

# PAMOJA

TANZANIAN EXTRACTIVE INDUSTRY UPDATE



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PAMOJA is free and those interested in receiving the monthly update are invited to register by simply sending an email with their full name, job title and email address to: [info@tcme.or.tz](mailto:info@tcme.or.tz)

We also welcome your comments, queries and any suggestions on how we can further improve PAMOJA.

## About us

Established in 1994, the Tanzania Chamber of Minerals and Energy represents the interests of its members in the Tanzanian mineral sector. Acting as a voice for the industry the Chamber plays a pivotal role within the sector as a mediator between the mining investment community and key stakeholders, most notably the Government of Tanzania and the public.

With close to 60 members the Chamber represents a broad spectrum of relevant players in the mining industry, including small-scale miners, individuals, service providers, and international mining companies of all sizes who have identified Tanzania as a worthwhile place to invest their money. These companies are carrying out a range of activities within the mining sector from exploration to production.

## Correction: Location of Mkuju river uranium project

In the previous PAMOJA newsletter issue 14 May 2013, there was an error regarding the location of the Mkuju River Uranium project. Please note that Mkuju River is in fact not located in Dodoma but in Ruvuma Region.

For more details please visit the Uranium One website:

<http://www.uranium1.com/index.php/en/development/mkuju-river-tanzania>

## Industry Insights

On May 23, the Minister of Minerals and Energy, Prof. Sospeter Muhongo read the ministry's budget proposal for 2013/2014 financial year. The ministry's budget proposal was dubbed by Muhongo as historical, because 90% of funds will focus on development projects alone, estimated at Tsh1.1 trillion. The plan was

praised by MPs due to its statistical and factual nature. The budget was aimed at tackling the energy crisis in Tanzania, with a number of projects expected to be launched in the coming financial year. One example is the plan to construct a 400MW gas driven power plant in Mtwara to ease power shortages in the

southern region of the country. The budget also touched on a number of issues including improving and promoting artisanal mining, green mining, ensuring companies follow the Tanzania Extractive Industries Transparency Initiative and a move to align the extractive sector with other sectors of the economy. A delegation from •••

••• the TCME participated in a show of support to the ministry of energy and minerals. The visit by TCME delegation provided an opportunity to discuss ongoing issues with the Parliamentary Budget Committee. The delegation among other things, highlighted taxation issues in particular and explained how recent plummeting minerals commodity prices were squeezing the industry.

In Mtwara the ministry's budget was not well received, with

violence, riots and looting dominating the region. On May 15, 2013, prior to the tabling of the Ministry of Energy and Minerals' budget proposal, leaflets were distributed by an anonymous group of people across the region. The leaflets urged the residents not to engage in any economic activities on the day of reading the ministry's budget estimates (May 17, 2013), subject to the verdict on the gas pipeline project. Due to the violence

that ensued, the budget was postponed and eventually read on May 23. Immediately after Minister Muhongo concluded his speech that confirmed the construction of the gas pipeline from Mtwara to Dar es Salaam as scheduled, violence erupted in the southern region that resulted in deaths, injuries and destruction of property; burning of houses, shops, offices and cars.

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## News from Tanzania's Minerals and Energy Industry

### **Diamond production boom at Mwadui Williamson mine**

*The Daily News May 9, 2013*

Williamson mine at Mwadui in Shinyanga Region is on diamond production boom following major rehabilitation to its treatment plant.

[Full Story](#)

### **State to acquire 50 pc stake in TanzaniteOne**

*The Daily News reports, May 10, 2013*

The government has finally reached an agreement for taking 50 per cent stake in TanzaniteOne, after marathon negotiations that took almost a year. [Full Story](#)

### **Ophir energy, BG secure rig extension for East African program**

*FoxBusiness, May 9, 2013*

Ophir Energy PLC, an Africa-focused oil company, Thursday said it has secured a drilling rig and executed a letter of agreement for Rig Share Assignment with BG Group PLC for the continuation of its 2013-2014 East African offshore drilling program.

[Full Story](#)

### **IMX Resources recommences drilling at Ntaka Hill project**

*The Daily News, May 10, 2013*

IMX Resources, Australian based, diversified resources developer and explorer, has embarked on the recommencement of drilling at its Ntaka Hill Project, south-eastern Tanzania with the first hole of the 2013 field season intersecting 70 metres of continuous sulphide mineralisation.

[Full Story](#)

## Swala Energy announce award of 2D seismic acquisition programme onshore Tanzania

*OilVoice, May 10*

Swala Energy Limited, the oil and gas explorer with oil exploration assets located along the East African Rift System, is pleased to announce that its 65% owned subsidiary, Swala Oil and Gas (Tanzania) Limited (SOGTL) has awarded its 2013 2D seismic acquisition contract to Polaris International Ltd. [Full Story](#)

## Government wants more cash from mining firms

*The Daily News, May 15, 2013*

The government has maintained its position that mining firms should pay 30 per cent corporate tax in line with the law, despite the fact that some miners are not ready to comply. [Full Story](#)

## Dar improves mining sector governance

*The Daily News, May 17, 2013*

Tanzania is still considered to be weak in the governance of its mining sector despite commendable improvements so far made, a new study indicates. [Full Story](#)

## Oil, gas exploration bids to open next year

*The Daily News, May 20, 2013*

The Minister for Energy and Minerals, Prof Sospeter Muhongo, has said the government will open bids for gas and oil exploratory licences on May 9, 2014 at a time when the company will have the National Gas Policy and legislations. [Full Story](#)

## Tanzania Petroleum Development Corporation unveils new round of exploration

*The Citizen, May 13, 2013*

The Tanzania Petroleum Development Corporation (TPDC) has announced the fourth round of exploration in the Indian Ocean and North Lake Tanganyika deep offshore oil blocks to firms wishing to explore for oil and more gas in the country. [Full Story](#)

## Mining contracts must be handled more cautiously

*The Daily News, 15 May, 2013*

Tanzania is blessed with abundant natural resources that include wildlife and huge deposits of many types of minerals such as gold, diamond, nickel, coal and uranium as well as reserves of natural gas. [Full Story](#)

## Gemstone miner Richland Resources results affected by illegal mining

*The Daily News, May 20, 2013*

Precious coloured miner Richland Resources announced in its first quarter for the year a tanzanite output of 788,198 carats with an average grade of 97 carats per ton, reports The Telegraph. [Full Story](#)

## Chaos hits Mtwara after gas project confirmation

*The Citizen reports, May 23, 2013*

Violent demonstrations erupted in Mtwara yesterday after Prof Sospeter Muhongo, the minister for Energy and Minerals, announced in Parliament that construction of the Mtwara-Dar es Salaam gas pipeline would continue according to plan. [Full Story](#)

## Dar set to host oil, gas conference

*The Daily News, May 23, 2013*

As the Mtwara and Lindi gas saga rages on, the first ever Tanzania Oil and Gas Suppliers Conference (TOGSC) has been scheduled for late July, aimed at addressing issues pertaining to the value chain. [Full Story](#)

## Why Mtwara violence is beyond gas pipeline

*The Citizen, May 24, 2013*

A consensus appears to be building among critical stakeholders that the riots in Mtwara are driven by more than mere objection to the construction of the natural gas pipeline from the town to Dar es Salaam. [Full Story](#)

## Muhongo evokes Mwalimu's spirit to defend gas project

*The Guardian, May 26, 2013*

When the Minister for Energy and Minerals, Professor Sospeter Muhongo took 'the podium' to wind up his budget debate yesterday, it was a show of how he has read and understood the writings of Julius Nyerere more than any other leader. [Full Story](#)

## Gas chaos: Politicians, experts blame government

*The Citizen, May 27, 2013*

Experts and politicians have attributed the gas-linked chaos in Mtwara that left two people dead and many others injured to government's failure to timely put in place adequate natural gas legislation and nurture patriotism. [Full Story](#)

## Tanzania Chamber of Minerals and Energy riled over coal mine closure

*The Daily News reports, May 23, 2013*

The Tanzania Chamber of Minerals and Energy (TCME) has condemned the Ruvuma regional authorities for closing the Ngaka coal mine. [Full Story](#)

## Review local's mining charges - Mengi

*The Guardian, May 25, 2013*

The government has been urged to review the country's mining fees and make the charges more affordable for local people wishing to participate in exploration and minerals development. [Full Story](#)

## Minister: STAMICO was within its rights on small miners

*The Guardian, May 26, 2013*

The Minister for Energy and Minerals Prof Sospeter Muhongo yesterday dismissed claims that the State Mining Corporation (STAMICO) has monopolised mining areas earlier set for small scale local miners in various areas. [Full Story](#)

## Government seized smuggled minerals valued at Sh13bn, says minister

*The Citizen, May 27, 2013*

Consignments of minerals worth Sh13 billion have been seized at various airports in the country as the government intensifies the crackdown on smuggling by miners and dealers who avoid paying taxes. [Full Story](#)



## Upcoming Events

### **Ghana Mining Summit**

*12-14 June 2013 - Accra International Conference Centre, Accra, Ghana*

The Ghana Mining Summit will discuss the unique prospects in the mining investment arena, spotlighting the movers and shakers, current hot spots, gaps and expert recommendations. The gathering will offer an intensive platform for interaction, exchange of ideas, learning and finding common solutions to current strategic challenges.

*[Visit the event website](#)*

### **Fourth Eastern Africa oil, gas & energy Conference 2013**

*18 - 20 June 2013 - InterContinental Hotel, Nairobi, Kenya*

The conference will present investors in the industry with an opportunity to learn about the infrastructure and regulatory environment of the East African region. The conference will cover a number of key issues including: government policies, state interventions in the oil and energy market, private energy investments and interests, state oil and energy companies etc.

*[Visit the event website](#)*

### **Africa Mining Investment & Development Summit 2013**

*9 - 11 July 2013 - Holiday Inn Accra Airport, Accra, Ghana*

The summit is expected to provide insights from various stakeholders, with an extensive understanding of the mining and investment potential of Africa, similarly the conference will seek to resolve challenges and barriers, and provide a platform to learn from the Africa mining industry's pioneers and new entrants.

*[Visit the event website](#)*

### **Southern Africa Mining Summit 2013**

*5-6 September 2013 - Cape Town, South Africa*

The summit expects to feature a streamed conference that will enable local and international stakeholders discover the latest strategies and opportunities in South Africa. Attendees will benefit from the latest information on mining projects, exploration opportunities and investment across Southern Africa.

*[Visit the event website](#)*

## **Zimbabwe Mining Indaba, Harare International Conference Centre**

*11 - 13 September 2013 - Harare International Conference Centre, Harare, Zimbabwe*

Zimbabwe Mining Indaba is expected to provide a platform for showcasing investment opportunities in the Zimbabwe's mining sector and provide visitors with an opportunity to get their project on the radar of global mining investors. The conference is expected to bring together Private Equity Funds and Fund Managers from Africa, USA, Europe, Australia and around the globe, Construction and Infrastructure Companies, Government Officials from across Africa and more.

*[Visit the event website](#)*

## **6<sup>th</sup> West & Central Africa Mining Summit & Expo**

*17 - 18 September 2013 - Accra International Conference Centre, Accra, Ghana*

West and Central Africa Mining unites mining companies with investors and government officials to explore the latest projects and development opportunities across the West & Central African region.

*[Visit the event website](#)*