

Smiti Modhurima, Department of Economics
Anja Benschaul-Tolonen, Department of Economics

Introduction

- This research aims to investigate the constraints faced by Zambian suppliers to the mining industry in Kitwe, Zambia
- With extensive copper reserves, mining has been central to Zambia's development, offering employment and export revenue (Lungu, 2008)
- Kitwe is the second largest city in Zambia, with a population of 517, 543. Located in the Copperbelt Province, the city serves as a crucial hub for mining activities.



Goals & Objectives

- The purpose of this research is to provide data-based analysis on why and how non-mining firms in Kitwe, Zambia face constraints to supply to the mining industry
- We aimed to use the findings from this work to provide policy recommendations in the future.

Methods



Data collection

- A short questionnaire was used to collect data on 1,055 firms in the city of Kitwe.
- The module was collected as part of a research study undertaken by UC Berkeley and the IGC. The data collection took place during 2023.
- A secondary group of questions specific to our research were added to the survey by Professor Benschaul-Tolonen and team.

Literature review and background

- Researched the background of mining in Zambia

Statistical analysis

- The data collected from the surveys was analysed using Stata and R.
- Statistical measures used include regression analysis, quintile analysis, and descriptive statistics.

Qualitative analysis

- We compared our findings to previous research in the area in order to identify why and how constraints affect non-mining firms in Kitwe.

Key Results and Findings

Attitudes and perceptions of domestic suppliers

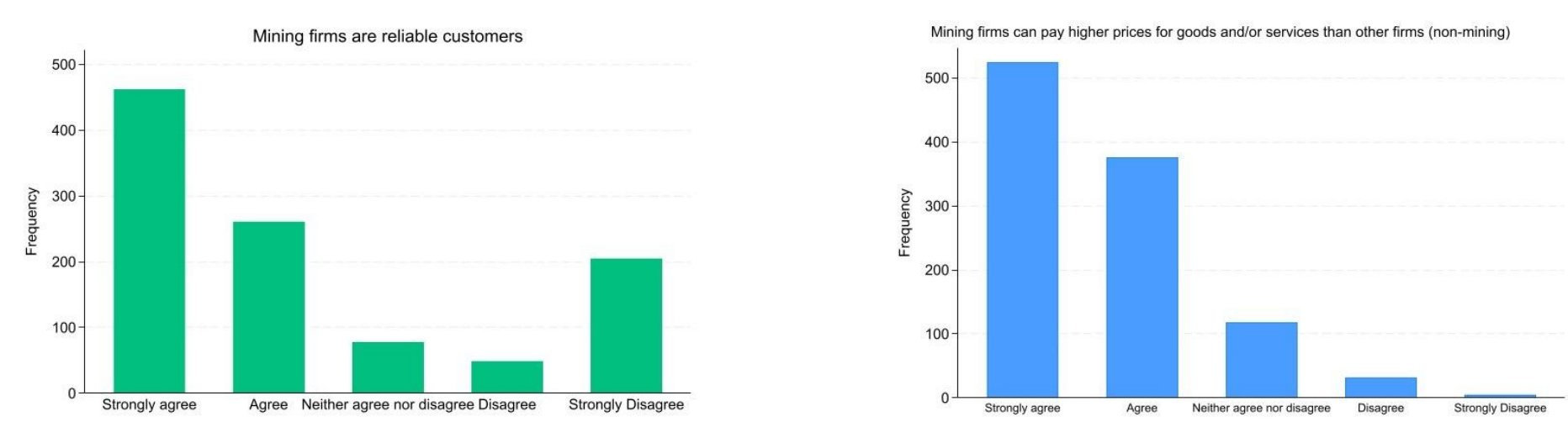


Figure 1 & 2: Examples of agree and disagree statements surveyed on the 5 point Likert scale

Constraints faced by mining and non-mining suppliers

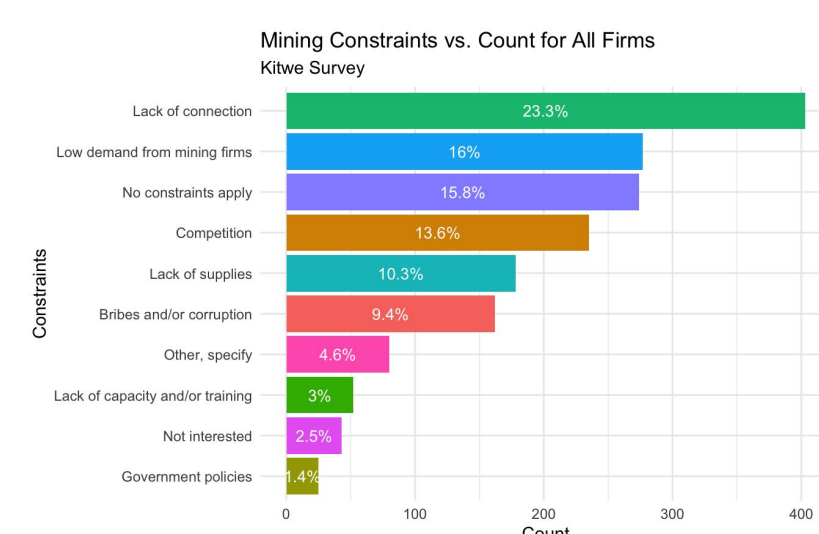


Figure 3: Constraints to supply to mining firms for all firms

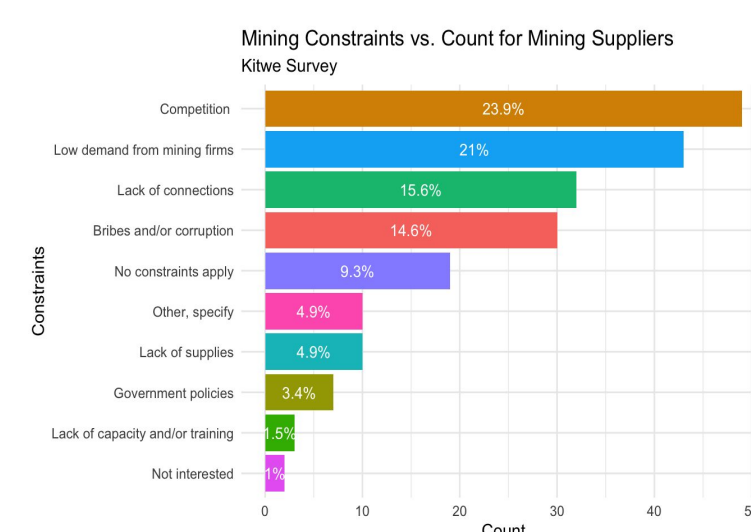


Figure 4: Constraints to supply to mining firms for mining suppliers

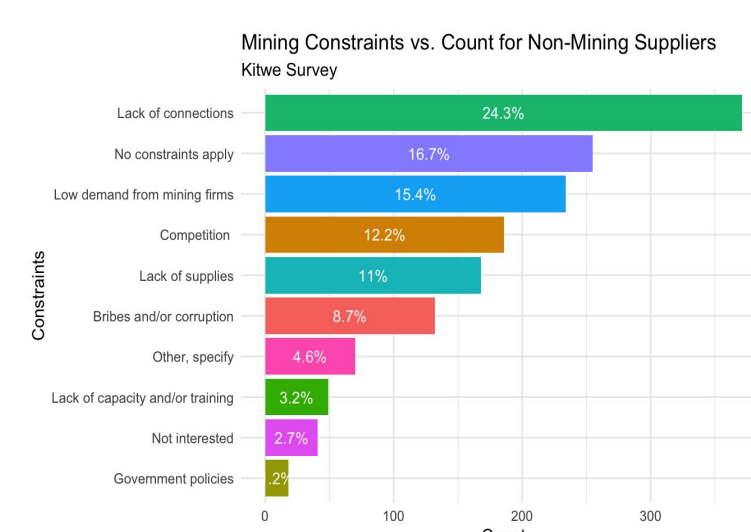


Figure 5: Constraints to supply to mining firms for non-mining suppliers

- The number one constraint faced by all firms that prevents them from supplying to mining firms was a **lack of connections**.
- 23.3% of all firms responded that lack of connections was a constraint for them.**

- For firms that already supply to mining firms, the top constraint towards supplying to mining firms became **competition**.
- 23.9% of mining supplier firms responded that competition was a constraint for them.**

- For firms that do not supply to mining firms, the top constraint towards supplying to mining firms remained **lack of connections**.
- 24.3% of non-mining supplier firms responded that lack of connections was a constraint for them.**

Conclusions & Next Steps

- Out of 1,055 firms surveyed, **9.10% are regularly (0.95%) and occasionally (8.15%)** selling to mining firms.
- Of those firms who count mines as customers (mine suppliers), **17% did not sell anything to mines in the last year**, and the remainder **sold regularly (16%) or occasionally (67%)**.
- 74% of all firms wish to sell more to mining firms.**
- Firms that sold occasionally to mining firms in the last years, are the most likely to list constraints (91%), compared to firms that regularly sell to mining firms (60%), and those that never sold to mining firms in the last 5 years (73%).
- This means that among firms with and without mining contracts, **there is a desire for more demand from mining firms.**
- In the future, we hope to use our findings to provide policy recommendations for the Zambian government and NGOs involved in the area.

References

- African Development Bank (AfDB 2017). 'Development of a Framework for Local content Policy for the Mining Sector in Zambia'. African Natural Resources Centre (ANRC). Abidjan: AfDB
- Lungu, John. "Socio-economic change and natural resource exploitation: a case study of the Zambian copper mining industry." Development Southern Africa 25.5 (2008): 543-560.

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