

Tanzania's tough mining laws paying off

By [Beatrice Materu](#)

14 Jun 2018

Tanzania has realised a 1.3% GDP growth from its mining sector, attributed to new stringent laws and regulations.



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Mining now contributes around 4.8% to the GDP, up from 3.5% realised over the years.

Minerals Minister Angellah Kairuki attributed the new growth to the government's efforts to strengthen inspection and management of the sector and effectively restricting illegal trade in minerals.

"We aim for a larger piece of pie, at least 10% of its contribution to the country's GDP by 2025," said Ms Kairuki.

In the first quarter of 2018, some 30,953kg of gold was produced at the Acacia mines of Bulyanhulu, Buzwagi, New Luika, North Mara and Geita, as well as Stamigold, a subsidiary of State Mining Corporation (Stamico). Another 2,021.4kg was produced by small-scale miners. In 2015, the miners' total production stood at 38,000kg.

Some 248,083.94 carats of diamonds were produced by Williamson Diamond Ltd, Shinyanga, while El Hilal mines produced 43,285.31 carats. The same mines produced 191,407 carats in 2015.

Tanzanite One reported 535.99kg of tanzanite and 516,408.93kg of other minerals in Quarter 1 this year.

"Tanzanite, in particular, has paid royalties amounting to \$242,660 in the three-month period, which is more than what we collected over the past three years," said Kairuki.

Tanzania received royalties worth Tsh175.5bn (\$77m) from July 2016 to March 2018, compared with Tsh140.8bn (\$63m) in 2015.

Tanzania suspended granting new licenses in July 2017 as it sought to re-evaluate existed legal clauses.

Two new laws on mining give the government the right to renegotiate or dissolve contracts and remove the right to international arbitration.

Discussions between the government and Barrick Gold concerning the proposed framework agreement for Acacia Mining Plc's operations in the country are expected to be finalised mid next month.

"The talks have been constructive. We target the first half of 2018 for the completion of a detailed proposal for review by Acacia," said Barrick in a statement.

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