

TANZANIA CHAMBER OF MINERALS AND ENERGY

Vision Statement

The Tanzania Chamber of Minerals and Energy's vision states that "Our Industry will be a role model in leading the way to a successful Tanzania"

This vision is underpinned by our strategic goals which are:

- To ensure a business and social climate that will enable our Industry to lead the economic growth of Tanzania.
- To ensure a positive image of our Industry.

To compliment this our Mission is:

To vigorously promote and represent our industry and provide value-added services to our members through:

- Working with all levels of Government and associated industries to ensure an effective legal and regulatory framework that will support and govern the industry
- Encouraging all members to achieve best practice in all aspects of their business, with special emphasis on:
 - Occupational Health and Safety,
 - Environmental conservation and land management
 - Sustainable social development
 - Building capacity in the workforce
 - Working in partnership with educators and students
- Monitoring public perceptions and educate public/industry stakeholders on the realities of the industry and its contribution to Tanzania.
- Promoting business development that supports our industry and its social responsibilities.

PREAMBLE

In pursuit of the above aims, the Chamber has identified policies that are fundamental in achieving further development and prosperity of the mining industry in Tanzania as will be elaborated below.

Tanzania is highly endowed with mineral wealth. In line with the aim of increasing national wealth and prosperity, the objective should be to convert to the extent possible mineral resources into wealth. Wealth creation by mining will benefit mine and related industry employees, shareholders, local communities and government. It will also have a significant impact in achieving the overarching goal of poverty alleviation.

To derive maximum benefit for all stakeholders from the mineral wealth, every effort must be made to secure mining in Tanzania as world class. Policies and regulations should be in place that enable the mining sector to achieve the highest possible efficiency and competitiveness in a global context. Stakeholders must be unambiguous in their support of policies that will enable the mining industry to fully realize its potential contribution.

The emerging mining industry in Tanzania needs to be nurtured carefully and this will certainly require the co-operation of all stakeholders, coupled with deliberate efforts to create the enabling and effective policy framework. This can be achieved if the industry's current and future development is based on sound policy fundamental objectives and the key elements to those objectives (such as those outlined below) that will result in achieving successful outcomes. Success will manifest in the creation of both confidence and trust among investors and foster national prosperity so desired by all.

The following are the policy positions:

1. Global role of mining
2. Investor-friendly macro-economic policy
3. Internationally competitive fiscal regime
4. Environmentally responsible mining
5. Appropriate labour market standards
6. Free movement of labour
7. Constructive Employer-Employee relationships
8. Social and economic impacts of mine closure
9. Education and training for an appropriately skilled workforce
10. Mineral mining Exploration rights
11. Safety Health and social responsibilities
12. Maintenance of security
13. Reliable and competitive mining inputs
14. Development of technology in mining
15. Market development for mineral products

POLICY VIEW	ELEMENTS FOR A SUCCESSFUL OUTCOME
<p>1 Global Role of Mining</p> <p><i>The desired outcome is to achieve a focus on the global role of mining and the contribution</i></p>	<p>Key elements for a successful outcome are:</p> <ul style="list-style-type: none"> • Creation of a favourable and positive public perception of mining and of the role and importance

<p><i>this industry can make to Tanzania's place in the world economy.</i></p>	<p>of mining in achieving sustainable development.</p> <ul style="list-style-type: none"> • Networking with global mining companies and national and regional mining and commodity associations to collaborate on, and better exploit, data reporting in areas of common importance, such as environment resources and reserves estimates, mine safety and other matters. • Government policy positions and legislation that enable and support the profitable operation of privately owned mining enterprises. • The cultivation of an understanding of the vital role of mining among the public, its government officials, politicians and non-government organizations. • Participation in international policy processes relevant to mining. • The development of accepted policy positions in respect of all major issues that threaten the global role of mining, and the creation of international alliances to promote these positions.
<p>2 Investor-friendly Macro-economic Policy</p> <p><i>The desired outcome is acceptance that in today's global capital markets, the mining industry will prosper only in national economy guided by macro-economic policies that are investor-friendly and capable of sustaining high rates of economic growth and social development.</i></p>	<p>Key elements for a successful outcome are:</p> <ul style="list-style-type: none"> • A stable economic environment where inflation is low and where the Tanzania mining industry is able to operate profitable and generate wealth for the country as a whole. • Steps to improve the risk profile of the economy to render Tanzania an attractive investment destination. • Maintenance of a control free foreign exchange regime and adoption of credible macro-economic policies compatible with a modern, open globalised economy. • Prudent national monetary policies based on the integrity of independent Central Bank and the setting of policies aimed at creating price stability and realistic exchange rates. • Realistic fiscal policies consistent with price

	<p>stability and overall burden of taxation on private enterprises and ensuring effective utilization of existing resources.</p> <ul style="list-style-type: none">• Pursuit of trade policy that is open-market oriented and gives Tanzania's products exposure in the global marketplace.• Competition policy and company laws that promote economic efficiency, are internationally competitive and do not penalize enterprises simply because they are large in size.• Industrial policy that does not distort the business environment, but promotes fair business competition.• Encouragement by Government of a culture of enterprise in Tanzania, coupled with the provision of relevant support services to grow the country's base of small and medium mining and other enterprises.
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3 Internationally Competitive Fiscal Regime

The desired outcome is an internationally competitive tax regime which sustains present, and attracts future investment in mining. Critically, taxes should not impose activity – based costs that make part of the ore deposit uneconomic.

Key elements for a successful outcome are:

- A national taxation system that is responsive to the nature of investment in mining and mining exploration (characterized by high risk and high capital costs and long lead times to the generation of income reward). Taxation and the fiscal environment should seek to accommodate these factors and serve to encourage, and not deter, mining investment in the face of these hurdles.
- Tax provisions that encourage mining companies to expand their operations.
- Avoidance of taxes that increase mining costs and have the effect of increasing the economic cut-off grade of workable ore, so reducing the lives of mine, depressing mineral output and sterilizing mineral assets.
- Continuation of appropriate positive fiscal arrangements in relation to environmental expenditures incurred by companies and industries.
- Recognition of the actual contribution that the mining industry can make to the economy. Tax revenues is but one of a range of benefits, derived by the nation from mining activity and, therefore, tax policy should not be confined to, or focused upon, maximizing tax revenue from mining.
- Recognition that capital expenditure in mining is effectively akin to an ongoing cost of production and should qualify for full, immediate capital redemption (now recognized).
- An overall mining tax system that is globally competitive, does not retard the efficient application of resources and is not subject to frequent change, or change with retrospective effect. Change to be achieved through stakeholders' consultations.
- Continuation of appropriate positive fiscal arrangements in relation to environmental expenditure by companies.

	<ul style="list-style-type: none">• Greater co-ordination of taxation proposals and other measures between various government departments and the industry is necessary in order to determine the impact and consequences of the taxes and levies on industry input costs. In particular, vigilance is needed to ensure that such imposts are properly rationalized and not based out of budget pressures but constitute a legitimate cost of doing business and are in consonance with macro economic management framework.
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4 Environmentally Responsible Mining

The desired outcome is environmentally responsible mining, where management of environmental impacts of all mining activity is built into mining plans and where compatibility is achieved between wealth and job creation on the one hand and environmental conservation on the other.

Key elements for a successful outcome are:

- Development of a strong partnership between mining employers and other environmental stakeholders, leading to development of an effective co-regulatory framework.
- Recognition that stakeholders should jointly strive for maximized sustainable development in which impacts on the environment are managed in order to produce rewards that are vitally needed for national development and growth.
- The establishment by Government of a strong, well-structured co-ordination mechanism allowing for efficient interaction between relevant government departments with an interest in environment in order to implement effective sectoral approaches on environmental management.
- Development of effective process allowing for timely decisions to be taken on the initiation of new mining projects to avoid costly delays associated with authorizations and permit granting which can frustrate or otherwise impact negatively on mining activity.
- A willingness by stakeholders to apply innovative approaches to the management of the environmental impacts of mining to the benefit of both the environment and mining activity (the latter through a reduction in environmental costs and the liability borne by mine operators).
- Tanzania participation in international debates on mining and the environment and, where appropriate, the assuming of influential roles in such debates.
- Process for dealing with conflicting land use that are appropriate to the long-term national interest and that are in the interest of sustaining Tanzania's economy.

<p>5 Appropriate Labour Market Standards</p> <p><i>The desired outcome is labour market policies, including employee benefits, that provide for the improvement of labour standards while accommodating prevailing economic realities and the demands of global competitiveness.</i></p>	<p>Key elements for a successful outcome:</p> <ul style="list-style-type: none"> • Recognition of the particular needs of the mining industry. • The creation and maintenance of a shared vision for the industry aimed at maintaining a world-class mining industry in Tanzania. • Recognition of the vital role played by the development of human capital in the improvement of labour standards. • Consensus among role-players on appropriate desirable legislation for the industry. • Identification of onerous or inappropriate legislation with a view to advocating a legislative regime more appropriate to the needs of the mining industry.
<p>6 Free Movement of Labour</p> <p><i>The desired outcome is the application of policies that recognize the value of the universal movement of labour having the required skills, aptitudes and work experience by gradually eliminating obstacles which impede such movement.</i></p>	<p>Key elements for a successful outcome:</p> <ul style="list-style-type: none"> • The free movement of people and the free transfer of skills within Tanzania in particular and adequate flexibility that can allow outsourcing. Allow a free choice by employers to select persons with the necessary aptitudes and attributes for skills training and ensuring a discrimination free process in order to promote the efficient functioning of Tanzanian labour market. • Equal treatment by employers of all employees, irrespective of country of origin, religion or belief, disability, age or sexual orientation

<p>7 Constructive Employer – Employee Relationships</p> <p><i>The desired outcome is the close interaction and relationship between employers and employees that ensures continued productivity of the mine, facilitates and enables constructive negotiations, addresses and recognizes the aspirations of employees on the one hand, while at the same time accommodating the economic realities of the mining company.</i></p>	<p>Key elements for a successful outcome:</p> <ul style="list-style-type: none"> • Routine information sharing of industry performance indices to encourage the creation of a common understanding of issues by employers, employees and relevant authorities. • An understanding by all parties of the relationship between the cost of labour and productivity in the industry, and bringing this to bear on industrial relations deliberations. • Process that builds industrial relations capacity and enhances shared values, thereby equipping participants to interact more meaningfully in the collective bargaining process in good faith. • Dynamic processes focused on problem-solving aimed at securing the continued well-being of the industry by means of a concerted effort to address key maintenance and growth aspects such as cost management, productivity management and the efficient use of labour and capital. • Development of internal procedures and an environment in which disputes can be successfully resolved in an orderly and positive manner without recourse to industrial action and workplace disruption. • Development of a process that enables major industry stakeholders to create and sustain a shared vision of the industry, thereby maintaining a world-class mining industry in Tanzania.
<p>8 Social and Economic Impacts of Mine Closure</p> <p><i>The desired outcome is the creation of effective processes in which each stakeholder group plays a role appropriate to itself and complementary to others, for managing the social and economic impacts of large-scale and geographically concentrated retrenchments consequent upon the inevitable contraction and closure of mines.</i></p>	<p>Key elements for a successful outcome:</p> <ul style="list-style-type: none"> • Recognition by the government that downscaling is an inevitable outcome of mining and therefore needs to be accepted and accommodated within government policy. • Consideration by stakeholders of all means reasonably practicable for reducing the need for downscaling and implementation of the necessary measures. • Compliance with the letter and spirit of the law when

	<p>mining activity is downscaled so that the process continues in as humane a manner as is reasonably possible.</p> <ul style="list-style-type: none"> • Acceptance by the government that because of prevailing economic, geological or other conditions, responses to downscaling are most effectively evaluated and applied at mine-level. • Encouragement of all stakeholders to develop constructive responses to mine downscaling, including examination of cost-effective methods of providing access to skills training for retrenched individuals and broader interventions in rural and community development programmes.
<p>9 Education and Training for an appropriately skilled work force:</p> <p><i>The desired outcome is a workforce with the highest possible level of education and training where Government provides, at least for future generations, quality primary and secondary schooling. To achieve the world class tertiary education requires a partnership between government, mining companies and individuals themselves. In addition, the mining companies will need to provide vocational training and education that develops both the generic and task-specific competencies needed for productive mining. Quality standards will need to be assured by a mining industry qualifications authority with effective participation of all stakeholders.</i></p>	<p>Key elements for a successful outcome are:</p> <ul style="list-style-type: none"> • Delivery of a sufficient quantity of appropriately skilled employees for the mining industry who are trainable for further advancement and deployment. • A sufficient number of graduates at the Higher Education level who have had the benefit of the application of excellent teachers, researchers facilities and curricula. • High quality tertiary education departments of Mining, Metallurgy, Environmental and Earth Sciences. • A further education and training delivery system that is responsive to needs and is cost effective. This requires national co-ordination. • Standards and qualification. This is required to give effect to the skills development and could facilitate the establishment of a Sector Education and Training Authority for the mining sector. • Skills training at mines through Adult Basic Education and Training (ABET) initiatives that eliminate functional illiteracy or innumeracy and raises the trainability of employees sufficiently to allow for multiskilling. • A well articulated partnership between industry and

	<p>education institutions to promote focused funding intervention, a common understanding of industry competency needs and the development of curricula relevant to the mining sector.</p>
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<p>10 Mineral, Mining Exploration Rights</p> <p><i>The desired outcome is a mineral, mining and exploration rights regime that ensures security of tenure with respect to mining and mineral rights, lowers barriers to entry, prevents unreasonable hoarding and contributes to increasing diversity of ownership.</i></p>	<p>Key elements for a successful outcomes are:</p> <ul style="list-style-type: none"> • A recognition that minerals in the ground need to be turned to account for the benefit of the nation as a whole. • Increasing numbers of Tanzania citizens exercising various roles of empowerment, including ownership and management of mining enterprises and via training and advancement of employees. • Assured security of tenure of mineral rights and the continuation of secured tenure of all rights that need to be obtained or exercised by industry participants in order to take part in the entire spectrum of mining endeavour from green-fields prospecting through to final delivery of product to the market. • Concerted effort to lower barriers to entry (for example level of fees) into the mining industry so that it is easier for new medium and small-scale sector operators to become involved in the industry. • Optimal exploitation of mineral resources which balances environmental, community and economic interest in a manner that best realizes maximum, long-term rewards together with maximum industry sustainability.
<p>11 Safety Health and Social responsibilities</p> <p><i>The desired outcome is safe and healthy working practices, bases on tripartism (involving the State, Labour and employers), which provides, and constantly Improves, hazard identification, risk assessment, risk management, the prevention of accidents and the management of occupational disease.</i></p>	<p>Key elements for a successful outcome are:</p> <ul style="list-style-type: none"> • A healthy and productive work force that reflects improving levels of occupational health and safety performance. • Identification and promotion of best practice in health and safety management via reference to • International benchmarking of health and safety performance. • Creation and maintenance of an efficient, tripartite-based regulatory review process founded

	<p>upon adequate planning and appropriate strategic direction, which leads to the sensible implementation of health and safety laws that embody an appropriate balance of generic regulations, guidelines and clearly defined and acceptable practices and standards.</p> <ul style="list-style-type: none">• Health and safety research policies that are sensible and efficient and that have potential to be meaningfully applied within industry's effort to enhance mine health and safety.• Local, regional and global dialogue on issues that impact on occupational health and safety to develop policy positions and remedial programmes which are sensible and acceptable.• The development of additional professional capacity in health care sectors to address significant shortfalls in expertise.• Integration of appropriate developments in health and safety policies with those of the environment.• The development and implementation by the mining industry of educational awareness programmes to promote understanding of healthy lifestyles, in particular with regard to combating the spread of HIV/AIDS.• A commitment to improve social welfare of communities around mines e.g. Schools, infrastructure, and health as much as is possible.
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<p>12 Maintenance of Security</p> <p><i>The desired outcome is effective co-operation between the industry and the law enforcement agencies of Tanzania to ensure security of personnel and equipment in the field and at the mines.</i></p>	<p>Key elements for a successful outcome are:</p> <ul style="list-style-type: none">• Co-operative effort between the industry and all other stakeholders to combat banditry, harassment, theft, fraud and damage to assets.• Advise law enforcement agencies on anticipated and existing risks with the objective to ensure effective enforcement of legislation.• To liaise and support legislative authorities in securing of successful prosecutions of persons involved in the theft of minerals and mineral products, fraud and damage to assets at mines and illegal mining on mine leases.• Building a relationship between industry security personnel and law enforcement agencies to ensure that information that could lead to prosecution is shared to the benefit of both parties.• Promotion of a “fingerprinting” agreement for the fingerprinting of unwrought gold and other precious metals and minerals recovered by law enforcement agencies and industry security.
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<p>13 Reliable and Competitive Mining Inputs</p> <p><i>The desired outcome is availability of critical mining inputs and infrastructure, such as electricity and water, on a reliable basis, at internationally competitive prices.</i></p>	<p>Key elements for a successful outcome are:</p> <ul style="list-style-type: none"> • Availability of inputs, services and infrastructure on which mining is critically reliant to operate safely and profitably (including electricity supply and services, liquid fuel, water, transport and communication services and equipment). • Regular and ongoing discussions and negotiations with Government, other authorities and suppliers and service providers to make known the mining industry's critical requirements. • The development of an appreciation among authorities and suppliers of the mining industry's costs and productivity constraints with a view to managing costs of inputs and avoiding imposts intended to finance services or infrastructure not used by mines.
<p>14 Development of Technology in Mining</p> <p><i>The desired outcome is an appropriate focus on, and funding of, technology development in mining from both public and private sources and through, where appropriate, public private partnership.</i></p>	<p>Key elements for a successful outcome are:</p> <ul style="list-style-type: none"> • A shared vision by industry stakeholders of the technology requirements for current and future mining which acknowledges the potential national benefits to be derived from implementing cost-effective new mining technology. • The rendering of focused input by mining employers to aid the formulation of appropriate safety research programmes so that the benefits of such research to industry can be maximized. The latter also entails development of an effective means for technology transfer into industry. • The establishment of focused collaborative research programmes and initiatives based upon the participation of the mining industry, government, relevant academic and scientific research and technology centers and agencies. • Strategic partnership for the funding and development of new mining technology, taking cognisance of monitored local and international technological developments and opportunities. • The maintenance of academic and research centers in Tanzania that can be used effectively in the

	<p>further development of local mining expertise and technology.</p> <ul style="list-style-type: none"> • The fostering of local and international co-operation in the development of mining technology.
<p>15 Market Development for Minerals Products</p> <p><i>The desired outcome is vigorous market development activities, led by the industry but also promoted by Government (particularly through its foreign representatives) which ensure new and expanding markets, at home and abroad, for both current and future mineral output as well as mineral products, and which capture the highest possible value added for the industry and all its stakeholders.</i></p>	<p>Key elements for a successful outcome are:</p> <ul style="list-style-type: none"> • Government promotion of mineral export via access to markets through the activities of foreign representation Direct State intervention in minerals marketing is not supported as it is not necessary. Minerals marketing constitute a private sector activity best handled by producers themselves. • Creation of greater awareness among Tanzania mining companies of the benefits of vigorous marketing activity. • Creation of an environment that is more conducive to, and actively encourages investment into value adding activities such as minerals beneficiation. • Creation of greater awareness among Tanzania mining companies of the opportunity and benefits of participating on joint marketing and promotion initiatives.