

May 20th, 2015 [The Daily Nation](#)
TALKING POINT

Kenya Fluorspar has good relations with ministry and has paid all levies

Kenya Fluorspar Company views with concern the inaccurate and misleading statements made about our company and its relations with the Ministry of Mining in some Kenyan media.

There is no dispute between the Ministry of Mining and Kenya Fluorspar company on payments, levies, taxes, or failure to pay monies owed on our mining operations. Mining Cabinet Secretary Najib Balala has confirmed this.

We do not owe the local community compensation for mining right over our 9,070 acres lease area. The land belongs to the Kenyan Government, which acquired it from the local Kerio Valley community in the early 1970s. We lease our mining area from the government under a special mining lease.

Kenya Fluorspar Company has always paid the royalties prescribed by the government, which gazette royalty at 2 per cent for fluorspar (not 10 per cent, as alleged by some of the media). Based on its gross sales and since July 1, 2013 to the end of December, 2014, Kenya Fluorspar Company has paid royalty totalling Sh57.699 million or \$635,000 to the ministry.

Between 2011 and 2014 the company's average annual sales were Sh2.35 billion, not Sh4 billion or \$41 million as was incorrectly stated. Despite net losses recorded for the financial years 2013 and 2014, the company continued with its operations and paid its taxes. During the period 2011 to 2014, Sh705 million was paid to the government in the form of various taxes. Despite many challenges, we have continued to invest in our corporate social responsibility programmes for local communities, averaging Sh55 million per annum in the past two years, spent on schools, clean water, and health care at our medical centre and through our outreach services.

We view the establishment of a task force by Mr Balala as a welcome next step in an ongoing process to help resolve both historical land compensation issues between the government and Kerio Valley residents that predate our operations and issues that arise between sections of the community and us.

Mining companies have a duty to manage their operations efficiently and lawfully. Mining is an important contributor to the generation of wealth and employment in Kenya.

The administration and regulation of the mining industry reflects the government's management of natural resources and impacts on the country's international reputation among investors. It is essential, therefore, that professional media outlets report accurately and responsibly.

– Directors C. Field-Marsham, R. Thyaka, N. Spangenberg, A. Desimone, M. Odera