A personal message from Mr Anil Agarwal, Chairman of Vedanta Resources, to the people of Zambia

After Anglo American's exit from Konkola Copper Mines (KCM) in 2002, I, as Chairman of Vedanta Resources came to an agreement with the Zambian government to purchase KCM in 2004. This was following the completion of a substantial due process. At this time, Vedanta had dual stock exchange listings, in Mumbai and London (FTSE 100). The mines had been out of production for some time and we had to start afresh to create a safe, productive environment and restore KCM to health.

I was very warmly welcomed by the people of Zambia, especially our host communities, in Chingola, Nchanga and Chililabombwe. Our first priority was to improve the quality of their lives. On the ground we focussed on creating new jobs, improving health services, education and developing sporting initiatives. We have invested over US$200 million towards these initiatives. Some examples that come to mind are:

- The three football clubs that we started, responding to the passion for the game we found in Zambia's youth. The support included providing international coaches
- KCM currently employs around 12,000 people

We have invested over US$3 billion since we bought Konkola. We have built one of the largest shafts in Africa to develop the Konkola Deep Mine Project which has extended the life of mine by 25 years. We have built the Nchanga Copper Smelter to reduce sulphur dioxide emissions to world class standards, 1% and upgraded the concentrator plants across the operations. We have increased employment within the company by three times since 2004. We have trained thousands of people, taking many to India for experience.

We strive always to comply with the laws and tax requirements of Zambia. All the cash generated to date has been reinvested in Konkola. We have paid approximately US$1.3 billion to the government through taxes and royalties.

I really do not understand why ZCCM-IH, has gone to court to seek the appointment of a provisional liquidator. All the cash generated to date has been reinvested in Konkola. We have paid approximately US$1.3 billion to the government through taxes and royalties.

The current position can only hurt the country's hard-earned democracy and investor-friendly status. I see a lot of mining companies looking to exit Zambia, despite there being huge potential to develop downstream industries. Zambia has potential similar to Chile, to develop copper as well as other industries.

Zambia has a very good relationship with India, with the visit of the President of India to Zambia last April being an endorsement of this. Former President Kenneth Kaunda and Gandhi had very similar thoughts – both placing humans at the centre of development.

I have committed to President Lungu that, with the right framework, I am prepared to invest what is required to increase production safely and sustainably to 400,000 tonnes, creating another 10,000 jobs at KCM and more social benefits. We would be able to pay our suppliers on time, and even engage more suppliers particularly from the local community.

We all need to work together to restore KCM as the PRIDE of ZAMBIA.

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Anil Agarwal
Founder & Chairman, Vedanta

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