ENSURING APPROPRIATE LOCAL CONTENT
ARRANGEMENTS IN NATURAL RESOURCES
EXPLOITATION: DRAWING EXPERIENCE FROM THE
TANZANIA'S EXTRACTIVE SECTOR

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**ABSTRACT** 

This paper describes local content as a government tool intended to ensure increased participation of local population in accessing benefits from investment projects which are carried within their vicinities. However, in order for this tool to yield the expected positive significant impact, it is necessary that appropriate arrangements are established to regulate a particular investment project.

This paper studies the elements of local content generally and the local content arrangements of the Tanzania's extractive sector, how they facilitate the local population to archive the benefits which are available in the extractive investment projects. The paper unearths critical issues in the performance of local content for economy's growth and for improving the conditions of living. The author concludes with the way forward to improve the functioning of local content. This paper contains an evolution of ideas as contained in the author's Ph.D. Thesis at the St. Augustine University of Tanzania.

**Key words**: Local content; local population; increased participation; arrangements; investment project; natural resources; benefits.

GENERAL OVERVIEW AND ORIGIN OF LOCAL CONTENT

Local content signifies the want of increased participation of the local population in accessing greater advantages and profits (herein referred to as benefits) that are available from projects which operate in their vicinities. This idea which positions the local population to utilize the

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possible benefits from projects which are carried within their vicinities is linked with people's contention over the use of natural resources. Many natural resource-rich states require that exploitation of resources should benefit their countries and the people.<sup>i</sup> This argument is established with the view that natural resources are considered by many resource-rich countries, especially former colonies and developing countries as the common heritage of the people.<sup>ii</sup> So basing on that reasoning stakeholders propose that all arrangements over the use

of these resources should aim at benefiting the country and the local population who are the

of these resources should aim at benefiting the country and the local population who are the

owners of these resources.iii

Stakeholders desire that investment policies, including the legal framework must facilitate the country and its people to obtain maximum benefits from their exploited natural resources. Scholars, such as Magogo<sup>iv</sup> concedes for such arrangements in the natural resources sector of Tanzania. He adds that it is significant for the investment legal framework of the mineral and

petroleum sectors to consider the interests of the people a paramount.

Magogo<sup>v</sup> recommends that when it has appeared that investment arrangements on natural resources do not suggest for the interests of the people, efforts should be done including that of re-negotiating for change of terms, especially when such arrangements fall within the framework of concluded state-investor agreements (or investment contracts as popularly known). He suggests that if such arrangements embody concluded multilateral or bilateral investment treaties, which is generally the case in many former colonies and developing countries including Tanzania, countries should refrain from such investment treaties. Furthermore, if the said arrangements are evident in the domestic legal framework, countries must be brave to establish legislative provisions which articulate appropriately for the interests of the people.

All-natural resource-rich countries should enact laws which facilitate increased participation of their nationals in the investment activities which are conducted within their areas. Always these countries must endeavor to amend laws which conflict with the interests of the people or which do not sustain such interests.

It is important to note that the law should facilitate for the realization of people's expectations in natural resources exploitation in order for these resources to contribute significantly to improve the economy and the conditions of living. vi It is most important however that country

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should guarantee effective policies which ensure increased participation of nationals in

harnessing the benefits which are available in the exploitation of their resources. This is

essentially the content of local content and it features considerably in the extractive projects.

Until now there is no conventional meaning on the concept of local content. The definition of

local content embraces several dimensions. Its scope and depth have varied from sector to

sector. Despite the fact that local content is highly discussed in the extractive sector, mining

and petroleum in particular, it is not limited only to these two sectors. It has been and is still

being broadly used irrespective of countries' income levels. vii

There is available literature which defines local content globally. In the Nigerian context for

example, local content is being defined as:

...the quantum composite value added or created in the Nigerian economy

through the utilization of Nigerian human and material resources for the

provision of goods and services to the petroleum industry. viii

The above definition may be criticized as being of more theory, more of a text book than what

is found in practice. Local content has acquired much of its importance in Ghanaian context as

well. In Ghana the concept of 'local local' is made to companies, that is, those local investments

positioned in the mining sites. This concept of 'local local' focuses more on the desire to make

use of local endowments basically to promoting positive transformation of the local population.

As presented by Gbegi and Adebisi, ix Chief Tony Obuaya defines local content in two ways:

...a set of deliberate orientation and actions to build domestic capacity relevant

for service and product delivery comparable within that industry" and "an

opportunity to locally build a sustainable culture of service quality and

capabilities exceeding customers expectations and comparable to international

standards through key local personnel's and management.

The two definitions above appear to be more of scholarly. They are precise and

analytical. They add more insights into the manner in which local content policy could

be scrutinized.

The Local Content Policy of 2014<sup>x</sup> of Tanzania defines local content as:

...the added value brought to the country in the activities of the oil and gas industry ... through the participation and development of local Tanzanians and local businesses through national labour, technology, goods, services, capital and research capability.

The Petroleum Act, 2015xi of Tanzania defines local content as follows:

...the quantum of composite value added to, or created in, the economy of Tanzania through deliberate utilization of Tanzanian human and material resources and services in the petroleum operations in order to stimulate the development of capabilities indigenous of Tanzania and to encourage local investment and participation.

Studies, particularly Gbegi and Adebisi<sup>xii</sup> portray that local content acquires old thoughts. It has existed longer in other jurisdictions. Gbegi and Adebisi<sup>xiii</sup> observe that local content has been referred to as community content, with an intention to recognize the way oil and gas products from development companies can compete from point of view of local strategies and country's legal framework.<sup>xiv</sup>

The idea in the above paragraph relates with concerns brought by former colonies and developing countries in 1950's regarding their economic sovereignty over natural resources.<sup>xv</sup> Former colonies and developing countries have contended that for a long period of time they have not benefited from foreign investments which operate in their natural resources.<sup>xvi</sup> This argument still holds.<sup>xvii</sup> Host nations and national extractive companies expound their demand for an increased contribution to the local economy and community development.<sup>xviii</sup> As of today it is recommended that business success depends upon the ability of companies to develop local talents, building a competitive local suppliers base, and deliver lasting socioeconomic benefits to the areas where they operate.<sup>xix</sup>

The thought about local content is based on the assumption that if nationals, especially local communities are provided with ample opportunity to have directly participated in investment projects that are established within their vicinities, such as mining and petroleum projects, their

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developmental needs and objectives, including their living standards and economies would

have been raised.

COMMON AREAS OF LOCAL CONTENT

The general account above on local content portrays the five concepts, which even though can

be explained differently they are the decisive component parts of the whole of the notion of

local content. These five concepts are: free carried interest or state participation, which is

sometimes also known as government investment; corporate social responsibility (CSR);

employment, training and transfer of technology; value addition; and empowerment. Such

elements are acknowledged as areas of local content.

FREE CARRIED INTEREST

Free carried interest is a concept which designates increased participation of state in the

exploitation of natural resources. It is a notion which generally addresses ownership of

extractive resources by a state as a determinant factor for the realization of maximum benefits. xx

Sometimes it is called state participation or government investment.

McPherson<sup>xxi</sup> affirms that the thought concerning free carried interest has existed for so long

in the advancement of the extractive investments, mining and petroleum in particular.

According to McPherson the passion on state participation in mining and petroleum projects

has developed, and even proved to be an important in the exploitation of natural resources,

especially in resource-rich emerging economies and transitional economies for their benefits.

Free carried interest or state participation carries a broader thought. However, in a very

simplified definition free carried interest or state participation means a range of percentage of

equity participation. Equity participation of state can be through partial, carried equity

arrangements, or can extend further to cover equity participation with no financially viable

commitments.xxii

For natural resource-rich states having interests to participate in the exploitation of mineral and

petroleum resources is considered significant. It becomes imperative due to the weight which

these resources carry to cause improved socio-economic conditions in the society.

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Many resource rich communities have recognized the mining and petroleum sectors as the powerful sectors of their economies. They lean on states to exercise great control to ensure that resources exploitation enhances the maximum benefits. The importance of mineral and petroleum resources to economies compels states to adopt unique strategies which ensure that their exploitation provide adequate opportunity for the country and its people to obtain the maximum possible benefits.

For that reason different countries have done every possible means to ensure that the national interests in the extractive sector are not exclusively owned by foreign companies. Some countries have put down laws which allow direct participation of the national companies (either mining or petroleum companies) in the commercial activities of the mining and petroleum sectors. Under these arrangements state participation can either be through joint ventures with foreign companies, or to open equity to local partners to obtain licence. Argentina and Mexico for example, are noted by being the first countries in world to have the direct participation of their companies (Yacimientos Petroliferosfiscales (YPF) and PetroleosMexicanos (PEMEX) respectively) in petroleum investment businesses since 1920s and 1930s.\*\*

Tanzania has opted for these arrangements in its mineral and petroleum sectors as well. Botswana has also opted for the same arrangements in its mineral sector. Brazil had opted for these arrangements before, but now accepts foreign ownership of extractive resources.

There are those countries who have considered local ownership of extractive resources as the best approach for benefiting from their extractive resources. They have put down laws which limit foreign ownership of their extractive resources. Good examples of these countries include Nigeria, Uganda, Angola and Ghana.\*\* Still there are other countries which do not consider any of the two described legal arrangements in their extractive resources sectors. To these countries, ownership of extractive resources is not a determinant factor for benefiting. They have put down legal arrangements which allow a total ownership of their natural resources by either foreign companies or local companies. What they consider is just the capacity of investors and not their nationality. Sometimes the laws of these countries are soft; they allow local companies to take shares in the business at a later stage, at elective basis. Norway is one of these countries.\*\* Tanzania has been doing the same in its mining investment, though some

initiatives are being done which consider local ownership as the best approach. This is revealed in its Natural Wealth and Resources (Permanent Sovereignty) Act, of 2017. xxvii

Depending on country arrangements, there are mainly four major forms of state participation in the natural resources exploitation. These are: full equity participation, production sharing, free equity participation and carried equity participation.

Full equity participation could involve a state carrying investment though its national company without private sector involvement, or investing with private investor from the initial stages of operation as contracted by parties. This could possibly be on joint venture agreement depending on the decided method of distribution of shares between parties. Production sharing involves an active participation of equity, participation of equity is granted to the state directly and with no fiscal commitments on part of the private investor. Carried equity participation may take dissimilar forms. However, the most common form is the one where private investor carries or pays to the national oil company or the state mining company (sometimes called National Mining Corporation) equity shares from early stages of the investment project. This is mostly done in the mining sector.

Generally, with regard to state participation, there has been a move in different resource-rich countries of increasing their participation in mineral and petroleum investment activities. It is stated that the 39 countries which are identified by IMF as currently or potentially petroleum-rich have provided for direct state participation under a variety of modus operandi. These countries include Algeria, Angola, Azerbaijan, Bahrain, Brunei Darussalam, Cameroon, Colombia, Iran, Iraq, Kuwait, Libya, Mexico, Nigeria, Norway, Oman, Qatar, Russia, Saudi Arabia, United Arab Emirates, and Venezuela.

### CORPORATE SOCIAL RESPONSIBILITY (CSR)

The concept of Corporate Social Responsibility (CSR) is another concept in the study of local content. Reviewed studies show difference among scholars in the conceptualization and construction of corporate social responsibility (CSR) across industrial sectors, and geographical contexts.<sup>xxx</sup> There are incongruities among scholars studying CSR on the definition of CSR.<sup>xxxi</sup> There is however a common mind among scholars which put down the proposition that corporations form the primary part of societies for their significant role that

they play in the advancement of the population in which they work. \*\*xxxii\* This was the idea that

has had driven the concept of CSR.

Thus, in spite of the difficulties in defining the concept of CSR, mostly due to the level of

abstraction of the word social, which have caused problems to scholars, to determine and

evaluate corporations' contribution to the livelihood of society, xxxiii there are still attempts to

define the concept. The first attempt to define CSR was made by the World Business Council

for Sustainable Development (WBCSD), where CSR is defined as the business behaving

ethically while contributing to the economic development of its employees and the broader

community.xxxiv

The World Bank's working definition of CSR includes the following:

CSR is the continuing commitment by business to behave ethically and

contribute to economic development while improving the quality of life of the

workforce and their families, as well as of the local community and society at

large.xxxv

Carroll has confined CSR in the four components as follows:

The total corporate social responsibility of business entails the simultaneous

fulfillment of the firm's economic, legal, ethical and philanthropic

responsibilities.xxxvi

Scholars such as Burton (et al.), xxxvii explain how values that are emphasized by different

cultures affect society expectations from institutions and the role of institutions within the

society. The concept of CSR had extended to corporations participation in providing solutions

to socio-economic challenges in local communities. Currently CSR is being embraced by many

corporations, mostly multilateral extractive companies.

Ideas of the many countries, especially developing African countries propose that CSR

programs provide solutions related to resolving poor governmental and low levels of state

provision of public services, human rights protection and environmental protection. xxxviii They

consider CSR as beneficial when they are engaged in programs related to access to water,

medical care and education, infrastructure and energy.

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Literature advances that the construction of CSR from developed countries could not necessary become relevant or transferable to developing countries where business, political, economic and social environment differed considerably. It is necessary to contextualize CSR in developing countries both, in terms of corporations' ethical demands and societal expectations of corporations' accountability.

Sincerely CRS as a concept has become functional, especially where there is established good relationship between the investment company and the local population in which the project is operating. Unlike in the previous era, where CSR programs have had organized in corporation's head-quarters, it is important that CSR programs aim for the greater engagement at local community level.<sup>x1</sup>

There have been challenges regarding the practicability of CSR. Some scholars argue that practically CSR do not address the important problems of local communities in which investment corporations operate, instead it has concerned with stakeholders in developed economies. It is presented that CSR do not effectively hold the most important and sound effects of business activity on local communities. CSR is simply viewed as an attempt to buy off the community and create space goes with business as usual. For instance, building recreation hall or town hall or health clinic in a mining community where the most apparent impact of mining activity is large-scale environmental degradation or forced relocation of villagers or poor sanitation might be viewed as simply an attempt to buy off the community as the program does not address the most obvious negative consequence of mining.

Of all the cases, it is opined that to address the significant positive impact to community, CSR must acquire its force from country specific legal framework related to the planned investment project. It can acquire force from law or from any designed forms that allow community engagement. It can also be done in a form of community-investor social contract. This suggestion is made with knowledge that it is the community that understands its development needs and objectives, and whether such needs and objectives require mediate or immediate solutions than the investor.

Yakovleva and Vazquez, xli explain that CSR arrangements have become successful in the investments of the extractive sector in Argentina. The reason for this success is that in this jurisdiction CSR is a negotiable issue between extractive investors and the local communities,

where these communities through local stakeholders address important social, environmental and economic issues associated with investment.

The essence of CSR therefore could be summarized as follows; it is the commitments which investment companies, especially extractive companies are required to carry out, to contribute to improve the socio-economic growth of the local communities in which these companies have established their projects. The concept of CSR offers the indirect benefits which investments in the extractive sectors are obliged to give to local communities. It could be by way of empowering these local communities or any better ways that could make possible for them to obtain the maximally possible benefits they are entitled to receive. It is important that investment companies, especially extractive companies contribute in addressing developmental issues of local communities in which they operate. This establishes a very good relationship because these are the host communities of the investment projects.

Exploitation of natural resources is considered as a golden opportunity to localize supply chains where varying technologies and inputs are needed and used to add value to locally produced goods and services. Investment companies are expected to transfer their technologies to nationals to cause positive impact to local technologies and to locally produced goods and services. By so doing companies will be building local capacities.

## EMPLOYMENT, TRAINING AND TRANSFER OF TECHNOLOGY

Investments in the extractive sector, especially mineral and petroleum sectors are expected to create enough job opportunities for nationals. Those nationals will be employed at different stages of the value chain, and at different levels of competencies. This is an opportunity to ensure that local population are getting employed, and trained as efforts to build their ability and transfer of know-how and technologies for good succession plans. It is required under the concept of local content that investments should bring in some level of technology or knowledge to the local population. Legal arrangements in the exploitation of natural resources therefore should focus to getting more involvement of nationals in projects such as research and development (R&D) projects, with purpose to building their capacity and for local companies to benefit from technology. The second stage of the second sec

#### VALUE ADDITION

Value addition is another concept in the study of local content. It is defined in the Mining (Local Content) Regulations, 2018 as the economic improvement of a product or service in the mining industry. \*\*Ivi\*This is also the idea that prevails in the petroleum sector, that is, economic improvement of a product or service in the petroleum industry. \*\*Ivi\*\* It is suggested by Amoako-Tuffour (etal.)\*\*Ivi\*\* that local content and value addition is used as one of the methods to increase benefits in natural resource exploitation. \*\*Iix\*\* In fact value addition in the extractive sector aims at increasing additional economic prospects to domestic extracted raw materials, goods and services by the use of new technology and skills. It increases the economic quality and standards of locally available materials, produced goods and services to attract competitiveness at the international market.

Value addition is typically rooted in the want of transformation of locally available raw materials, goods and service to the better-worth in the economic value chain. In the mining sector for example, by value addition extracted gold increases the payback. Value addition involves contemplation of the whole value chain in the extractive investments. It starts from the exploration, to extraction, processing, beneficiation, fabrication and marketing. It is expected that with new technology the percentage of locally available raw materials will be further transformed or beneficiated to attract international competitiveness. In

#### **EMPOWERMENT**

Empowerment as a concept in natural resources exploitation implies creation of awareness of individual persons, particularly the marginalized groups in the extractive projects for the purpose of increasing their participation in the control of natural resources exploitation.

The concept of empowerment suggests for the facilitation of the marginalized groups: women and people living with disabilities to gain much power to be able to participate actively in the governance of their resources with the goal to obtain maximum benefit. It entails the ideas that for the marginalized groups to be able to benefits it is necessary that they become acquainted with knowledge about their undeniable rights and to empower them to be able to claim for these rights as defined in different legal instruments.

The concept of empowerment call for stakeholders to design ways favorable to building capacity of local people especially the women and people living with disabilities to be enabled to benefit from their natural resources. It articulates further that designed legal frameworks in governance of natural resources exploitation should embrace local cultural practices and values. liv

# THE PRACTICE OF LOCAL CONTENT IN TANZANIA'S EXTRACTIVE SECTOR AND ITS CHALLENGES

Tanzania agrees that to pursue local content, that is, to deliver benefits from mining and petroleum investments to local communities is no longer the wish or choice of companies; it is a commercial necessity and one that is increasingly mandated by law. Notwithstanding the existing provisions in the Mining and Petroleum Acts on local content, vi the government has adopted regulations, namely; the Mining (Local Content) Regulations, 2018 and the Petroleum (Local Content) Regulations, 2017 viii in its mineral and petroleum sectors respectively. These regulations have identified similar areas of local content in their respective sectors, which are: use of local materials, human resources, goods and services available in the host state; succession plans, research and development plans; employment, training and technological transfer; and insurance services, legal services, and financial services.

The government of Tanzania is aware that in this new competitive panorama of diminishing supply and increasing demand for mineral and energy resources, corporations, especially those in the extractive sector face rising expectations to do more than simply mitigate negative impacts, serve as sources of tax or royalty revenue and as good neighbours. In view of these propositions, local content initiatives in the country aim at setting mechanisms that will enable local communities tape the opportunities to manage, supply goods, services and labour to enable these communities to obtain the greatest benefits. One mechanism that ensures this is to develop more experts, (human capacities) including transfer of technology for competitive, capable and sustainable local labour.

The government has identified local content policy issues to be among the things the extractive sectors in collaboration with the government need to undertake. Identified local content policy

issues are found in the Local Content Policy of 2014, and the Natural Gas Policy of 2013 and they include the following:

- developing a baseline data/information to identify the current capacity and capabilities for Tanzanians to be employed and owned companies to become suppliers;
- (ii) developing needs assessment of the required capacities to deploy the Tanzania experts in the oil and gas industry;
- (iii) identifying the areas in which there is no capacity and capabilities and it will not be sustainable for Tanzania to have such a category in place;
- (iv) identifying potential partner companies who support our strategy and will help deliver it; and
- (v) identifying ways in which this development will be reported, monitored, measured and evaluated through a regulated framework for local content with aim of continuous improvement. lix

The Natural Gas Policy of 2013 asserts precisely that natural resources in Tanzania belong to Tanzanians, and must be managed in a way that benefits the entire Tanzanian society. This statement forms the basis for practice of local content in the natural resources sector.

In view of the Local Content Policy of 2014, local content is aiming at achieving the following objectives:

- devising local content implementation strategies for the development of competitive, capable and sustainable local labour, generating and promoting adequate supply of local workforce with the necessary knowledge and skills;
- (ii) developing strategies for fostering the transfer of technology and knowledge, to invest heavily in research and development to seize the high caliber opportunities in the oil and gas industry; and
- (iii) to set a mechanism that will enable Tanzanians and their businesses to tap the opportunities to manage, supply goods, services and labour. <sup>lx</sup>

In addition, the Mining (Local Content) Regulations, 2018 provides for objectives of local content specifically in the mining sector, which include the following:

- (i) to promote the maximization of value-addition, job creation through the use of local expertise, goods and services, business and financing;
- (ii) skills transfer and expertise development, transfer of technology and know-how, and active research and development;
- (iii) develop local capacities in the mining industry value chain;
- (iv) achieve the minimum local employment level and in-country spend for the provision of goods and services;
- (v) increase the capability and international competitiveness of domestic business, and
- (vi) achieve and maintain a degree of control by Tanzanians over development initiatives for local stakeholders. lxi

Ramdoo<sup>lxii</sup> discovers commonly four challenges that have enabled the use of local content in resource rich countries: one is the over reliance on natural resources with respect to their contributions to national income, foreign exchange and export; two is the paradox of plenty, that is, unacceptably high prevalence of poverty and inequality amid an abundance of resource riches; three is to mitigate and manage social and political risks due to rising expectations for a better and more equitable distribution of wealth; and four is the need to create more job opportunities, given the capital-intensiveness of the extractive sector.

Even though there are good legal and policy arrangements on local content in the mineral and petroleum sectors of Tanzania, it is observed that there are still a number of issues which require immediate response for local content development in the country.

It is important for the government to extend the application of local content into other public and industrial policies of the different economic sectors than concentrating on the extractive sector alone. The advantage of inclusion of local content policies in other public sectors is noticeable. It will generate more forecasted macroeconomic environment, increase the reliability of institutions and the legal system. It will provide incentives to enhance sound business practices generate more-enabling infrastructure for business development and enhance social structure, which would contribute to inclusion and participation. [xiii]

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It is similar important for the government to increase local skills, business know-how,

technology, capital market development, and wealth capture and wealth distribution to create

condition for domestic companies to emerge. The industrial policy is another segment which

is conceived with sustainable economic development. Industrial policies concentrate on the

efforts, which could facilitate the participation of locally owned firms in the domestic

petroleum and mining activities competitively.

The government still faces a number of challenges in managing local content in its extractive

sector. Such challenges include lack of improved educational infrastructure, lack of stimulating

government regulatory framework especially on investment dispute settlement, deficient

infrastructural facilities, lack of adequate finance, insufficient pertinent technical expertise and

unhelpful multinational company's attitude, corruption and mismanagement, and lack of

appropriate materials.

Other challenges are: inadequate or inappropriate industrial skills in local community to meet

company needs, insufficient coordination with internal and external stakeholders, complex

procedures and costs for small to medium sized local business associated with procurement

prequalification requirements, lack of strong relationships between the extractive sector and

communities, and prerequisite integration of the local content for the extractive sector with

other economic sectors and ineffective enforcement legal provisions on failure to comply with

local content requirements.

RECOMMENDATION

As far as this paper is concerned, we commend on how the government is performing to

improve local infrastructure, including public utilities such as roads, railways, and air transport,

telecommunications electricity and water supply as business development infrastructure.

However, ensuring the availability of certain conditions such as information technology, local

company's needs, standards, social, education, in the local extractive industry is vital.

Some particular government policies like investment policies, land policies, tax policies, and

environmental policies owe significant impact on ensuring competitive environment for local

content development. The government should continue working to improve local capability. It

is necessary to improve local capabilities with education, training, and sharing expertise,

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transfer of technology and know-how and to actively invest in research and in manufacturing and services. The government should adopt local policies which appreciate and encourage foreign firms to collaborate with local companies to give impulses and create dynamics to the development of indigenous firms. We uphold and acknowledge government efforts to improve local content reached in the current concluded investment contracts in the mining industry with Barrick mining company. However, we recommend for such measures in other sectors of the economy as well. The government should establish strong relationships among political, infrastructure, environmental and local capability which results to economic growth, industrial growth and spillover impacts. Advanced level of local content will significantly contribute to country's economy by creating and developing value added activities and competitiveness by intentional standards.

We are of the view that to improve local content in the country for the main purpose of ensuring maximum benefits from investment projects, the government must adopt more attractive and suitable measures on fiscal policies, legal and institutional frameworks which reflect local content issues. Support for local content policies must be nation-wide. Efforts should be done of ensuring that local content objectives are known, accepted and integrated in every operator's business plan. Through this way local content will be made functional and its significant positive impact to country's economic growth and to improve people's living conditions will be revealed.

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