

**SPEECH BY THE MINISTER OF MINES, ENERGY AND WATER
OF THE REPUBLIC OF MALI / CONFERENCE MINE-AFRICA**

- **His Excellency, Mr. President of the Canada-Africa Chamber of Commerce;**
- **Excellencies, distinguished Ministers for Mines of African countries;**
- **Her Excellency, Ambassador of Mali to Canada;**
- **Dear Investors and Representatives of Mining Companies**
- **Honorable Guests;**
- **Ladies and Gentlemen;**

Mali, like many developing countries, has a great hope in its mining sector, which is among the most dynamic in the West African Sub-region. The development of the mining sector is one of the high priorities of the Government, as evidenced by the various reforms undertaken by the authorities. These reforms aim to both minimize the risks inherent to the sector while maximizing the benefits. This implies, among other things, a better distribution of income from mining activity, strict compliance with environmental standards in order to place the activity in a perspective of sustainable development.

Mali is a country rich in natural resources and ranks in terms of industrial gold production as the third largest in Africa, behind South Africa and Ghana; with an annual production of around sixty tons. There is a strong craft industry with a production estimated at four tons per year according to external trade statistics. This amount of craft production is recognized as “non-exhaustive”; due to a proven weakness in the identification of this category of production and an unsuitable or poorly adapted export control system.

In Mali, gold production alone contributes up to 8% of GDP and is the largest export pole in the balance of payments, with an estimated 80%.

However, it is very reductive to limit Mali’s extractive industry to the gold sector alone. In fact, Mali has important limestone deposits that represent a definite opportunity for the establishment of integrated cement plants and quicklime production; which are highly needed in the country and sub-region and essential to the rapidly expanding sectors of construction and agriculture. Mali has a strong underexploited potential in the:

- Iron ore with a content of more than 50% where the resources exceed one billion tons,
- Bauxite for alumina concentrate production (reserve of 1.2 billion tons),
- Phosphates used in the production of agricultural fertilizers,
- Strong uranium indices that can produce good quality of ‘Yellow Cake’ as an energy input,
- Lithium whose reserves are estimated at 31.2 million tons grading 1.56% Li₂O and mineral resources indicated at 43.7 million tons, grading 1.48% Li₂O;
- Rare earths used in the industrial production of the emerging BRICS countries,
- Many building materials such as marble, granite, sandstone, dolerite.

Ladies and Gentlemen

We are aware that despite the existence of proven mining potential; their exploitation may be hampered by:

- Weak infrastructure such as roads, railway networks, access to ports, water and power system;
- Lack of human resource capacity;
- Lack of mining services;
- Negative perceptions of security matter and political stability.

These weaknesses may be an obstacle to Foreign Direct Investment (IDEs) in the short term; but also represent strong opportunities for a longer-term vision. The country is open to Build-Own-Operate (BOO) or Build-Own-Transfer projects (BOT) through Public-Private Partnerships (PPPs) or Private Independent Producers (PPI).

These private funding solutions in State infrastructures serving the private sector and the population are proven to be very lucrative. In fact, the needs for the mining sector and rural populations are generating strong demand. These challenges therefore represent an opportunity related to the extractive industry. The Government is prepared to support these initiatives by granting tax benefits provided for in the various laws on the energy, mining, and equipment and transport sectors.

The Government of Mali is aware of the lack of human resource capacity and is in the process of establishing an African School of Mines to prepare its population to receive these flows of investments.

With regard to subcontracting, Mali is working to create a favorable framework to facilitate the establishment of successful companies and support existing ones that need to be strengthened.

And finally, the security perception on the country is wrong. Indeed, the conflicts that Mali endures from 2012 to the present are occurred far from mining sites. None of the mining companies was shut down as a result of these events. It shall be understood that most of these conflicts take place in desert areas.

In terms of legislation and administrative support, the country has made a number of reforms, including:

- Commitment to follow best practices and the establishment of a dynamic system of laws and reforms to improve transparency and the business environment (Doing Business);
- Membership in the Extractive Industries Transparency Initiative (EITI);
- Enactment of a new mining law that has made it possible to improve the fiscal framework in which operators operate by establishing a more dynamic system reflecting the value of precious metal prices (Ad Valorem). The new adopted mining law deals with general provisions; research and exploitation; stakeholder relations; mining administration; quarries; statements on geological works; fiscal and economic provisions; employment, environment and health and security; special provisions (craft and radioactive); sanctions;

- Commitment into the implementation of the monitoring measures for research activities to avoid speculative abuse and enhance transparency. The Ministry of Mines conducted a technical and legal audit of the mining sector through the support of a World Bank trust fund. In addition, the Ministry has established a mining land registry system to better manage the allocation and renewal of mineral titles.

Ladies and Gentlemen

I would like to conclude my speech by expressing my sincere thanks to the President of the Canada-Africa Chamber of Commerce for giving me the opportunity to present my country at the 19th edition of the Mine-Africa Conference on Mining Investments. I would also like to thank Her Excellency Ambassador of Mali to Canada, who made great effort to make this participation successful.

Thank you !