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Great News! Thank you President John Magufuli for realising that your regime’s new rules had started to push away investment.

Competition for foreign direct investment is steep out there, Tanzania country could not miss out, your country needs the mining revenue to scale up her economy and fully participate in the 4th industrial revolution frenzy.

News that talks on how to reverse the current fiscal regime are on-going is a welcome development.

Yes, at East Africa Mining, we agree that things as they stand are likely to limit mining sector activity and ultimately constrain government revenues.

Mr. President your actions to reverse your hard line on taxes, is a positive development and is expected to help spur growth of Tanzania’s economy.

Stalemate between government and the mining industry over taxes has to be solved amicably, for the simple reason of various stakeholders being directly or indirectly affected.

The African proverb which says: ‘When two elephants fights, the grass suffers’ mirrors the situation here and it calls for the two protagonist – Government and Miners to reach a consensus. As a result, the most threatened is employees, communities and other businesses that could be feeding off proceeds of the mining industry.

Remember governments are reeling under pressure to create employment, heavy taxes means less mining investors and low jobs creation, this is a sad development.

Our authorities should also remember investors are also sought in various jurisdictions, including not only your neighbours but other emerging mining destinations such as Australia.

Governments cannot allow and afford tax issues to create a gap between the private sector and national economic goals. Therefore amicable approach to issues of taxes should be found.

Every investor is worthy to the development of a nation, countries cannot afford to lose a single investor.

Remember to share your view, comments, opinions and suggestion on drewmara@gmail.com

Enjoy the read!
Researchers at the Natural Resource Governance Institute say Tanzanian president John Magufuli has recognised his new rules have started to push away investment, and he will look at changes.

“President John Magufuli highlighted the difficulties in getting this (tax and encouraging investment) balance right. At a multi-stakeholder meeting concerning the mining sector, he stated his government’s intention to review the 2017 fiscal regime given his concern that the recent increase in taxes is hindering rather than helping efforts to collect more revenue from the sector,” said Thomas Scurfield and Silas Olan’g, the Institute’s researchers.

Scurfield and Olan’g said they had already talked to decision-makers in Tanzania about the situation.

“As things stand, the current fiscal regime is likely to limit mining sector activity and ultimately constrain government revenues,” they said.

“We have already discussed this analysis with a number of stakeholders in Tanzania, including the parliament. On the basis of these discussions, we are in the process of developing options for revising the fiscal regime.”

The analysis only applied to new mines because existing operations operate under contracts signed under the old code.

Researchers looked at the tax liabilities of a mining company building a US$420 million mine with operating costs of $600 per ounce and selling in a $1,300/oz gold market.

The hypothetical mine would produce doré and therefore not be eligible for a VAT refund.

In Tanzania, this operation would pay an effective tax rate of 74 percent, compared to 51 percent before the new code.

The top four countries on the NRGI list below Tanzania are Guinea 61 percent, South Africa 59 percent, Ghana 58 percent and Chile 48 percent.

Magufuli has taken a hard line on taxes, to the point of holding onto Shanta Gold’s VAT reimbursement for safekeeping.
Ethiopia’s mining industry reforms ready

Ethiopia’s Mines and Petroleum minister, Samuel Urkato has announced plans to finalise reforms for its underdeveloped mining and oil sectors.

According to Urkato the reforms will be ushered in within the next two months as it seeks to encourage more foreign investors, mines and petroleum.

Government wants to attract more foreign investment and ease a dollar shortage in the country and has already cut taxes for mining companies in recent years.

Urkato said promoting the mining sector had become a priority and indicated that further tax incentives were on the cards.

“We are reforming all the laws, the national mining policy and the strategy that goes with that policy. These reforms include all fiscal regimes too in order to compete for global mining investments,” Urkato told Reuters on the sidelines of the African Mining Indaba in Cape Town, South Africa.

Since coming to office nearly a year ago, Prime Minister Abiy Ahmed has announced shake-ups across industries, including plans to open up the once closely guarded telecommunications, logistics and power monopolies.

Massive government investment in infrastructure has helped make Ethiopia one of Africa’s fastest-growing economies, but exports of garments and other products have struggled to take off, meaning the economy is not generating enough dollars to pay for imports.

Encouraging the mining sector could help. Though still small, it brought in $3.5 billion in foreign direct investment in the past five years, helped by new incentives that included updating the country’s geological data, extending duty-free access to companies engaged in exploration and offering to build infrastructure to accommodate mining sites.

“Take a company working at a remote site. They shouldn’t construct roads. The government should do that. They shouldn’t work on railways. The government will provide that,” Urkato said.

The government reduced the corporate income tax rate for miners to 25 percent two years ago, from 35 percent, and more recently lowered the precious metals royalty rate to 7 percent, from 8 percent.

The current law guarantees the government a 5 percent minimum equity stake in projects - a lower share than many other African countries.

Two gold projects granted mining agreements

Ethiopia’s has approved the mining agreements for East Africa Metals’ Mato Bula and Da Tambuk gold projects located in the country’s Tigray National Regional State.

“The Ministry of Mines approval of the Mato Bula and Da Tambuk mining agreements advances two additional mining projects to the development stage. This is another important milestone achieved by East Africa in the emerging mining sector of Ethiopia,” said Andrew Lee Smith, East Africa’s Chief Executive Officer.

Now pending is the final step in the mining licence process, the formal ratification of the mining agreements by the Ethiopian council of ministers.

With this completion East Africa now has three advanced development gold projects in close proximity to each other and existing transportation and power infrastructure.

The company will continue to engage in discussions with interested parties on project financing and advancing engineering of the Mato Bula and Da Tambuk projects.

Mato Bula gold copper project has average annual metal production of 34,750 ozs. gold, 1.67 million pounds copper and 4,780 oz silver.

Its pre-production capital cost of US$54.2 million including contingency of 38 percent on direct costs and 26 percent on total of direct and indirect costs.

Meanwhile Da Tambuk gold project has average metal production of 24,000 ozs. gold per year and 6,000 ozs. silver per year.

Its pre-production capital cost of US$34.1M including contingency of 36% on direct costs and 26% total of direct and indirect costs.
Kenya is putting in place a legal framework to outlaw the use of mercury in the artisanal and small-scale gold mining to protect workers and conserve the environment.

With research showing that small-scale gold miners in Kenya are among the most exposed to mercury in the world, the government has instituted measures to phase out use of the toxic chemical in gold mining. John Omenge, Mining Principal Secretary said the government is putting in place a legal framework that will outlaw the use of mercury in the subsector.

“The government is committed to phasing out the use of mercury among artisanal gold miners because of growing health concerns. For this we are putting in place a legal structure to stop use of mercury,” Omenge said.

He said that through a grant from the Global Environment Facility (GEF) in partnership with the Jomo Kenyatta University of Agriculture and Technology, research is ongoing to find alternative ways to extract gold.

The GEF is spearheading the campaign to stop the use of mercury by artisanal miners and has set up a $45 million fund to support governments creating policies and market incentives that favour gold which uses less or no mercury in its extraction.

The use of mercury is the most common method used by small scale miners in recovering gold nuggets from soil and sediment. Mercury and gold settle to form an amalgam, then the gold is extracted by vapourising the mercury through heating.

The miners use rudimentary equipment — blowtorch or stoves at home. The miners inhale the vapour from the amalgamation, to the detriment of their health.

Cyanide, another dangerous substance, is used by such miners on tailings (waste ore) to extract more gold that combines with mercury to make compounds dispersed in water and taken up in the human food chain.

Uganda, Tanzania, Ethiopia and Burundi have also announced plans to phase out use of mercury in artisanal mining of gold.

Although mercury is a naturally occurring element, it is toxic to humans, animals, and the environment when handled improperly. According to the World Health Organisation, prolonged and high exposure to the chemical by inhalation damages the nervous, digestive and immune systems. Pregnant women also risk giving birth to babies with congenital diseases.

It can also contaminate water bodies and subsequently all fish. When ingested, mercury can accumulate in living organisms and serious damage the nervous system.

Kenya, Burkina Faso, Colombia, Guyana, Indonesia, Peru, Mongolia and the Philippines are some of the countries that use mercury for gold extraction.

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Kenya bans mercury in gold mines

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www.eastafricanminingnews.com
The Association of Women in Extractives and Energy in Kenya (AWEIK) has called for increased participation of women in the mining sector.

Betty Gikonyo, Patron of AWEIK said the extractives sector is growing and can provide women with opportunities to have a big impact in the sector.

“We need to ensure that women have access to financing. Women-led businesses can thrive in the extractives value chain. It has been proven that investing and working with women guarantees a return on investment, both at a domestic and a commercial level,” said Gikonyo.

Base Titanium, the largest mining company in Kenya is setting the pace on gender inclusion in mining companies in Africa.

“Our Kwale Mineral Sands Project consists of a workforce that is 16 percent female while women in management positions stand at an impressive 30 percent,” said Melba Kapesa Wasunna, External Affairs Manager at Base Titanium.

Wasuna said the record is high globally, citing that even the most advanced economies in the world have not been able to achieve. “By investing and empowering women we empower a community.”

The mining sector in Kenya contributes only 0.8 percent to the Kenyan annual GDP but the ministry of petroleum and mining envisages a 5 percent contribution by 2025.

According to a study conducted in May 2017 by Adam Smith International in collaboration with International Women in Mining, globally the direct participation of women in large scale mining activities along the value chain is less than 10 percent.

Women in management and leadership positions are at a 5 percent in mining companies in the world.
Walkabout Resources has reported that valuation for the resettlement action plan (RAP) for Lindi Jumbo Graphite Project in Tanzania has been approved.

According to the company, the compensation activities that completed in 2018 were approved by all the stakeholders and officially signed off by the Chief Government Valuator.

The company further says approval and settlement of the RAP is a major milestone which now allows on-site work to commence at the Lindi Jumbo Graphite Project. “The organised and well communicated execution of the RAP compensation is very important to our local communities. It validates in hard currency, the goodwill and social outcomes we have worked closely on achieving with our local stakeholders,” said Trevor Benson, the company’s executive chairman.

The total mining area compensation payable is USD2m.

The development brings to an end a two-year intensive survey involving more than 1,000 individuals.

Walkabout Resources has negotiated for staged payout of compensation over six months.

“The milestones are being ticked off one by one. Our construction arrangements at Lindi Jumbo are progressing well and we are very pleased with this achievement managed by our small project team,” said Allan Mulligan, Executive Director of Walkabout Resources.

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Acacia Mining was downgraded by equities research analysts at Royal Bank of Canada to a ‘sector performer’ rating in a research report issued recently.

The downgrade comes as several other equities research analysts have also recently commented on ACA.

Barclays reiterated an ‘overweight’ rating on shares of Acacia Mining in a research report, last year. Jefferies Financial Group restated a ‘hold’ rating and set a price objective on shares of Acacia Mining.

Peel Hunt reiterated an ‘under review’ rating on shares of Acacia Mining in a report.

Finally, JPMorgan Chase & Co. dropped their target price on Acacia Mining, set an ‘underweight’ rating on the stock in a report. Three equities research analysts have given a hold rating and three have assigned a buy rating to the company. The stock has an average rating of ‘Hold’.

Acacia Mining plc, together with its subsidiaries, mines, processes, and sells gold in Africa. The company has three gold mines in north-west Tanzania, including Bulyanhulu, Buzwagi, and North Mara; and a portfolio of exploration projects at various stages of development in Tanzania, Kenya, Burkina Faso, and Mali.
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sales@agru.at
Tanzania’s tax waive on small-scale miners on track

Government’s directive to waive taxes imposed on small-scale miners has started paying off. The national assembly has unanimously endorsed a bill that proposes the removal of withholding tax of five percent.

Prof Adelardus Kilangi, Attorney General (AG) tabled the Written Laws (Miscellaneous Amendments) (No 2) Act, 2019 for the second and third reading, which among other things, proposes to amend the Income Tax (Cap 332), whose section 83B of the First Schedule, is replaced with a view to removing the obligation to withhold tax of 5 per cent payable by small-scale miners.

According to Minister for Minerals Dotto Biteko, the amendments came as an outcome of a meeting between President Magufuli and small-scale miners in Dar es Salaam, last month.

“This is a clear indication that our government is prioritising the voice of its people. That’s why the amendments have come in less than a month,” he said, when debating the Bill.

President Magufuli is on record saying its high time the taxes imposed on the mining sector were removed to encourage miners to pay tax and reduce chances of tax avoidance.

Jervois eyes Uganda’s M2 Cobalt

Australian cobalt developer Jervois Mining has announced intentions to buy a Canadian cobalt explorer with operations in Uganda.

The development is part of the company’s hunt for quality mines in the battery materials sector.

Jervois, which is backed by ex-Glencore executives, is offering one of its shares for every share in M2 Cobalt, valuing the Canadian company at C$16.6 million ($12.5 million), a 4.5 percent premium at current share prices.

M2 Cobalt has tenements across a region that includes a former copper and cobalt mine run that was closed after being sold the Ugandan government.

Jervois, which has applied for a prospecting licence in Tanzania, said the deal would complement its efforts to establish a presence in east Africa.

M2 shareholders would make up about 22 percent of the expanded company, and Jervois hoped to maintain a listing on Toronto’s TSX Venture Exchange, giving it access to North American capital markets.

Jervois is also developing the Nico Young cobalt-nickel deposit in the Australian state of New South Wales.
Uganda wants maximum benefits from Kilembe Mines

President Museveni is not in a hurry to identify an investor to take over Kilembe Mines to revamp copper mining in Kasese District.

Chairing the 6th Presidential Investors Roundtable (PIRT) meeting, Museveni said he wants an investor who will commit to constructing a smelting plant and adding value to copper so that Uganda exports only copper products, not ore.

The mining and value addition pillar was one of the six thematic areas of this year’s PIRT.

"On the issue of Kilembe (mines), I will not allow what the Canadians were doing," said Museveni. He said the country needs copper purified up to 98 per cent. “We want to see cables and transformers all made here," Museveni said.

He said the country has made significant shift in the management of other mineral products, including iron ore, hematite and clays that are now processed to add value, in factories established in the country by investors.

"Therefore, those mining people you are talking about must be ready to add value from here. The minerals are there. They are many but they must be processed here and not producing for other countries to benefit. We want investment which will strengthen Uganda, we don’t want to be like these banana republics," Museveni said.

He was responding to a request by the chairman of the Uganda Chamber of Mines and Petroleum (UCMP), Elly Karuhanga to expedite the process of finding an investor to take over Kilembe Mines because copper would contribute to the economic growth of the country.

“As a country, we have failed to handle Kilembe (mines). Mining currently contributes 0.6 per cent to our GDP, yet Kilembe Mines is still inactive. We would like you, Mr President, to be kind enough and hand over our Kilembe to a serious investor,” Karuhanga said.

Government in 2017 cancelled the concession of Tibet Hima Mining Company Ltd, a Chinese consortium, that had won the contract to revamp the mines about four years earlier.

The Chinese who have since left Kilembe were supposed to extract at least 5 million tons of copper over a period of 25 years. The President said during the meeting that unlike the earlier days of Kilembe Mines, the government will not allow an investor who cannot commit to smelting copper to the level of purity.

Karuhanga also asked the government to recall mineral licences that are in the hands of people who are doing no exploration as was expected by Directorate of Geological Survey and Mines.

The same data indicate that there are 844 mineral concessions across the country that has a rich mineral endowment. Of these concessions, there are 168 location licences, 55 mining leases, and seven retention licences.

Kilembe Mines is Uganda’s largest copper fields, with estimated deposits of copper in excess of four million tonnes and an undetermined quantities of cobalt ore, the mines was active between 1950 and 1982. The mines were first run by two Canadian mining companies, Frosbisher Ltd and Ventures Ltd, which formed a joint venture, named Kilembe Mines Ltd (KML).

KML built and operated a copper smelter in Jinja District but the smelted copper was always exported to the world market thereafter.

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Amid uncertainties African mining shows steady progress

Despite escalating trade wars keeping commodity prices in check as well as increased regulatory challenges across the continent generally, the mining team at Standard Bank anticipates that 2019 will see miners continue to cautiously pursue emerging pockets of opportunity across the continent.

Over the last 18 months, the focus in the mining sector has been on debt reduction and balance sheet repair.

The results of this consolidation have been largely successful, with a few miners paying dividends for the first time in some years.

As such, “efficiency improvements and portfolio and asset optimisation are expected to continue into 2019 as companies remain committed to moving down the cost curve in response to the 2013 to 2015 downturn,” says Mark Buncombe, Head of Mining and Metals at Standard Bank Group.

2019 is expected to see a renewed focus on mergers and acquisitions. The positive reception afforded the Barrick-Randgold merger in late 2018, for example, has encouraged other management teams to look more seriously at mergers and acquisitions as an option.

“Optimism levels across the continent will ultimately, however, mirror the regulatory environment, “with more investment expected where policy makers have actively encouraged investment,” said Mr Buncombe.

“Ghana in 2018 was a case in point, “showing us that once policy makers build a business and investment-friendly legislative environment the market responds very quickly,” observes Buncombe.

In South Africa, the finalisation of the Mining Charter and the shelving of controversial amendments to the Mineral and Petroleum Resources Development Act, for example, is expected to similarly accelerate corporate activity and the commitment of capital to the local mining sector in 2019.

Other increasingly favourable legislative environments on the continent include; Namibia, Botswana, Mozambique and Ghana.

A supportive regulatory environment is, however, only one part of the story. Despite ongoing currency volatility and uncertain global macro and commodities outlooks, other options to maximise value and drive growth and investment are available for miners in Africa’s more favourable legislative environments.

These broader opportunities are expected to drive a diversification in financing practices in Africa’s mining industry. For example, in addition to corporate facilities, “Africa’s miners are increasingly seeking to optimise cost, liquidity and working capital requirements using additional products like asset financing, invoice discounting and inventory financing,” says Mr Buncombe.

2019 is also likely to see miners, “increasingly look to their bankers to meet the financing needs of their clients’ broader supply and partner networks,” said Buncombe. This will require bankers to develop a much broader, detailed and altogether more sophisticated view of value chain financing – including financing the broader supplier, infrastructure, beneficiary and social ecosystems in which mines operate. This is also expected to extend to governments’ indigenisation efforts as, “locally-owned players tend to be more prevalent in the ecosystem,” he adds.

Access to cheap and reliable power is expected to remain a key success factor for mining companies in Africa, driving continued investment in captive power generation capacity.

At the backdrop cost of solar power comes down and new storage technologies make solar more viable as a source of power for the mining industry in Africa.

“We have seen several clients invest in or consider investing in solar power plants to replace more expensive diesel generators or unreliable grid power,” said Buncombe. “This will have the additional benefit of improving miners’ environmental footprint while broadening investment beyond the mining sector,” he says.

Despite global macro uncertainty and slowed growth in China, 2018 saw an increase in Chinese mining activity on the continent. Whilst there has been a lot of debate around capital availability for Chinese firms, “the evidence seems to suggest that this activity will not slow down this year,” predicts Buncombe.

A more upbeat view of the South African market is supported by an increased global appetite for bulks, especially coal, chrome and manganese, as well as the fact that after almost a decade of cost cutting, miners now have ready cash to invest.

The availability of equity cash, combined with a policy environment much more favourably disposed to the public-private partnerships that South Africa will need to establish if it is to benefit from the cyclical upturn in bulks, is not only likely to see an increase in production but will also see new investment in South Africa’s bulk export infrastructure.

“This is likely to drive capital formation, jobs and growth beyond the mining sector,” said Buncombe.

Buncombe said the bank remain cautiously optimistic that Africa’s mining sector offers real opportunity for expansion in 2019 despite the challenging global macro environment and uncertain commodity prices.
Cummins Inc. celebrates centennial year

The Fortune 150 listed company, Cummins Inc. is celebrating its 100th year as a company throughout 2019.

With employees over 60,000 worldwide and serves customers in nearly every country across the globe, Cummins products range from diesel and natural gas engines to hybrid and electric platforms, as well as engine systems components, controls, and related technologies, and it continues to develop new advanced products and services.

The company’s humble roots date back to 1919 when Clessie Cummins and business partner William G. Irwin built a company that was one of the first to take advantage of the ground-breaking technology developed by German engineer Rudolf Diesel in the late 1800s.

“Technological innovation is at the heart of what we do,” said Tom Linebarger, chairman and chief executive officer.

“Cummins is a global technology leader with a broad portfolio of power solutions. We will continue to innovate to ensure our customers’ success.”

In addition, Cummins has plans to further advance diesel and natural gas engine technology, and bring new solutions to market.

On the other wing investing in electrified powertrains and developing alternative technologies such as solid oxide and hydrogen fuel cells, and exploring new technologies for future growth. The company continues to develop integrated engine system technologies and controls, and is working with partners to integrate its products and services in the autonomous vehicles of the future.

While most independent engine manufacturers no longer exist, Cummins’ leadership credits its longevity to its 100 years of commitment to its mission, vision, and values, staying focused on long-term goals, and standing up for what is right.

This commitment has been beneficial to all Cummins’ stakeholders, and will continue to guide decisions for the next 100 years.

“We understand our company is only as successful as the communities where we operate, and we are committed to building more prosperous communities around the world,” said Mary Chandler, Vice-President of Corporate Responsibility, and Chief Executive Officer of the Cummins Foundation.

“Improving our global communities has been a key part of our first 100 years, and will remain a focus for the next century and beyond.

“Our employees lead the way in year-round community problem-solving, making a difference in Cummins’ global priority areas of education, the environment, and equal opportunity for all. Together with our community partners, we look forward to the next 100 years of helping people thrive in their day-to-day lives,” Chandler said.

In anticipation of its centennial, the company recently launched the Cummins Powers Women programme, which represents Cummins’ commitment to the advancement and prosperity of women and girls around the world, and is the next phase of Cummins’ commitment to large-scale community impact.

In Nigeria, for example, Cummins leaders joined forces with Rise Up to use Cummins’ powerful voice in communities to promote exponential change in the lives of women and girls.

Rise Up’s leadership accelerator programme convenes the top leading civil society organisations, communities, and companies working to advance prospects for women. These groups unite to focus on capacity building, networking, and leadership development, all facilitated by Rise Up.

“As I reflect on our history and look to the future, I want people to view Cummins as a company that cares about powering a more prosperous world,” Linebarger notes. “How we do it is ultimately just as important as what we do.”
Equatorial Guinea host ‘Year of Energy’

Eleven new oil and gas wells are expected to be drilled in Equatorial Guinea this year, as the sector is also billed to attract a whopping $2.4 billion investment.

After a year of sector recovery and pan-African alliance building, Equatorial Guinea is ready to capitalize on expected new investment and solidify its global standing through its ‘Year of Energy’ campaign.

The initiative provides impetus for intra-African cooperation with emphasis placed on economic diversification, underscored by energy sector growth.

This year, Equatorial Guinea will host and promote multiple events to champion its oil and gas projects and promote intra-African cooperation, including flagship events for the African Petroleum Producers’ Organization (APPO) and the Gas Exporting Countries Forum (GECF).

An improved economic outlook in Equatorial Guinea is due in large part to expected foreign direct investment in oil and gas during 2019, with 11 new wells to be drilled.

Already, five platforms have been contracted to perform drilling of new wells - these include greenfield prospects held by ExxonMobil, Kosmos Energy, Marathon Oil and Noble Energy.

“We have been busy in the downturn, working to improve our regulatory environment and attract new investment to the sector. Now that the oil price is at a sustainable level, activity in the oil and gas sector is set to take off at an unprecedented pace,” said Gabriel Mbaga Obiang Lima, Minister of Mines and Hydrocarbons (of Equatorial Guinea).

“Equatorial Guinea recognizes the importance of working through influential organizations like OPEC and GECF to unite oil and gas producers and empower African countries with a voice on the international stage.”

In June 2017, Equatorial Guinea proved the value of its exploration assets during challenging times by successfully concluding the EG Ronda 2016 bidding round. Seven companies advanced to negotiations with the MMH.

Next year, Equatorial Guinea will again put more oil and gas exploration blocks on offer for ‘EG Ronda 2019.’

Equatorial Guinea has worked to make the business environment appealing to international investors, while also protecting the local economy, and has moved up in the World Bank’s Doing Business Index, with particular improvements made during 2018 and 2019. The global report specifically notes a law adopted in 2019 that regulates the mediation of contract disputes and creates a resolution mechanism, and a law from 2018 that eliminated the need to obtain an authorization from the Office of the Prime Minister to start a new business.

“As the oil sector recovers, we are better able to diversify the overall economy. We have already moved forward with key projects in the downstream gas sector, including our regional LNG2Africa initiatives and the creation of a Gas Megahub for gas processing and exports,” said the Minister.

This year, Equatorial Guinea will host the triannual APPO Cape VII Conference & Exhibition (April 1-5, 2019), will promote its available acreage at the Africa Oil & Power Investor Forum (June 11) and Africa Oil & Power Conference in Cape Town (October 2-4) and will hold the GECF 5th Gas Summit (November 26-29, 2019), the first time the event is being held on the African continent.
Equipment sales remain under pressure

Plant equipment sales remained largely unchanged recording a decline of just 21 units over last year’s figure of 1455 machines sold during the third quarter of 2018.

Lawrence Peters, Construction and Mining Equipment Suppliers Association (CONMESSA) chairman said there is little growth and the industry needs stimulus. Despite the flatline trend of the last few years, he says the industry is still buoyant and working hard to support the construction and mining industries which it serves.

“The economy is battling, and consumers are hard-pressed to continue selling at a sustainable pace.

Throughout the market we are finding that it is an ‘up-and-down affair’ with localised growth and sectors within each industry that are doing better or worse than others,” said Peters

Peters cited that it’s a tough year ahead, similarly flat with a possible upturn later in the year.

“Considering the industry does not respond immediately to market conditions due to long planning and tendering processes any upturn will only be felt towards the end of the year.

Added to this, weakening and fluctuating exchange rates are making pricing difficult and makes competitiveness in terms of pricing difficult to predict,” said Peters. Along with other executive members of the association, who are elected from member companies within the association, Peters represents ELB Equipment, which has exposure in nearly all sectors of the mining and construction industries and has experienced similar ups-and-downs.

Overall however, the company has seen an improvement in sales in the mining sector while construction industry sales have trended slightly downwards.

Dale Oldridge, representing Bell Equipment, says overall the company has experienced steady sales with a slight drop-off in some sectors which has been buoyed by better-than-expected sales in the mining sector.

“We are not sure what next year has lined-up for the industry and are taking a conservative approach. As a result, we are quite risk averse and we not sitting on massive stock of equipment.”

Jacqueline Aitken, representing Bobcat South Africa, says the company is still doing well in the skidsteer range although there has been a decline in cash deals.

Simultaneously, finance for equipment over R800 000 is becoming more difficult and although the company has a healthy order book, it is subject to obtaining finance.

As a result, she says the company has to deal with more finance institutions to ensure customers have a fair chance of obtaining credit based on their financial record with their own banks.

“For us the demand is there, but finance is not readily available.”

Calvin Fennell, representing Wirtgen South Africa, says sales have been slightly better than last year. With its focus almost exclusively on road technology and compaction, sales have been constrained due to fewer road building projects taking place, but steady.

“With no big projects on the cards we predict next year will be similarly tough. Also, smaller construction firms are coming to the fore and which means that their capacity to finance equipment is based on existing contracts constrained which means their capacity to finance equipment for big projects is mostly constrained.

This will be a challenge to overcome in the future,” he said.
GoldenCrimp 420 enters the market

Manuli Hydraulics’ GoldenCrimp 420 sets new standards for resilience and reliability offering the performance and adaptability that is vital in modern hose assembly operations.

The hose assembly machine developed after many years’ experience in some of the world’s toughest mining workshops survive the rigors of both transport and operation in the harshest of environments.

The machines split design architecture allows for easy handling and transportation whilst protected cylinders ensure trouble free performance even in high dust environments.

According to the manufacturers the GoldenCrimp 420 is also highly adaptable with a large opening suitable for large bore hoses and an extensive range of die sets for crimping both hydraulic and industrial hoses.

In addition, it can also be operated as a standard benchtop machine or in a space saving configuration where the power-pack is located remotely from the head ensuring a minimum of bench space is required.

Manuli Hydraulics is focused on achieving excellence in the design, manufacture and supply of fluid conveyance solutions, components and associated equipment for high pressure hydraulics, refrigeration and oil and marine applications.

With manufacturing facilities located throughout the world, Manuli Hydraulics has over 2,000 employees supported by global sales and marketing headquartered in Manchester, United Kingdom.
Industry Innovation

Vehicle manufacturers join forces

The International Council on Mining and Metals (ICMM) and leading suppliers have embarked on an ambitious plan to make mining vehicles cleaner and safer.

The Innovation for Cleaner Safer Vehicles (ICSV) programme brings together 27 of the world’s leading mining companies and some of the best-known truck and mining equipment suppliers to accelerate innovation and develop a new generation of mine vehicles.

The ICSV programme aims to introduce greenhouse gas emission-free surface mining vehicles by 2040 and minimise the operational impact of diesel exhaust by 2025.

In addition, make collision avoidance technology available to mining companies by 2025.

The initiative has CEO-level support within all participating mining companies and equipment manufacturers and is expected to benefit the entire mining sector, not just ICMM members and is open to other equipment manufacturers who would like to join.

“This new collaboration between ICMM and the world’s leading mining equipment manufacturers will drive innovation to help us tackle global warming and improve mine safety.

We hope that this ambitious programme will lead to the development of a new generation of cleaner safer vehicles, and we look forward to working with our new partners,” said Tom Butler, ICMM’s Chief Executive Officer.

Butler says ICMM is focused on improving the safety, social and environmental performance of the mining and metals industry.

“The launch of the ICSV programme is a practical example of how our members are mining with principles to tackle the major social and environmental issues that affect us all.

“This collaboration will deliver more together than any individual company could achieve on its own and shows how the metals and mining industry can act as a catalyst for change.”

Meanwhile Denise Johnson, Caterpillar Group President, Resource Industries said from the collaboration between such a range of mining companies and suppliers can further the safety and environmental performance of mobile mining equipment.

The programme is guided by a CEO advisory group comprising six representatives, three from ICMM member companies: Andrew Mackenzie (CEO, BHP), David Garofalo (CEO, Goldcorp) and Nick Holland (CEO, Gold Fields), and three from participating suppliers: Denise Johnson (Group President, Resource Industries, Caterpillar), Max Moriyama (President, Mining Business Division, Komatsu Ltd), and Lars Engström (President, Sandvik Mining and Rock Technology).
DON’T MOVE MOUNTAINS. COVER THEM.

Take stock of your stockpile. It rivals nearby peaks. It moves production while remaining decidedly immovable. You’d call it serene, even beautiful, if it wasn’t dusty. So how do you contain a mountain? You give it a dome. You build right over it. A strong gridshell rises around and over your mountain from base to apex. Once the gridshell is clad in metal, the dust settles. Your mountain is beautiful. And that sound of music is production humming along.

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Eng. Jeremiah Marwa
jeremiah.marwa@nabaki.com

Eng. Maria Mwanamaziku
maria.mwanamaziku@nabaki.com

0754 765 508 | info@nabaki.com
Branches: Arusha, Mikocheni, Masaki, Mbezi, Kariakoo

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