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The effectiveness of policy environment, relevant instruments and factors in the promotion of local content linkages: A case study of the Zambian large-scale mining sector

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Abstract

Copper extraction remains the mainstay for economic growth, foreign exchange and economic development in Zambia contributing 10.4% to GDP, 80.4% to exports and 2% to employment creation. Stakeholders such as Non-Governmental Organisations (NGO) have stated that the mining industry can contribute more to GDP and employment creation if strong local content linkages with the mining sector are developed. As such, Zambia has put in place policy interventions that include; signing Development Agreements with individual mines in the past following privatisation of the Zambia Consolidated Copper Mines (ZCCM) and parastatal companies, adopting the Mineral Resources Policy of 2013 and National Local Content Strategy and drafting a Mines and Minerals Statutory Instrument for promoting local content. This paper analyses the effectivity of the above policy interventions. The analysis was done through the review of the Zambian statutory document in the mining sector and supportive scholarly publications. The study also administered questionnaires with the aim of establishing stakeholders' perception of local manufacturing, infrastructure growth, technical skills, technological advancement and existing policy environment. The results indicated that, the interventions put in place have not translated into stronger local content linkages. To date, the mines in Zambia still rely on imported goods and services.

Keywords: Copper mining; Local content linkages; Policy environment; Privatisation, Zambia Consolidated Copper Mines (ZCCM), GDP

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1. Introduction

Copper extraction remains the backbone for economic growth, foreign exchange and economic development in Zambia contributing 10.4% to GDP, 80.4% to the country's exports and 2% to employment. In terms of resource governance, the mining sector in Zambia scored "weak" in the 2017 Index (GF, 2022). Growth in the Zambian mining sector between 2011 and 2020 averaged 2.5%. While most of the services provided to the mine are significantly procured locally, almost all the goods supplied to the mines are imported and estimates suggest that the value of goods procured by the mines annually could well be over US$ 2.5 billion annually (GRZ, 2020).

1.1. Historical perspective of local content linkages in the Zambian mining sector

Historically, most of the industries in the mining towns of the Copperbelt province were setup to supply inputs to the mines. After independence in 1964, the Government of the Republic of Zambia embarked on an initiative known as Zambianisation aimed at promoting Zambian ownership of the businesses. Between 1968 and 1976, the country created a large number of parastatal companies and built substantial level of manufacturing industries by promoting local import substitution (Fraser and Lungu, 2007). Additionally, the government encouraged capital-intensive manufacturing through the use of high tariff barriers and high valued exchange rates (Fraser, 2010). The industrial base created was key in the promotion of local content linkages of the production and processing industries with the mining sector, as it enabled the mines to link with other sectors in the economy by buying some inputs such as ball mills, chemicals, foot wares, mine uniforms and safety-related products. However, due to the absence of a heavy industrial base, the country continued to import all high-value products such as machinery and vehicles.

Land Rover and Fiat assembly plants closed while Dunlop a tyre manufacturing company opted to relocate to neighbouring countries. Other privatised companies were simply stripped of their assets following a change of ownership. Since then, the Zambian manufacturing sector has not recovered but continued to decline. In 1992, the Privatisation Act was passed and undertaken by the Zambia Privatisation Agency. Most mines were effectively privatised. The privatisation of the mines has had both positive and negative impacts. The positive impact relates to the reviving of the mining sector which was almost collapsing while the negative impact relates to the decline in local content linkages due to continued procurement of most goods abroad.

According to Ross (2019), Zambia's manufacturing sector has been declining over the years. The same trend has been observed with Sub-Saharan Africa's manufacturing capacity in terms of value addition. However, compared to other Sub-Sahara countries, Zambia is way back against that measure. Figure 1 shows the value of manufacturing exports as a percentage of total merchandise exports.

As can be seen from Figure 1, the value of manufacturing exports slightly increased from around 9% to 11 % between 1994 and 1996 and have since then taken a down ward trend to around 8% in 2017. Therefore, a well-managed and regulated mining sector can act as a catalyst to generate demand for support industries and create indirect employment, part of what economists call the 'multiplier effect'(MCSA, 2018). These support industries have a higher chance of long-term success if mines generate employment growth over a long period of time during their period of mine life. A strong manufacturing and industrial base that can support the economy is thus a necessary condition for forging downstream and upstream linkages with the mining sector between primary, secondary and tertiary industries (Mushemeza et al., 2017). There are many factors in resource-rich developing countries in Africa and Latin America that promote local content linkages, however, existing literature has not identified common factors that are responsible for positive outcomes across different countries since most of them exist under particular conditions (Mushemeza et al., 2017). What is understandable by many scholars Morris et al. (2012) and Kragelund (2017) is that harnessing natural resource wealth through the promotion of local content is key to improving the lives of the people in mineral resource-rich countries such as Zambia. This study therefore focuses on analysing the adequacy of the existing policy environment, relevant instruments and factors for local content linkage development in the Zambian mining sector. Over the years, the Government of the Republic of Zambia has put in place several policies, signed a number of development agreements with individual mining companies, adopted a local content strategy paper in 2018 (GRZ, 2018) and drafted a Mines Minerals development statutory instrument in 2020 (GRZ, 2020a). All the above were put in place mainly with a view of deriving maximum benefits from the mining sector in form of revenue collection, employment creation, infrastructure development and promotion of local manufacturing capabilities. Despite the formulation of several policies and the use of relevant instruments, such tools have not generated significant impact on the development of stronger linkages in the mining sector. Over the years the country has continued to witness de-industrialisation and inequality growth (Ross, 2019 and Neil et al., 2002). The absence of stronger local content strategy aimed at maximising benefits from the mineral sector has thus encouraged the Zambian large-scale mines to continue relying on imported goods and services to run the mines.

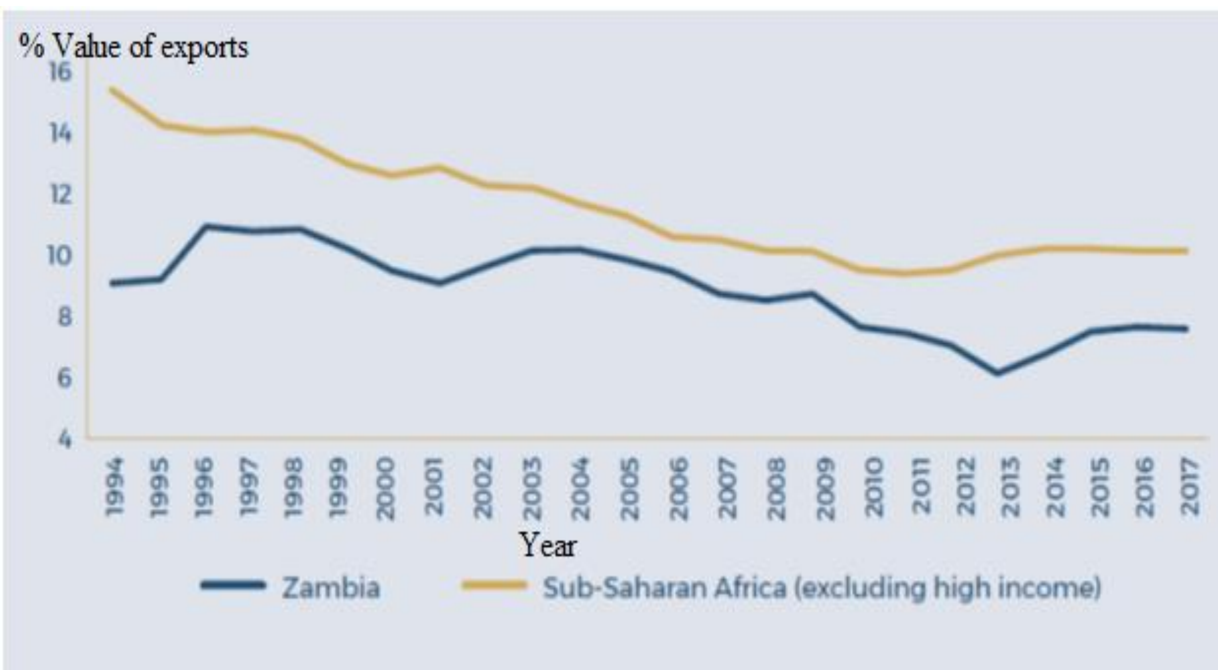

Figure 1. Value of manufacturing exports as a percentage of total merchandise exports (Source: Ross, 2019)

2. Local content development: A conceptual overview

Local content development is a product of interactions between the political space, the infrastructure, the environment and the local capacity, with the expected results being economic growth and industrial growth, ultimately facilitating spillover effects. When applied to a mineral resource rich country such as Zambian, local content defines the extent to which local people participate in the supply of goods and services to the mining sector and how the outputs of the sector further contribute to the domestic economy through productive value addition linkages The effectiveness of local content is thus determined by the ability to create and develop value addition activities and competitiveness in the host country. On the contrary, industrial growth is usually focused on processing minerals to strengthen profitability in the host countries with mineral resources. Nonetheless, to get the most from local content, there is a need to invest in capacity building (Kazzazi and Nouri, 2012).

In Zambia, the Local Content Strategy is aimed at encouraging economic diversification and the development of backward linkages which seek to promote long-term economic development. The strategy seeks to promote the utilisation of local products and services in the mining and other growth sectors. To date, very little has been carried out in implementation. However, if not well implemented, local content could be retrogressive to industrial development and economic development. Kazzazi and Nouri (2012) share insights on the conceptualization of local content in their paper entitled 'A conceptual model of local content development in the petroleum industry'. The conceptual model is shown in Figure 2 while factors and variable description are shown in Table 1. The conceptual model developed by Kazzazi and Nouri (2012) can be applied to the mining industry which is also an extractive sector.

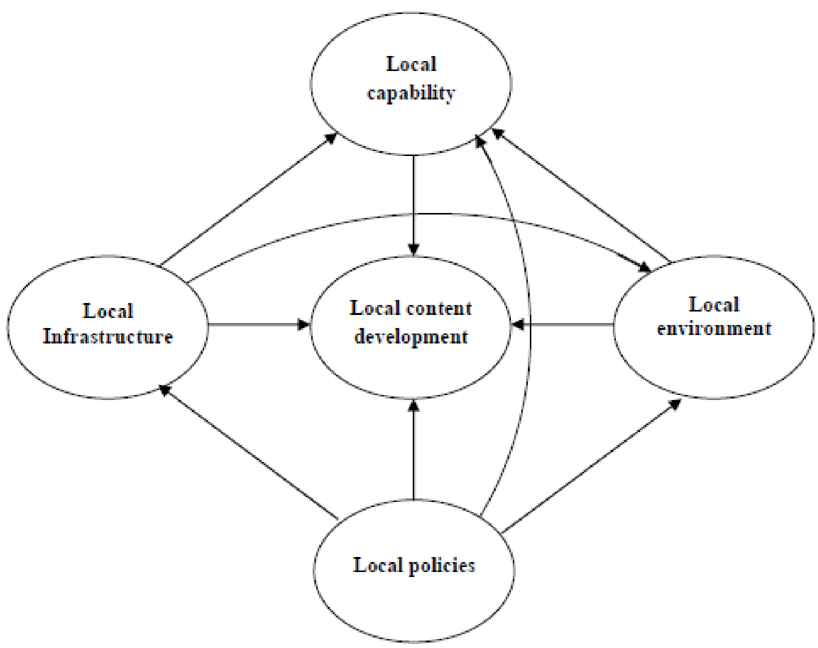

Figure 2. Conceptual model for Local Content Development (Kazzazi and Nouri, 2012)

Table 1. Local content factors and variable description in the petroleum industry that can also be applied to the mineral sector (Source: Kazzazi and Nouri, 2012)

Factor	Description
Local Policies	Public policies Industrial policies Information technology Local companies' needs Standards
Local Infrastructure	Social infrastructure Education infrastructure Business development infrastructure
Local Environment	Macroeconomic environment Investments and business environment
Local Capabilities	Local companies' capabilities Education Skills and expertise capabilities Technology and know-how transfer capacity Research and Development capabilities
Local Content Development	Economic growth Industrial growth Spillover effects

As can be seen from Figure 2 and Table 1, local content development is facilitated by interactions of several variables, although this does not entail that each factor has an influence on every variable in another one. For instance, the effect of local policies on local infrastructure is a good example of such a link.

2.1. Policy and legal framework for local content in Zambia

Zambia's long-term economic development is guided by vision 2030, which stipulates that Zambia must be "a prosperous middle-income country by the year 2030". To facilitate the achievement of vision 2030, the government implements five-year development plans and currently is implementing the Eighth National Development Plan (8NDP) which seeks to unlock the country's potential in all sectors of the economy for sustainable, holistic and inclusive national development (GRZ, 2022). The 8NDP in part seeks to create a diversified and industrialised economy by implementing a number of strategies that include promoting of mining of traditional and non-traditional minerals, encouraging value addition and manufacturing and local content linkages.

3. Methodology

The study reviewed various policies, relevant instruments and documents related to local content linkages from Government line-ministries, the Chamber of Mines of Zambia and online publications. The study further administered a sample of eighty (80) questionnaires using purpose–random sampling to obtain diverse information from stakeholders representing various institutions and non-governmental organisations (NGO). The questionnaire survey was structured on stakeholders' perception of local manufacturing, infrastructure growth, technical skills, technological advancement and policy environment that promotes local content linkages.

3.1. Sampling

The respondents were drawn from academia, government, chamber of mines, manufacturers and non-governmental organisations. The study population of 100 provided a reasonable representation of stakeholders. The respondents were mainly drawn from two mining provinces (Copperbelt and North Western) and Lusaka the capital city of Zambia. Lusaka was chosen because it has several higher learning institutions, NGOs, the Zambian Association of Manufacturers (ZAM), all Government ministries and Agencies. A sample size of 80 respondents was determined using Slovin's formula (Slovin, 1960). It is a random sampling technique formula to estimate sampling size. It is used to calculate the sample size (n) given the population (N) and margin of error (e). It is computed as;

$$n = \frac{N}{1+N\,e^2} = 100/1+100*(0.05)^2 = 100/1.25$$

$$n = 80$$

The following allocation of questionnaires was applied from a sample of 80 questionnaires: 45 for manufacturers/traders, 10 for NGOs, 10 for the mines, 10 for the learning institutions and 5 for the government.

Data for the survey was obtained over a period of two months from March to April 2022. Prior consent was obtained from the respondents before administering the questionnaire and were informed about the purpose of the study. Data was collected based on the respondents' perception of local manufacturing, infrastructure growth, technical skills, technological advancement and existing policy environment. The other data collected from government sources included figures on budgetary estimates and expenditure in the growth sectors. The questionnaires were delivered to respondents in-person. The questionnaire applied both close-ended and open-ended questions. This approach allowed respondents to select answers from a set of predetermined choices and also to provide their own view on the subject matter. The closed-ended questions approach was widely used because it is easy to count, analyse and interpret the possible answers such as yes/no, true/ false, values and scales (Daniel, 2019).

4. Results and discussion

4.1. Privatisation of state-owned companies

The privatisation of state-owned Companies and Zambia Consolidated Copper Mines (ZCCM) led to the collapse of linkages with local companies, while on the other hand, it led to the development of linkages with foreign companies (Kragelund, 2017). ZCCM being a state-owned mining conglomerate was responsible for running of all the large-scale copper mines in Zambia before the privatisation process that started in 1994. ZCCM was finally sold in 2000 after many delays in the process (Jonathan, 2010). Prior to selling of ZCCM, there was noticeable decline in copper production from around 700,000 tonnes in the 1970s to just below 255,000 tonnes in 2000 due to operational challenges and reduced capital inflow (Sikamo et al., 2016). The decline in copper production led to reduced growth of the mining sector, reduced employment opportunities, constrained revenue for government and subsequently decline in the locally supplied goods and services to the mines (Kangwa, 2001).

4.2. Development agreements

In 1995 the Mines and Minerals Act was enacted through Statutory Instrument No. 166 of 1995. The statute led to the introduction of among other things Development agreements provided for in Sections 9(1) and (2) of the Act. According to the Act, Development Agreements were created to 'encourage and protect large scale investment in the mining sector in Zambia', and the Act emphasised the need for preference for local products. Zambia signed a number of development agreements with the mines aimed at facilitating mining contribution to the development of the economy. Among the agreements made was the contribution to enterprise development. For instance, in 2000 the Government of the Republic of Zambia signed a development agreement with Konkola Copper Mine (KCM) PLC. Part b, Section 5 of the agreement provides for local business development. 5.1 (a) suggested that KCM would comply with the local business development programme with a view of encouraging and assisting the establishment of businesses within Zambia (particularly on the Copperbelt and with a particular emphasis on businesses, directly and indirectly, majority owned by Zambian citizens) to supply materials, equipment and services to KCM.

Due to the failure to materialise economic well-being, the Mines and Minerals Act of 1995 was repealed and replaced by the introduction of the Mines and Minerals Act No.7 of 2008. The Act came with important changes with Section 160 (1) of the Act cancelling all existing development agreements and Section 159 prohibiting the Government from signing any new mining Development Agreements. It should be noted that the full contents of the development agreements signed with individual mining companies have never been made public.

In 2013, the government of the Republic of Zambia formulated the Mineral Resource Development Policy which was committed to integrating the mining sector into the domestic economy. In so doing, section 7(8) suggests that the sector would, a) encourage mining cluster development to the broader economy; b) promote linkages between mining and agriculture, mining and tourism and mining and value-adding processing industries; e) make provisions in the law to compel mining companies to give preference to Zambian products, local contractors and services, and employ and train Zambians. However, despite these positive pronouncements, to-date local content linkages have had little impact.75% of the respondents observed that the absence of the Local Content Act and weak policy enforcement by government were partly to blame for the low local content linkages in the growth sectors. The respondents also blamed mining companies for giving preference to international business competitors.

4.2.1. Mines and Mines Acts (1995, 2008, 2015 and 2016)

Since the privatisation of the mines, the Zambian Mines and Minerals Act had undergone six (6) mineral tax reforms, which have led to Zambia's mining fiscal policy being deemed highly volatile. The reasons for the instability are vast but some have been due to loopholes in the agreements. For instance, at privatisation stage the copper prices were low and the government was desperate for investment in the mining sector. Agreements were reached but there was no clause suggesting what happens if copper prices go up. Soon after privatisation copper prices went up and mines were earning a lot of profits at the expense of the government.

Hence, a windfall tax was introduced in 2008 as a one-off tax to levy mining companies deemed to have made excessive profits due to favourable copper prices on the international markets. The windfall tax was followed by a decrease in copper prices. This caused mining companies to complain (Fraser, 2010).

The main Act guiding operations of the mining sector was the Mines and Minerals Act of 1995. It has however been modified on several occasions over the years. The aspect of Development Agreements in the 1995 Mines and Minerals Act provided for enterprise development in the domestic economy. However, the 2008 amendment removed the clause that mines could use. The 2015 Mines and Minerals Act amended the 2008 Mines and Minerals Act to include the reintroduction of preference for local products. The 2016 amendment opened the introduction of structural instruments to define the scope and magnitude of local content as introduced tax reforms. Tax reforms are also relevant to the local content discussion in the mining sector. This is because the mining sector planning is long term. Therefore, stability in tax policy will allow for sustained growth of the sector and effective achievement of goals.

Previously, the Instability of the mining tax regime has had a number of effects in the mining sector including the ability to effectively plan, leading to decreased profitability. In summary, the Mines and Minerals Act and its amendments have not been effective in promoting local content development in Zambia for a number of reasons that included a lack of an effective implementation plan. Consequently, the initiative could not take off and in cases where it took off, it could not effectively be monitored. For example, in 2017, the total value of goods and services supplied to the mines in Zambia was estimated to be slightly over 2.38 billion USD. According to the Chamber of mines, 80% of the said sum was sourced locally (AGS, 2021). However, only 10.6% of total goods and services falls in the category of 'true local procurement' while the rest of procured goods and services that are perceived to be classified as locally supplied are imported into the country by foreign owned businesses with local presence. Currently, the Ministry of Commerce, Trade and Industry (MCTI) has defined local content as the extent of utilisation of local inputs and/or products in the production and provision of goods and services throughout the economy (GRZ, 2018). Local content requirements in the production process remain unclear. This poses a risk of importing semi-finished goods that may be assembled locally but referred to as local. Finally, the previous unstable mining tax environment has had an effect on businesses such as domestic suppliers.

4.2.2. National Local Content Strategy

Local content is a broad concept that is not only limited to industrial linkages but also other factors such as the employment of the locals among others. The Government of the Republic of Zambia launched its National Local Content Strategy in 2018 with the main objective of promoting inclusive growth and sustainable development through value addition by increasing the utilisation of locally available goods and services in growth sectors (GRZ, 2018). The Zambia Local Content Strategy has eight (8) specific objectives, directly linked to industrial development highlighted as follows: Firstly, the initiative seeks to promote the utilization of local products and services in growth sectors. This will be done by developing and enacting the local content law that ensures that 35% of inputs in the growth sectors are locally procured. Secondly, harmonising the different pieces of relevant legislation in the application of the local content strategy. Thirdly, developing guidelines on local content which are to be incorporated in all business linkages and fourthly, developing certification on the proudly Zambian mark. The last but not the least objective would be to undertake national awareness campaign of products with the proudly Zambian mark.

The strategy seeks to promote micro small and medium enterprises (MSMEs) and cluster development through targeted Government procurement. The activities are: 35% of Government procurement shall be reserved for MSMEs according to the public procurement act; facilitate the establishment of MSMEs industrial yards in order to enhance productivity and value addition, and to promote the establishment of joint ventures between MSMEs and large corporations in order for MSMEs to meet targeted Government procurement.

Clearly, Zambia has prioritised industrial development and value addition from the local content strategy. There is a strong relationship between the type of implementation framework the country develops for local content promotion and the outcomes. Local content policies in different countries have prioritised different outcomes. For instance, unlike Brazil and Mexico which have prioritised the development of their natural industries and implemented programmes to achieve it through implementation frameworks, Nigeria and Angola have prioritised employment generation for their nationals (Mushemeza et al., 2017). Regardless of the differences in priorities all the countries above have included within their frameworks monitoring and enforcing mechanisms, government programmes to support oil and gas companies in their local content-related activities and the participation of national oil companies in local content implementation. This reason perhaps explains the positive local content outcomes in these countries (Mushemeza et al., 2017).

The National Local Content Strategy in Zambia is a well-crafted document that addresses a number of issues relevant to the promotion of economic linkages in the country. However, very little has been carried out in implementation. As such, there is a risk that the initiative may die out like other important documents initiatives that have been launched over the years such as the Zambia Mining Local Content Initiative (GRZ, 2020; GRZ, 2018 and GRZ, 2020a).

4.2.3. Community Development Fund procurement requirements

In the 2022 National Budget, Government laid out the decentralization of government activities by raising Community Development Fund (CDF) from K1.6 million to K25.7 million per constituency. Subsequently, the increment entails that various empowerment and procurement activities will have to be undertaken at the community level. Specifically, local products in the community will be made a priority. Hence, making locally produced goods a priority for public procurement.

A summary of the policies and regulations affecting local content development in Zambia is shown in Table 2. As can be seen from this table, the policies which were seemingly enacted in good faith by the Zambian Government have not achieved the intended output.

4.3. Other policies related to local content in Zambia

The Government of the Republic of Zambia has put in place measures that are not directed related to local content but have an impact on the initiative. Among the initiatives is Citizen Economic Empowerment (CEE), developed under the Citizen Economic Empowerment Act No.9 of 2006. The Act was developed for the purpose of uplifting marginalized communities. The objectives of the Act include among others the following: i) the establishment of the Citizens Economic Empowerment Commission (CEEC); ii) the Establishment of a Citizens Empowerment Fund; iii) Promoting the empowerment of targeted citizens, and iv) Promoting investment through fostering joint local and foreign ownership of companies. According to the majority of respondents, the Zambian Government has continued to implement the provisions of the CEEC Act through provision of funds for business growth to targeted citizens. However, not all suppliers to the mine have been able to access these funds. Consequently, working capital for local suppliers still remains a challenge.

Table 2. Policies and Regulations Affecting Local Content in Zambia (Sources: Kragelund, 2017; GRZ, 2018; GRZ, 1995; GRZ, 2008; GRZ, 2015 and GRZ, 2016)

Policy	Description	Effect on the mines	Effect on domestic supplier
Privatisation Act (1992)	Privatisation of state-owned companies	ZCCM dissolved	The collapse of sprinter linkages
Development Agreements	Provided incentives	Tax holidays	Mines were required to buy from local suppliers
Mines and Minerals Act (1995, 2008, 2015 and 2016)	Established incentives under which mines were to be privatized	Duty and quota-free imports for mines Mining companies expected to support local suppliers	Cost penalty on suppliers Establishes *a preference for Zambian goods, but does not define local content* 2008 revision removes a clause that mines make use of local suppliers 2015 amendment reintroduces *preference* for suppliers and service agencies located in Zambia and owned by citizens or citizen-owned companies 2016 amendment opens up for the introduction of Statutory Instruments to define the scope and magnitude of local content
Mining Tax Regime	Too many amendments (Seven (7) since the privatisation the mines)	Decreased profitability Affected planning	Mines claim they could not afford to source locally
Local Content Strategy	Increasing value addition by utilization of available goods and services in the growth sectors	Required to source 35% of inputs from the domestic economy	Claimed local producers lack the necessary capacity in terms of meeting quality and quantity

Key to the CEEC Act was the development of sector codes aimed at inducing companies (both private and Public) operating in Zambia to procure locally. “Locally” in this content, either meant citizen influenced, which is a company with 5 – 25% Zambian ownership, a citizen empowered company with 26 – 49% Zambian ownership, or a Zambian owned company which has more than 50% Zambian ownership. However, the sector codes in the CEE were never implemented and the CEE never succeeded in superseding all other commercial and industrial acts in Zambia even though a lengthy process was set in motion. The CEE did not influence other policies to create wealth and prosperity. Various policies put in places such as the industrialisation and job creation strategy are silent about the model adopted by CEE. However, the local content strategy provides for 35% of inputs in the Transnational Corporations being sourced from the domestic economy. Other Government documents relevant to local content development include the Public-Private Partnership Act, Public Procurement Act and the Road Development Act among others.

4.4. Questionnaire survey on stakeholders' perception of local manufacturing, infrastructure growth, technical skills, technological advancement and existing policy environment

Figures 3, 4, 5, 6, and 7 show the type of responses given by the respondents on how they perceived the local content linkages with the mining sector with regard to local manufacturing, infrastructure development support, technical skills, technological advancement and existing policy environment.

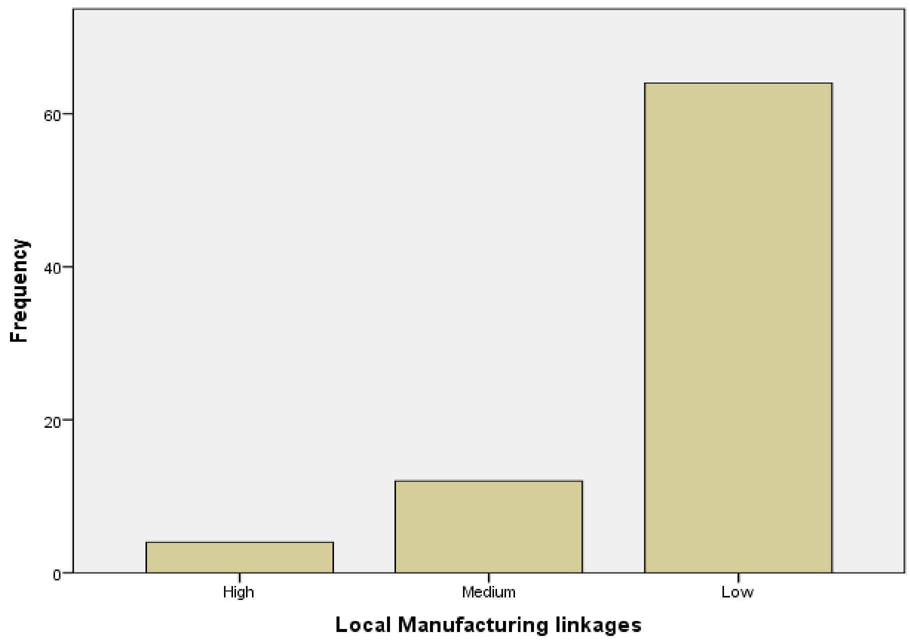

Figure 3. Perception of the local manufacturing linkages with the mining sector

Findings of the study in Figure 3, show that more than 60 respondents representing over 75 % indicated that local content linkages between the manufacturing and the mining sector were low. This implies that the level of goods and services supplied to the mines are very minimal. This finding is consistence with the findings by Ross (2019) and Kragelund (2017) who observed that manufacturing output in Zambia has been declining. Concerning infrastructure support (Figure 4), 63 % of respondents indicated that it was poor. In terms of the current level of skills (Figure 5), 68% of respondents indicated that the level of skills in Zambia could be rated medium for local content linkages. This implies that the country still needs to train more and fill the existing skill gap. Yordanos et al. (2019) also observed that like most African countries Zambia has low skills base.

Figure 6 shows that more than 81.2 % of the respondents indicated that the level of technological advancement in Zambia was low. This observation is consistent with other authors (Mushemeza et al., 2017; Ross, 2019; Neil, 2002 and Kragelund, 2017).

As can be seen from Figure 7, the respondents rated the existing policy environment as being poor (slightly over 37 %) and fair (over 50%) respectively. These ratings probably explain the reasons why the Zambian government has over the years tried to revise policies, amend and repeal the principal Mines and Minerals Act, all in the name of attempting to derive maximum benefits from the mining sector.

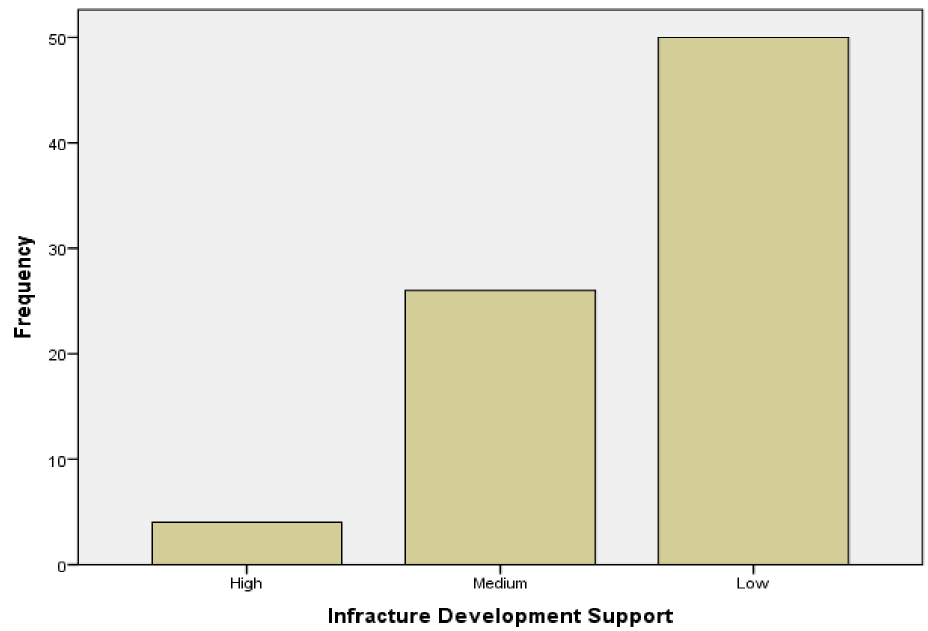

Figure 4. Perception of the infrastructure development support with the mining sector in local content linkages

Figure 5. Perception of the technical skills levels for local content linkages with the mining sector

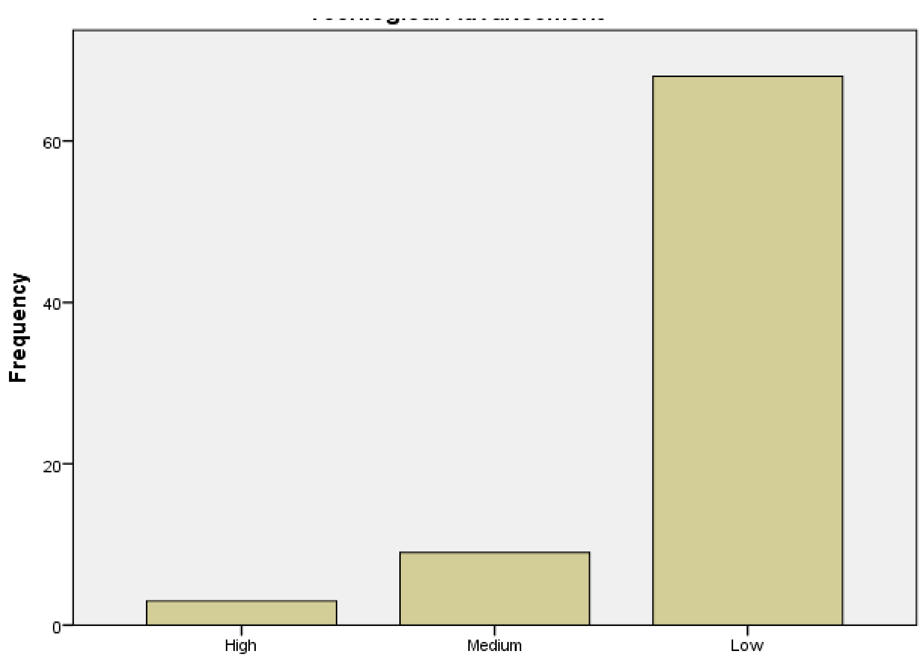

Figure 6. Perception of technological advancement for local content linkages with the mining sector

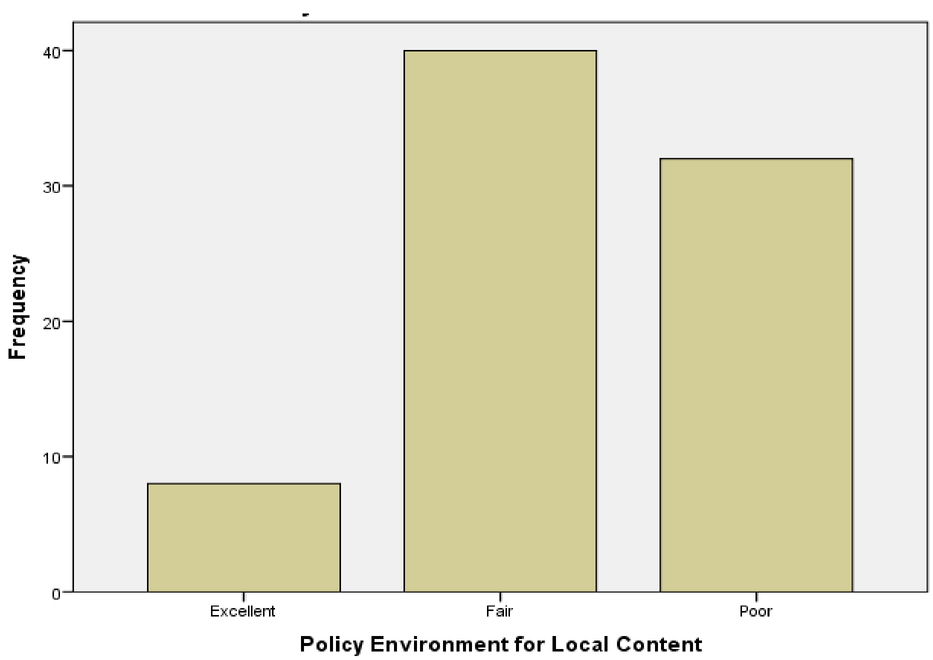

Figure 7. Perception of the policy environment for the promotion of local content in the mining sector

Essentially, the existing Minerals Resources Policy, Local Content Strategy Document, Draft Mines and Minerals Development Statutory Instrument of 2020 and the Mines and Mineral Act of 2015, all contain some progressive pronouncements such as the need to promote the utilisation of local products and services in growth sectors in order to integrate the mining sector in the domestic economy. However, very little integration has been done so far due to implementation and monitoring challenges. In addition, the Mines and Minerals Act has undergone several reforms (1995, 2008, 2015 and 2016). This has not only sent wrong impression to investors but also jeopardised the planning process that is key to unlocking business linkages in the domestic economy. The instability of the mining tax regime has had a number of effects on the mining sector including the ability to effectively plan, leading to decreased profitability. For instance, mineral royalties have been changed seven (7) times since privatisation in 1992. Such inconsistencies make it difficult to promote backward and forward linkages between primary, secondary and tertiary industries

5. Conclusion

The study reviewed a number of policies such as the Mineral Resources Policy, the National Local Content Strategy and the Draft Mines and Minerals Development Statutory Instrument that are directly related to local content promotion in Zambia. The study also reviewed relevant government documents such as the 8NDP, the Mines and Minerals Development Act and online scholarly publications. In addition, the study administered the questionnaire aimed at establishing stakeholders' perception of local manufacturing, infrastructure growth, technical skills, technological advancement and existing policy environment.

The following are the conclusions of the study:

- The existing policy environment in Zambia has not achieved meaningful impact on the promotion of local content linkages in the mining sector. To date, the mines in Zambia still rely on imported goods and services
- Inconsistencies in policies since the privatisation of the mines have not only sent a wrong impression to investors but also jeopardised the planning process that is key to unlocking business linkages in the domestic economy.
- The instability of the mining tax regime since privatisation in 1992 has had a negative impact on the promotion of backward and forward linkages between primary, secondary and tertiary industries.
- The high skills gap coupled with low technological advancement in the country have hindered the development of stronger local content linkages.

5.1. Limitation of the study

The reviewed data was solely based on the existing data in the public domain from government and online publications. The authors were unable to review individual mine records on local content linkages due to tight restrictions and requirements on data acquisition.

Acknowledgement

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