



PRESS STATEMENT

ZESCO CLARIFIES POWER IMPORTS & EXPORTS

In response to reports circulating in some parts of the media as well as queries from the general public implying that ZESCO is exporting power to Malawi at the expense of Zambian citizens, the Corporation would like to state that inter-state power trading is a common practice among electricity companies worldwide.

ZESCO therefore, wishes to confirm that it imports and exports power to some countries in the region especially where ZESCO has existing long term Power Supply Agreements (PSAs) or Power Purchase Agreements (PPA). This is especially true in border town areas whereby by mutual agreement, one country supplies a neighboring border town for efficiency purposes.

In view of the above, it is important to note that ZESCO undertakes import and export trades with the following countries:

COUNTRY OF TRADE	UTILITY	BORDER LOCATION	AREA/	TRADE STATUS
Malawi	ESKOM	Lundazi		Zambia Imports
Malawi	ESKOM	Chama		Zambia Imports
Malawi	ESKOM	Mchinji		Zambia Exports
DR Congo	SNEL	Mpweto, Mokambo, Sakanya, Kasenga		Variable Exports depending on need and availability only
Namibia	NAMPOWER	Katima Caprivi Strip	Mulilo/	Zambia Exports

Botswana	Botswana Power Company (BPC)	Kasane	Zambia Exports
Tanzania	TANESCO	Sumbawanga	Zambia Exports
Zimbabwe	ZESA	Chirundu	Zambia Imports
Mozambique	EDM	Zumbo	Zambia Exports

Further, note that Zambia through its main power utility company, ZESCO, is part of the regional power pool known as the Southern African Power Pool (SAPP), an association of electricity companies in Southern Africa that has created an interconnected power grid and a common market for electricity trading in the SADC region. ZESCO therefore has long term trading arrangements through various Power Supply Agreements (PSAs) or Power Purchase Agreements (PPAs).

It is therefore, common to find that one exports power to a neighbor at one particular point where you have better infrastructure and yet you import power at another location where you are disadvantaged due to various factors (terrain, infrastructure availability, distance from grid, proximity to cross border facility of neighboring country etc.). These contracts tend to be long term and can play an important part in ongoing reciprocal diplomatic relations between the peoples of the countries concerned.

In line with our bi-lateral protocols, we have existing mutual agreements for power imports and exports with neighbouring countries to supply cross border power, wherever a neighbor lacks local power infrastructure. One has therefore to exercise due caution before concluding that the mutual relationship with our neighbours is one-sided.

For example, ZESCO has been importing power from Malawi to customers in the Zambian districts of Chama and Lundazi since 2005. On the other hand, commencing 2018, the Malawian power utility (Escom), requested for a mutual arrangement whereby ZESCO now supplies another border town at Mchinji via a 33kV, 20MW distribution line. As can be noted from the above, these arrangements are mutual and form part of very critical neighborly working relationships. Curtailing these existing relationships would potentially be very costly to the country in the medium to long term.

It may also lead to inconveniencing the wellbeing of citizens of Chama and Lundazi, who are still waiting for the completion of the Transmission project that will bring local supply

through a long and costly transmission line from Chipata to Lundazi and Chama respectively.

We need to keep in mind that when in need, we also call on neighbors to supplement the scarce power resources. For example, during the drought experienced during the 1994/95 drought, Zambia had to import power from DR Congo. In the 2014/15/16 drought, Zambia imported substantial amounts of power from Mozambique and South Africa.

We would like to further, inform the public that, ZESCO is currently in negotiations with South Africa and Mozambique to facilitate importation of at least 300 MW of power to cushion the power deficit that the country is experiencing.

It is therefore imperative that in line with existing SAPP agreements, continuous cooperation amongst neighbouring countries is sustained even in the face of power deficits.

A square box containing a handwritten signature in black ink. The signature appears to be 'P. Mwila'.

Patrick Mwila

Director – Strategy & Corporate Services

14 September 2019