times - ZBT, Zambians of No tertiary qualifications were almost at par with those of masters degree at 2.4% and 2.8% of those who confirmed of being business owners.

However, Diploma holders were the highest at 43%, followed by Certificate holders at about 30% while first Degree holders were third at about 22% of the total of about about 1.4 million Zambians that owned a business.

Successive government, including the new dawn government, under pressure to create jobs, have resorted to mass employment into the civil service, a move that is lauded in the short term but with dire consequences in the medium to long term as pressure mounts on the treasury while the tax base remains stagnant.

Government should instead drive private sector growth, encourage local business ownership and formalization of business entities as a sustainable way to not only grow the tax revenue base, but create productive employment and jobs for the youths.

The survey report also revealed the urgent need for policy and business reforms that will enable a conducive environment for the thriving of local businesses and business owners. Some of the key recommendation include policy directives to make affordable credit or loans available, enactment of tailored and preferential tax legislation, reduced documentation requirements for local businesses as well as mindset and financial literacy enhancements.

Photo below is the over 3 years stalled construction of University of Zambia - UNZA hostels

Mealie meal prices hits K400 per bag

The locals in the Nakonde District of the Muchinga Province are feeling the pinch as the prices of mealie meal and maize grain continue to rise in the country.

According to the District Prices for Selected Products report for February 2024 obtained by the Zambian Business Times – ZBT, from the government's statistics Agency Zamstat, a 25kg bag of breakfast mealie meal costs K380 (about K400) in Nakonde, showing a difference of about K150 when compared to Monze district with the lowest prices of breakfast mealie meal at K230 per 25kg bag.

This means that Nakonde residents are paying more for a 25 kg bag of mealie meal than those in Monze are paying for.

Meanwhile, the report also notes that on a monthly basis, the national average price of a 25 kg bag of breakfast mealie meal has increased by 6.46 percent, from K292.09 to K310.97.

The price of a 25 kg bag of roller mealie meal also increased by 7.77 percent, from K244.44 to K263.44. Similarly, the monthly national average price of a 20-litre tin of maize grain increased by 8.12 percent, from K159.84 to K172.82.

On an annual basis, the prices of mealie meal and maize grain have increased even more significantly. Between February 2023 and February 2024, the national average price of a 25 kg bag of breakfast mealie meal increased by 57.98 percent, from K196.84 to K310.97.

The price of a 25 kg bag of roller mealie meal increased by 61.84 percent, from K162.78.19 to K263.44. The annual national average price of a 20-litre tin of maize grain increased by 76.74 percent, from K97.78 to K172.82.

These rising prices are causing concern for many Zambian consumers, who are struggling to afford basic food items.

Micro-lenders better than banks in extending loans to local businesses

Microfinance lenders are beating banks in serving and financing local businesses which are the majority of small and medium enterprises - SMEs in Zambia.

This was revealed by the survey made available to the *Zambian Business Times - ZBT*, conducted by the Bank of Zambia - BOZ in collaboration with ZAMSTATS and others.

A further check by ZBT revealed that Banks in Zambia are largely foreign-owned with very little local ownership interests, hence their lending agenda has mostly been skewed towards funding foreign-owned and multi-national companies and the employees of these foreign entities.

The South African and Nigerian-owned banks are however trying, but stakeholders say, they need to do more to support local businesses and strengthen their SME banking offering as part of their environmental, social and governance - ESG responsibilities.

The survey report findings were that the main source of loans for micro, small and medium enterprises - MSMEs were from microfinance institutions which accounted for 36% as the number one source.

The second source for loans was from Banks at about 18%, followed closely in their place by Village banking or savings groups. Money lenders were also significant at 12% of all the loans accessed by local businesses. Despite microfinance, village banking, and money lenders being a major sources of finance for local businesses, their lending rates are very high and prohibitive to growth and range from 5% to 10% per month, which when annualized comes to about 60% to 120%.

This level of choking interest rates of between 60% to 120% per annum perhaps explains why local businesses are choked and their growth rates compromised, resulting in an import-dependent economy.

There is a need for policy reforms driven by the Ministry of Finance that can incentivize Banks to avail more products and financing for local businesses.

Banks also have a moral and social responsibility to back local businesses as they operate on a license issued by Zambian authorities and should use the local deposits they mobilize to make loans to the same local businesses.

Bank deposits are raised from the very locals and retail clients and banks should not turn around and fail to back local businesses which they term as risky to lend to, there should be deliberate efforts to innovate and come up with products that are workable. Moreover, policy reforms and measures need to be urgently crafted and put in place to reign in government crowding out the private sector as well as to bring down the interest rates across the board.

Some money lenders and microfinance institutions have for the central bank - BOZ to consider issuing community banking licenses with realistic start-up capital requirements so that they can also initiate deposit mobilization campaigns to be enabled to cut down the cost of lending.

If Zambia is to stand a chance to develop and have a sustainable private and local business sector-led employment and wealth-creating economy, there is a need for viable and locally owned financial institutions to be established that could prioritize affordable lending to locals.



The Bank of Zambia on behalf of the Government of the Republic of Zambia invites applications for Government Treasury Bill Tender Number **05/2024** to be held on **Thursday, March 7, 2024**. Bid applications can be submitted electronically through email or the BoZ Government Securities Investor Portal. Bid applications can also be submitted physically to either Bank of Zambia or commercial banks. All bids must be submitted by 16:00 hours on **Wednesday, March 6, 2024**. Settlement will be on **Monday, March 11, 2024**. The following are the amounts on offer:

Term to Maturity	91 Days	182 Days	273 Days	364 Days
ISIN	ZM3000011558	ZM3000011566	ZM3000011574	ZM3000011582
Competitive Tender	K 414 Million	K 468 Million	K 495 Million	K 693 Million
Non-Competitive Tender	K 46 Million	K 52 Million	K 55 Million	K 77 Million
Total Tender Amount	K 460 Million	K 520 Million	K 550 Million	K 770 Million

ALL BIDDERS MUST COMPLY WITH THE OPERATING RULES AND GUIDELINES AS ISSUED BY THE BANK OF ZAMBIA.

THE TOTAL AMOUNT OF TREASURY BILLS ON TENDER IS K2,300,000,000.00 (TWO BILLION AND THREE HUNDRED MILLION ONLY) AT COST.

BID APPLICATIONS FOR BOTH DOMESTIC AND FOREIGN INVESTORS SHOULD BE SUBMITTED THROUGH LOCAL COMMERCIAL BANKS OR THE BANK OF ZAMBIA.

THE OFF-TENDER (NON-COMPETITIVE) WINDOW WILL HAVE 10% OF THE TOTAL AMOUNT ON OFFER.

BANK OF ZAMBIA RESERVES THE RIGHT TO ACCEPT BIDS HIGHER OR LOWER THAN THE TENDER SIZES.

BANK OF ZAMBIA RESERVES THE RIGHT TO ALLOCATE MORE BIDS ON THE COMPETITIVE TENDER TO COMPENSATE FOR ANY SHORTFALLS ON THE NON-COMPETITIVE WINDOW AND VICE-VERSA UNTIL THE TOTAL AMOUNT OFFERED IS ACHIEVED.

THE ABOVE AND OTHER INFORMATION CAN BE ACCESSED ON www.boz.zm

**BANK OF ZAMBIA
FINANCIAL MARKETS DEPARTMENT
BOX 30080
LUSAKA
TELEPHONE NUMBER 0211-399300/0212-399600**

97% local enterprises fail to access loans from banks – BOZ

The Bank of Zambia – BOZ institutions.

Micro Small, and Medium En-

terprises (MSME) Finance Sur-

vey report of 2022, has revealed

that 97 percent of the Micro,

Small, and Medium Enterprises

(MSME) which are mostly local

enterprises were unable to source

for start-up capital from com-

mmercial banks and other lending

institutions.

The reasons behind this huge

failure rate for local enterprises

to access capital from banks was

due to high-interest rates, lim-

ited tailored products, and lack

of collateral among many other

challenges. However, banks gen-

erate deposits which they use to

commercial banks, microfinance

make loans from the same local

people whose businesses they

are shy to finance.

According to the MSME finance

survey report conducted by the

Bank of Zambia, Only 3 per-

cent of enterprises were able to

source for start-up capital from

Small and Medium Enterprises

(MSMEs) which are mostly lo-

my.

the government, cally owned businesses are the

NGOs, and community-based

financial institutions such as

saving groups leaving out the

97 percent with no option but to

source for start-up capital from

families and friends.

providing the much-needed sup-

port to the growth of the econo-

my.

lifeblood of economies around

the world as they drive econom-

ic growth, create more jobs, and

foster innovation. However, the

major barriers to accessing

credit were high-interest rates,

lack of collateral, and low in-

come levels. This has resulted

in a situation where many en-

trepreneurs are unable to start or

grow their businesses, leading to

The main barriers to accessing

credit were high-interest rates,

lack of collateral, and low in-

come levels. This has resulted

in a situation where many en-

trepreneurs are unable to start or

grow their businesses, leading to

a stagnant economy and high un-

employment rates.

Vedanta postpones KCM operations commencement date

Vedanta Resources Limited, the parent company of Konkola Copper Mines (KCM), has disclosed that it has shifted the commencement of operations to unknown dates due to the ongoing court process which has not yet concluded.

The company had earlier indicated that it anticipated commencing operations latest January 2024. However, the scheme of the arrangement, which is a court process to approve payments that will be made to creditors, has dragged on for longer than expected, leading to the Company's failure to hit the target which has resulted in shifting the dates in the commencement of operations.

Speaking in an exclusive interview with the *Zambian Business*

Times – ZBT, on when the Company is moving on-site, Vedanta Resources Limited Corporate Communications Director, Masuzyo Ndhlovu, stated that the timeframe has shifted due to external forces which the company has no control over.

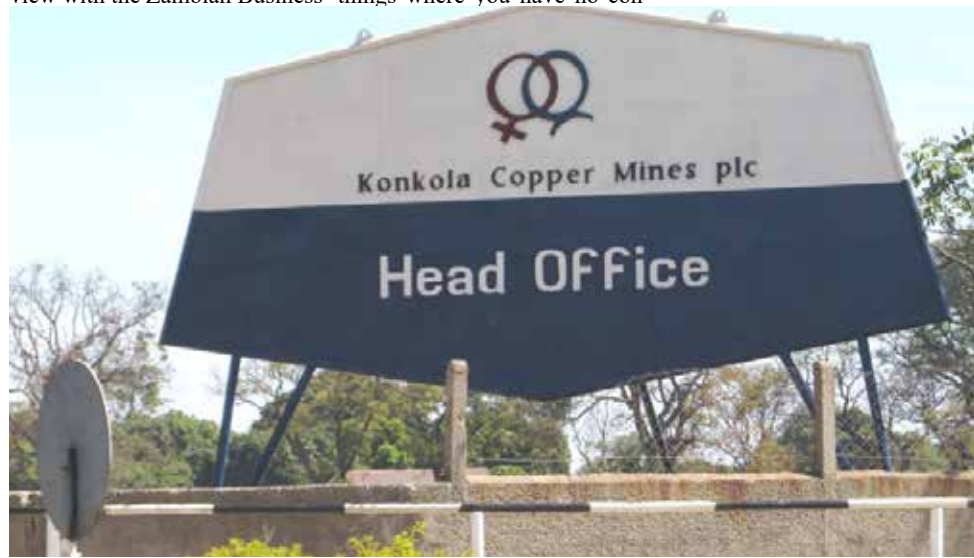
The *Zambian Government*, through the *Zambia Consolidated Copper Mines Limited (ZCCM)-Investment Holdings*, and Vedanta Resources Limited had signed a shareholders and implementation agreement on the running of Konkola Copper Mines earlier. However, the delay in the court process has led to uncertainty regarding the commencement of operations.

“Of course timeframe has shifted because there are certain things where you have no con-

trol so that was just an anticipation or estimation as to when we expected this to be done but then there are external forces also like the court.”

When asked about the new target for the commencement of operations, Ndhlovu said, “I can't say now because I'll tell you that the target is now the end of this month or next month, I may be wrong so I don't want to mislead you on that one.”

The uncertainty surrounding the commencement of operations is expected to continue until the court process is concluded. This is likely to have an impact on the local economy, as KCM is one of the biggest employers in the country.



Gold reserves build up drags further

Zambia's hopes of building up its gold reserves have hit an obstacle due to the Government's delay in reopening the Kasenseli gold mine resulting in a lower number of gold reserves than expected in the year 2023.

According to the Bank of Zambia Governor, Denny Kalyalya, during the presentation of the monetary policy committee for the fourth quarter of 2023 held at the central bank in February 2024 and attended by the *Zambian Business Times – ZBT*, In 2023, gold purchases amounted to US\$43.2 million, bringing the total to US\$150.5 million (in the market) since the Bank started purchasing gold.

The central bank had increased

its gold purchases when the Kasenseli gold mine was operational. However, with the mine remaining closed, the gold reserves have been impacted.

In the year 2023, gold purchases amounted to US\$43.2 million, bringing the total to only US\$150.5 million in the market since the Bank started purchasing gold.

The government had been urged to take advantage of the locally existing gold and stockpile gold reserves to a value of over \$1 billion.

This would provide an alternative lever to fall back on in the event of a steep drop in global commodity prices. Zambia is

still heavily dependent on copper exports, which account for over 70% of total exports.

The Central Bank had been left with no other option but to purchase gold from First Quantum Minerals' Kansanshi Mine after the surprising closure of the Kasenseli gold mine, where the highest amount of gold used to come from.

The delay in reopening the Kasenseli gold mine, however, has led to the bank relying on this mine for gold purchases. Meanwhile, calls have continued for government intervention to ensure that the country's gold reserves are built up to a sizeable value.



Experts foresee possible opposition from multi-national Companies against export proceeds tracking framework

The proposed Export Proceeds Tracking Framework by the Central Bank of Zambia – BoZ, has been met with mixed reactions from various stakeholders. While some have praised the initiative as a step towards promoting transparency and accountability in the country's export sector, others have raised concerns over its implementation with a possible negative impact on the economy if the directive is to fail.

Economist Yusuf Dodia has warned that the Export Proceeds Tracking Framework may face opposition from multi-national companies operating in Zambia. In a recent interview, Dodia expressed his concerns that some of these companies may resist the framework in order to protect their profits and avoid scrutiny. Dodia noted that the Export Proceeds Tracking Framework requires exporters to repatriate their export proceeds back to Zambia within 90 days of shipment, in order to promote transparency and prevent capital flight adding that this may not sit well with multi-national companies who may prefer to keep their profits offshore.

Dodia emphasized the importance of the Export Proceeds Tracking Framework in promoting transparency and accountability in Zambia's export sector. He called on the Central Bank to engage with all stakeholders and address their concerns in order to ensure the successful implementation of the framework.

Dodia explained that the successful implementation of the framework will see the local

currency gain resilience in the second quarter of the year after the country realizes more forex income through the Export Proceeds Tracking Framework.

Speaking in an exclusive interview with the *Zambian Business Times – ZBT*, Dodia said what is being seen now is a very strange phenomenon noting that the kwacha is very strong in the period of November and December. He said this is because all the country's big investors such as the mining sector and large multinational companies bring in a lot of money during that period as they have to pay a lot of bills, year-end taxes, renewal of contracts, and renew insurance policies among others. “One expects that November to December is when the kwacha becomes stronger because there is abundance of foreign currency, but we did not see it last year.” said Dodia. He said this may be because the government had earlier announced that it was to implement the Export Proceeds Tracking Framework which is a regulation demanding that all exporters bring their export earnings into Zambian banks.

“Since Zambia's economy is heavily dominated by the large exporters comprising of the mining sector, cement producers, sugar producers, and other commercial farmers, it appears that because these large institutions, these large producers, these multinational companies were unhappy about the introduction of this new framework that they decided to hold back on bringing in money to the Zambian economy,” said Dodia. He said this may have contributed to the de-

terioration of the Kwacha right into January.

He said companies do not want to be monitored as closely as the government would like and do not want to show how much money they are making, but rather keep their money abroad. He however noted that for the interest of the nation, the framework tries to recapitalize the Zambian economy so that it can grow. “If this speculation holds any water, it means as a nation we are being held to ransom by the large multinational companies. They are holding us by the throat, they are forcing us to abandon this Export Proceedings Tracking Framework” said Dodia.

He likened this to the experience in 2013 when the statutory instrument number 15 of 2013 known as the Balance of Payments Monitoring System which had a similar effect was put in place and only implemented for three months before it was revoked by the minister of finance. He said it might be the same story playing out by large exporters trying to squeeze the government to withdraw the framework in order to continue taking advantage of an economy where monitoring and transparency are at a minimum.

Dodia said it is important that the government is steadfast and stays the course without losing focus. He said if the framework is strictly implemented, there will be positive change in the next few months. “But whether the government has the strength and the resilience to stay the course is the issue which might be difficult,” said Dodia.

MINING

FQM postpones confirmation of compliance with export proceeds tracking directive

First Quantum Minerals - FQM, the largest copper miner in Zambia with mines at Kansanshi - Solwezi and Trident - Kalumbila has failed to categorically confirm if they are complaint or will proceed to comply with the export proceed framework directive.

FQM's Public Relations Manager Mirriam Hammond in response to a *Zambian Business Times* - ZBT enquiry stated that the "reporting [on the export proceeds tracking framework directive] will only be availed at the end of the quarter given the 1st of January implementation date and the 90 days reporting period".

Hammond further disclosed that "It is still in the early stages and there has been a number of meetings between FQM, banks and BOZ to discuss/clarity details, systems [and] concerns". Efforts to get direct confirmation from the country manager Dr. Godwin Beene proved futile by press time. But analysts say, with merely about one month remaining to the

end of Q1, FQM may be looking for ways or loopholes to get extensions for compliance as the period remaining is too short.

The BOZ export tracking framework requires that all exporters in Zambia open bank accounts with a bank or financial institution domiciled in Zambia and deposit all export proceeds to that account within a period of 90 days.

FQM being the largest copper producer in Zambia remains key to the success of this export proceeds tracking framework as copper exports alone account for over 70% of Zambia's total annual exports.

The BOZ export proceeds tracking framework directive has brought renewed hope, with analysts and economists projecting that, if well implemented, the Kwacha may post further gains as this balance of payments monitoring tool is expected to bring more transparency and result in more export forex inflows into the country.

The BOZ export tracking frame-

work among other things requires exporters to open and maintain a bank account with a bank or financial institution

domiciled in Zambia and that an exporter shall deposit all proceeds of exports of goods and/or services into this account within ninety (90) days from the date of export.

All exporters in Zambia are required to complete and submit to Zambia Revenue Authority (ZRA), the customs export declaration.

The banks or financial institutions that receive these export proceeds are required to make a return or report to BOZ through the submission of money receipts and remittances report on the electronic Balance of payment (e-BoP) Monitoring System.

The directive has also prescribed adequate penalties for exporters banks or financial institutions that fail to comply, which include revocation of their tax clearance certificate and TPIN.

Lumwana mine does not export copper



Barrick's Lumwana mine, the second largest copper miner in Zambia has confirmed that they are fully compliant with the Bank of Zambia - BOZ Export Proceeds Tracking Framework Directives issued in December 2023 as they do not export copper.

The BOZ export tracking framework requires that all exporters in Zambia open bank accounts with a bank or financial institution domiciled in Zambia and deposit all export proceeds to that account within a period of 90 days.

Speaking in an exclusive interview with the *Zambian Business Times* - ZBT, Lumwana Mine Country Manager Anthony Malenga stated that the mine does not export copper but trades locally through other players that have smelters.

Malenga stated that "Lumwana is in full compliance as we do not export. We produce concen-

trate sold to smelters locally".

Being the second largest copper producer, Lumwana mine has attracted the attention of analysts as copper exports alone account for over 70% of Zambia's total annual exports.

The BOZ export proceeds tracking framework directive has brought renewed hope, with analysts and economists projecting that, if well implemented, the Kwacha may post further gains as this balance of payments monitoring tool is expected to bring more transparency and result in more export forex inflows into the country.

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By time of publication, ZBT was still actively confirming with companies that run smelters if they are complying with this directive. More details to follow



FQM 'demotes' first Zambian GM Mukutuma

First Quantum Minerals - FQM has announced new management changes in Zambia that has seen Anthony Mukutuma, who had been the celebrated first Zambian General Manager - GM of Kansanshi Mine 'demoted' to the position of heading Government relations. A source at the mine who spoke to the *Zambian Business Times* - ZBT but asked for their name to be withheld stated that Mukutuma has been effectively demoted when it's external failures that are emanating from Panama investments that have caused the FQM group to not perform to expectations.

"Anthony is a professional and assigning him to do government relations which is more political

than technical is just as good as constructively firing him. That position they have given him has no influence in the group," the insider source told ZBT.

The source said that they have used this excuse to demote Mukutuma unfairly who has delivered and is well supported by the local team in Zambia. He has been excellent but we don't understand what criteria they are using. They know that Zambians are capable of running these mines even better.

Mukutuma was the first Zambian to hold the position of GM at Kansanshi mine, which is considered one of Africa's largest copper mines. FQM also boasts of another large-scale copper and nickel mine

at Kalumbila, both in the North Western Province of Zambia.

A statement announcing the changes seen by the ZBT justified the management reshuffle and demotions on the recent low production at the mines, but analysts say the losses from Panama where the investment has effectively been nationalized are to blame for the group's troubles.

Meiring Burger has since been appointed as the new GM of Kansanshi Mine, while Axel Kottgen has been promoted to assistant general manager. Anthony Mukutuma will lead external relations in Zambia to focus on government strategy, read the statement.

Joseph Chewe elected as President for Federation of African Miners and Mineral Wealth



With elections held in Egypt, MUZ President elected the first ever President of the newly established Federation of African

Miners and Mineral Wealth. MUZ President Joseph Chewe has just been elected president of

the newly launched Federation of African Miners and Mineral Wealth in Cairo Egypt



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FRA's negligence sends K4m worth of maize to waste

The auditor general's report for the financial years ended 31st December 2021 and 2022 has revealed that 18,764 metric tons of 50Kg bags of maize valued at over k4 million got damaged at 20 food reserve agency (FRA) depots due to poor storage facilities.

According to Section 7 part 7.1.1.3 and 7.1.1.4 of the property management department standard operational manual, FRA is mandated to conduct preventive

maintenance and routine inspections to ensure that buildings and infrastructure assure longevity and identify maintenance needs of infrastructure and equipment.

However, according to the AG's report seen by the *Zambian Business Times - ZBT*, a physical verification undertaken at the 20 FRA depots revealed that the 18,764 x 50Kg maize valued at over K4 million was stacked outside and got damaged due to exposure to elements of weath-

er such as moisture seepage and overheating.

"A physical verification undertaken at twenty (20) FRA depots revealed that 18,764 x 50Kg maize valued at K4, 006,720 stacked outside got damaged due to exposure to elements of weather such as moisture seepage and overheating. A physical inspection of storage facilities carried out in selected depots in August 2023 revealed that the storage facilities were in

poor condition and not suitable for storage of maize and other grains," revealed the report.

The report revealed that Kasama, Chimba, Luwingu and Mbala FRA depots of Northern Province had 4,049 x 50kg bags of rotten and discolored maize valued at over k698, 000 while Mpongwe and Masaiti depots had 89 x 50 kg bags of rotten maize valued at over k13, 000. Luano, Mkushi and Kapiri Mposhi depots of the central

province had 6,294 x 50kg bags of rotten soya beans and maize valued at over 1,000,000 while Mako depots of northwestern province had 321 x 50kg bags of rotten and discolored maize valued at over k57, 000.

Katete, Vulamukoko, Sinda and Muchimudzi depots of Eastern province had 713 x 50kg bags of rotten maize valued at over 121,000 while Thendere, Muyombe, Chitapo, Mulekatembo, Mwanzo, and Isoka depots of

Muchinga province had 4, 400 x 50kg bags of rotten maize valued at over k791, 000.

Meanwhile, Namwala, Monze, Mazabuka and Kalomo depots of Southern Province had 2,898 x 50kg bags of rotten and discolored maize valued at over k521, 000.

AGRI BUSINESS

Ministry of Agriculture violates Public Procurement Act, issues manual tenders

The Ministry of Agriculture has been caught in violation of the Public Procurement Act –PPA, No. 8 of 2020, which mandates the use of the electronic government procurement system (e-GP) for all public procurement entities, in a bid to promote transparency and accountability. The Ministry has on the contrary issued public tenders manually, defying the law and the spirit of its provisions.

According to two tender adverts from the Ministry of Agriculture seen by the *Zambian Business Times* -ZBT, interested bidders are being asked to deposit their submissions in the bid box, which is not a transparent way of making submissions.

This has raised concerns about the fairness and impartiality of the tender process, and the possibility of corruption and favoritism.

The Ministry has invited citizen and local bidders for consultancy services for the development of the national irrigation policy and consultancy services for the construction of feeder roads in Luapula and Central provinces. However, in both tender adverts, bidders were instructed to deposit their submissions in the bid box at the Ministry, which is a clear violation of the law.

Speaking in an exclusive inter-

view with the *Zambian Business Times* - ZBT, Ministry of Agriculture Secretary - Procurement Committee, Anon Madima confirmed that all public tenders are supposed to be done electronically but failed to give a clear justification as to why the ministry has gone ahead to issue 2 public tenders manually.

Madima also dodged the question of whether the ministry got ZPPA authorization to issue a manual tender and justified that the manual tender is meant for people who are not on the EGP system.

“Yes all tenders are supposed to be done electronically but you are going to notice that even when a tender is done on the EGP, there’s also a manual tender that is done and the Ministry of Agriculture is not the first Ministry to issue a manual tender but submission will be done on the EGP,” he said.

“Submissions of expressions of interest have also been put on paper to let people know because it’s not everyone who is on the EGP system. Let’s do this, I’m in the middle of something. Call me in the afternoon,” said Madima.

Officials from the Zambia Public Procurement Authority (ZPPA) have also failed to confirm whether the Ministry got autho-

rization from the authority to issue the manual tenders. The source noted that although the use of the EGP system is mandatory, there have been cases where some public entities failed to publish public tenders on the EGP system.

The sources further added that by May 2024, all procurement entities will be required to use the EGP system

“Sometimes procurement entities do request for a waiver not to use the egp system but I will have to find out whether it was done. I will have to check the records to see what was written and if the Ministry wrote to ZPPA,” the source said.

“There have been some tenders that have been advertised manually although the use of the EGP system is mandatory There’ve been cases where some tenders are not published using the EGP system but come May 2024, all procurement entities will use the EGP system because that is what the law provides. The nonuse of the EGP system should only be for some procurement entities that do not have the infrastructure needed for the EGP system but by May 2024 all procurement entities will have to use the EGP system including all districts in far flung areas,” revealed the source.



Namwala’s biggest rancher Namainga leaves behind K50m worth of cattle, 10 wives & 28 children

A close relative to the late Prominent Namwala biggest cattle rancher of Southern Province Teddy Namainga has revealed that the late Namainga has left behind over 4000 herds of cattle worth over K50 million and 28 children.

Teddy Namainga, fondly known Mukamaangwe, Namainga aged 84, died on 25th February, 2024, in Lusaka, after an illness.

Speaking in an exclusive with the *Zambian Business Times*-ZBT, Auster Chikwaye one of the close neighbors to the late Namainga also revealed that the late Namainga has also left behind 28 children and 35 dependents.

Chikwaye expressed sadness to Namainga’s demise adding that his death has come as a shock to his children, his dependents and

the entire Southern Province. Chikwaye said that Namainga’s death will really affect those he has left behind especially those he sponsored in school.

He said that the late Namainga loved upcoming farmers and was a role model to every young man in Namwala district.

He noted that the late Namainga was also a pillar not only at family level but at shimunenga ceremony adding that without him the ceremony will never be the same.

“In total the cattle he’s left behind are about 4000 herds of cattle. He had a lot of dependents who helped him to keep those animals. The average price of those animals is about K12,000 per cattle although some of the cattle even go up to K20,000 and

K25,000 of which the cheapest can go up to k5,000. Mr Namainga has left behind 28 children and 35 dependants,” he said.

“The death of Mr. Namainga is really a sad thing that has affected his children and his dependents and the entire district because he was a motivation to every young man and he’s one person who loved upcoming farmers. People could learn from him, he was like a role model to especially young people.”

“His death will really affect those he sponsored in school because some might even drop out of school. He was a pillar even at our ceremony called shimunenga ceremony and without him and his animals the ceremony was more less like there was no ceremony. He was our pride,” said Chikwaye.

Chicken feed prices go up by K75 per bag

Feed prices at one of the leading feed stores in Zambia have gone up by K75 about 15 percent from K520 to now about K595 effective 19th February 2024.

This means that broiler Chicken prices are also expected to go up following the increment in feed prices.

According to a pricelist from Farmfeed Limited seen by the *Zambian Business Times* – ZBT, retail chicken feed prices for standard broiler starters have seen an increase of 15 percent. Meanwhile, retail feed prices for standard grower feed have also increased by K52 from K515 to K567 representing a percentage increase of 10 percent.

Standard broiler Finisher feed has also gone up by K40 from K510 to K550 representing about an 8 percent increase. Meanwhile, Value broiler starter, grower and finisher feed prices

have also seen an increase of K40 from K510 to now K550, K39 from K495 to K534, and K70 from K470 to K40 respectively.

The Broiler Grower Concentrate has also gone up by K120 from k515 to K635 representing about a 23% increment while the broiler finisher concentrate has gone up by k115 from k510 to k625 representing a price increment of about 22%.

Village chicken feed has also seen a price increment of k70 which is about 15 percent from k450 to k520 which means that village chicken prices are also expected to go high.

According to the Farmfeed Limited feed price list, the village chicken finisher has gone up by k70 from k450 to k520 while the village chicken grower has gone up by k50 from k460 to k 510. Meanwhile, village chicken

starter feed has also gone up by k30 from k470 to k500 while free-range feed has gone up by k45 from k210 to k255.

The increase in feed prices is likely to have a significant impact on the poultry industry in Zambia. It is expected that farmers will pass on the increased costs to consumers, resulting in higher prices for broiler chickens and village chickens. This could lead to a decline in demand for these products, which could have a knock-on effect on the wider poultry industry.

In addition to this, the increase in feed prices could lead to a rise in production costs for poultry farmers, which could result in lower profits. This could lead to a decline in investment in the industry and a reduction in the number of poultry farms operating in the country.

Even Fish feed prices go up K740 per bag



Aquaculture feed prices have gone up by the maximum of k195 from k545 to k740 effective 19th February 2024.

According to a pricelist seen by the *Zambian Business Times* – ZBT, the retail price for a 50 kg bag of fish grower 32 at one of the leading feed stores in Zambia has gone up by 35% while the retail price for a 50 kg bag of brood stock feed has gone up by k165 from K685 to now k850 which is about 24%.

The price list has also shown that the retail price for a 25kg bag of fish fry meal 42.5 has also seen a

price increase of k90 from k360 to k450 which is about 25% while the retail price for a 50kg bag of fish fry meal 42 .5 has gone up by k125 from k675 to k 800 which is about 18 %.

The Retail price for fish grower 32 for a 50 kg bag of feed has also gone up k195 from k545 to k740 while fish grower 28 for the same bag has gone up by k70 from k520 to k590.

However, the retail price for a 25 kg bag of Fish Starter 35 has also gone up by k50 from k700 to k750 while fish finisher 25 for a 50 kg bag of feed has gone up by

k105 from k495 to k600 which is about 21%.

Meanwhile, the retail price for a 50 kg bag of green pond feed has also gone up by k100 from k400 to k500 while the retail price for a 20 kg bag of fish bait has gone up to k200.

Following the upward adjustment in the Aquaculture feed prices, the cost of doing business for fish farmers will also go up which might also trickle down to fish prices which might also go up.

AGRI BUSINESS

FRA shields its staff linked to K2million stock theft



The auditor general's report for the financial years ended 31st December 2021 and 2022 has exposed the Food Reserve Agency – FRA's failure to discipline its members of staff who were found to be involved in maize and soya beans stock theft valued at over K2 million.

According to the AG's report, a review of the 2022 Annual Stocktake Report showed that there were negative variances of maize and Soya beans Stocks and empty grain bags valued at over K2 million.

The stocktake report attributed the negative variance to theft, unaccounted-for stock, and under-delivery by suppliers.

And according to the AG's report, FRA management in their

response to the the negative variance, submitted that the suspected theft cases of maize and soya beans were reported to police and once investigations were concluded, cases were either advanced to courts for litigation or disposed of accordingly in their response dated 9th October 2023.

The report further revealed that FRA also submitted in their response to the negative variance that in cases where members of staff were found to be involved in stock theft, administrative disciplinary action was taken.

But according to the AG report, no evidence of the said disciplinary action was availed for audit by FRA.

"A review of the 2022 Annual

Stocktake Report revealed that there were negative variances of maize and Soya Beans Stocks and empty grain bags costing K2, 054,480. The negative variance was attributed to theft, unaccounted-for stock, and under-delivery by suppliers. However, in their response dated 9th October 2023, management submitted that suspected theft cases were reported to police and once investigations were concluded, cases were either advanced to courts for litigation or disposed of accordingly. In cases where members of staff were found to be involved, administrative disciplinary action was taken. However, as of 30th September 2023, no evidence of the said action was availed for audit," revealed the report.



Another Western Province dream dies - Barotse Cashew company liquidated

The Barotse Cashew Company, one of the companies that was set up to drive up economic activity for western Province has been placed under liquidation and its assets have been offered for sale to the general public.

Western Province, one of the bottom two poorest regions of Zambia by economic activity, has had Cashew nuts production and processing identified as one of the key Agribusiness activities that could revamp its economic fortunes and provide jobs for the youths.

According to a notice of sale of equipment seen by the *Zambian Business Times - ZBT* by liquidator Reeds Advisory Services, Barotse Cashew Company of Mongu assets that include 50 kg bags of Cashew nuts, Cashew nuts processing equipment and

utensils have been offered to the Public for sale.

Western Province had been identified as having great production potential for Cashew nuts. Zambia's northern neighbor, Tanzania in 2022/2023 earned about \$230 million in cashew nuts exports, demonstrating the potential that cashew nuts could deliver multi million dollar business opportunities for the local agribusinesses and youths of Western Province.

In August 2018, African Development Bank (AfDB) then Project manager for cashew-nuts, Charles Chileya in exclusive interview with the *Zambian Business Times - ZBT* disclosed that cashew-nut fetches the highest price per tonne among all agricultural crops grown in Zambia.

He disclosed that the average market price of raw cashew-nuts

was about USD800 per tonne (about K19,000 per tonne or K19 per Kg) before it is even processed. Chileya estimated that the Western province project which covers about 60,000 hectares will be producing 46,400 tonnes of raw cashew nuts which will generate about US\$37 million per annum at its full operational level.

The AfDB had provided a funding facility of USD 45 million in the cashew nut industry in Zambia but in 2024, Six years later, very little is being heard of the progress with now Barotse Cashew Company being liquidated.

See earlier 2018 article through this link... https://m.facebook.com/story.php?story_fbid=698068510547661&id=117874071900444&mibextid=CDWPTG

Pig feed prices increase to K960 per bag

Pork prices are expected to go up after about a 30 percent increase in pig feed prices effective 19th February 2024. Pig feed prices have gone up by a significant K210 from K750 to K960, a situation which is likely to affect the cost of doing business for pig farmers.

According to a pricelist seen by the *Zambian Business Times - ZBT*, the retail price for a 50 kg bag of complete Premium Pig Creep Pellets has gone up by 28%, while the retail price for a 50 kg bag of complete Premium Pig Weaner Pellets has increased by 18%. Standard pig feeds have also seen a significant increase in prices. For instance, the price of a 50 kg bag of Pig Grower Pellets has gone up by K22, while Pig Grower Mash has increased by K75.

The increase in pig feed prices is expected to have a considerable impact on pig farmers in Zambia as the cost of doing business for pig farmers is likely to go up, and this may lead to an increase in the price of pork. This increase in pork prices may have a ripple effect on consumers, who may have to dig deeper into their pockets to purchase pork products.

The increase in pig feed prices comes at a time when the cost of living in Zambia is already high, with many families struggling to make ends meet.

For complete standard pig feeds, the price of a 50 kg bag of Pig Grower Pellets has also gone up by K22 from K415 to K437 while Pig Grower Mash has gone up by K75 from K365 to K440. Pig Finisher Pellets and Pig Finisher

Mash feed prices have also gone up to K415 for finisher pellets and K425 from K375 for pig finisher mash respectively.

Meanwhile, Standard concentrates for pig weaner, grower, and finisher concentrates have gone up from K580 to K650, K445 to K491, and K425 to K485 while pig sow and boar and pig lactating concentrates have gone up from K430 to K475 and K515 to K555 respectively.

For value concentrates, value pig grower and finisher feed prices for a 50 kg bag size have gone up from K420 to K455, K380 to K425 while the value sow and boar and the value lactating sow have gone up from K395 to K470 and K475 to K555 respectively.

HH declares prolonged dry spells a National Disaster

Republican President Hakainde Hichilema - HH, has declared the prolonged dry spells that the nation is currently experiencing as a national disaster. This announcement comes as a wake-up call to the government and citizens of the country, as they brace themselves for the worst.

The declaration was made after a thorough assessment of the situation by the government, which revealed that the dry spells have already caused extensive dam-

age to crops, livestock, and water sources across the country.

Speaking at a press conference, HH expressed his concern over the situation and urged the government and citizens to take immediate action to mitigate the effects of the disaster. He stressed the need for a coordinated response from all stakeholders, including the government, private sector, civil society, and international partners, to ensure that the affected communities receive the

necessary support.

The President also announced a raft of measures to address the crisis, including the provision of emergency relief supplies such as food, water, and medicine to affected communities. He also called for the implementation of long-term solutions, such as the promotion of sustainable agriculture, water harvesting, and conservation, to mitigate the effects of future droughts.



TECHNOLOGY



BETUZ backtracks on promise to construct \$9B houses for teachers?

In the turn of events, the Basic Education Teachers Union of Zambia – BETUZ, has revealed that the actual number of houses it plans to build for its teachers is 60,000, and not the previously stated 100,000, leaving out a significant 40,000 without any clear explanation.

In 2022, BETUZ President Bin-ston Tembo, and the union Secretary General, Henry Sinkala publicly announced that the union intends to invest about \$9 billion to build 100,000 low-cost houses for its members across the country but has now u-turned the position suggesting that only 60,000 houses will be constructed by the union.

Earlier a financial expert exclusively with the *Zambian Business Times - ZBT*, questioned the \$9 billion deal that Basic Education Union of Zambia BETUZ signed with a United Arab Emirates-based Company to build 100,000 houses on a rent-to-own initiative for teachers.

Speaking in an exclusive interview with the *Zambian Business Times - ZBT*, when reminded that he is on record announcing the 100,000, BETUZ General Secretary Henry Sinkala, denied that he does not recall mentioning the 100,000 teachers' houses nor remember stating that figure. "I do not know where that number is coming from and I don't know who said it because we plan to construct 60,000 houses for our teachers that are currently registered. Betuz only has about 60,000 teachers." He remarked.

The reduction in the number of houses and the lack of clarity on the timeline for construction may make some teachers lose hope in the union.

There have however been some allegations pointing that the union was only making false promises and using the housing initiative as a political tool to gain support.

The promise to construct the houses was made by BETUZ in 2022, where it was touted as

a major breakthrough for the country's teaching profession.

The union had pledged to work with the government and other stakeholders to ensure that the houses were built and bought by educators over a 15-20-year period.

Meanwhile, Sinkala said the construction of the now reduced 60,000 houses depend on when the resources will be made available.

The union said that it had explored various funding options, including partnerships with private investors, but had been unable to secure the necessary resources as the funds have not yet been made available.

Asked why the construction had been delayed and whether it was true that the union did not have the capacity to undertake such a massive project, Sinkala denied to comment adding that he was attending to something else.

Hussam Baday appointed new Airtel Networks Zambia Managing Director

Airtel Networks Zambia Plc has announced the appointment of Hussam Baday as its new Managing Director - MD, following his successful stint as Interim MD.

Baday was appointed Interim MD last September and prior to that appointment, Hussam was the Chief Commercial Officer in Airtel Zambia since December 2021. He also served as the Company's Marketing Director since July 2018.

Baday takes over from Manu Sood who last year decided to pursue other personal interests outside Airtel.

In a statement issued and signed by the board chairperson of Airtel Zambia, Katebe Monica Musonda and made available to the *Zambian Business Times* – by Airtel Head of Corporate Communications, Yuyo Nachele-Kambikambi, Hussam holds a Master of Business Administration from the University of Leicester (UK) and BSc holder in Electronics and Communications Engineering. He also holds a Professional Diploma from The Chartered Institute of Marketing (UK) and a professional certificate in "Behavioral Economics" from Harvard Business School (HBS). He has attended an executive education in Leading with Results from INSEAD

(France). According to the statement, Prior to Airtel Networks Zambia PLC appointment, he was Chief Marketing Officer at Sudatel Telecom Group (STG), also he worked in Ericsson and Huawei. "Hussam has a rich background in successful Commercial strategies, business development, and proper execution that turned around commercial performance. He also serves as an advisory board member at CMO- council Africa. We welcome Hussam wholeheartedly." Remarkd board chairperson of Airtel Zambia, Musonda.

Well done ZESCO for saving Zambia over \$600 million

Editorial

We are aware that the country is currently saddled with a looming food crisis, a draught that threatens not only staple food and national security but also the vivid possibility of the return of business killing and much-dreaded load shedding.

We are also on record of having condemned the current ZESCO board and management team for having allowed in 2022, the country to plunge into another round of load shedding even after assuring the nation that they had put in place adequate measures to prevent recurrence.

But when a team has delivered despite a shaky start, we should not shy away from recognizing that a big and notable achievement has been scored. We as *Zambian Business Times - ZBT* have verified and confirmed that ZESCO, the state-owned power utility has secured a debt write-off or debt reduction of a whopping \$613 million on the back of serious negotiations and court arbitration.

We also understand that with the current economic challenges leading to a desperate situation for holding on to jobs, the temptation to go for making a quick buck is even higher, especially for those holding fiduciary and relatively big positions in both public and private organizations. But the team has exhibited a commendable level of discipline as they could have opted to cut personal deals and let Zambians through ZESCO foot the entire bill.

It is for this reason that the team at ZESCO led by its Chairperson Vickson N'cube and his managing Director Victor Mapani and their wider teams have achieved a notable milestone that deserves commendation. To put this into perspective, Zambia as a country considered the \$1.3 billion IMF Extended Credit Facility as a bailout package, now ZESCO, a firm within Zambia has secured about half of that IMF so-called bailout package written off within the country.

ZESCO has managed to secure a debt write-off of \$453 million from Tata Power Africa's co-owned Itezhi Tezhi Power Company and another \$160 million from Nava Bharat's Maamba

Collieries, with the two deals combined value of \$613 million. This is a significant achievement that should not be trivialized or glossed over.

Even as we congratulate N'cube, Mapani, and their teams at ZESCO, we also question if the attempted overbilling by these IPPs was not a fraudulent act, a corrupt deal that some officials from both sides who baked these deals did not deliberately allow.

Our investigations revealed that the formula for billing and the business model adopted at inception resulted in higher bills being landed on publicly held ZESCO. The Anti-Corruption Commission - ACC should take a keen interest in this matter and help the country clear these allegations and suspicious acts. Investigations should be conducted on the officers from Tata Power Africa, Nava Bharat, financiers, the audit firms that reviewed these numbers, and those from ZESCO who were part of this suspicious and "deliberate incompetence" at the time of inception.

As for the ZESCO board and management, this utility you are managing holds one of the top keys to job creation and economic emancipation of Zambia and its humble citizens. There are some investments or factories that cannot even consider Zambia because of the relatively small installed and available power capacity. It may be time to think big and consider audacious nuclear power since Zambia has reported sizeable deposits of uranium.

There are some big solar deal projects that were said to be scheduled for installation for each of the ten provinces to at least supply enough power for domestic and commercial needs. These should have been under construction or even commissioned by now but are still on paper. The new dawn government, despite being questioned by technical associations and mining experts threw some numbers that they intend to deliver production of 3 million tons of copper by 2031. Forget about the questionable pipeline of mining exploration projects, does Zambia even have the pipeline of electricity or power projects to drive mining at that level of production?

Zambia has excess water in the Luapula and Congo River basins in the north where rainfall and water resources remain buoyant, these projects should be fast-tracked and brought on-stream without delay. The demand for power both in Zambia and in the region is high and continues to expand. It's up to the current ZESCO board and management for now to put politics aside and play their part to deliver the much-needed economic and social development for Zambia.

You see, ZESCO is state-owned and run by Zambians, a strategic company due to its sensitivity to the economic, social well-being, and national security of the sovereign. Some, despite the sensitivity of its services, have proposed privatization of this entity to foreign interests, an act tantamount to giving up strategic control of the state.

Our view is that Copper and Gold mining falls into this special category, as it accounts for over 70% of Zambia's annual export earnings. The proceeds from the export of copper alone if remitted back and banked locally could change the game for the stability of the Kwacha, which is the currency that stores the value of Zambian assets and spending power of its people in this capitalistic world.

The local banking and financial services industry would enjoy annual inflows of over \$7 billion at average annual copper production levels of 850k tons per annum and average international copper prices of \$8,500 per ton, which would make funding for retaining the mines to local ownership viable, with excess liquidity extended to Agro, manufacturing and other key private sector driven industries.

That's why we question the motives of Zambia political leaders and their technocrat 'yes men and women' that when KCM requires \$300 million and Mopani requires \$320 million for recapitalization to remain as Zambian assets, but decision-makers opt to give up majority ownership equity when they could simply negotiate or at the minimum source for debt finance. Maybe, just maybe, this ZESCO act can deliver a public and practical lesson.

TECHNOLOGY

The Societal Cost of Software Piracy

Software piracy has become a worldwide issue affecting many countries, Zambia inclusive. Globally, almost all personal computers are operating with software illegally obtained and installed. The number of computers with illegal software keeps increasing year by year.

According to the Business Software Alliance (BSA)'s most recent Global Software Survey in 2023, revealed that 37 per cent of software worldwide is unlicensed. This means more people are now using pirated software on other computers. The rise of software piracy is a concern because it has many devastating effects on society.

Just this year, Pratibha Syntex an Indian textile firm was ordered by the court to pay a fine of \$100,000 as a settlement for using pirated software, including products from Microsoft and Adobe. The settlement reached the Los Angeles Superior Court, and they approved it.

This case is one example of the many cases where companies or people copy software to multiple computers or share software with without licenses. In most cases, companies or even people download pirated software from the Internet and share software without having the rights of the owners to do so. This is illegal and an offence.

Perhaps, some people involved in software piracy might not know what it is. Software piracy is the use of software that is not properly licensed. This might include copying, modifying, distributing, or selling the software in ways that contravene copyright laws or license terms. Today, there are many cases of software piracy, and some are committed knowingly. Sadly, many of these go unreported.

Davison Munsanda, President of the Zambia Association of Musicians (ZAM) once noted: "Software piracy has been in Zambia. People use and distribute copyrighted computer software almost all the time, this is a violation of the copyright law and robs companies of their revenue". He adds: "The increase of illegal music apps has allowed the downloading of music with-

out any person, and this has affected the music and film industry."

There are many consequences of software piracy to society. Here are a few. One effect of software piracy is that, once software is installed illegally on a computer, it increases the chances of that software malfunctioning or even failing someone's computer.

The other effect of software piracy is that once you install it, you forfeit access to support any program on your computer properly. This might affect the perfect operation of your computer.

The other major problem of software piracy is that there is no warranty on the software. This means that the software cannot be updated once it has been installed in the computer and so it will be operating on the same software for years.

Apart from these effects, software piracy has a more devastating effect on society. Any illegal installation of software on another computer takes away money from the programmer or developer who created the software. It takes more time to develop software and it is expensive. Thus, when software is pirated, it prevents the programmer or developer of that software from affording future development and in most cases, software is not easy to create.

Again, when software is pirated companies or businesses that invest in software tend to lose money or revenue because software has been pirated. The business that owns the software will not gain or receive any payment for the use of that software. This results in significant financial losses for the business especially when the pirated software has been distributed widely. According to the Business Software Alliance (BSA) report 2023 its estimates that the commercial value of unlicensed software globally was \$46.3 billion. This is a huge cost to businesses.

Reuben Kajokoto, Director of Legal at Zambia National Broadcasting Corporation (ZNBC) notes, "It costs ZNBC a lot of money to acquire and produce its content and if it is pirated using

pirated software, ZNBC cannot recoup the expenses and will eventually fail to produce and acquire new content."

He adds: "The impact of piracy on our business is that viewers will not watch ZNBC on the traditional platforms. The traditional platforms belonging to ZNBC help the Corporation to attract advertisers. The more viewers ZNBC has on its channels the more advertisers we attract. But if these viewers go to the other illegal online sites, the damage to ZNBC is that they would have lost viewership, therefore may lose advertisers,"

Something to note also is that software piracy affects innovation. Businesses whose software has been pirated might be unable to generate sufficient revenue to invest in the development of new software products.

Software piracy has a huge negative economic impact on society. When software is pirated, the effects trickle down all the way down from the content creator to the employees of the affected business or company. This means that revenue loss will affect employees in getting salaries to feed families.

Overall, software piracy is a major issue affecting society. Consequently, companies need to implement anti-piracy protection systems on their software-based products to help prevent the vice. Although software piracy hasn't shown any signs of abating, it is encouraging that various institutions have taken up initiatives to fight piracy in general. Institutions like MultiChoice, MISA Zambia, Partners Against Piracy (PAP), Zambia Association of Musicians (ZAM), National Arts Council (NAC) and the Zambia Police among others have been on the radio and TV conducting interviews on the need to stop piracy. They have gone a step further to produce educative articles in the press and conducted workshops to raise awareness about the fight against piracy.

All the initiatives that have been done so far signify that the creative industry has remained vigilant about fighting software piracy.



2024 drought threatens energy and food security

By: Eng Bornface Zulu

Zambia relies heavily on agriculture and hydropower for its economic and social development. However, our country is facing a serious challenge of drought, which is expected to worsen due to climate change. The drought has negative impacts on both the security of energy and food in Zambia, as well as the well-being of its people.

The causes of the drought in Zambia are complex and inter-related. According to the United Nations Conference on Trade and Development (UNCTAD), the drought is caused by a combination of factors, such as El Niño, climate change, and poor water management. El Niño is a natural phenomenon that occurs every few years, when the Pacific Ocean becomes warmer than usual, affecting global weather patterns. Climate change is a long-term change in the average weather conditions, caused by human activities that increase the concentration of greenhouse gases in the atmosphere. Poor water management is the inefficient and unsustainable use of water resources, such as overexploitation, pollution, and lack of infrastructure.

The effects of the drought in Zambia are severe and widespread. According to a study by the World Food Programme (WFP) and partners, the drought has resulted in crop failures, food shortages, high prices, malnutrition, water scarcity, power cuts, and increased poverty. The drought has also threatened the biodiversity and ecosystems of Zambia, such as the wildlife and forests. The study estimates that the drought could reduce the national gross domestic product (GDP) by 4.3% by 2025, and increase the number of people living in poverty by 2.3 million by 2026.

The solutions to the drought in Zambia require a holistic and integrated approach that involves multiple stakeholders and sectors. The government of Zambia has taken some measures to cope with the drought, such as providing food assistance, promoting drought-resistant crops, improving irrigation systems, and raising awareness. However, these measures are not enough to address the root causes and long-term impacts of the drought. Therefore, more efforts are needed to improve the resilience and adaptation of the people and the environment to the changing climate and weather patterns.

One of the key solutions to the drought in Zambia is to invest in new energy science and technology that can enhance the efficiency and sustainability of energy and water use, as well as the productivity and diversity of agriculture. As an energy science and technology engineer, I believe that some many opportunities and innovations can be applied in Zambia, such as:

- Renewable energy: Renewable energy sources, such as solar, wind, biomass, and mini-hydro, can provide clean and reliable electricity for rural and urban areas, reducing the dependency on fossil fuels and large hydropower dams that are vulnerable to drought. Renewable energy can also power water pumps, irrigation systems, and cold storage facilities that can improve water and food security. For example, UNCTAD has implemented a project that promotes renewable energy for sustainable development in Zambia, which has constructed a solar mini-grid and a biomass gasifier in rural areas.

- Smart grids: Smart grids are networks that use information and communication technology (ICT) to monitor and manage the

flow of electricity, improving the efficiency and reliability of the power system. Smart grids can also integrate renewable energy sources, energy storage devices, and demand response mechanisms that can balance the supply and demand of electricity, especially during peak hours or drought periods. For example, the Zambian government has partnered with the World Bank and other donors to implement a smart grid project that aims to improve the quality and availability of electricity in the country.

- Climate-smart agriculture: Climate-smart agriculture (CSA) is an approach that aims to increase the productivity and resilience of agriculture while reducing greenhouse gas emissions and enhancing the adaptation and mitigation potential of the sector. CSA practices include conservation agriculture, agroforestry, crop diversification, integrated pest management, and soil and water management. For example, the Food and Agriculture Organization (FAO) has supported the adoption of CSA practices among smallholder farmers in Zambia, which has improved their yields, incomes, and food security.

In conclusion, the drought in Zambia is a serious and urgent problem that needs to be addressed by all stakeholders and sectors. New energy science and technology can play a vital role in providing solutions that can enhance the security of energy and food, as well as the well-being of the people and the environment. As a new energy science and technology engineer in Zambia, I am committed to contributing to the development and implementation of these solutions, and I hope that this article can inspire more action and collaboration in this regard.



LIFESTYLE

IDC under spotlight for failure to collect K5 million in rent & and violating procurement regulations

The Industrial Development Corporation (IDC) has come under the spotlight for its failure to collect K5 million in rent, and for violating procurement regulations.

A review of Rent Statements of Accounts revealed that rentals in amounts totaling K5,001,895 for the period from January 2021 to December 2022 had not been collected as of 30th September 2023.

During the period under review, IDC leased out four (4) properties located in Lusaka, Ndola and Mongu. However, a review of Rent Statements of Accounts revealed that rentals in amounts totalling K5,001,895 for the period from January 2021 to December 2022 had not been collected as of 30th September 2023.

This has raised concerns about the IDC's financial management and accountability.

Furthermore, the IDC has been found to have violated procurement regulations by failing to obtain approval of contracts by the Attorney General.

According to Section 72 (2) (e) of the Public Procurement Act of 2020, a contract, purchase order, letter of bid acceptance, or other communication in any form conveying acceptance of a bid or award of contract shall not be issued prior to any other approvals required, including clearance of the contract by the Treasury and the legal advice of the Attorney-General. However, the IDC did not obtain clearance/approval from the Attorney General for the contract for the rehabilitation

of Mukuba Hotel.

The report has also revealed that the IDC has been found to have made variations to contract works without approval, which is a clear violation of Section 77(1) of the Public Procurement Act No. 8 of 2020. According to the Act, an amendment or variation to the contract shall not be effected without the approval of the Secretary to Treasury and the Attorney General. A review of records however revealed that there were variations amounting to K4,014,069 with respect to omissions and additions.

This revelation only raises questions about the IDC's adherence to procurement regulations, financial management, and accountability.



Delay to recapitalize Zambia railways leads to financial losses

Zambia Railways Limited (ZRL) is facing a major crisis in its recapitalization and modernization project, which was aimed at rehabilitating and modernizing the country's railway infrastructure. The project was expected to improve the efficiency and safety of the railway network, reduce transit times and costs, and increase revenue for the company.

However, the project has been marred by safety concerns, financial mismanagement, and delayed deliveries, resulting in increased transit times, reduced freight volumes, and financial losses.

One of the major issues affecting the project is the poor state of the railway infrastructure, including the tracks, bridges, culverts, and drainages.

A review of the 2022 Safety Report by the auditor General's office, revealed that the number of safety occurrences reported during the period under review increased to 696 from 642 occurrences in 2021, with 537 attributed to track failure. As a result, sections of the rail were placed on a temporal speed limit of 15 km/hr from an average speed of 50 km/hr, resulting in increased transit time for passengers and

cargo. This resulted in increased transit time for passengers and cargo from an estimated 36 hours to an estimated 72 hours for a distance from Victoria Falls in Livingstone to Chililabombwe.

As a result of the increased transit time for passengers and cargo, ZRL failed to haul the planned 2,147,681 tonnes of freight for which revenue amounting to K780,861,229 was expected to be generated. Instead, ZRL hauled 1,612,486 tonnes which generated revenue of K389,506,100 resulting in a negative variance of 535,195 tons worth K391,355,129.

Another issue affecting ZRL is the failed delivery of fifty (50) wagons from Transnet - Freight rail -TFR, which was meant to compensate for the fifty (50) wagons that were either lost or damaged beyond repair on TFR lines in South Africa. However, as of 30th September 2023, the wagons had not been received, causing further delays and disruptions to ZRL's operations.

According to the Auditor General report on the accounts of parastatal bodies and other statutory institutions for the financial year ended 31st December 2022, the recapitalization and

modernization project has also been plagued by financial mismanagement. ZRL entered into a contract with Team Sweden Railways (TSR), a consortium comprising Yapiray and Yapi Merkezi companies established and existing in Turkey, for the rehabilitation and modernization of Zambia Railways Limited (ZRL) at a contract sum of €978,093,639 VAT exclusive. However, the company failed to secure financing for Phase 1 before the contract award, casting doubts on its ability to service the remaining 75% of the contract sum of €12,179,723 within the contract period of 6 months from the commencement date.

The delayed settlement of certified interim payment certificates resulted in the suspension of works by the contractor, with project completion being at 84% as of 31st August 2023.

The delay in completing Phase 1 has failed to execute Phase 2, which includes the rehabilitation of 1,029 km of the railway line from Livingstone to Sakania Border (including Chingola, Chililabombwe, and Mufulira branch lines) and the procurement of 500 locomotives and 1500 wagons.

control of the system. "Not owning the source code may also lead to several risks, such as: Vendor lock-in: where an institution becomes dependent on the vendor who developed the software and may not be able to switch to another vendor if they are not satisfied with their services. Limited control: An institution may not have full control over the software and may not be able to customize it according to their needs or upgrade it. This implies that NHIMA will forever rely on the developer for any modification, bug fix, upgrade to the system and the developer may raise the price for such services," revealed the report.

However, it was observed that as at September 2023, NHIMA had not secured the source code for the HIP system. Not owning the source code may lead to several risks, such as Security risks: An Institution may not be able to fix security vulnerabilities or bugs in the software which could lead to breach of customer data. This implies that NHIMA will forever rely on the developer for any modification, bug fix, upgrade to the system and the developer may raise the price for such services. revealed the report. Meanwhile, the report also revealed that the authority's failure to secure the source code also put the system at vendor lock risks and the authority having limited



NHIMA fails to safeguard confidential data for patients

The auditor general's report for the financial years ended 31st December 2021 and 2022 has revealed that the National Health Insurance Management Authority (NHIMA), put customer "who are in most cases patients" data at a risk of being breached because of the authority's failure to secure a software source code for their operational infrastructure system.

A software source code is a set of instructions and statements written by a programmer using a computer programming language and when it comes to software development, owning the source code is a crucial aspect that should not be overlooked because the ownership of the source code determines who has the right to modify, distribute

and sell the software.

But according to the AG report, an examination of financial and other relevant records maintained at NHIMA for the financial years ended 31st December 2021 and 2022 revealed that the authority on 13th February 2020, awarded a K790 million contract to ZSIC Life Limited for the supply their operational infrastructure system which included its design, implementation, deployment and support.

The report revealed that as at 30th September 2023, NHIMA paid ZSIC Life Ltd over K517 million for the contract and were left with a balance of over K272 million.

The report further revealed that the contract stated that the consultant would be required to

provide a fully customizable integrated Enterprise Resource Planning (ERP) information system to support the implementation of NHI scheme of which the core system was to be wholly owned by NHIMA

However, it was observed that as at September 2023, NHIMA had not secured the source code for the HIP system which put the customer's data at a risk of being breached.

"On 13th February 2020, NHIMA awarded a contract to ZSIC Life Limited for the supply of a system. The scope of works included design, implementation, deployment and support of the operational infrastructure for NHIMA at a contract sum of K790, 000,000. Among the modules to be implemented were

member registrations, payment portal and benefit management modules," the report revealed.

"The contract was for a period of five (5) years from the effective date of the contract. As at 30th September 2023, NHIMA had paid the ZSIC Life Ltd amounts totaling K517, 365,000 leaving a balance of K272, 635,000. Appendix A, Section 3.6 (a) of the contract stated that the consultant would be required to provide a fully customizable integrated Enterprise Resource Planning (ERP) information system to support the implementation of NHI scheme. The core system would be wholly owned by the NHIMA including its source code and all the data was to be hosted in Zambia. No license fees were to apply beyond the

initial procurement and deployment of the system by NHIMA. However, it was observed that as at September 2023, NHIMA had not secured the source code for the HIP system. Not owning the source code may lead to several risks, such as Security risks: An Institution may not be able to fix security vulnerabilities or bugs in the software which could lead to breach of customer data. This implies that NHIMA will forever rely on the developer for any modification, bug fix, upgrade to the system and the developer may raise the price for such services. revealed the report.

Meanwhile, the report also revealed that the authority's failure to secure the source code also put the system at vendor lock risks and the authority having limited



Airtel Africa & Cisco revolutionize secure connectivity for businesses in Africa with Network-as-a-Service Offering

Airtel Africa, a leading telecommunications service provider, has announced a ground-breaking expansion of its service portfolio in collaboration with Cisco. The strategic partnership aims to empower businesses to seamlessly embark on their digital transformation journey by offering Network-as-a-Service (NaaS) solutions across various service platforms.

In today's fast-paced digital landscape, Airtel Africa recognizes the growing need for businesses to accelerate their operations without the additional task of building or managing network infrastructure. The NaaS offerings include an array of services such as enhanced security, surveillance, connectivity, and cloud solutions, all delivered through a secure cloud platform. Network-as-a-Service (NaaS) represents a paradigm shift in how organizations consume network infrastructure, allowing users to operate networks efficiently without the need to own, build, or maintain physical infrastructure. This innovative approach reduces the challenges associated with traditional network models, including capital expenses, manual service provisioning, and lengthy issue-resolution processes.

Airtel Africa's NaaS offerings, powered by Cisco's cutting-edge Catalyst and Meraki cloud-based platforms, promise to revolutionize connectivity for businesses of all sizes. The solutions are designed to replace hardware-centric VPNs, load balancers, firewall appliances, and Multiprotocol Label Switching (MPLS) connections. With the flexibility to scale up or down based on demand, rapid service deployment, and reduction of hardware costs, Airtel Africa and Cisco are reshaping the future of business connectivity.

"As Africa transitions digitally, businesses will require a fusion of connectivity, mobility, security, and cloud into a service offering for every business irrespective of geographical spread or operational needs," remarked Oliver Fortuin, CEO of Airtel Business Africa. "Airtel Africa NaaS also allows a managed service option, enabling Airtel Africa to fully manage the daily operational requirements of supporting such infrastructure as growth accelerates."

The NaaS offerings will be accessible to all business custom-

ers, including small businesses, as well as global customers with operations worldwide. Airtel Africa and Cisco Systems are committed to facilitating a smooth digital transition for businesses, providing them with the tools they need to thrive in an increasingly connected world.

"At Cisco, we believe that every organization would benefit from simplifying powerful technology," said Vish Iyer, President, Service Provider, Asia Pacific and Japan, Cisco. "Together with Airtel Africa, we are reducing networking complexities and securely connecting the world through Network-as-a-Service. This innovative approach is a great option for businesses wanting to shift to a cloud operating model without a heavy lift."

"Our partnership with Airtel Africa marks a pivotal moment as we pledge to deliver the majority of our cutting-edge technology portfolio to businesses across the continent in the most simplified, flexible manner imaginable: cloud-driven, cloud-delivered, cloud-managed, offered as-a-service, and, above all, fortified with unparalleled security."

Over 280 Luanshya's SERIOES ex-employees not yet paid terminal benefits

A recent report by the Auditor General has recently exposed the failure to facilitate payment of terminal benefits to over 280 ex-employees of SERIOES International Limited a total of K5,730,609 as of 31st December 2022.

The report reveals that no payments have been made to these ex-employees yet, despite management spending a considerable amount on personal emoluments and other costs to manage the unsold assets.

Questions had earlier risen on the alleged corrupt sale of the SERIOES International Limited Property Stand No. 1554 in Luanshya by the Office of the Administrator General and Official Receiver to Nyimba Investments Limited after it was revealed that the property was sold at a price that was lower than the reserve price by about K1.3 million to Nyimba Investments Limited.

This is after the sale of Luanshya's SERIOES International Company Limited properties, a company that was once a producer of suits for the local and international markets before the privatization era, has been rounded off by alleged corrupt deals.

A review of schedules relating to outstanding terminal benefits to ex-employees of SERIOES Company however, revealed that as of 31st December 2022, a total of 282 ex-employees were owed amounts totaling K5,730,609.

However, no payments had been made to any ex-employee but management had spent amounts totaling K216,335 on payment of personal emoluments and other costs to employees engaged to manage the unsold assets leaving a balance of K1,433,665 as at 31st October 2023.

The sale of the company's properties Stand No. 1554 in Luanshya, has been under scrutiny

for alleged corrupt deals after the property was sold to Nyimba Investments Limited at a price lower than the reserve price by about K1.3 million, raising questions about the transparency and fairness of the sale.

SERIOES International Limited was once a renowned company that produced high-quality suits for the local and international markets. It was known for its exceptional garment-making skills, and its suits were worn by people in the military and even President Kenneth Kaunda himself. However, the privatization era saw the company's downfall, and it was eventually sold off.

The failure to pay the terminal benefits to ex-employees is however a serious issue that needs to be addressed immediately as it highlights the company's disregard for its former employees, who had dedicated their time and effort to SERIOES International Limited.



AG's report reveals K184 million unaccounted for FRA maize sales in 6 districts



The recent Auditor General's report for the financial years ended December 2021 and 2022 has exposed the Food Reserve Agency (FRA) stations in six districts for failing to account for maize sales worth over k184 million.

The report states that the districts include Samfya, Nchelenge, and Kawambwa districts of Luapula Province, Masaiti and Mpongwe Districts of the Copperbelt Province, and Nakonde District of Muchinga Province.

The report further revealed that these districts failed to account for over 46 thousand metric tons of maize sales, with Nakonde District alone failing to account for over 33

thousand metric tonnes of maize sales valued at over k135 million.

The 46,076 metric tonnes of maize valued at over K184 million recorded at head office had not been reconciled with the six districts and therefore remained unaccounted for as at 31st October 2023.

The report also highlighted that a scrutiny of the maize sales records maintained at six districts revealed that a total of 317,897 metric tonnes of maize were sold.

However, a review of the annual consolidated sales records revealed that the districts recorded sales of 363,973 metric tonnes of maize, resulting in a variance of 46,076 met-

ric tonnes valued at K184, 303,600.

"A scrutiny of the maize sales records maintained at six (6) districts revealed that a total of 317,897 metric tonnes of maize were sold. However, a review of the annual consolidated sales records revealed that the districts recorded sales of 363,973 metric tonnes of maize resulting in a variance of 46,076 metric tonnes valued at K184, 303,600," the report revealed.

"46,076 metric tons of maize valued at K184, 303,600 recorded at head office had not been reconciled with the six (6) districts and therefore remained unaccounted for as at 31st October 2023," revealed the report.

Bwin exits 'not high growth' Zambian market



An Austrian online betting brand acquired by Entain Plc is exiting the Zambian market claiming that there is a change of strategy at the group level and the focus is now shifted to a high-growth market.

Bwin the global sports betting platform was launched in Zambia in late 2022 November after seeing the booming market from the Zambian players of online betting.

Unconfirmed reports indicate that Zambia was only used by the company as a stepping stone to higher heights noting that the company has made huge profits during its 2-year time of operations in Zambia.

Speaking in an exclusive interview with the Zambian Business Times Times -ZBT, Bwin country marketing Manager Golden Ngandu, however, denied that the Company was leaving because of some irregularities which some sources say include tax evasion and over-profiteering at the expense of the poor Zambians.

Ngandu confirmed that indeed the company has made significant progress in exiting the Zambian market as they have already given notice to the relevant regulatory boards and authorities.

He said, "As you may be aware, Bwin is part of the publicly listed company Entain plc which is our group, so now from Entain there has been a change in strategy where they have literally just pulled out of what they consider to be smaller markets and focus on high growth markets like Brazil, north America so those are the areas that are being targeted now and that's where the focus is given now."

"So three countries are affected because that's where the licensing was at the advanced stage, we were actually making our inroads into South Africa and Kenya and Zambia as the only African Country where we were fully operational."

Asked about the initial amount Bwin has invested in the Zambian market and what profit was realized from the investment, Ngandu said, "Over \$5 million

dollars had been invested in the Zambian market because we have been operating for over 2 years now."

"Even the European there are markets where Entain has exited so it's not necessarily out of profitability because you know as a business you give yourself targets and month on month for Bwin Zambia we were over-achieving in terms of those targets but when it comes to the volume of growth, I think it's the new strategy that the group came up with so, of course, they were some contributions in revenue but they were not up to the point that was meeting the new strategic objectives."

Ngandu could however not mention how much profit had been realized from the over \$5 million invested in the Zambian market. "what we can do is maybe allow me to get hold of the figures because I don't want to speak to certain figures due to the different aspects of the business that we are handling. But I'll request that your cue in a formal request to show the actual performance."

Bwin's exit from Zambian market leaves only 3 employees with separation letters

The exit of Bwin from the Zambian market has raised concerns about the impact of foreign companies on the local economy and the need for stronger regulations to protect the rights of employees.

Following the recent ZBT report that an Austrian online betting brand acquired by Entain plc has made headways in exiting the Zambian market claiming that there is a change of strategy at the group level and the focus is now shifted to a high-growth market it has emerged that only 3 people have been served with termination letters.

Bwin's country marketing manager, Golden Ngandu, confirmed in an exclusive interview with the Zambian Business Times - ZBT that only three people were directly employed by the company, while the rest were outsourced.

When asked about the fate of the outsourced employees, Ngandu ex-

plained that it's the same procedure that happens when a company shuts down meaning the rest of the people will only be left with nothing. This statement has sparked controversy as many are questioning the fairness of leaving outsourced employees without any notice or compensation.

The company claimed that there was a change of strategy at the group level and that the focus has now shifted to a high-growth market. However, this decision has left a number of Zambians with nothing but CVs as they are left without jobs.

Bwin, a global sports betting platform, was launched in Zambia in November 2022 after seeing the booming market of online betting in the country. However, the company has since given notice to all regulators, including the Ministry of Tourism, of its decision to pull out of the Zambian market.

Ngandu however stated that the three

employees who were directly employed by the company were served with separation letters and each entered into a separation agreement that spelled out all the details of the benefits and the reasons why the company decided to exit the market. "We have since given notice to all our regulators, including the Ministry of Tourism, and in terms of staff like for Zambia, we had a co-staff complement of 3 people who were directly employed by the Company, the rest were outsourced and only the three people were notified and each was entered into a separation agreement. The agreement is the one that spells out all the details of the benefits and the reasons why the Company decided to pull out of the Zambian market."

As the Zambian government works to attract foreign investment, it has been challenged to ensure that the interests of its citizens are not overlooked.



Women National team not too fit – football analyst



Following the Zambia Women National team qualifying to the final round of the Paris 2024 Olympic game, a football analyst has charged that there is need for the Nation to invest more in the physical fitness of the women National team players to improve their performance.

Recently the Zambia Women National team qualified to the final round of the Paris 2024 Olympic game after beating Ghana 4:3 on aggregate and are expected to face the lionesses of Morocco in the fourth and final round of the Paris 2024 Olympic qualifiers in April 2024.

Speaking in an exclusive interview with the Zambian Business Times -ZBT, football analyst Bwezani Mbewe charged that there is a bit of tiredness in Zambian women players adding that most team players physique is not doing so well.

Mbewe said that physical trainers should step up their efforts and ensure that the physical fitness of players is improved so as to improve the players performance.

He noted that there is also need for the technical bench to check if there are

other players that can be incorporated in the national team.

He therefore urged FAZ to prioritize friendly matches for Zambian women football.

"The copper Queens rarely have friendlies so this is an opportunity for the Football Association of Zambia to set up a very big friendly match before the Morocco game probably against the Moroccans to just see what they can learn from them and also for the coach to have other players that they can fuse in the national team because I think there is a bit of tiredness in our players, the physique is not doing well, maybe the physical trainers should definitely step up because the players did not look as fit as the Ghanaian players," he said.

"So practically, there is something that we are not doing right and this is the opportunity to look into those areas, physical fitness as well as checking on players that can come up and replace some players. We have names that will always be in a setting lineup

that does not give a lot of completion. The technical bench should obviously go round to check if there are other players that can actually be brought in the national team," said Mbewe.

Meanwhile Mbewe congratulated the copper Queens for qualifying to the final round of the Paris 2024 Olympic game and urged team players to apply individual brilliance in taking national football to greater heights.

"Basically I think we are very lucky that we did qualify for the next round. Tactically I think Ghana was on the better side. Individual brilliance of one player is actually the reason we are through to the next round and we should be very excited that we managed and this is how it should always be. There should be players with a big heart that are able to take the nation by their horns and make sure that they make it pertaining to their talents. So well done to Barbra Banda, honestly speaking the team was flat but she took it upon herself to make sure that the team scores that last goal and it was 3:3," said Mbewe.