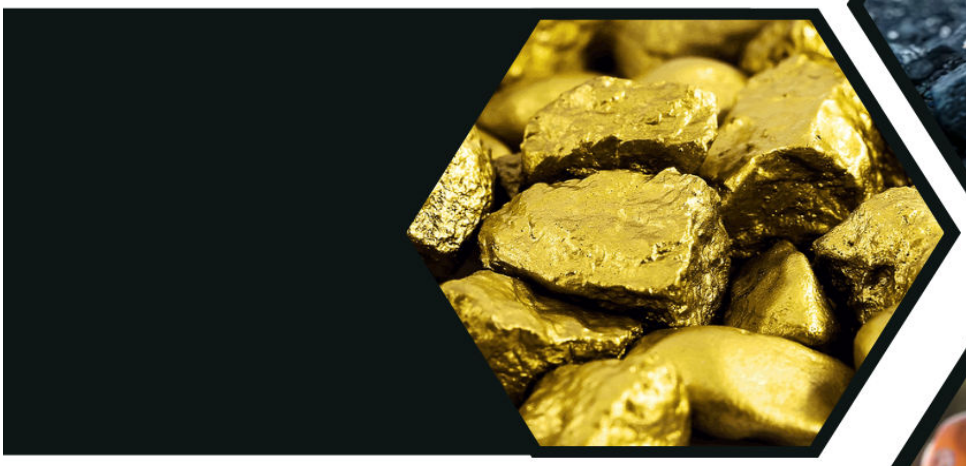
LIBERTY SPARKS
For a Freer & Prosperous Society



CROSS BORDER MINERAL TRADE IN TANZANIA 2025

REPORT

ATLAS NETWORK

iatp
Initiative for African Trade & Prosperity

LIBERTY SPARKS

For a Freer & Prosperous Society

WORKING GROUP MEMBERS

PREPARED BY

Prof Samuel wangwe

Dr Petro Sauti Magai

PROUD SUPPORTED BY

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List of Abbreviations and Acronyms

CSR	Corporate Social Responsibility
EITI	Extractive Industry Transparency
FDI	Foreign Direct Investment
GDP	Gross Domestic Product
LGAs	Local Governments Authority
NGOs	Non-Governmental Organizations
SOEs	Owned Enterprises
SMEs	Small and Medium Enterprises
STAMICO	State Mining Corporation
SWF	Sovereign Wealth Fund
TEITI	Tanzania Extractive International Transparency Initiatives
TPDC	Tanzania Petroleum Development Corporation

Executive Summary

Introduction

Liberty Sparks is a **re**search-oriented think tank committed to fostering education and advancing the principles of a free-market economy. At the core of our initiatives is the Ujirani Mwema Project, a program dedicated to researching and advocating policy reforms for "trading across borders" in Tanzania. This project, funded by the ATLAS NETWORK and IATP, seeks to improve the business environment in Tanzania. The Ujirani Mwema Project targets key sectors, namely agriculture, manufacturing and mining with a focus on addressing challenges and recommending policy reforms starting with this report which is on agricultural trade. It is imperative to modernize the industry to bolster yields, facilitate exports, engage in value-added processing, and foster cross-border mineral trade.

The mining sector contributes 6% - 7% to Tanzania's GDP. It plays a vital role in revenue generation, mainly through royalties ranging from 3% - 6%, and has shown remarkable growth, with its GDP contribution rising from 6.7% in 2020 to 10.4% in 2023. Government revenue from the sector grew from TZS 591.47 billion (2021–2022) to TZS 690.35 billion (2023–2024), alongside job creation, with employment increasing from 14,742 in 2021 to 19,165 in 2024. These developments underscore the sector's growing significance in Tanzania's economic development. The government has fostered domestic mineral trade by establishing 42 markets and 100 buying centers, promoting value addition, and enhancing small-scale mining through allocated spaces and better conditions. Despite notable progress, challenges persist, including limited access to finance, high capital requirements, and underutilized mineral potential, with only 4% of resources explored. This represents a significant opportunity for economic transformation through targeted efforts such as workforce training, technological advancement, and industry integration. Stable regulatory frameworks are also essential to attract sustainable investments.

The sector has the potential to drive broader economic growth by linking with agriculture and manufacturing. Revenue from mining can modernize agriculture, supply industrial inputs, and boost value addition, fostering economic diversification. Addressing financial barriers, exploring untapped resources, and ensuring predictable policies can catalyze inclusive growth and

sustainability. Liberty Spark's cross-border minerals trade project highlights the need for improved trade policies and streamlined processes. Despite policy reforms, challenges in taxation, permits, and property registration hinder mining trade. Further policy reviews and modernization are crucial to enhancing Tanzania's competitiveness and maximizing the mining sector's contribution to national and regional development.

Objective, Approach and Methodology

The objective of this assignment was to identify strategies for improving Tanzania's business environment to facilitate cross-border minerals trade. The focus was on addressing key issues such as administrative requirements, procedures, costs, and time. Liberty Sparks aims to provide insights to policymakers on the current state of cross-border mining trade, enabling the identification of gaps and formulation of actionable policy recommendations to enhance the business environment. To achieve these objectives, a mixed-methods approach was employed, integrating quantitative and qualitative methodologies, alongside comprehensive desk research and stakeholder input from workshops. The study included an extensive literature review and the analysis of both primary and secondary data. Participatory tools and techniques were utilized for data collection and validation, ensuring a robust and comprehensive understanding of the sector's challenges and opportunities.

Key Findings and Messages

1. Demographic dynamics in cross-border mineral trade. The cross-border mineral trade is notably dominated by women, who constitute 71% of the participants, compared to 29% being men. This significant gender imbalance highlights the active role women play in this sector, particularly in small-scale and informal trading activities. Women's participation may stem from their involvement in community-level mining and trade operations, where they often handle sourcing, processing, and marketing of minerals.
2. Challenges in cross-border mineral trade, most frequently reported are;
    - High taxes and tariffs, which substantially increase transaction costs and erode profit margins, particularly for small and medium-sized traders.

- Transport and logistics costs pose a significant challenge for mineral traders, primarily due to inadequate infrastructure, inefficient transport systems, and prolonged transit times.
- Competition from large-scale traders, who often dominate supply chains and markets, limits opportunities for smaller actors, thereby exacerbating inequities in the sector.
- Although less frequently highlighted, issues such as language and cultural barriers also hinder effective communication and understanding among cross-border partners, potentially leading to disputes and inefficiencies.
- Policy instability is also less frequently seen it adds another layer of complexity, as sudden regulatory changes or inconsistent policy implementation can disrupt planning and discourage long-term investment in the trade.

3. Policies and regulations. A significant knowledge gap exists in the cross-border mineral trade sector, with many stakeholders unaware of relevant policies. Among those familiar, confidence in the policies' effectiveness is limited, reflecting concerns about their ability to support small-scale traders. Ineffectiveness in addressing key issues like market access, credit facilities, and simplified trade procedures may discourage formal trade participation, perpetuating informal practices and undermining regulatory and economic goals.
4. Training or support on mineral trade. Miners face growth challenges due to limited access to information, education, and training, with institutions like STAMICO providing insufficient support. The lack of capacity-building initiatives, especially for small-scale miners and traders, hinders their ability to navigate the mineral trade's complexities. Government efforts to support mining investments have been inadequate, emphasizing the need for improved training and resource distribution across the sector.
5. Minerals can be categorized into industrial minerals, gemstones, and rare minerals, each with distinct trade and policy implications. Industrial minerals are dominated by foreign direct investment (FDI) and focus on value addition. Gemstones, like Tanzanite, face a lack of local cutting skills, resulting in job losses abroad; investing in skills development in Tanzania could increase their value. Rare minerals, with high global value, require capacity building and attracting foreign investors for creative manufacturing, ideally in collaboration with local businesses, to maximize their potential.

6. Integrating cross-border mineral trade with sustainability goals. Cross-border mineral trade should not only be seen as an economic opportunity but also as a pathway to fostering sustainable development. Aligning trade policies with sustainability objectives, countries can harness the full potential of their mineral resources while ensuring that future generations benefit from a healthy and thriving environment, fair employment, and inclusive growth.
7. Priority to mineral mapping. Prioritizing minerals mapping is a strategic approach that plays a pivotal role in unlocking the full potential of a country's mineral resources, driving economic growth, and facilitating the development of the mining sector. Mineral's mapping refers to the process of identifying, documenting, and evaluating mineral deposits within a specific geographic area. Giving priority to minerals mapping, governments and stakeholders can gain a comprehensive understanding of the mineral wealth available, which is crucial for making informed decisions on resource management, investment attraction, and policy formulation.
8. Technology as a driver of competitiveness. The adoption of technology is vital for enhancing the competitiveness of Tanzania's mining sector by improving efficiency, reducing costs, and ensuring sustainability. However, challenges such as high equipment costs, inadequate infrastructure, a lack of skilled labor, and limited access to financing hinder widespread technological integration. These barriers slow the pace of transformation in both large-scale and artisanal mining operations, affecting the sector's growth and ability to attract investment.

Conclusions and Recommendations

1. In conclusion, addressing the challenges in cross-border mineral trade through a coordinated approach can unlock Tanzania's mineral potential. Proactive measures like policy harmonization, infrastructure development, and anti-corruption efforts reflect the government's commitment to fostering a competitive trade environment. Streamlining processes, easing access to capital, and prioritizing mineral commercialization will empower small-scale miners and boost global competitiveness. A balanced approach to taxation and financial support will incentivize compliance and promote innovation. These initiatives not only enhance trade efficiency but also support job creation, regional

integration, and sustainable development, positioning Tanzania as a regional hub for mineral trade and economic prosperity.

2. Recommendations

   a) Enhance border security: Implement robust and comprehensive measures to strengthen border security, ensuring the prevention of illegal mineral exports.

   b) Establish mineral clinics: Set up specialized mineral clinics to provide comprehensive support and services to stakeholders in the mineral sector.

   c) Introduce tax credits for mineral technology imports: Implement a policy to provide tax credits or incentives for businesses importing advanced mineral exploration, extraction, and processing technologies.

   d) Standardized tax rates: Currently, a uniform tax rate of 9.3% is applied to all gold production, regardless of the quantity of gold extracted or the scale of the mining operation. While this policy simplifies tax administration, it disproportionately impacts small-scale miners and operations with lower production levels, as they face the same rate as larger, more established entities.

   e) The need for financial support in value addition: Currently, miners lack the capacity to perform value addition, particularly for minerals containing significant amounts of uranium, which require advanced processing technologies. For instance, some minerals are processed in offshore facilities to meet specific carbon content standards.

   f) Improving access to bank collateral for mining development: Securing collateral from the central bank remains a significant challenge for many in the mining sector. However, it is essential to recognize the critical role mining plays in the national economy.

   g) Establishing a specialized bank for the mining sector: The mining sector would benefit greatly from the establishment of a dedicated bank that focuses exclusively on mining-related financial matters, similar to how other industries have specialized institutions.

   h) Bright future with policy review: A bright future for Tanzania's mining sector is possible if current policies are reviewed and aligned with innovations and emerging

technologies in the mining industry. This would ensure that the sector remains competitive, sustainable, and adaptable to global trends.

i) Cross-border mineral trade and taxation: While cross-border mineral trade is a promising opportunity, it must be supported by a favorable tax environment. Taxes should be structured to ensure the business remains economically competitive while ensuring that the government can maximize revenue without stifling growth.

j) Awareness for a promising future: The future of the mining sector looks promising, but there is a strong need for increased awareness among both the public and miners. Educating stakeholders about new opportunities, policies, and sustainable practices will be key to realizing this potential.

k) Increased regional integration: Regional integration plays a vital role in expanding Tanzania’s mining trade. Enhanced collaboration with neighboring countries can provide broader market access and stimulate economic growth, especially for valuable resources such as gold, coal, and Tanzanite.

l) Supporting small-scale miners: To ensure sustainable growth, it is essential to continue supporting small-scale miners by facilitating access to capital. This support could help small-scale miners upgrade their equipment, adopt modern technologies, and increase their output, thereby contributing more significantly to the economy.

m) Availability of market information: It is essential to ensure that accurate market information is readily available to all stakeholders in the mining sector. Having access to up-to-date information on pricing, demand, and regulations will enable miners and traders to make informed decisions and improve their market competitiveness.

n) Future success depends on implementation: While the future of Tanzania's mining sector is bright, its success will depend on the commitment of miners, traders, and the government to effectively implement and adhere to the laws and regulations set out for the industry. Consistent enforcement of these rules will create a stable and fair-trading environment.

o) Reducing labor costs and empowering women and youth: Reducing labor costs in mines can help improve the overall profitability of the sector, making it more competitive.

p) Enhance training programs: The government and NGOs should prioritize the development of training programs that equip stakeholders with essential skills for effective participation in the mineral trade.

1. Introduction

1.1 Background and Rationale

Liberty Sparks is a research-oriented think tank committed to fostering education and advancing the principles of a free-market economy. The mission is centered on enhancing individual comprehension of economic, social, and political liberty. At the core of our initiatives is the Ujirani Mwema Project, a program dedicated to researching and advocating policy reforms for "trading across borders" in Tanzania. This project, funded by the ATLAS NETWORK and IATP, seeks to improve the business environment in Tanzania. Evident in the Economic Freedom Index 2023 publication, our commitment is underscored by the noticeable decline in Tanzania's cross-border trade, with a score dropping from 6.37 in 2020 to 6.27 in 2021, placing the country at 105 globally among 192 economies. Since March 2021 the sixth phase government of Tanzania accorded high priority to economic freedom with good prospects of improving on this index. The Ujirani Mwema Project targets key sectors, namely agriculture, mining, and manufacturing, with a focus on addressing challenges and recommending policy reforms. Data from the Bank of Tanzania reveals the significant contributions of these sectors to the country's GDP. In 2023, agriculture accounted for 26%, manufacturing for 9%, and mining and quarrying for 10.4%. Our project prioritizes three key sectors, beginning with agriculture, followed by manufacturing and the mining sector. Agriculture and manufacturing have already been completed. This report is addressing the mining sector. The ultimate goal is to produce sector-specific policy papers for agriculture, manufacturing and mining, along with matrix documents on international trade and cross-border business. These documents will analyze current challenges and provide recommendations, emphasizing the economic benefits of streamlining the logistical processes associated with exporting and importing. Since work on the agriculture and manufacturing have been completed, this report is focusing on cross border trade in mining products.

The mining sector contributes approximately 6% to 7% of Tanzania's Gross Domestic Product (GDP), with plans to elevate its share to 10% in the near future. Key minerals such as gold, diamonds, coal, and Tanzanite are pivotal to this contribution. Additionally, the sector serves as a substantial source of government revenue, primarily through royalties, which range from 3% to 6%. The sector has demonstrated robust growth, with its expansion rate increasing from 7.3% in

2020 to 9.6% in 2022 and further to 10.7% in 2023. Similarly, its contribution to the GDP rose from 6.7% in 2020 to 9.1% in 2022, and 10.4% in 2023. To enhance the sector's fiscal impact, various initiatives have been implemented to increase government revenue through royalties, license fees, and penalties. These revenues grew from TZS 591.47 billion during March 2021–February 2022 to TZS 690.35 billion during March 2023–February 2024. The mining sector has also made notable strides in job creation. Employment in the sector increased from 14,742 jobs in 2021 (with 14,308 held by citizens) to 19,165 jobs as of February 2024 (with 18,580 held by citizens)[1]. These developments underscore the sector's growing role in Tanzania's economic and social development.

The government has significantly accelerated efforts to open domestic markets for minerals by establishing 42 markets and 100 new buying centers across the country. The mining sector is being developed through initiatives such as improving mining conditions, enforcing legal and regulatory frameworks, expanding market opportunities, promoting value addition, allocating space for small-scale miners, conducting extensive geological surveys, and encouraging greater citizen participation in mining activities. Notably, only 60% of the country's mineral potential has been surveyed under the Ministry of Minerals. Additionally, the government has actively pursued ownership stakes in large-scale mining companies, including Twiga Minerals Corporation and Tembo Nickel Corporation, while also fostering the growth of small-scale mining enterprises[2].

The mineral sector has prioritized local content regulations to promote greater local participation and economic benefits. Under these regulations, 20% of extraction-related businesses are reserved for local entrepreneurs and companies. However, despite this effort, high financial barriers significantly constrain the ability of local businesses to grow and compete effectively. These challenges include limited access to financing, high capital requirements, and a lack of technical expertise, which hinder many local players from fully capitalizing on the opportunities created by these regulations. Furthermore, only 4% of the country's vast mining potential has been explored, leaving an overwhelming 96% untapped. This underutilization represents both a challenge and a

[1] Ministry of Minerals, Report of Implementation of Activities of the Ministry of Minerals for the Period of March 2021 to February 2024. However, at the workshop on 11th December 2024 FEMATA was putting the employment figure at around 1 million workers or 5-6 million workers (possible including their families)
[2] Ministry of Minerals, Report of Implementation of Activities of the Ministry.

substantial opportunity for economic transformation. Unlocking this potential requires targeted efforts to build local capacity, including workforce training, technological advancement, and the development of supporting industries that can integrate with the mining sector. Equally important is the need to stabilize laws and policies governing the sector. Predictable and investor-friendly regulations are crucial for attracting both domestic and international players, ensuring sustainable investments in exploration and extraction activities. A stable policy environment fosters trust, reduces investment risks, and encourages long-term planning.

In addition to expanding mineral exploration and extraction, the sector holds significant potential to foster linkages with agriculture and manufacturing, driving broader economic development. For instance, revenue generated from mining can be reinvested into modernizing agricultural practices, enhancing productivity and sustainability. Additionally, mining activities can supply inputs such as fertilizers, further boosting agricultural output. Similarly, minerals can serve as essential raw materials for local industries, supporting manufacturing activities. This promotes value addition, drives industrialization, and creates employment opportunities, contributing to the overall economic diversification and growth of the country. Addressing the financial barriers facing local businesses, exploring the untapped 96% of mineral resources, and stabilizing regulatory frameworks, the mineral sector can drive inclusive growth, diversify the economy, and serve as a catalyst for sustainable development in other sectors (ITC, 2025).

Taking into account these issues, Liberty Spark[3] has launched the cross-border minerals trade project, which undertakes an extensive analysis of the enabling environment for mining trade in various countries. This includes examining the system of government policies, laws, regulations, and institutions that govern the cross-border movement of minerals. Despite efforts to modernize its foreign trade, Tanzania has not significantly improved trade relating to mining sector in recent years. Although the country has prioritized the private sector agenda through various key mining stakeholders and undergone several policy reforms, further policy reviews are needed. The

[3] The Liberty Sparks, an organization exclusively based in Tanzania, has been acknowledged as an associate member in the Economic Freedom World Report (EFW Report) of 2023. They collaborate with the network and the Fraser Institute on special projects aimed at promoting economic freedom in the country.

complexities involved in cross-border trade, such as paying taxes, starting a business, dealing with permits, and registering properties, remain significant challenges in Tanzania.

1.2 Objective of the Assignment

The objective of this assignment is to identify ways of improving the environment of doing business in Tanzania with a view to facilitating the cross-border minerals trade. The environment will address issues such as administrative requirements, procedures, cost and time. With the above background the Liberty Sparks seeks answers to inform policy makers to what is going on regarding the cross-border mining trade so that more policy recommendations can be drawn to ease out the business environment in the country by identifying gaps and drawing suggestions to the policymakers. To achieve this objective the study will achieve the following:

(i) To conduct secondary research by highlighting various local and international papers/ reports and laws on cross border minerals business in Tanzania and identified gaps.

(ii) To recommend the cross-border minerals business policy reforms on how to improve time, cost and procedures to be incorporated in policy formulation processes in Tanzania.

(iii) To produce a high-level policy paper to be presented to policy makers.

2. Approach and Methodology

2.1 Inception of the Assignment

Following contract signing, the consultant met with the client and had debriefing sessions with the Liberty Sparks team to have a thorough grasp of the project's procedures. The consultant and the client agreed on the strategy, tactics, procedures and time lines. The sessions included in-depth discussions on a number of topics, such as outlining the deliverables, defining the scope of work, and allocating roles and duties to all parties involved. Additionally, the meetings provided a forum for discussing relevant topics related to Tanzania's cross-border mineral trade and promoting consensus on the best ways for fulfilling the assignment's objectives.

2.2 The General Approach

To achieve the study objectives, a mixed-methods approach was adopted, combining quantitative and qualitative methodologies, supported by comprehensive desk research and stakeholder

contributions during workshops. The study involved an extensive literature review and the application of both primary and secondary data analysis. Participatory tools, techniques, and methodologies were employed for data collection and verification, ensuring a thorough understanding of the available information. This methodological framework enabled the Liberty Sparks project team and relevant business stakeholders to explore the complexities and challenges facing the cross-border mineral trade sector. Secondary data was collected through desk research, which included an in-depth review of current and past studies, reports on mineral trade, and insights gathered during workshops with various stakeholders. To complement this, questionnaires were distributed to diverse groups, including small-scale miners, traders, and members of working groups, to gain insights into the dynamics, challenges, and opportunities in cross-border mineral trade. The data and information collected informed the study's findings and recommendations, contributing to initiatives aimed at facilitating cross-border trade and streamlining business operations in Tanzania. The collected quantitative and qualitative data were analyzed using various analytical tools and stakeholder analysis instruments, ensuring robust and actionable insights.

The study therefore employs the following tools and methodological approaches:

- Conducting a desk study through reviewing the current and past studies and reports on the cross-border mineral trade, their findings and recommendations, as well as other relevant secondary data sources and reports to facilitate the international trade.
- Data collection from different reports and other relevant stakeholders. The purpose is to collect data, information, views and opinions on the process of starting business.
- Conducting stakeholders' workshops and present the draft study report using PowerPoint presentation, to solicit inputs, views and suggestions from key stakeholders to have a full understanding of the issue and the desired improvements needed to validate the findings of the study and charting a way forward.
- Analysing the information and preparing a validated study report and policy position paper with proposals for cross border mineral trade to the Management of Liberty Sparks, Dar es Salaam.

3. Cross-Border Mineral Trade: Findings and Observations

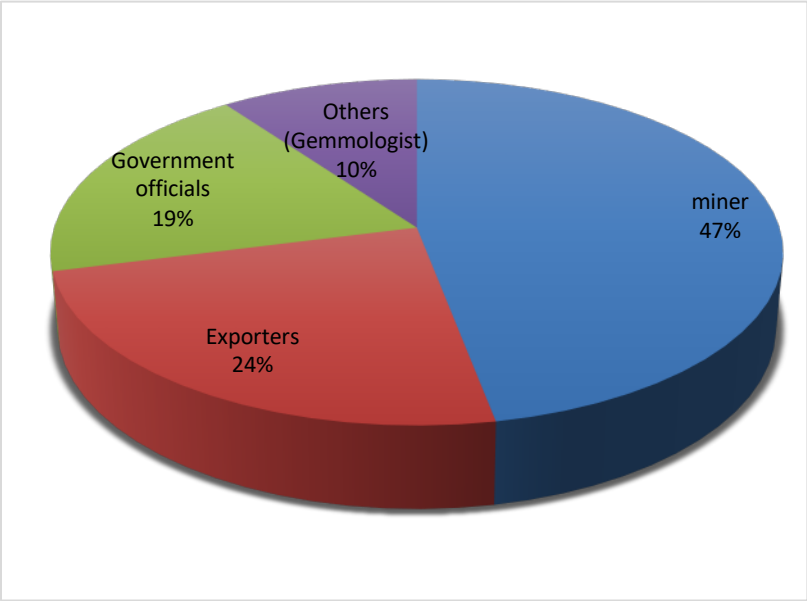
The findings of this study are grounded in a robust methodology, primarily centered on desk research and the administration of questionnaires to participants. The desk research involved an extensive review of existing literature, reports, and relevant secondary data to provide a contextual foundation and support the analysis. This approach ensured that the study was informed by established knowledge and current trends within the field. The use of questionnaires allowed for the direct collection of primary data from participants, capturing their insights, experiences, and perspectives. These questionnaires were designed to gather both quantitative and qualitative information, enabling a comprehensive analysis and understanding of the subject matter. The combination of these methods ensured a balance between theoretical insights and empirical evidence, contributing to the reliability and validity of the study's findings.

3.1 Demographic Dynamics in Cross-Border Mineral Trade

The cross-border mineral trade is notably dominated by women, who constitute 71% of the participants, compared to 29% being men. This significant gender imbalance highlights the active role women play in this sector, particularly in small-scale and informal trading activities. Women's participation may stem from their involvement in community-level mining and trade operations, where they often handle sourcing, processing, and marketing of minerals. The gender disparity carries both opportunities and challenges. On the one hand, it emphasizes the economic empowerment of women, demonstrating their pivotal role in sustaining livelihoods and contributing to household incomes. But also, more vulnerable to exploitation, harassment, and corruption at border crossings. Addressing these challenges through targeted policies, such as capacity-building programs, access to credit, and ensuring safe trade environments, can enhance women's contributions while fostering equitable growth in the sector.

The study reveals that all participants have attained some level of formal education, with no individuals without formal education represented. A majority, 66%, hold diplomas or certificates, indicating that vocational or technical education is the most common qualification among respondents. Additionally, 31% of participants possess postgraduate degrees, reflecting a substantial presence of highly educated individuals with advanced knowledge and expertise. A

smaller proportion of participants have attained secondary-level education, highlighting varying educational backgrounds within the group.



The roles in the mining trade are predominantly held by miners, who constitute 47% of participants, emphasizing their vital role in resource extraction and the initial stages of the supply chain. Exporters and traders represent 24%, highlighting their importance in moving resources to broader markets. Government officials account for 19%, reflecting their critical role in regulation, policy enforcement, and ensuring compliance with mining standards. Meanwhile, 10% of participants, including gemmologists, contribute specialized expertise in quality assessment and gemstone valuation. This distribution underscores a strong reliance on miners as the industry's foundation while highlighting the interconnected roles necessary for its success. However, the relatively smaller share of exporters/traders and government officials could signal potential bottlenecks in trade facilitation and regulatory oversight. Additionally, the limited presence of specialists like gemmologists may constrain opportunities for value addition and market competitiveness. Enhancing collaboration among these groups and investing in capacity-building for specialized roles could improve efficiency, foster innovation, and promote sustainability in the mining trade.

The majority of participants in this study fall within the age range of 36-45 years, accounting for 55% of the total respondents. This age group likely represents individuals in their peak working years, characterized by a blend of experience, productivity, and active engagement in professional activities. Participants aged above 45 years make up 44%, reflecting a significant presence of seasoned professionals who may bring extensive expertise, decision-making authority, and leadership within the sector. In contrast, only 6% of participants are below 25 years, highlighting

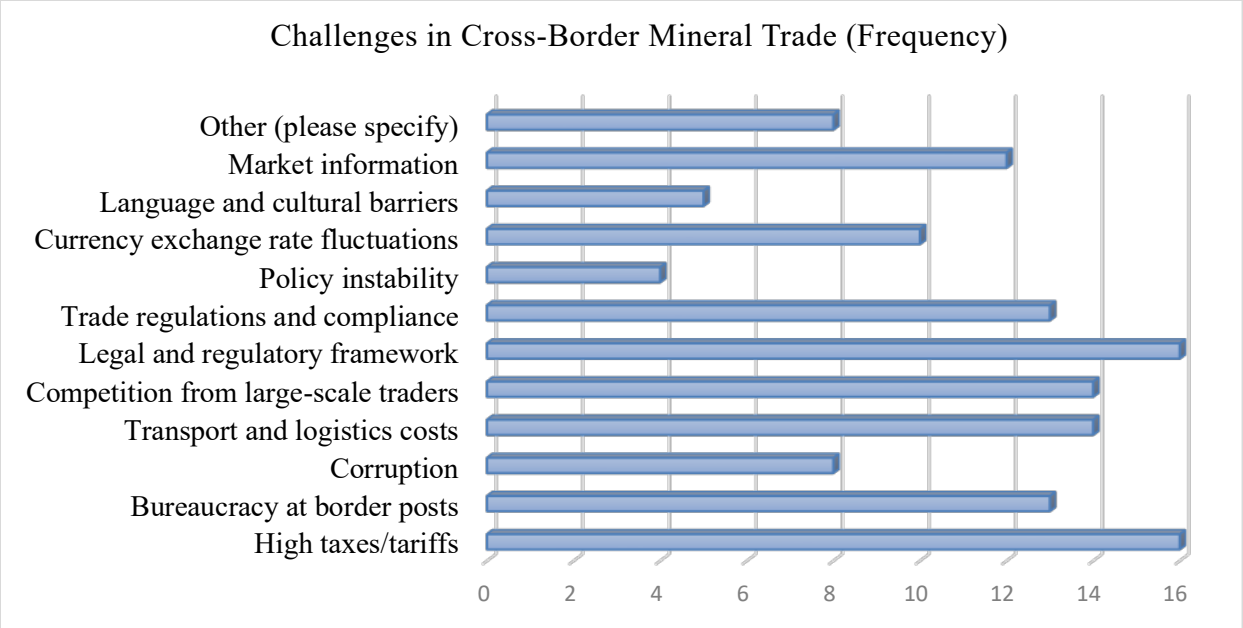
a limited representation of younger individuals, who are typically associated with innovation, adaptability, and the potential to adopt emerging technologies. This underrepresentation might suggest limited entry-level opportunities, challenges in attracting young talent, or a lack of emphasis on capacity building and skill development for younger generations. Addressing this gap by investing in education, training, and mentorship programs can help foster a more balanced and sustainable workforce, ensuring the sector remains competitive and adaptive to future demands.

3.2 Challenges in Cross-Border Mineral Trade

The challenges in cross-border mineral trade are diverse and impose significant burdens on stakeholders. Among the most frequently reported issues are;

- High taxes and tariffs, which substantially increase transaction costs and erode profit margins, particularly for small and medium-sized traders. These financial constraints are compounded by complexities in the legal and regulatory framework, where fragmented or unclear regulations create compliance difficulties and deter potential market entrants.
- Transport and logistics costs pose a significant challenge for mineral traders, primarily due to inadequate infrastructure, inefficient transport systems, and prolonged transit times. Poor road and rail networks in key mining regions exacerbate delays and increase operational expenses, particularly in landlocked areas or remote sites. Additionally, inefficient border procedures and customs clearance processes further add to the complexity and cost of cross-border trade. These logistical bottlenecks undermine the competitiveness of mineral traders by inflating overall costs, reducing profit margins, and limiting access to international markets.
- Competition from large-scale traders, who often dominate supply chains and markets, limits opportunities for smaller actors, thereby exacerbating inequities in the sector. These challenges collectively create a trade environment that is both financially and operationally demanding.
- Although less frequently highlighted, issues such as language and cultural barriers also hinder effective communication and understanding among cross-border partners, potentially leading to disputes and inefficiencies.

- Policy instability is also less frequently seen it adds another layer of complexity, as sudden regulatory changes or inconsistent policy implementation can disrupt planning and discourage long-term investment in the trade.



Approximately 80% of traders reported experiencing delays at border crossings, with many attributing these delays to unnecessary and repetitive document checks often associated with corrupt practices. These checks not only prolong transit times but also add to the cost and frustration of cross-border trade, discouraging smaller traders from participating. The inefficiency created by such delays undermines the overall competitiveness of the sector and highlights systemic issues in border management. However, the remaining 20% of respondents, primarily those who use air transport for their operations, reported no delays. This disparity underscores the need for streamlined and corruption-free border procedures. Additionally, nearly 70% of respondents highlighted security risks associated with cross-border mineral trade, particularly due to illegal trade and smuggling. Precious metals and rare earth elements are especially susceptible to being illegally mined and transported across borders, circumventing regulations and taxes. This not only results in significant revenue losses for governments but also fuels illicit activities. Traders caught in such activities face severe consequences. Moreover, being apprehended without

proper documentation can lead to accusations of smuggling, further complicating the situation for the individuals involved.

Mining policy documents emphasize the importance of value addition activities and competitiveness as critical goals for the sector. Central to achieving these objectives are technology and innovation, which are widely recognized as key drivers of progress. However, despite this recognition, efforts to support technology transfer, development, and innovation have remained insufficient. This lack of adequate support hampers the sector's ability to fully promote value addition and enhance competitiveness, limiting the mining industry's potential to create greater economic benefits.

Access to long term finance is a major challenge. Limited access to affordable financing options restricts the ability of miners and mining value adding activities to invest in expansion and modernization, which are necessary to compete in regional and global markets. Access to long term finance is a more challenging issue. Even STAMICO which is supposed to promote partnership through joint venture investments is short of long-term capital investment. This issue should be addressed. The status of banks has not been adapted to the needs of long-term investment needs. Long term financing remains insufficient to meet long term finance needs for investment in mining activities.

Trade Barriers: The flow of goods between Tanzania and its neighboring countries is significantly hindered by a combination of tariffs, quotas, and non-tariff barriers. High tariff rates increase the cost of imports and exports, while restrictive quotas limit the volume of goods that can be traded. Furthermore, non-tariff barriers such as cumbersome customs procedures, inconsistent regulatory standards, and excessive documentation requirements create further delays and inefficiencies. These challenges not only raise the cost of doing business but also erode the competitiveness of Tanzanian products in both regional and international markets. For businesses, particularly Small and Medium Enterprises (SMEs), these barriers can be particularly prohibitive, reducing their ability to participate effectively in cross-border trade.

Regulatory Differences: Disparities in regulations, standards, and compliance requirements between Tanzania and neighboring countries present significant challenges for cross-border mining trade. Variations in licensing procedures, environmental standards, safety regulations, and quality control measures create uncertainty and add administrative burdens for traders. These inconsistencies force businesses to navigate multiple sets of rules, increasing transaction costs and delaying the movement of goods. Moreover, the lack of harmonization in trade policies and regulatory frameworks complicates efforts to establish efficient supply chains and undermines regional integration.

Logistical Issues: Inadequate infrastructure remains a significant barrier to efficient trade, particularly in the mining sector. Poor road networks, limited rail connectivity, and underdeveloped inland transport systems hinder the smooth movement of goods from mining sites to processing centers, ports, and final markets. Inefficient ports, characterized by congestion, outdated handling equipment, and lengthy clearance processes, further exacerbate delays and disrupt supply chains. These logistical inefficiencies not only increase transportation costs but also reduce delivery reliability, impacting the competitiveness of businesses in both regional and international markets. Furthermore, limited access to modern logistics solutions, such as digital tracking systems and intermodal transport options, compounds these challenges.

Customs Procedures: Lengthy and complex customs procedures delay the clearance of mineral products at borders. Bureaucratic inefficiencies and corruption further exacerbate these delays. Issues such as customs declarations, manifests, product licenses, packaging requirements, export evidence, and invoices pose additional challenges.

Significant Documentation: Cross-border mining trade requires extensive documentation, which often varies significantly depending on the destination market. Traders must navigate a complex array of paperwork, including export permits, certificates of origin, quality assurance certificates, environmental compliance documents, and customs declarations. These requirements are often inconsistent across countries, leading to delays, increased administrative burdens, and higher transaction costs. The lack of digital systems and harmonized procedures further exacerbates the issue, as manual processes are prone to errors and inefficiencies.

Market Information: Limited access to reliable and up-to-date market information remains a critical barrier for operators in the mining sector and related value addition processes. The absence of accurate data on pricing trends, demand fluctuations, competitor activities, and regulatory requirements prevents businesses from identifying and capitalizing on new export opportunities. This information gap makes it challenging for mining operators to make informed, strategic, and timely decisions about entering or expanding into new markets. Inadequate market intelligence limits their ability to assess risks, optimize supply chains, and adapt to changing market dynamics.

Currency Fluctuations: Volatility in exchange rates poses a significant challenge for actors engaged in regional and international mineral trade, creating uncertainty in pricing and profitability. Frequent and unpredictable fluctuations in currency values make it difficult for businesses to set stable prices, forecast revenues, and manage costs effectively. This volatility is particularly problematic for long-term contracts, as sudden exchange rate shifts can erode profit margins and increase financial exposure. Furthermore, the uncertainty complicates the ability of traders to plan and manage cross-border transactions, as they must account for potential losses arising from adverse currency movements.

Political and Economic Instability: Political and economic instability in neighboring countries significantly disrupts cross-border trade by undermining trade routes, market access, and the predictability of business operations. Conflicts, civil unrest, or abrupt policy changes in these regions can result in border closures, damaged infrastructure, and logistical bottlenecks, delaying the movement of goods and increasing transaction costs. For manufacturers and operators reliant on regional markets, these disruptions pose additional risks, such as loss of contracts, unsold inventory, and financial uncertainty. Businesses are forced to absorb these costs or seek alternative routes, which are often more expensive and less efficient. The instability also discourages long-term investment in cross-border trade and diminishes confidence in regional supply chains.

Embargoes: One of the most severe and direct barriers to cross-border trade is an embargo, a government-imposed restriction, blockade, or political agreement that limits or halts a foreign country's ability to export or import goods. Embargoes are typically enacted in response to

geopolitical conflicts, international sanctions, or political disputes. While they are less common today and often difficult to enforce effectively, their existence can have far-reaching consequences, particularly in situations of war or prolonged diplomatic tensions. For industries reliant on international trade, embargoes disrupt supply chains, cut off key markets, and lead to significant financial losses. Businesses operating in politically sensitive regions must remain vigilant and adaptable, as embargoes can arise suddenly and without warning.

These findings underscore the multifaceted and interconnected nature of the cross-border mineral trade environment. The implications are profound, as unresolved challenges can stifle market access, increase costs, and reduce the competitiveness of traders, particularly those operating on a smaller scale. Moreover, persistent barriers can hinder the broader economic benefits of cross-border trade, such as job creation, regional integration, and revenue generation for governments. Addressing these challenges effectively requires a comprehensive and coordinated approach. Policymakers must prioritize the harmonization of regulations, the reduction of tariffs, and investments in transport infrastructure to ease logistical burdens. Additionally, fostering transparency and reducing corruption at border posts would help streamline trade operations. Supporting smaller traders through training programs, access to market information, and financial support mechanisms can also help level the playing field. By tackling these barriers head-on, stakeholders can foster a more inclusive, efficient, and sustainable cross-border mineral trade environment.

Given the initiatives taken by the Tanzanian government to address challenges in cross-border trade in the mining sector, including trade agreements and regional integration, simplification of customs procedures, improvement of transport infrastructure, enhancement of trade facilitation, regulatory harmonization, combating corruption, and improving access to finance, these measures aim to accelerate cross-border mineral trade and create a more conducive business environment. By reducing trade barriers, streamlining customs processes, and upgrading logistical infrastructure, the government is fostering a more efficient and cost-effective trading environment. This will attract both domestic and foreign investment, contributing to sector growth and stability. Regulatory harmonization and anti-corruption efforts are designed to build investor confidence, ensuring businesses operate with greater predictability and fairness. These actions will also support the development of a competitive mining industry that meets regional and international demand,

generating significant economic benefits such as job creation, increased export revenue, and technological innovation. Ultimately, these initiatives lay the groundwork for a thriving, globally competitive mining sector that contributes substantially to Tanzania's economic development and regional integration.

3.3 Policies and Regulations

Nearly 60% of participants are aware of the current policies governing cross-border mineral trade in the country. However, a significant proportion (40%) remain unaware of these policies, indicating a substantial knowledge gap within the sector. Among those familiar with the policies, only 45% express confidence in their effectiveness in supporting small-scale traders, suggesting uncertainty about how well these policies address the specific needs and challenges faced by smaller stakeholders in the mineral trade. The low confidence among the 45% who are aware of the policies reflects potential shortcomings in their design or implementation. Policies perceived as ineffective may fail to address critical issues such as access to markets, credit facilities, or simplified trade procedures for small-scale traders. This could discourage participation in formal trade channels, perpetuating informal practices that undermine regulatory objectives and economic benefits. The following are the implications regarding the policies and regulations;

- Policy Awareness Campaigns: There is a pressing need for targeted campaigns and stakeholder engagement to improve awareness of mineral trade policies, especially for small-scale traders, exporters, and other marginalized groups. Clear, accessible information can empower stakeholders to leverage the benefits of these policies.
- Policy Evaluation and Reform: The lack of confidence in policy effectiveness underscores the need for a comprehensive evaluation of existing regulations. Policymakers should identify gaps, particularly those impacting small-scale traders, and introduce reforms to ensure inclusivity and support for this critical group.
- Policy Certainty and Stability: Policy certainty and stability has been influencing mining investments especially those relating to long term decisions to invest. It was found that this issue matters to long term investments.
- Local Content Regulations: It was observed that local content regulations provide space for local actors. But these regulations are not enforced effectively. Some 20% of mining investments are supposed to be local but in practice sometimes local shareholders operate

as local fake shareholders colluding with FDI agents to meet regulations without enhancing any local ownership of mining investments.

- Capacity Building: Regulatory authorities have not been provided with sufficient capacity building programs to enable them to strictly enforce existing laws and regulations to ensure smooth transactions, minimize corruption, and create a more transparent and efficient business environment. This has contributed to inadequate trust and participation in the mining sector. Strengthening regulatory frameworks is essential to ensure that trade practices are fair, sustainable, and conducive to long-term growth. This includes enhancing enforcement mechanisms to prevent exploitation and ensuring that both local miners and international traders adhere to established standards. Training programs aimed at small-scale traders can bridge knowledge gaps and equip them with the skills to navigate regulatory requirements and enhance their competitiveness and promote formal trade participation.
- Accountability and Transparency: Tanzania Extractive International Transparency Initiatives (TEITI) is the Tanzania chapter of the global Extractive Industry Transparency Initiative (EITI), which sets standards for transparency and accountability in the extractive industry. TEITI provides information on payments made by extractive companies and revenues received by the government. The chapter shows that extractive companies pay service levies to LGAs. The chapter also helps the public to understand better the contribution of the extractive industries to the country. The chapter includes payments made by State Owned Enterprises (SOEs) that operate in the extractive industry, such as Tanzania Petroleum Development Corporation (TPDC), State Mining Corporation (STAMICO), and STAMIGOLD Company Limited. These institutions have been useful in addressing transparency and accountability in the mining sector.
- Monitoring and Feedback Mechanisms: Establishing platforms for ongoing dialogue between stakeholders and regulators can provide valuable feedback on policy implementation, ensuring continuous improvement and responsiveness to emerging challenges.

Addressing these issues, the country can create a more inclusive and efficient mineral trade ecosystem, driving sustainable economic growth and promoting equitable development. The

following policy suggestions, as outlined by the participants, aim to improve cross-border mining trade in alignment with existing policies and regulations.

- If the government acknowledges the substantial economic benefits that the mining sector brings, it should consider granting export permits more readily, improving business conditions, and facilitating access to capital through loans. Access to capital is crucial for business expansion and development, but many small-scale traders and miners face difficulties securing loans due to the lack of collateral. Providing financial support or alternatives to collateral can empower these businesses to grow and contribute more effectively to the economy.
- The entire bureaucratic process should be thoroughly reviewed, as it currently contributes to significant delays in operations and decision-making. Streamlining these processes by removing unnecessary red tape and improving efficiency would help reduce bottlenecks, increase productivity, and foster a more responsive and dynamic market environment.
- Minerals should be treated as a priority commercial product, given the vast mineral resources the country possesses. Focusing on the commercialization of minerals, the government can harness the sector's full potential, generating substantial revenue and creating employment opportunities, while also fostering a more competitive and sustainable mining industry.
- The government should formulate policies that permit the sale of precious metals, such as Tanzanite, in foreign markets. This would create incentives to curb smuggling by providing legal access to international markets, thereby encouraging traders to use regulated channels to meet global demand. Such policies would enhance government revenue collection and support efforts to promote sustainable and transparent resource management.
- Existing policies should facilitate access to affordable financing for small-scale miners, enabling them to secure loans to invest in modern equipment, technology, and operational improvements. Such financial support would enhance their productivity, efficiency, and competitiveness in the market. Without access to adequate capital, small-scale miners are often constrained to using outdated methods, leading to lower yields and increased environmental degradation.
- The government should adopt a balanced approach by not solely focusing on providing loans or increasing taxes. Instead, reducing tax rates for small-scale miners and mineral

traders can serve as a strong incentive for compliance and encourage them to pay taxes willingly. Lowering the tax burden would ease financial pressure on these miners, enabling them to reinvest in their operations, improve productivity, and expand their businesses. In turn, this approach would lead to a broader tax base and higher overall revenue collection for the government while fostering a more supportive and sustainable mining sector.

3.4 Training or Support on Mineral Trade

It was found that relevant information and education that is needed for miners to grow is limited and has become a challenge for miners who are grappling with little access to the information and education they need. It was also found that there are institutions such as STAMICO which are supposed to be knowledgeable and have the information needed by investors but their coverage of all miners is limited. Nearly all respondents indicated that they have not received any training or support from either government or non-governmental organizations (NGOs) regarding mineral trade. This lack of training and support reflects a significant gap in capacity building within the sector, particularly for small-scale miners, traders, and other stakeholders who may not have access to the resources or expertise needed to navigate the complexities of the mineral trade industry. Education and training are still needed for mining investments to be made. This gap has not been filled. The capacity of units within government which are supposed to provide education and skill development for small investors in mining have not sufficiently reached potential and actual investors in the sector.

The lack of training and support from both the government and NGOs represents a missed opportunity for collaboration and development. As highlighted by participants and discussed in various workshops, this gap underscores the potential to foster growth, build local capacities, and ensure the equitable utilization of mineral resources for the benefit of all stakeholders. Without adequate training and support, stakeholders become more vulnerable to exploitation, corruption, and unfair trading practices. These challenges can lead to suboptimal outcomes, including reduced profits for miners, unfavorable terms for traders, and diminished opportunities for sustainable growth.

The insufficient training programs have been revealed as many participants still lack crucial knowledge about regulatory compliance, best practices in trade, market access, and financial management. This can hinder their ability to operate efficiently, adhere to legal requirements, and expand their businesses. It may also limit their capacity to respond to market demands or take advantage of new opportunities.

The lack of capacity-building initiatives hampers the overall development of the mining sector. Inadequately trained individuals may struggle to adopt new technologies, improve production methods, or integrate into more formalized trade systems. This could limit the sector's ability to scale, innovate, and attract investment, ultimately affecting the country's economic growth potential.

3.5 Categorize Minerals for Action by Types

The analysis of the mining sector is composed of three types of minerals that could be considered in terms of their categories: industrial minerals, gemstones and rare minerals. Each of these categories has varying implications on cross border trade and global trade and on policy interventions needed.

a. Industrial minerals
    i. The policy encourages value addition but in practice the activities in this sector are dominated by FDI primarily by businesses from China.
b. Gemstones
    i. Cutting skills add value to gemstones. For instance, over 300 jobs have been created in Jaipur cutting of tanzanite instead of creating such jobs in Tanzania. The main challenge is skills availability. If Tanzania could invest in skills development to acquire the quality which is competitive the value of tanzanite could be added considerably.
c. Rare minerals.
    i. These are high value minerals. The value is high in global markets. In order to tap this high value, it will be necessary to build capacity in processing these minerals or to target foreign investors who can do this manufacturing more creatively and preferably in collaboration with local investors.

3.6 Integrating Cross-Border Mineral Trade with Sustainability Goals

There is need to consider that the mining resources can be depleted or are non-renewable hence the criticality of making sustainability considerations.

First, policy measures should be taken to transform the economy such that when the resources are exhausted the economy can still go strong because of the precautions that will have been taken into account during exploitation. Value addition, transformation and investments in education and skill development and investments in health and other sectors would be capable of ensuring sustainability after mining resources have been exhausted. How revenues from mining are used in reality is an important issue to analyse. One option would be to establish a sovereign wealth fund (SWF), or sovereign investment fund as a state-owned investment fund that invests in real and financial assets. These funds would be used to ensure that investments are made to ensure that future generations benefit even after mineral resources have been exhausted.

Second, the importance of procurement that build linkages with other sectors of the economy and the importance of harnessing local content and building supply capacities in goods and services deserves priority. These capacities and linkages are likely to remain useful and contribute to achieving sustainability even after the mining resources are exhausted.

Third, the use of procurement to enhance linkages to the rest of economy is countered by the fact that many local suppliers are importing the products. This weakens the role of local procurement in creating linkages to the rest of the economy. This suggests that there should be ways of monitoring how local procurement really links to other sectors of the economy. Over time the procurement regulations should favour linkages to the domestic economy rather than imports.

Fourth, Corporate Social Responsibility (CSR) is one of the measures that have been taken to make it possible for communities in the mining areas to benefit from mining activities taking place around the local communities. Regulations provide for CSR to be implemented. However, there are two issues which need deeper understanding

(i) The local communities should be assisted to define their priorities in terms of actions which can really build the economic activities within the communities.

(ii) The LGAs should be assisted to build the capacity to understand better the economy around them in terms of strengths, weaknesses and opportunities. This would enable LGAs to advise on channeling the CSR resources from mining companies to build the capacity of communities to build economies which will create independence from mineral resources over time.

Fifth, local content calls for more affirmative action. It is suggested that the collaborative spirit of government, FDI and domestic investment and other players should be an important issue to be addressed and assess the extent to which local content is practiced and enable it to increase over time.

3.7 Priority to Minerals Mapping

Since only about 16% of the country has undergone mineral exploration. The government should devise ways to accelerate this process so that the occurrence of minerals is well known more widely in the country. Experience from other countries could provide useful lessons that could be adapted to the conditions in Tanzania. Experience has shown that exploration costs are raised from financial institutions and success is rewarded through rising value of share prices of those companies and options of selling those companies at profits which continue to enable further explorations. These experiences can be adapted with a view to identifying options for the way forward.

3.8 Technology as a Driver of Competitiveness

The adoption and integration of technology are crucial for enhancing the competitiveness of Tanzania's mining sector. By improving efficiency, reducing costs, and ensuring sustainability, technology attracts investment and fosters economic growth. However, the widespread adoption of technology in the sector faces considerable challenges. High costs associated with acquiring and maintaining modern equipment, inadequate infrastructure to support technological integration, and a shortage of skilled labor are persistent barriers. These issues are further compounded by limited access to financing for both large-scale and artisanal mining operations, which slows the pace of technological transformation.

To overcome these challenges, strategic interventions are imperative. The government should take a proactive approach by offering incentives such as tax breaks and subsidies to reduce the cost of adopting advanced technologies. Encouraging public-private partnerships (PPPs) can provide the financial and technical resources needed to foster innovation and develop critical infrastructure. Additionally, the establishment of comprehensive training programs and technical education initiatives is essential to build local capacity, equipping the workforce with the skills required to operate and maintain modern technologies. Implementing these measures, Tanzania can create an enabling environment for technological advancement, positioning its mining sector as a globally competitive and sustainable contributor to the economy. Such initiatives will not only ensure optimal utilization of the country's mineral resources but also promote long-term economic resilience, equitable growth, and alignment with Tanzania's industrialization goals under the Tanzania Development Vision 2025.

4. Conclusions and Recommendations

4.1 Conclusion

In conclusion, addressing the complex challenges in the cross-border mineral trade environment through a comprehensive and coordinated approach can unlock the full potential of Tanzania's abundant mineral resources. Proactive measures such as policy harmonization, regulatory reforms, infrastructure development, and anti-corruption efforts demonstrate the government's commitment to fostering an efficient and competitive trade environment. Streamlining bureaucratic processes, easing access to capital, and prioritizing mineral commercialization are essential steps to empower small-scale miners and traders, enhance global competitiveness, and increase revenue generation. A balanced approach to taxation and financial support will further incentivize compliance, encourage reinvestment, and promote innovation in the sector. These initiatives not only aim to strengthen cross-border trade efficiency but also contribute to broader economic goals, including job creation, regional integration, and sustainable development. By creating a thriving, transparent, and globally competitive mining industry, Tanzania can solidify its position as a regional hub for mineral trade and achieve long-term economic prosperity and integration into the global economy.

4.2 Recommendations

The key recommendations for cross-border mineral trade in Tanzania, as highlighted by participants, point to a dynamic and evolving sector with significant growth potential. Focusing on policy reforms, sustainable practices, and capacity-building, Tanzania could position itself as a leading player in the global mining trade, benefiting from increased revenues, job creation, and regional economic integration.

- *Enhance border security:* Implement robust and comprehensive measures to strengthen border security, ensuring the prevention of illegal mineral exports. This can include deploying advanced surveillance technologies, increasing the presence of well-trained border patrol personnel, establishing checkpoints at key border crossings, and fostering international cooperation to curb cross-border smuggling. These measures will help safeguard national resources and promote compliance with trade regulations.
- *Establish mineral clinics:* Set up specialized mineral clinics to provide comprehensive support and services to stakeholders in the mineral sector. These clinics would serve as resource centers offering expert advice on mineral exploration, mining techniques, safety practices, and value addition. They could also provide training programs, legal guidance on regulatory compliance, and assistance in accessing financial and technical resources. By fostering knowledge sharing and capacity building, mineral clinics can enhance efficiency, productivity, and sustainability within the industry.
- *Introduce tax credits for mineral technology imports:* Implement a policy to provide tax credits or incentives for businesses importing advanced mineral exploration, extraction, and processing technologies. This initiative would encourage the adoption of innovative and efficient technologies, leading to increased productivity, reduced environmental impact, and enhanced value addition in the mineral sector. Such tax incentives could also foster technological transfer, support local capacity building, and promote sustainable practices, ultimately strengthening the competitiveness of the mineral industry in global markets.
- *Standardized tax rates:* Currently, a uniform tax rate of 9.3% is applied to all gold production, regardless of the quantity of gold extracted or the scale of the mining operation. While this policy simplifies tax administration, it disproportionately impacts small-scale miners and operations with lower production levels, as they face the same rate as larger,

more established entities. This approach may hinder the growth and sustainability of small-scale mining enterprises, which are often vital for local economies. To address these concerns, a more nuanced tax structure could be introduced, such as a progressive tax system or exemptions for miners below a certain production threshold. Regular reviews of the tax rate and structure should be conducted to ensure they reflect industry dynamics, support equitable competition, and foster sustainable development across all levels of the mining sector.

- *The need for financial support in value addition:* Currently, miners lack the capacity to perform value addition, particularly for minerals containing significant amounts of uranium, which require advanced processing technologies. For instance, some minerals are processed in offshore facilities to meet specific carbon content standards. To address this limitation, the government should provide financial support and resources to develop local capacity. By enabling miners to undertake value addition processes domestically, would reduce reliance on foreign expertise, promote self-sufficiency, and enhance the competitiveness of the sector. Such support would not only empower local industries but also contribute to economic growth, job creation, and greater control over national resources.
- *Improving access to bank collateral for mining development:* Securing collateral from the central bank remains a significant challenge for many in the mining sector. However, it is essential to recognize the critical role mining plays in the national economy. The sector contributes approximately 40% of the country's foreign exchange earnings and accounts for 10% of the national income. Given its substantial impact, the government should adopt a more strategic and supportive approach to the mining industry. This could include creating favorable financing mechanisms, such as risk-sharing facilities, loan guarantees, or specialized funds, to ease access to capital. By doing so, the government would not only foster the growth of the mining sector but also strengthen its contributions to economic development and national prosperity.
- *Establishing a specialized bank for the mining sector:* The mining sector would benefit greatly from the establishment of a dedicated bank that focuses exclusively on mining-related financial matters, similar to how other industries have specialized institutions. A bank tailored to the needs of the mining sector could offer customized financial products,

such as loans, insurance, and investment options, designed to address the unique challenges of mining operations, including high capital requirements, long project timelines, and fluctuating commodity prices. Such a bank would also streamline access to financing, improve financial support for small and medium-sized mining enterprises, and foster sector-specific expertise in risk management and resource allocation. In addition, it could facilitate easier access to collateral, promote sustainable mining practices, and encourage local and international investment in the industry.

- *Bright future with policy review:* A bright future for Tanzania's mining sector is possible if current policies are reviewed and aligned with innovations and emerging technologies in the mining industry. This would ensure that the sector remains competitive, sustainable, and adaptable to global trends.
- *Cross-border mineral trade and taxation:* While cross-border mineral trade is a promising opportunity, it must be supported by a favorable tax environment. Taxes should be structured to ensure the business remains economically competitive while ensuring that the government can maximize revenue without stifling growth.
- *Awareness for a promising future:* The future of the mining sector looks promising, but there is a strong need for increased awareness among both the public and miners. Educating stakeholders about new opportunities, policies, and sustainable practices will be key to realizing this potential.
- *Increased regional integration:* Regional integration plays a vital role in expanding Tanzania’s mining trade. Enhanced collaboration with neighboring countries can provide broader market access and stimulate economic growth, especially for valuable resources such as gold, coal, and Tanzanite.
- *Supporting small-scale miners:* To ensure sustainable growth, it is essential to continue supporting small-scale miners by facilitating access to capital. This support could help small-scale miners upgrade their equipment, adopt modern technologies, and increase their output, thereby contributing more significantly to the economy.
- *Availability of market information:* It is essential to ensure that accurate market information is readily available to all stakeholders in the mining sector. Having access to up-to-date information on pricing, demand, and regulations will enable miners and traders to make informed decisions and improve their market competitiveness.

- *Future success depends on implementation:* While the future of Tanzania's mining sector is bright, its success will depend on the commitment of miners, traders, and the government to effectively implement and adhere to the laws and regulations set out for the industry. Consistent enforcement of these rules will create a stable and fair-trading environment.
- *Reducing labor costs and empowering women and youth:* Reducing labor costs in mines can help improve the overall profitability of the sector, making it more competitive. In addition, empowering women and youth by providing equal opportunities for employment, training, and entrepreneurship in the mining sector is crucial for fostering long-term growth and social equity.
- *Enhance training programs:* The government and NGOs should prioritize the development of training programs that equip stakeholders with essential skills for effective participation in the mineral trade. These programs should focus on key areas such as legal compliance, financial literacy, resource management, and market access. Furthermore, providing targeted support for small-scale miners and traders through mentorship, workshops, and financial assistance initiatives can significantly improve their capacity to engage more effectively in the mineral trade sector. Such efforts would not only benefit individual participants but also contribute to the broader economic development and sustainability of the mining industry.

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REPORT: CROSS BORDER MINERAL TRADE IN TANZANIA

Conducted by
Prof Samuel Wangwe and DR, Petro Sauti Magai, Liberty Sparks, Research Team

Reviewed by
Evans Exaud - Executive Director-LS.

Working group:
TPSF, TWCC, TCCIA, CTI, TLS, TATOA, ZNCC, TAFFA, TATOA ,ATE,KPMG, THRDC, TBA , TACT, TGT, SAGCOT, EY, ACT, TAWOMA, VIBINDO & LS

Designed by
Humility Samson

Colleagues
Gift Ndunge, Anastasia Nturu, Michael Kyande

Assistment
Dr Elly Tumsifu- University of Dar es Salaam business College
Partner Organizations
ATLAS NETWORK & IATP

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Contact

Liberty Sparks
Mbezi Beach, Afrikana
P.O.Box 66662,
Dar es salaam
+255 739 144 141

www.libertysparks.org
research@libertysparks.org
@libertysparks