



STATE MINING CORPORATION (STAMICO), a wholly owned Government enterprise, is a under the Ministry of Energy and Minerals established by the Public Corporation Act cap 257 through State Mining Corporation Establishment Order No. 163 of 1972 as amended in 2014.

The Corporation which became operational in 1973 was formed to perform functions stipulated under Section 4 of its Establishment Order, 1972.

Vision

To be a world class investor and service provider in the mining industry in Africa contributing significantly to the national economy

Mission

To invest in the mining industry and provide quality services in the management of mines, drilling, consultancies and other related businesses particularly to the artisanal and small-scale miners.

Core Values

In carrying out businesses, STAMICO upholds the following core values: Integrity; Professionalism; Innovativeness; Team work; being Results oriented; and Accountability.

Objectives

These are targets of the Corporation which are specific, measurable, achievable, realistic and time bound.

1. To increase investment in the mining industry and promote corporate services and image;
2. Increase provision of exploration and drilling services as a tool to identify prospective areas for mining and income generation;
3. Transform artisanal and small scale mining into a well-organized, mechanized, productive and environmentally responsive subsector;



4. Strengthen financial resources management and support services;
5. Improve human resource management and administration; and
6. Addressing the cross cutting issues, including but not limited to HIV/AIDS pandemic, environmental conservation, and gender mainstreaming in the mining activities.

The main functions of the Corporation as per its Establishment Order are:-

1. To engage in mineral prospecting and mining and any other activities related thereto;
2. To acquire by agreement and hold interests in any undertaking, enterprise or project associated with the exploration, prospecting and mining;
3. To acquire shares or interest in any firm, company or other body of persons, whether corporate or unincorporated, engaged in mining of, or in prospecting, refining, grading, producing, cutting, processing, buying or selling or marketing of minerals, and
4. To carry on its business, operations and activities whether as principal agent, contractor or otherwise, and either alone or in conjunction with any other persons, firms or bodies corporate.

Former Subsidiary Companies and Projects

From its inception, STAMICO was a holding corporation starting with five subsidiary companies which earlier had been under the oversight of the National Development Corporation, NDC as listed hereunder:

- Tanzania Gemstone Industries Limited (TGI), alongside its gemstone mining companies and projects (Longido Mines, Uмба, Merelani, Lake Manyara Emeralds; Losogonoi and Sumbawanga Emeralds).
- Williamson Diamonds Limited (*STAMICO was overseeing 50% shareholding of the Government in the company*);



- Tanganyika Meerscham Corporation;
- Nyanza Salt Mines (T) Ltd; and
- Tanzania Diamond Cutting Company Limited (TANCUT).

Over the years, the following subsidiary companies were also established: Lupa Gold Mining Company Limited; Buckreef Gold Mining Company Limited; Pugu Kaolin Mines Limited; Coastal Saltworks Company Limited; Minjingu Phosphate Company Limited, Kahama Mines Limited; and Kiwira Coal Mines Limited.

STAMICO as well undertook various exploration projects in the country, inter alia: Liganga Iron investigations; Mchuchuma Coal; Itewe Iron occurrence; Lake Natron Soda Ash Project; Heavy Minerals Beach Sands Project; Drilling Project at Kabanga Nickel deposit; Kilwa Gypsum; Chambogo & Loiborsoit Magnesite Project; Panda Hill and Nachendezwaya Phosphate and Samena Pyrite Projects and other short-term projects.

Besides managing subsidiary companies and undertaking mineral exploration projects, STAMICO was also engaged in trading and providing services to small-scale mining communities.

As a trader, STAMICO was involved, at different times, in purchasing and selling mica, gold, tin ore and salt. As a service provider to small-scale miners, it supplied equipment and explosives to mica and cassiterite (tin ore) miners in Morogoro and Kyerwa areas, respectively. It also co-ordinated and provided training to the small-scale miners.

Corporation's Economic Policy Reforms

Consequent to major economic policy reforms in the late 1980s through early 1990s, the Public Corporations Act, 1969 was overhauled. A new Public Corporations Act, 1992 was enacted which stripped off ownership of subsidiary companies from public holding corporations, STAMICO inclusive. Section 48 (1) of the said Act states as follows: -



All the shares subscribed by the Government in any public corporation through another public corporation which was a holding corporation before the effective date shall, after the effective date, be transferred to the Treasury Registrar by the said former holding public corporation and those shares shall vest in the Treasury Registrar without any further assurance.

Former subsidiary companies of STAMICO were subsequently privatized or liquidated. In August, 1997, the Corporation was placed under the Presidential Parastatal Sector Reform Commission as a specified public corporation. It was earmarked for closure following Cabinet decision of April, 1996. However, in July 2008, the Government, through the Cabinet, reversed the decision to close down STAMICO upon recommendations of Justice Mark Bomani Commission's Report.

Actual de-specification of the Corporation was effected in April, 2009 when a De-Specification Order was published in the Government Gazette.

It is worth noting that, from 1990 up to July, 2010, STAMICO continued to exist without any direct or indirect government funding. Its major source of income had been through provision of contract drilling services to the private sector. However, in the past two years, the pace of mineral exploration activities subsided due to the worldwide economic downturn. This in turn, adversely affected the corporate income.

Corporation's Restructuring

In 2009, the Government proposed and approved a new Mineral Policy in place of the old of 1997. Under the new Policy, as elaborated on pages 15, 16, 33 and 34, it is now the intention of the Government to participate in investments in mining through its institutions.

In line with new Policy, the new Mining Act, 2010 passed by the Parliament in April, 2010 has sections which provide for free-carried interest in mining



ventures for the Government. STAMICO is earmarked to oversee the Government interests.

On the basis of the new Mineral Policy, 2009, the Mining Act, 2010 and experience gained over the past 10 – 15 years under the private sector-led mineral development in the country and elsewhere, the Establishment Order of STAMICO was reviewed and amended in 2010/11 in order to assign additional roles. This whole process lead to a new capital structure, revised organo-gram, new employments, capacity building and other strengthening measures being put on place.