



United Nations
Economic Commission for Africa



Africa Mining Vision

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Global potential for minerals



About AMV

The Africa Mining Vision is a pathway, agreed by African nations themselves, that puts the continent's long term and broad development objectives at the heart of all policy-making concerned with mineral extraction. The AMV sets out how mining can be used to drive continental development.

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Can mining sustain accelerated African development when that might take several decades to achieve? If mining is to be an engine of development will it perform reliably enough over the years to propel Africa to its destination?

Large fluctuations in foreign direct investment since independence and the current world financial crisis may give African nations cause to believe that mining lacks the staying power to carry Africa forward.

However there are grounds for optimism. The ISG Report adduces evidence that demand for mineral commodities is in the early stages of a super-cycle. Economic data indicates that the current super-cycle began around 2003 and is mainly the result of huge growth in China's industrial appetite (as well as growth in Brazil and India and relatively sustained consumption in the West).

Industrialisation and urbanisation in the BRIC countries may take a further 10 - 20 years and it is this that will sustain demand and keep prices high.

Africa can take advantage of the super-cycle in various ways. But the AMV argument is that mining is especially well placed to lead the way. There are several reasons for this.

First of all, the mining transnationals are in good shape. Soaring mineral prices in 2008 left them with strong balance sheets and willing to invest heavily to keep up with demand. Strong demand combined with unexploited potential in many parts of the continent puts Africa in a strong position when it comes to negotiating new concessions.

Secondly, continuing Chinese growth has led western governments to revive interest in securing supply of strategic and critical minerals, as the EU's Raw Materials Initiative demonstrates. So again Africa is being courted for its mineral

wealth.

Thirdly the super-cycle means that Africa can now look beyond the traditional companies to help exploit mineral resources. The established European mining TNCs have now been joined by new enterprises from China, Brazil and India. So Africa now has more choice over whom to partner with.

But the question is, can Africa's governments make the most of their new bargaining power?



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