

TANZANIA CHAMBER OF MINERALS AND ENERGY

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NEW OFFICE BEARERS

TANZANIA CHAMBER OF MINERALS AND ENERGY 11TH ANNUAL GENERAL MEETING

On December 8th 2005 the Chamber held its 11th Annual General Meeting at the New Africa Hotel in Dar es Salaam followed by

The elected new office bearers are as follows:

Ambassador Ami Mpugwe	Chairman
Mr. Grant Pierce	Vice Chairman
Mr. Deo Mwanyika	Hon. Secretary
Mr. Don McLeod	Hon. Treasurer

The Chamber has witnessed an unprecedented growth of the minerals sector in the last decade. From almost scratch Tanzania now boasts of five large scale modern mines, from less than 10 prospecting licenses in 1990 we have today surpassed 2340 licenses and contribution of mining to GDP has risen from less than 1% to 3%.

the annual dinner at the Golden Tulip Hotel. The Chamber takes this opportunity once again to thank members for their participation and attendance in both events. It is hoped that such cooperation and support would continue in future.

A number of important issues were on the Agenda and the following are the highlights of the AGM.

11TH AGM HIGHLIGHTS

During the AGM, the Chairman Prof. S. M. Mbilinyi gave a comprehensive report on the Chamber activities and achievements during year 2005 and plans for the year 2006. The brief review of the Chairman's report to the Annual General Meeting, which includes among other things major activities, initiatives is given below:

Presidential Environmental Excellence Award (PEEA) 2004/2005.

The 2004/2005 Presidential Environmental Excellence Award handing over of certificates to winners took place in Iringa on 5th June 2005 during the commemoration of the World Environment Day. The ceremony was officiated by HE the Vice President Dr. Ali Mohamed Shein. Those awarded are: Resolute (T) Ltd. who took the top award-the Excellence award for the second time, Geita Gold Mining Ltd, Kahama Mining Ltd, and Tanga Cement Company were awarded Certificates of Merit whilst Williamson Diamonds Ltd. and TanzaniteOne were awarded Certificates of participation.

Contractors Registration Board

The Chamber renewed consultations with the Contractors Registration Board. The implication of this move is that contractors would be subjected to payment of exorbitant registration and annual fees, which would only fuel already high costs of doing business in Tanzania. The meetings already contacted and presentations to CRB were aimed at getting concessionary rates.

VAT Special Relief

The removal of Item 7 of the third schedule for the VAT Act 1997 was announced by the Minister of Finance in his Budget speech for 2005/06..This item of the VAT Act grants special relief from VAT for imported goods and services for registered licensed exploration, prospecting, mineral assaying, drilling or mining company for exclusive use in exploration, prospecting, drilling and mining activities.

The Chamber had played a key role in designing Item 7 of the VAT Act and sees considerable merit in ensuring that it remains as one of the strong pillars of the mining sector fiscal incentives. The Chamber also made representations to government pointing out that the removal of special relief would impact negatively on mining industry and general investment climate in the country. Following the relentless intervention on this matter, the government decided to reverse its decision, which saw the reinstatement of special relief

Fuel Levy

The Tanzania Revenue Authority required some members of the Chamber to pay fuel Levy in excess of the annual Limit as stipulated under their respective Development Agreements. The basis of TRA demand was GN.22. Extensive consultations were made to bring to light that charging fuel levy in full strength of GN 22 could not only result in a significant increase in production costs but was also invalid as per the Development agreements between the license holders and the Government of Tanzania. The matter has been resolved through amendment of the GN22

Mining development Agreements

The Chamber held several consultations with the government to resolve issues regarding mistreatment of Mining Development Agreements that were signed between the government and several TCME members. These agreements were meant to provide fiscal stability during the tenure of mining operations. Unfortunately these have

not been the case and our members have been served with financial demands from TRA regardless of provisions contained in the Development Agreements. The matter is receiving due attention in the government and the necessary instruments to ensure compliance are in progress

FUTURE OUTLOOK

With the expected growth of the Tanzanian mining industry as evidenced by new exploration endeavours, and the anticipated opening of new mines, it bears upon the Chamber to brace itself for formidable challenges such as addressing to labour issues, environmental management issues, social issues and others that will continue to impinge on the mining industry. To tackle the emerging issues will certainly require a united force of the membership and therefore co-operation and support will be a critical element.

Cooperation with other organizations.

The Chamber is represented in the following important bodies:

- SEAMIC board of Governors.
- Labour Economic and Social Council (LESCO)
- Commercial Court
- Public Expenditure Review Committee
- Small scale mining demonstration plant in Chunya
- Tax Review Task Force in the Ministry of Finance
- TRA Stakeholders Forum
- Mining Industries Association of Southern Africa (MIASA)
- International Council of Mining and Metals (ICMM) through MIASA
- National Employment Council (NEC)
- Tanzania Private sector Foundation (TPSF)
- Tanzania National Business Council (TNBC)
- VETA Advisory Committee on developing mining trades occupation standards.
- The proposed Golden Pride University College of Mines Trust Foundation Board

In the coming year it is planned to work towards a number of new initiatives and objectives as elaborated in our Strategic Plan and also tackle what could not be accomplished in the previous year i.e.

- Conducting a mining awareness programme that will reach as large a population as possible through various forms of media.
- Building the Chamber's database to enable swift response.
- Maintaining good and effective liaison with government ministries on fiscal, legal, security and other issues of importance to the industry.

KMCL Raising Awareness for Environmental Protection and Conservation to Surrounding Communities

KMCL Plan through its Environmental Department in collaboration with Community Relations and Social Development Department wishes to assist Communities in the use of Best Available Environmental Management Practice towards maintaining the Beautiful Environment for the benefit of both current and future generation i.e. sustainable development.

Bugarama ward is no exception in terms of environmental degradation compared to other wards in the area. KMCL is committed to environmental protection and stewardship and therefore it has set extensive programs designed to ensure that all stakeholders are involved in developing a better and friendly attitude and practices towards environment.

As you go around the homes of our people, you will find piles of fire woods which are a clear indicator of deforestation. Our program is aimed at developing and establishing sustainable measures on resources conservation and management. For instance, in the case of firewood, we think of introducing fuel saving stoves as an alternative.

In order to achieve the goals on environmental management, KMCL has taken a proactive stance on community environmental management issues. KMCL will initiate and

support community reforestation activities, community environmental education and clean-up campaigns. There will be meetings to involve community and KMCL management for the sustainability of this program.

Overgrazing and deforestation practices have also contributed to the increase of soil erosion and environmental degradation. That has prompted KMCL to initiate a community environmental management support program.

Communal nurseries will be introduced in all the villages that KMCL interacts with proper empowerment the groups will be able to manage nurseries in their respective areas. Upon completion of the Participatory Rural Appraisal (PRA) Survey in September this year that covered four villages (Kakola, Bugarama, Ilogi and Igwamanoni), each village selected their fellow community members to form part of environmental committees. The committees consists of 12 members equally gender balanced. Training of these groups will be conducted by our Environmental Division enabling the groups to perform to the required standards laid by the Tanzania Environmental Management Act of 2004 (EMA) and KMCL /BARRICK policies.



insight into natural resources management, integrating tree crops into the farming systems, dairy projects and the use of energy saving stoves.

Environmental educational films will be shown to respective villages; topics will cover the effects of deforestation on communities and water sources, and agro forestry practices.

**Community members who
attended the PRA Survey at
Kakola Village**

The community reforestation program aims to improve the degraded environment, alleviate the acute shortage of fuel wood and building materials. The program, which will commence in December this year, consists of support from KMCL through the donation of tree seedlings, polythene bags and staff in order to provide a continued support to community members on tree planting and their management.

Another initiative by KMCL is to run environmental education programmes such as study tours with members of environmental committees from the villages. Environmental committee members will have to visit soil conservation and agro forestry projects run by communities and were supported by Hifadhi Ardhi Shinyanga (HASHI) in Shinyanga. This will provide