

National Mineral Policy Issues and the Global competition for Mining Capital - the case of Tanzania

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Abstract

Despite favourable geological base of the country and declaration of the National Investment Promotion and Protection Act of 1990, Tanzania continues to receive less mining investments compared to other countries in the sub-Saharan Africa and other continents with comparable geological favourability. Actual exploration expenditures for specific firms required for mine finding continue to be absolutely low when compared with world-wide known records. This has been due to lack of potential investors' confidence, assurance of mining companies profitability and competitiveness and geological information that reveal the country's mineral wealth potential to the international audience.

The re-structuring of new investment and operation codes which are compatible with the nature of the industry and the business practise today is inevitable. Geological information should also be improved to provide complete coverage and updated wherever necessary to give sufficient information to investors. Exploration reporting standards should also be established. Equally important, the implementation capability of investment codes is the most concern for investors, therefore, the one stop office concept must be institutionalized to win investor's interest. The Bank of Tanzania is strongly encouraged to introduce gold loans to mining companies in the country. This practice is increasingly becoming an effective mineral project financing method world-wide. Mineral policy must also be directed to promoting downstream industry. Since mining is not a permanent activity plans to ensure the viability of mining communities once the ore has been mined out must be sought.