

Alhaji Mohammed Abbas, Permanent Secretary – Ministry of Mines and Steel Development,

Members of the General Assembly of the ECOWAS Federation of Chambers of Mines (EFEDCOM)

Mr. Chaikou Yaya Diallo, Chairman Executive Council EFEDCOM,

Mr. William Baidoe of the ECOWAS Commission

Presidents of Chambers of Mines and Associations and their representatives present,

President and Chief Executive Officers of Chambers of Mines and Mining Associations,

Friends from the Media,

Distinguished Guests,

Ladies and gentlemen,

1. Today marks another milestone in the rather fledgling history of the ECOWAS Federation of Chambers of Mines. I am delighted because this ceremony will herald our very first General Assembly after the incorporation of our Federation as we put together the final cogs in its establishment as an enviable mining association on the continent. I believe without a shadow of doubt that it is our joint expectation that we will all work assiduously to ensure that the Federation does not become a flash in the pan but blossom to become an enduring organisation that influences national and regional mining and industrial policy. I am certain that it will provide the thought leadership for the transformation of our respective countries and the sub-region's economy on the back of the mineral resources in West Africa.

2. Ladies and gentlemen in recent times, the question of how the mining industry can be leveraged to contribute more deeply and broadly to sustainable development has been at the fore of conversations both globally and nationally. Whilst the industry has generally been seen as a source of rent, it is now being challenged to create the necessary linkages with other sectors of the economy to identify avenues for collaboration to support broad-based economic growth besides the payment of corporate tax, royalties, dividends etc.

3. As has been clearly stipulated in the ECOWAS Minerals Development Policy and the African Mining Vision, deliberate strategies must be adopted by host countries to integrate the mining sector more deeply into the host economy. Research has shown that to optimize the benefit of the mining industry, host countries need to collaborate with players to increase local content which generally falls within these broad categories:
 - a. Local procurement
 - b. Local Employment
 - c. Local Project Financing
 - d. Local Equity Financing and
 - e. Local Value addition.

4. Ladies and gentlemen, sustaining the growth of the mining industry in the sub-region in a manner that ensures broad based socioeconomic development requires the commitment of governments of our member states to implement policies that will ensure progress on each of the elements of local content afore-cited.

5. We cannot underestimate the importance of our collaborative efforts in reinforcing West Africa as the hub of mining in Africa. Now more than ever

before, West Africa is attracting significant investments into its mining industry, which is indicative of the prospectivity of the sub region.

6. Statistics on global production indicates that gold output from Africa rose by 2 per cent, from 575 tonnes to 587 tonnes in 2016. Asia continued to be the largest producer of gold with a share of 28 per cent followed closely by Africa with 18 per cent. The growth in Africa's gold output emanated mainly from expansion in production in Sudan and Burkina Faso, which are not traditional mining countries.
- 7.
8. It is interesting to note that of the top 10 gold mining countries in Africa by Production, five are from West Africa. The key question is therefore: How can we leverage the heightened interest and exploitation of West Africa's mineral resources for its economic transformation?
9. No doubt African countries need to create the enabling environment for the economic transformation to be achieved. Notably among these are reliable, cost-effective infrastructure including rail, road and sea transport as well as energy in the form of power and diesel. Whilst host governments should lead the way, the private sector also has a critical role to play: the least of which is to leverage its aggregate demand for inputs to justify local production and service provision. The benefits will filter through the rest of our economies as other sectors will be beneficiaries.
10. Ladies and gentlemen whilst each individual country considers the optimization of local content, it has become clear through research

conducted by various organisations including the Africa Centre for Economic Transformation (ACET) that the individual demands and markets of each country may be too small to justify the scale that will make local production economic and competitive. The recommendation is therefore to consider regional markets.

11. This certainly is in line with the ECOWAS protocols especially on free movement of goods, persons, services and capital. Inherent in the decision of ECOWAS for the imposition of the ECOWAS levy of 5% on imports from outside the sub-region is an in-built competitive advantage for production and trading within the sub-region. It is therefore opportune that through the federation, the Mining Sector in West Africa will be able to pull its resources and engage with its government through the ECOWAS hierarchy to implement policies that leverage the catalytic role of mining for development in the sub-region. As I have repeatedly said mining is not just an extractive activity, it should be a developmental activity.

12. Ladies and gentlemen to realize its development, it is critical that we deliberately connect the dots of mining opportunities to the possibilities and relevant institutions in West Africa. For example, how can we establish relationships between mining and the following in West Africa?
 - i. Stock exchanges in our respective countries and sub-regions – long term financing – pension funds;
 - ii. Raising project finance through local financial institutions; as well as syndications to pull resources and to mitigate risk.

- iii. Bespoke training to ensure the attainment of proficiency in mining and related discipline;
 - iv. Synergistic relationship between Manufacturing & Services and mining to grow the former and how coherent is mining policies to generic industrial and trade policy?
 - v. Adding Value to mineral resources in a manner that creates sustainable value.
13. Items for (iv) and (v) on the issue of availability, quality and cost of energy needs to be addressed by government.
14. However, as stated earlier, the private sector as a responsible player needs to collaborate with identifiable institutions to create more value for our sub-region. For example in Ghana the Chamber has been collaborating with the Association of Ghana Industries on how to harness local manufacturing opportunities in the mining value chain, and I am sure that there are useful lessons that can be shared in each mining country. The Federation therefore provides a platform for the cross-fertilization of ideas and also presents an opportunity for us to collaborate with sister organisations such as the Mining Industry Association of Southern Africa (MIASA) as well as relevant region-wide business associations.
15. The legendary high transaction costs in trading among West Africa are well known. Rather than fretting about it, it is pleasing to know that the private sector in West Africa under their respective Chambers of Commerce is planning a commercial shipping line for the sub-region. It is expected that once in operation it will ease the bottlenecks of road transportation within

the sub-region owing to the uncountable road barriers that invariably increase the cost of doing business in the sub-region. This is a laudable step which needs the support of ECOWAS and the governments of the sub-region.

16. Ladies and gentlemen, the World Bank stated in a 2016 report on the minerals sector that in the recent past, West African countries have demonstrated enormous potential to strengthen competitiveness and increase trade flows, which can drive growth, reduce poverty, and deliver jobs to the region. There's therefore the need for a deliberate approach to make the sub-region the focal point of gold mining.
17. This Federation must therefore focus on building appropriate partnerships with our governments to refocus the current policy approach that dwell almost exclusively on the contribution of the mining industry through taxes. We have a responsibility to partner our member states to explore innovative ways in which mines can become more closely integrated with local and regional economies. I am convinced that the Federation will have a key role to play in shaping frameworks and guidelines that can be adopted and implemented at the national level.
18. As I conclude, permit me to express my warmest appreciation to our friends from Nigeria –Miners Association of Nigeria and the Abuja Chamber of Commerce and Industry for hosting us so ably. It is my expectation that we will share ideas to bolster the efforts of our respective Chambers to continue to maintain the position of the sub-region as the preferred regional destination for mining investment. Collaborating effectively will surely

REMARKS BY MR. SULEMANU KONEY, EXECUTIVE DIRECTOR OF THE ECOWAS FEDERATION OF CHAMBERS OF MINES AT THE GENERAL ASSEMBLY MEETING HELD AT THE KAPITAL KLUB HOTEL, ASOKORO, ABUJA NIGERIA - ON WEDNESDAY, 5TH JULY, 2017

bring mining companies immense relief to enable them to focus on their core business and provide our governments the needed value to build strong economies for our people.

19. I thank you for your kind attention.

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