

# Australia-Africa Mining & Energy News Brief

SUPPORTING AUSTRALIAN MINERALS AND ENERGY SUCCESS IN AFRICA

in collaboration with



## Africa – General

### EU announces €115.5 million for projects in the Sahel

Announced last week by Neven Mimica, EU Commissioner for International Cooperation and Development, the European Union (EU) will make available €115.5 million to support projects in the Sahel region. The new financial assistance will be released under the EU emergency Trust Fund for Africa. It is divided into several new programs: About € 10 million will be devoted to security, while €30 million will be used to strengthen access to basic social services and promote inter-communal dialogue in Burkina Faso. € 2 million will strengthen the coordination of the Sahel Alliance. € 30 million will go to the management of illegal immigration, while about € 12.5 million will go to the generation of employment and state presence in remote regions. € 5.5 million is set aside to combat human trafficking. € 25 million is set aside to specifically assist Ghana in the creation of employment, improve public development and assist in the diversification of energy production.

Report based on source: Ecofin online, 'L'Union européenne annonce une enveloppe de 115,5 millions € pour développer des projets dans la région du Sahel', 9 April

[https://www.agenceecofin.com/aide-au-developpement/0804-65226-union-europeenne-annonce-une-enveloppe-de-115-5-millions-pour-developper-des-projets-dans-la-region-du-sahel?utm\\_source=newsletter\\_10090&utm\\_medium=email&utm\\_campaign=ecofin-mines-08-04-2019](https://www.agenceecofin.com/aide-au-developpement/0804-65226-union-europeenne-annonce-une-enveloppe-de-115-5-millions-pour-developper-des-projets-dans-la-region-du-sahel?utm_source=newsletter_10090&utm_medium=email&utm_campaign=ecofin-mines-08-04-2019)

## Africa - General

### African Union (AU) Technical Committee on Social Development, Labor and Employment meeting

The Third Session of the Specialized Technical Committee on Social Development, Labor and Employment (STC-SDLE-3) was held in Addis Ababa at AU Headquarters this week (April 1-5) under the Theme: "Poverty Eradication through Strategic Investments at National and Regional Levels

towards Social Development, Labor and Employment in Africa". The theme underlined the importance of strategic investments and strengthening of key institutions as catalytic means for policy planning, implementation and accountability of the 2030 Agenda for Sustainable Development and the AU Agenda 2063. The Session aimed to consider investment strategies for poverty reduction policies at national and regional levels and for social development through empowering vulnerable and marginalized groups to improve access to livelihood opportunities.

As often stressed by *African Geopolitics* ([www.africangeopolitics.com](http://www.africangeopolitics.com)), "CSR does not start and end with the villages local to your mine or production facility. Underpinning the emergence of a new industry at national level assists a government in bringing real development to the country".

This underlines a theme that Australian miners and oilies should heed.

Report based on source: Embassy of Ethiopia Newsletter "A Week in the Horn", 5 April 2019  
<https://mfaethiopiablog.wordpress.com/category/a-week-in-the-horn/>

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## Burkina Faso

### Inter-communal death toll in Arbinda increased to 62 deaths

Sixty-two people were killed between Sunday 31 March and Tuesday 2 April 2019 during intercommunal clashes in the commune of Arbinda, the border of Mali, according to a news report announced Wednesday evening by Simeon Sawadogo, Minister of Territorial Administration and Decentralisation, who said that a jihadist attack was at the root cause of "intra-community retaliation". Since the appearance of the jihadist group, led by the fundamentalist preacher Peulh Amadou Koufa four years ago in central Mali, it is not uncommon for populations to forget the difference between ordinary Peulh co-citizens and disruptive jihadists, and to retaliate on innocent people for a jihadist attack.

"The intention of the terrorists is precisely to bring chaos and disharmony in communities that have to present lived in symbiosis," stressed the Minister. He called on Burkina Faso citizens "not to fall into the trap of blaming a specific community as the cause of their misfortune".

"The intention of the terrorists is precisely to bring into conflict the different communities that have lived to now in symbiosis," stressed Simeon Sawadogo, calling on the people "not to fall into the trap by blaming another peaceful community as the cause of a misfortune".

Report based on source: Jeune Afrique/AFP, "le bilan des affrontements intercommunautaires à Arbinda porté à 62 morts", 4 April 2019 <https://www.jeuneafrique.com/758239/politique/burkina-62-morts-dans-lattaque-jihadiste-suivie-daffrontements-intercommunautaires/>

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## Côte d'Ivoire

## 2018 mining turnover up to \$1 billion, despite decline in gold production

According to an official Government announcement, the mining sector in Côte d'Ivoire (excluding petroleum and gas products) generated a turnover of 582.3 billion FCFA (approximately \$1 billion) as at 31 December 2018, compared with 539 billion FCFA (about \$927 million) in 2017. This represents an increase of 8.02%. This performance principally stems from an increase in the production of base metals. Indeed, industrial production of gold for the year 2018 amounted to 24.5 tonnes, a decrease of 3.57% compared to 2017.

Report based on source: Ecofin online, 'Côte d'Ivoire: le chiffre d'affaires du secteur minier en hausse à 1 milliard \$ en 2018, malgré un léger recul de la production aurifère'. Report by Zeinab Dosso, 11 April 2019 <https://www.agenceecofin.com/gestion-publique/1104-65325-cote-d-ivoire-le-chiffre-d-affaires-du-secteur-minier-en-hausse-a-1-milliard-en-2018-malgre-un-leger-recul-de-la-production-aurifere>

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## DRC

### "Turkey, here we come!"

Félix Tshisekedi plans to make a three-day state visit to Turkey (Ankara and Istanbul) during the first fortnight of May. Preparing the trip and assisting with contacts are Thierry Tshisekedi, his brother, and Lokman Sever, a Belgian-Turkish businessman he has known for thirty years and who is also a close friend of Recep Tayyip Erdogan, the Turkish President. The two men travelled to Istanbul on 2 March and met President Erdogan. They work in liaison with Ibrahim Kalin, one of the leading advisers to the Turkish Head of State. For his visit, Félix Tshisekedi is planning to meet with President Erdogan, as well as with business leaders (mining, infrastructure, energy, military equipment). Through Lokman Sever, he has already met several Turkish businessmen in Kinshasa. The CEO of Noordco (real estate, travel agencies and online airline reservation platform to Africa), Sever and his son, Zeki Sever, became active participants in the mining industry of the DRC some twelve months ago.

Turkey is very much trying to become involved in the African mining sector.

Report based on source: Jeune Afrique magazine, No 3039, 7 April 2019. Page 6

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## Democratic Republic of Congo plans oil licensing round this year

Democratic Republic of Congo plans to launch a licensing round this year for more than 20 onshore oil and gas blocks, the oil ministry said on Friday, its first since adopting a new hydrocarbons code in 2015.

Report based on source: Reuters online, Reported by Giulia Paravicini, 6 April 2019 <https://www.reuters.com/article/us-congo-oil/democratic-republic-of-congo-plans-oil-licensing-round-this-year-idUSKCN1RH23V>

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# Libya

## Oil Markets on Edge as Military Clash Looms in Libya

Libya is heading for a military showdown as East Libyan strongman General Haftar has initiated a full confrontation with the UN-backed West-Libyan GNA Al Serraj government, based in Tripoli. After prolonged military operations in Eastern and Southern Libya, Haftar's forces and militant groups, all combined under the LNA (Libyan National Army) are now heading to Libya's former capital Tripoli.

Report based on source: Oilprice.com online, 'Oil Markets on Edge as Military Clash Looms in Libya'. Report by Cyril Widdershoven, 7 April 2019 <https://oilprice.com/Energy/Energy-General/Oil-Markets-On-Edge-As-Military-Clash-Looms-In-Libya.html>

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# Madagascar

## Green Revolution launched by the new President

Andry Rajoelina's reforestation campaign was officially launched on 2 March. His approach is to reforest the island through empowering the island's citizens to collectively carry out the task. Deforestation constituting one of the major problems of Madagascar, His INITIATIVE for the EMERGENCE of MADAGASCAR is one of his flagship measures for redressing the degrading environment of the island, losing some 45% of its native forests since 1945.

Report based on source: Ecofin online, 'Andry Rajoelina lance la « Révolution verte ». Report by Initiative Emergence Madagascar, 9 April 2019 [https://www.agenceecofin.com/gouvernance/0804-65221-madagascar-andry-rajoelina-lance-la-revolution-verte?utm\\_source=newsletter\\_10090&utm\\_medium=email&utm\\_campaign=ecofin-mines-08-04-2019](https://www.agenceecofin.com/gouvernance/0804-65221-madagascar-andry-rajoelina-lance-la-revolution-verte?utm_source=newsletter_10090&utm_medium=email&utm_campaign=ecofin-mines-08-04-2019)

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# Mauritania

## June presidential election

The former Mauritanian Prime Minister Sidi Mohamed Ould Boubacar announced his candidacy for the June presidential election. A quiet, disciplined official, he has forged contacts both on the power side and the opposition and has strong support in both. The opposition, taken short by President Abdelaziz not to seek re-election, failed to appoint a single candidate to confront the President's dolphin, General Mohamed Ould Ghazouani. Born in Atar in a military family, Sidi Mohamed Ould Boubacar is a member of the Oulad Ahmed, a maraboutic tribe with no significant political clout. A lawyer, Sidi Mohamed Ould Boubacar has held numerous high-ranking positions since the 1980s with both the former Haidallah and the Taya regimes. For his critics, he is still closely associated with this era. According to his supporters, nevertheless, Ould Boubacar's program focuses on economy and social justice, where according to them President Abdelaziz has failed.

Report based on source: Jeune Afrique magazine, No 3039, 7 April. Pages 10 and 11

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## Nigeria

### **“Dangote Refinery Will Transform Nigeria's Economy”**

Owner of the Dangote Group, Aliko Dangote stated that his group would transform Nigeria's economy. The billionaire businessman also said that the cement, salt, sugar as well as other food products his group produces have continued to play key roles in ensuring food security and improving the lives of Nigerians.

Dangote said the petroleum products to be produced at the Lekki Refinery are planned to meet most of the needs of Nigeria and the African continent. Potentially the world's largest, planned to begin operations in 2022 at the earliest, the Lekki Refinery located in the Lagos State is expected to achieve a daily production of some 65.4 million litres of petrol, diesel, aviation jet fuel and kerosene.

Investments in different sectors of the Nigerian economy by Dangote's organisation have moved the Nigerian economy forward and complemented government efforts in no small measure and it continues to be largest employer of labour in Nigeria, with hundreds of thousands of direct and indirect employment opportunities.

Report based on source: AllAfrica, 'This Day' online, 'Dangote Refinery Will Transform Nigeria's Economy'. Report by John Shiklam, 8 April 2019  
<https://allafrica.com/stories/201904080025.html>

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## Senegal

### **Mouhammadou Makhtar Cissé: from Senelec to the Ministry of Petroleum**

Having proven himself over the past four years at the head of the electricity company, Senelec, Mouhammadou Makhtar Cissé has been appointed to head the strategic Ministry of Oil and Energy, at a time that Senegal is preparing itself to become a significant oil and gas producer in the next few years.

At 51 years old, this lawyer who has also been Director of Customs is considered close to President Macky Sall, having proven himself in the recovery of Senelec. In 2015, Senelec's profit was US\$ 21 million, and by 2016, profit had risen to US\$ 51.4 million. With production capacity at about 800 MW before his arrival, it rose to 1 130 MW by end-2017.

In addition to its certain oil potential, the country plans to have LNG production by 2022 developed in cooperation with its Mauritanian neighbour. Initially, capacity will be a modest 2.5 mtpa, but as its developers, BP and Kosmos gain confidence in investing in Senegal, it will rapidly expand to 10mtpa.

Report based on source:

Jeune Afrique online, 'Remaniement au Sénégal : Mouhammadou Makhtar Cissé, de la Senelec au ministère du Pétrole'. Report by Amadou Oury Diallo, 8 April 2019

<https://www.iol.co.za/news/opinion/could-totals-gas-find-be-a-game-changer-for-south-africas-energy-crisis-19316386>

Ecofin online, 'Mouhamadou Makhtar Cissé devient le nouveau ministre du Pétrole'. Report by Olivier de Souza, 10 April 2019 [https://www.agenceecofin.com/gestion-publique/0904-65254-senegal-mouhamadou-makhtar-cisse-devient-le-nouveau-ministre-du-petrole?utm\\_source=newsletter\\_10093&utm\\_medium=email&utm\\_campaign=ecofin-oil-and-gas-09-04-2019](https://www.agenceecofin.com/gestion-publique/0904-65254-senegal-mouhamadou-makhtar-cisse-devient-le-nouveau-ministre-du-petrole?utm_source=newsletter_10093&utm_medium=email&utm_campaign=ecofin-oil-and-gas-09-04-2019)

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## Sudan

### Omar Bashir Dismissed by the Army

"I am announcing, as Minister of Defence, the fall of the regime and the detention in a safe place of its leader," said General Awad Mohamed Ahmed Ibn Awf on state television at midday Thursday 11 April 2019. General Ibn Awf was announcing the dismissal of Sudanese President Omar El-Bashir arrested by the army yesterday morning. He also announced the setting up of a Sudanese Military Transitional Council which he will head in order to assume power in the country for the next twelve months, as reported by the local Baj News website. The General also unveiled a series of state of emergency measures that will remain in effect for the next three months.

It is incredible! It is over without the expected bloodbath, the army purportedly responsible for protecting the population. After four months of a popular movement of unprecedented magnitude in Sudan, Omar El-Bashir has been ousted by the army.

Near-daily demonstrations since December 2018 against Bashir and his government had been declining until opposition groups organised a sit-in outside military headquarters in Khartoum on 6 April, to commemorate the anniversary of the overthrow of an earlier military-backed regime. Since the sit-in became indefinite, at least 35 people have been killed in clashes with the security forces, aid organisations say. Some 13 protesters were killed across the country on 11 April alone.

Although the authorities closed Sudanese airspace for a 24-hour period on 11 April, it has since been reopened and airlines have resumed operations.

The transitional council led by Bashir's defence minister and vice-president Lt Gen Ahmed Awad Ibn Auf has indicated a commitment to holding elections within two years, engaging the country's political parties, cultivating a national dialogue and finding a solution to pressing economic concerns. However, the SPA has rejected the council's legitimacy. In a sign of support for its call to defy the SoE and nightly curfew, thousands of people remained on the streets overnight on 11-12 April.

Report based on source: ISOS CR and 'Soudan: Omar el-Bachir destitué par l'armée'. Jeune Afrique online,

13:59, 11 April <https://www.jeuneafrique.com/761484/politique/soudan-omar-el-bechir-destitue-par-larmee/>

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## China-South Sudan Oil Deal Raises Red Flags

China has long been criticised for imposing massive debt on developing countries as well as securing their natural resources to help them build up infrastructure with funding by Beijing, something about which the U.S. has been especially vocal, particularly in Africa and South Asia.

Now, that criticism will likely be taken to a new level.

On Friday, South Sudan's information minister Michael Makuei Lueth told reporters in Juba, the capital, that the country will provide 30,000 barrels of oil per day to state-owned lender Export-Import Bank of China to help fund South Sudan's largest infrastructure project, which is being funded by Beijing. The amount has tripled from the 10,000 barrels of oil per day it provided to China in February.

Report based on source: Oilprice.com online, 'China-South Sudan Oil Deal Raises Red Flags'. Report by Tim Daiss, 8 April 2019 <https://oilprice.com/Geopolitics/Africa/China-South-Sudan-Oil-Deal-Raises-Red-Flags.html>

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## Uganda

### Uganda Tries to Dodge the "Oil Curse", Showing Patience After Discovering Oil

Although oils seeps were long known to the locals, commercial discoveries did not begin to be declared until 2006, the largest onshore oil finds in sub-Saharan Africa for two decades. But if the oil has turned out to be waxy and to move slowly, so too does oil development. Production is not expected to begin until 2022 at the earliest.

Some researchers as well as industry professionals warn of a 'pre'source curse, which strikes even before the first drop is pumped. Ghana and Mozambique found large reserves, of oil and gas respectively, at around the time that Uganda did. Both lurched into economic crises. Contrary to the above, Uganda is avoiding "borrowing binges" (based on inflated expectations) and "debt overhangs" (once money gets tight). Its leader and his government are trying to learn lessons and are showing patience, rather than stubbornness and rent-seeking, as some would accuse of President Museveni and his entourage.

The trouble is that there is less oil than many Ugandans think, and it will be gone within a few decades once production begins. The government, prudently, has not issued dollar-denominated bonds, but public debt, which stands at 43% of GDP and has doubled in a decade. This public debt may need to be renegotiated if oil does not arrive on time, as already the government is plugging budget holes by dipping into the "Petroleum Fund" where tax revenues collected from the oil companies are kept "for future generations".

Report based on source: The Economist, 'Uganda tries to dodge the 'pre'source curse. Few countries show enough patience after discovering oil'. Print edition, Middle East and Africa, 4 April 2019 <https://www.economist.com/middle-east-and-africa/2019/04/06/uganda-tries-to-dodge-the-presource-curse>