

## Guinea to Mandate Domestic Refining of Bauxite



15 MAY 2017 BY [STAFF](#)

The president of the Republic of Guinea decreed last week that miners who produce over a certain amount of bauxite ore “will be obliged to build an alumina plant.” President Alpha Condé made the remarks in speech at recent mining conference in Guinea’s capital Conakry.

Condé spoke at last week’s Symposium Mines Guinea, the largest mining event in West Africa. Though the event’s theme was “*The Mining Sector: The Key To Transforming The National Economy For The Benefit Of All Actors,*” Condé made waves by immediately and publicly objecting to the premise.

“I apologize, I will start by showing that I do not agree with the minister,” opined Condé. “I have already said that mines can not be the lever for the development of Guinea. We are not in control of commodity prices whose prices are set in London, Washington or Montreal.”

Condé continued by stressing the role he sees for his country’s natural resources in its continuing industrialization. He said the country’s mining sector is “a means of transforming the economy to the benefit of other economic sectors, social sectors and infrastructure development,” necessitating economic reforms to sweeten the country’s business landscape in the eyes of international investors.

He went on to say that, though progress has been made, a great deal of reforms still beckon before the country’s mining sector is ready for prime time. “We have recovered over 800 licenses because if there are people who are licensed, they have the right to keep the license for two years and renew once,” Condé

explained. *“However, we found that ten years later, they did not even know where the mine was, whereas in the meantime, they allowed them to play in stock exchanges.”*

Condé continued by reaffirming his government’s contractual commitments made with various mining interests. However, he assured stakeholders that corruption would not find a safe haven in Guinea.

“When you have a license by corruption, the code provides that this license is canceled,” he explained. “This is what we did for Simandou I and II and although it cost us a lot of money in the battle, we were able to recover them because it was obtained by corruption,” said Condé, referencing a corruption [scandal](#), in which the country lost billions of dollars to a Swiss-based, Israeli-owned firm.

Condé also noted logistical and infrastructure challenges that remained to be addressed. “The improvement of the geological and physical infrastructures and the capacities supporting the development of the mining sector, in addition to the effective integration of mining management in the localities concerned in order to better Environmental and social issues in order to offset the impact of the sector and increase its benefits,” he elaborated.

The consequences of failing to make such changes are dire, said Condé. “We see what it cost Boké. We ask all those who work with us to respect the code, respect the environment and especially the local content because we can not accept that people make commitments and that these commitments are not respected,” he opined. Boké, which is the location of the headquarters of major bauxite firms Societe Miniere de Boké (SMB – owned by Hongqiao) and Companie Bauxite de Guinee (CBG – owned by Rio Tinto, Alcoa and Dadco), has lately been the site of fierce riots over pollution and electrical blackouts by the city’s poor. Despite the best efforts of riot police, the unrest has significantly disrupted the country’s bauxite production.

However, despite the President’s reassuring statements, critics have pointed out that Guinea has been slow to tackle corruption allegations levied at the way the mining sector operates in the country. Mohamed Alpha Condé, the President’s son, is accused of taking bribes from French companies doing business in Guinea. In 2016, a British NGO, Global Witness, [exposed](#) the illicit ties between the younger Condé and Sable Mining, a company that had spent considerable resources bankrolling the presidential campaign in exchange for iron concessions. In December, recordings [surfaced](#) that seemed to suggest that one of Alpha Condé’s close advisors received millions from Rio Tinto in exchange for the Simandou concession. The fact that Guinea’s living standards have barely budged in recent years, despite Conakry’s vast mineral wealth, did little to dispel worries that the government is serious about tackling corruption.

Guinea sits atop the largest reserves of bauxite of any country on Earth, boasting reserves of up to [forty billion tons](#). Rio Tinto and Alcoa both have substantial operations in country, as do China’s Hongqiao and Russia’s Rusal.

The Middle Kingdom has been angling for increasing its presence in the Guinean bauxite market for several years, with exports from Guinea to China expected to [double](#) in the course of the current year.

Driven by strong increases in demand, China's appetite for bauxite is not likely to slow. However, as the lion's share of alumina consumed by Chinese smelters is domestically produced, restricting miners to refine their bauxite in-country may have dire consequences for the country's overall aluminium production for some time to come.

*Source: Aluminium Insider, 15 May 2017*