



REPUBLIC OF ZAMBIA

**MINISTRY OF MINES, ENERGY AND WATER DEVELOPMENT**

**PRESS STATEMENT**

**AUCTIONING OF GEMSTONES WITHIN ZAMBIA**

ZAMBIAN GEMSTONES HAVE FOR A LONG TIME BEEN SOLD ON FOREIGN MARKETS, A SITUATION THAT HAS CONTRIBUTED TO CAPITAL FLIGHT AND DENIED ZAMBIANS OF THE MUCH NEEDED BENEFITS FROM THE RESOURCE. IN AN EFFORT TO ADDRESS THIS PROBLEM, GOVERNMENT HAS DIRECTED THAT ALL AUCTIONING OF EMERALDS BE HELD IN ZAMBIA. TO THIS EFFECT, KAGEM MINING LIMITED'S AUCTION WILL BE HELD IN ZAMBIA FROM 15<sup>TH</sup> TO 19<sup>TH</sup> APRIL, 2013. ALL THOSE INTENDING TO AUCTION THEIR EMERALDS SHOULD PLAN TO DO SO IN ZAMBIA.

THE DECISION TO BEGIN AUCTIONING EMERALDS WITHIN ZAMBIA, FOLLOWS THE REPUBLIC OF ZAMBIA PRESIDENT MICHAEL SATA'S PRONOUNCEMENT THAT ALL GEMSTONES SHOULD BE SOLD WITHIN ZAMBIA IN

ORDER FOR THE COUNTRY TO BENEFIT FROM THESE RESOURCES. IT IS ENVISAGED THAT THE AUCTIONING OF EMERALDS WITHIN ZAMBIA WILL:

1. PROMOTE TRANSPARENCY AND ACCOUNTABILITY IN THE MARKETING OF EMERALDS. THIS WILL ENSURE A FAIR SHARE FOR ZAMBIANS FROM THESE PRECIOUS RESOURCES;
2. STIMULATE LOCAL DEMAND FOR EMERALDS AND IN THE LONG RUN PROMOTE VALUE ADDITION TO THE RESOURCE;
3. CREATE OPPORTUNITY FOR SMALL-SCALE EMERALD MINERS TO HAVE ACCESS TO A MARKET WHERE THEY GET A FAIR RETURN ON THEIR PRODUCE. MOST SMALL-SCALE MINERS ARE FORCED TO SELL THEIR EMERALDS TO ILLEGAL BUYERS AT DEPRESSED PRICES BECAUSE OF LACK OF A FORMAL MARKET WITHIN THE COUNTRY; AND
4. CREATE EMPLOYMENT WHILE AT THE SAME TIME BOOST THE GROWTH OF THE TOURISM SECTOR.

THE GOVERNMENT IS CURRENTLY WORKING OUT MECHANISMS TO ENSURE THAT ALL GEMSTONES ARE SOLD WITHIN THE COUNTRY IN A MANNER THAT WILL ENSURE MAXIMUM BENEFITS FOR THE COUNTRY. MINING COMPANIES IN THE GEMSTONE SECTOR ARE URGED TO ABIDE BY THE GOVERNMENT'S DIRECTIVE TO AUCTION GEMSTONES WITHIN THE COUNTRY. TO AVOID SPRINGING UP OF SECONDARY MARKETS, MINING COMPANIES BOTH LARGE AND SMALL ARE ENCOURAGED TO JOINT AUCTIONS.

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