

Nigerian mining sector poised for great things

Several important developments in the Nigerian mining sector in the last year bode well for the industry's future. The most significant is the approval in August 2016 of a new roadmap for the sector by the government.



Cyril Azobu, advisory partner and mining leader at PwC Nigeria.

"I am quite optimistic that if the right steps are taken and the current momentum is sustained, the solid minerals sector in Nigeria can contribute up to 3% of GDP by 2025 as predicted in the current roadmap, up from a current contribution of just about 0.5%. My vision for the sector is one that is profitable to all stakeholders and in which the Nigerian people are able to enjoy the maximum benefits possible for these natural endowments," says Cyril Azobu, advisory partner and mining leader at PwC Nigeria.

New roadmap for the sector

"This policy document has really set the tone for the development of the sector. Following from this, we have seen the constitution of the Mining Implementation and Strategy team whose duty is to co-ordinate the implementation of the roadmap and program manage its execution."

Furthermore, the federal government also approved Mining Intervention Fund to the value of N30bn. A significant proportion of the fund has gone into data gathering and a part of it is to go into capacity building for artisanal miners. "We are also seeing the federal government making efforts to take advantage of some strategic minerals such as steel and bitumen, but these are still in the early stages."

Attracting more investment for the sector

Recently, the board of the Solid Minerals Development Fund was inaugurated by the minister of mines and steel development, Dr Kayode Fayemi. "This board has the mandate to restructure and operationalise the fund by designing the appropriate governance structure, organisation, strategies and operations for effective management. This development will help establish a governance and financial structure and attract more investment for the sector," Azobu says.

Another strong sign of an industry getting its house in order is the federal government inaugurating the Development Partner and Donor Agencies Coordination Group on Mining. The forum is expected to serve as a platform where development partners and donor agencies such as the World Bank, DFID, UNDP and the likes, meet to review, coordinate

and synergise their programmes to increasing the efficiency and effectiveness of assistance provided to the mining sector.

Issue of illegal mining

According to Azobu there has also been some effort to tackle the issue of illegal mining through the establishment of the Mines Police Division. He expands: “This unit comprising the Police and the Nigeria Security and Civil Defence Corps (NSCDC) will work with all the state mines offices to carry out surveillance of mining sites to achieve sanity, safety of lives and compliance of laid down procedures and environmental standard requirements.”

“We are also beginning to see better collaboration between the federal government and the states with a few states increasingly taking advantage of this to develop their solid minerals sector and grow their internally generated revenue (IGR). We also know that states now earn 13% derivation from solid minerals revenues.”

These and other developments in the Nigerian mining sector will be in the spotlight at [Nigeria Mining Week](#), which is taking place again in Abuja from 16-19 October 2017

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