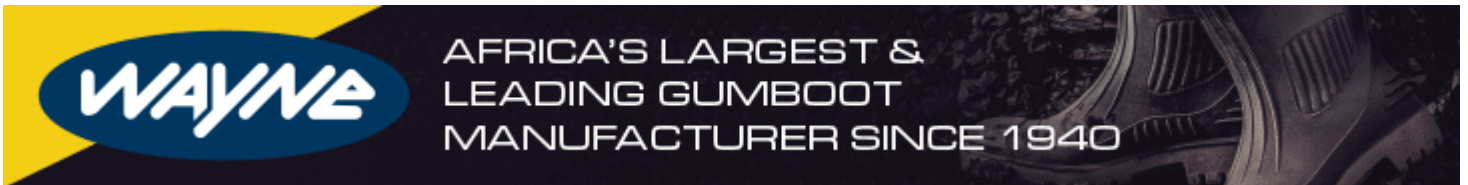




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News

Acacia to relocate core functions to Tanzania in 2019



Laurence M. Stevens • Sep 20, 2018 Last Updated: Sep 20, 2018 0 2 minutes read

A acacia Mining plans to relocate core business functions to Tanzania mid 2019 being part of localisation strategy expected to open more job opportunities for Tanzanians and business opportunities for local suppliers.

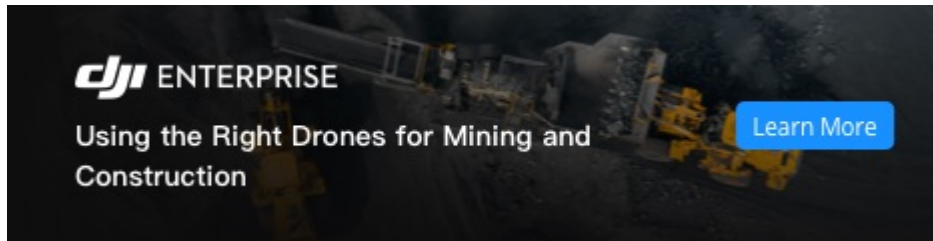
The gold mining firm said in a statement that supply chain, sales and payroll will be relocated into the country and will be based mainly in Dar es Salaam or, where it makes business sense, at each operating mine in the Lake Zone.

“Under the next phase of the transition plan the remaining areas of Supply Chain and Sales functions, as well as the vast majority of Payroll functions, will relocate to Tanzania by the middle of 2019.

Once complete, the transfer will mean that core business support to the North Mara, Bulyanhulu and Buzwagi mines will be situated within Tanzania,” the statement partly reads.

Following the transition, staff and functions located outside Tanzania will mainly be servicing the Acacia Group corporate function, and its exploration requirements elsewhere in Africa.

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“These changes are part of our long-term strategy where we aim to have our Tanzanian assets being led and operated by Tanzanian employees from within Tanzania. Under this strategy Asa Mwaipopo was appointed as Managing Director – Tanzania in February this year to oversee our operations in Tanzania while, at site level, of 16 managers across all three mines, 12 are Tanzanian nationals.

“Over the last five years we have reduced our international workforce in Tanzania by 85 percent and the current transition will result in a more than 50 percent reduction in the number of employees remaining outside Tanzania.”

“The Acacia Group continues to progress a number of strategies within its Supply Chain function with a view to further increasing over the next six months its annual spend with Tanzanian-owned businesses, the statement reads.

According to the statement, the mining firm has always maintained a policy of sourcing local first, where economically viable, and the plans form part of its businesses’ continued efforts to grow their annual spend with Tanzanian suppliers.

“Based on our current plans, we expect that by Q1 2019 we will achieve a further 10 percent increase in our total annual spend with suppliers that are Tanzanian-owned. This will take the Group’s annual spend with Tanzanian-owned businesses on goods and services – including construction materials, fuel and lubricants, as well as internet and security services – to US\$170 million.

“Furthermore, if the Bulyanhulu mine were to restart in future, and is running at full capacity, we expect a significant further increase in our annual local spend. From 2016 to date the Acacia Group has spent US\$500 million with Tanzanian-owned suppliers.

It is expected that the relocation plans will further underscore Acacia’s long-term commitment and contribution to Tanzania where since the inception of businesses, over 15 years ago, the Acacia Group and its predecessors have invested over US\$4 billion into Tanzania, a further US\$75 million into local communities and paid over US\$1 billion in taxes and royalties.

Statistics by the mining firm show during the first half of this year, Acacia Group companies in Tanzania have paid a total of US\$67.1 million in Tanzanian taxes and royalties. This comprised US\$19.1 million of provisional corporate income tax payments, a final 2017 corporate income tax payment of US\$4.2 million, royalties of US\$25.7 million, payroll taxes of US\$13.0 million and other taxes of US\$5.1 million.

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