

## **EFEDCOM PRESIDENT CALLS FOR MODIFICATION OF LOCAL CONTENT LEGISLATIONS TO ALIGN WITH ECOWAS FRAMEWORK**



### ***Mr. Adam Soro, President of EFEDCOM***

The President of the ECOWAS Federation of Chambers of Mines (EFEDCOM) of West Africa, Mr. Adam Soro, has urged member countries to tailor local content legislations to meet regional industrialization objectives.

According to President Soro, this will provide the critical mass needed to attract investments to support the production of inputs used in the mining industry, which may also be demanded by non-mining sectors.

“Given the efforts to increase regional production and trade through the setting up of the Africa Continental Free Trade Area (AfCFTA), it would be prudent to tailor local content legislation to meet regional industrialization objectives,” he emphasized.

Speaking at the Fourth Annual General Meeting of EFEDCOM held Virtually on November 30, 2023, President Soro explained that, although local content regulations are country-specific, it is a sub-optimal way of leveraging the sub-region’s mineral resources to accelerate industrial development at the regional level.

“We, therefore, urge ECOWAS to consider galvanizing its member states in that regard,” he prayed.

He added that, nearly every government in the sub-region has passed a form of legislation that requires indigenes to participate in a given aspect of the mining business. However, the most popular form of local participation requirements, which are generally known as local content, is in the procurement of goods and services consumed in the production of minerals.

President Soro underscored that the mining industry plays a pivotal role in the ECOWAS economies, contributing significantly to job creation, foreign exchange earnings, and infrastructural development.

“It is imperative that we go the extra mile and work together to ensure that the benefits of this vital sector are equitably distributed, and that its operations adhere to the highest environmental and social standards”, he urged.

### **Gold production**

In the year under review, President Soro recounted that the West Africa sub-region’s contribution to global gold production increased from 557 tonnes in 2021 to 571 tonnes in 2022. The 2.6 percent growth in output was driven primarily by increased production from both small and large-scale miners in nearly every gold-producing country in the sub-region, with Mauritania, Cote d’Ivoire, Ghana, and Mali recording the largest upswing in output.

Again, the gold output of Mali and Burkina Faso outstripped South Africa in 2022, making them the second and third largest producers of gold in Africa respectively. This also implies that four out of the five largest gold producers in Africa, Ghana, Mali, Burkina Faso, and Guinea, are in the sub-region whose Chambers of Mines are members of EFEDCOM. Overall, the sub-region’s share of continental gold production improved from 56 percent in 2021 to 58 percent in 2022 while the analogous share in global gold production was largely unchanged at 16 percent.

According to the EFEDCOM President, the outturns in the volume of diamonds produced and exported by member states of ECOWAS under the Kimberly Process (KP) were mixed. The sub-region’s largest diamond producer, Sierra Leone, recorded a downturn in its output, from 839,225 carats in 2021 to 688,970 carats in 2022.

In the same vein, Guinea’s output fell from 273,321 carats in 2021 to 128,771 in 2022 while that of Liberia declined from 59,404.36 in 2021 to 52,165 in 2022. On the other hand, Ghana’s diamond output rose from 55,100 carats in 2021 to 82,500 carats in 2022.

On the whole, the quantum of diamond production attributable to producers in the sub-region fell from 1.23 million carats to 0.96 million carats in 2022, representing a downturn of 22%. This translated into a reduction in the sub-region’s share of global diamond production from 1 percent in 2021 to 0.8 percent in 2022.

In terms of upcoming projects, president Soro noted that Shandong Gold’s Namdini Gold Mine (planned production of 7.9 tonnes per annum), Newmont’s Ahafo Gold Mine’s (planned production of 10 tonnes per annum), and Atlantic Lithium’s Ewoyaa Mine (planned production of 365,000 tonnes) are the main pipeline projects in Ghana, with production expected to commence in 2024, 2025, and 2025 respectively. Further, the Lafigue Gold Mine of Endeavour Mining in Cote d’Ivoire is expected to achieve commercial production in 2024 while the restarted Simandou Iron Ore Project is anticipated to achieve its first pour by the end of 2023.

### **Environment**

The President reiterated the commitment of the Federation’s member mines to environmental sustainability and therefore strive to adhere to the highest standards of environmental practices.

He added that the mines and member Chambers have undertaken various initiatives to reduce their carbon footprint. For instance, the Ghana Chamber of Mines and its members included a

target of achieving zero greenhouse gas (GHG) emissions by 2050 in their new five-year strategy in 2022.

“We are confident that these initiatives will inspire the governments of our member Federations to accelerate the implementation of their respective GHG emission reduction strategies,” he underscored.

### **Guest Speaker**

Dr. Kojo Busua, Executive Director, Africa Resources Management, Environment and Climate Change Institute was the Guest Speaker. Dr. Busua who spoke on the theme “Sustaining Mining Investment in Africa: A key for Regional Development” highlighted on the state of mining investments in West Africa: exploration and project development and some key challenges facing mining investment in West Africa.

Other issues he addressed were the opportunities for mining investments presented by critical minerals and leveraging the AFCTA for mining investment and developments.