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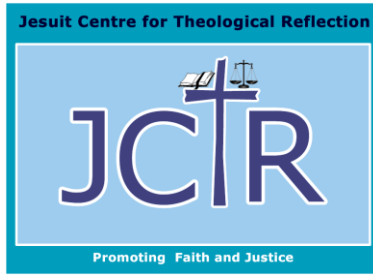
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JCTR PRESS STATEMENT ON KCM AND THE MINE'S CONTRIBUTION TO SUSTAINABLE DEVELOPMENT IN ZAMBIA

It is clear that Zambia is not significantly accessing a fair share of mining revenue for sustainable development from current mining activity in the country. As JCTR we acknowledge the challenges of revenue mobilisation for sustainable development in Zambia. It is a fact that our current development challenges require vast human and financial resources. We are however dismayed by government's failure to account for mining output in the country against the backdrop of over hundred years of mining activity in Zambia. This is evidenced by the current KCM - Vedanta Resources debacle. It is symptomatic of general mining activity in the country. We are however, cognisant of the fact that our capacity as a nation to monitor mining activity was significantly eroded during the privatisation process of the mines in the 1990s. Since then we have lost the opportunity to progressively improve output calibration of the mines by quantity and mineral type.

Notwithstanding the above we urge government to do the following in the short-to-medium term. 1. Review the tax rebates and other fiscal incentives pertaining to the mines 2. Undertake a comprehensive forensic audit of the mines particularly those identified as undertaking unethical business and assess whether they are paying the correct tax 3. While we concede that taxation based on net profits is the international norm we are also alive to the fact that it has lacunas for over inflating the cost of mining operations. We therefore urge the government to consider an appropriate mineral revenue sharing mechanism that would significant contribute to sustainable development.

In conclusion, it is our informed position as JCTR that government should build capacity for monitoring mining output by quantity and metal type which is currently grossly lacking. This deficiency amounts to gross negligence on the part of government, as significant potential revenue meant for sustainable development is not accounted for from the country's natural resource, particularly mineral



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endowments. We further appeal to government that all impending decisions and judgments regarding the mines must be premised on a sound risk management profile owing to the extreme sensitivity of the Zambian economy to mining. This approach should forestall any possible threat of wrecking the economy on account of fall-out after-effects of rush, emotive and uninformed decisions. We remain emphatic and resolute that all decisions regarding the mines must be premised on reason, empirical evidence and in the best interest of the common good of the people of the Republic.

Jesuit Centre for Theological Reflection (JCTR)

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Statements

Advocacy on Socio-Economic Development

2014

JCTR Press Statement on KCM And The Mine's Contribution to Sustainable Development in Zambia

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