

**2009 MINISTERIAL PRESS BRIEFING BY THE
HONOURABLE MINISTER OF MINES AND STEEL DEVELOPMENT
MRS. DIEZANI ALISON-MADUEKE ON THURSDAY 8TH OCTOBER,
2009 AT THE SHEHU MUSA YAR'ADUA INTERNATIONAL
CONFERENCE CENTRE, ABUJA**

The Honourable Minister of Information and Communications,

The Honourable Minister of State, Information and Communications,

The Distinguished Chairman & Members of the Senate Committee on Steel,

The Distinguished Chairman & Members of Senate Committee on Solid Minerals,

The Honourable Chairman & Members of House Committee on Solid Minerals,

The Permanent Secretary, Mines and Steel Development,

The Permanent Secretary, Information and Communications,

Directors here present,

Members of Staff,

Members of the Press,

Invited Guests,

Ladies and Gentlemen,

It gives me great pleasure to welcome you all to the 2009 Ministerial Press Briefing of the Ministry of Mines and Steel Development. The purpose of this briefing is to render an account of our stewardship of the Ministry. Accordingly, my presentation, today, will provide information on our policy thrust, our

institutional structure and reform measures that underpin them. I will also provide information on the achievements made to date and the challenges we have faced in the process. But before I do so, I would like to acknowledge the presence in our midst today of our indefatigable Minister of Information and Communications, Professor **(Mrs.) Dora Akunyili**.

2. Distinguished Ladies and Gentlemen, it is a fact that the minerals and metals sector of the economy has suffered a considerable set-back in the post independence years, as a direct result of our dependence on revenues from oil. Furthermore, the marginalization of this sector was compounded by the indigenization policy, which resulted in the large-scale withdrawal of foreign investors. The results were a significant downturn in production and mining becoming an activity that fell largely into the hands of artisans and small-scale indigenous miners. These and other factors have led to a steep decline in mining production, to the extent that the sector currently accounts for less than 1% of the Nation's Gross Domestic Product (GDP).

I would suggest that this paltry contribution of the sector is inconsistent with the economic potential associated with the enormous mineral endowment of the country. Geological surveys and studies have determined that Nigeria is endowed with over 34 Mineral types, most of which can be found in commercial quantities in over 500 locations in the country. These locations span the country. The mineral types include Gold, Iron Ore, Bitumen, Phosphates, Cossiterite, Columbite, Wolframite, Marble, Coal, Limestone, Clays, Barytes, Lead-Zinc, Granite, Monazite, etc.

3. Thus, one can readily conclude that the minerals and metal have a significant role to play, in our quest to diversify the nation's economy. In recognition of this potential, the Government, in its drive for accelerated economic growth, has incorporated related policy as part of its 7-Point Agenda and Vision 20:2020 as a catalyst in fostering wealth creation, employment generation, poverty reduction and transformation of rural communities.

4. **Vision and Mission of the Ministry**

The Ministry is very mindful of the critical role it is expected to play in providing the enabling environment necessary for the sector to flourish. Accordingly, its vision for industry is *“To transform Nigeria’s Solid Minerals and Metals Sector into a Strategic Catalyst for domestic growth and achieve global relevance”*. Our Mission Statement is consistent with this vision as conveyed by the following, *“Exploitation of the Nation’s mineral endowments in an environmentally sustainable manner and the establishment of a vibrant metals industry for wealth creation, poverty reduction, promotion of the rural economy and significant contribution to the G.D.P of Nigeria.”* The Ministry is working assiduously towards the achieving the above stated vision and mission, which is in line with Mr. President’s 7-Point Agenda and Vision 20: 20-20.

5. **Reform Measures**

Since January 2009 to date, the Ministry has continued its reform programs in the areas of policy, institutional and legal. These programs have been carried out in order to revitalize the sector. The continuing policy reformation continues the change of the role of the Ministry from that of Operator-Owner to

Administration-Regulator. This evolution is significant, in that it ensures private sector participation in the mining sector, while policies, laws and regulations are appropriately enforced. It also provides a level playing field for all stakeholders to contribute meaningfully to the development of the sector under a stable and effective legal and regulatory environment.

The reforms provide for the promotion of private enterprise and competitiveness, as well as the strengthening and deepening of institutional and human capacity building across every aspect of the sector. These reforms are in tune with global best practices in the industry. The reforms also support the government's recognition of the strategic leverage which the sector holds in providing the much needed linkages to other sectors and its capacity to support and stimulate growth in all aspects of the nation's economy.

6. **Organizational Structure of The Ministry**

The Ministry is structured into departments, units and agencies, which implement the day-to-day requirements of its policy in the mines and steel sectors.

The Departments

- i) Mines Inspectorate
- ii) Mining Cadastre
- iii) Steel and Non Ferrous Metals
- iv) Metallurgical Inspectorate and Raw material Development
- v) Artisanal and Small-Scale Mining
- vi) Mines Environmental Compliance
- vii) Planning, Policy Analysis and Monitoring
- viii) Finance and Human Resources

The Units

- (i) Legal Unit
- (ii) Press and Public Relations Unit
- (iii) Federal Audit Unit
- (iv) Internal Audit
- (v) Servicom
- (vi) Stock Verification Unit
- (vii) Anti-Corruption Unit

The Agencies under the supervision of the Ministry

- (i) Nigerian Geological Survey Agency, Abuja
- (ii) National Metallurgical Development Centre, Jos
- (iii) National Steel Raw Materials Exploration Agency, Kaduna
- (iv) National Institute for Mining and Geosciences, Jos
- (v) Ajaokuta Steel Company
- (vi) National Iron Ore Mining Company, Itakpe
- (vii) Council for Mining Engineers and Geoscientists of Nigeria
- (viii) Metallurgical Training Institute, Onitsha

7. Investment Solicitation Drive

Given the highly capital intensive nature of this sector, as well as the technology and skills requirements, the Ministry has ramped up activities and efforts to encourage foreign direct investment in the sector. The importance of private capital investment is made demonstrably clear by the example of other

countries, such as Botswana, Ghana and the Democratic Republic of Congo, whose economies receive significant contributions as a result of foreign direct investment. Of interest, and to further highlight the appeal of Nigeria as a very attractive mining destination, I note that some of the other major mining countries are beleaguered by civil strife and yet are making significant contributions to their economies through investment in their mining sectors.

In our bid to encourage foreign investment we have adopted a series of incentives drawn from the Nigerian Minerals and Mining Act of 2007 which we believe will give the nation an edge in attracting investors. Concurrently, the Ministry remains abreast of issues in the global minerals and metals industry, by its presence and representation in various international fora. In this regard, we have worked hard, over the last 8 months to showcase the investment opportunities that are available in the Nigerian minerals and mining sector and to solicit direct investments in the sector. During the course of this year alone, the Ministry has participated in the following international investment fora:

- i) Mining Indaba Conference in Cape Town, South Africa – 10th-12th February 2009.
- ii) Prospectors and Developers Association of Canada (PDAC) in Toronto between 1st- 4th March, 2009.
- iii) Stating the case for investment in Nigeria, Honorary International Investment Council, London 22nd April, 2009.
- iv) World Mining Investment Congress, London 2nd-4th June, 2009.
- v) Honorary International Investment Council, London 25th-26th June, 2009.

- vi) Africa Down Under Conference, Perth, Australia 2nd-4th September, 2009.
- vii) The Ministry held a Bitumen road show on 26th June, 2009 in London, to sensitize investors relative to the process associated with the bidding of Bitumen blocks.

Following our participation in these investment fora, several companies from the United States of America, South Africa, Australia, China, India and Canada have shown keen interest and we have receiving a heightened volume of applications for mineral titles. Many companies have also sought partnership with local miners and established operations.

On September 28th, 2009, the London Stock Exchange, for the first time, ever, hosted a conference for the Ministry to showcase the opportunities in Nigeria's mining sector to a cross section of its member companies.

8. **Generation and Transmission of Data**

An important aspect of the Ministry's activities is the acquisition, interpretation and dissemination of geosciences data. This is a key step in the determination, exploration and development of mineral resources. In this pursuit, the Nigerian Geological Survey Agency (NGSA) has consistently generated quality and reliable data through geological mapping, appraisal, drilling, surveying sampling, testing and analysis of data.

As necessary to provide comprehensive geological data, our goal in this regard, is to achieve maximum geological and geophysical mapping coverage of the entire country by the year 2020. The objective of these activities are an

essential pre-condition for generating the required information for foreign investors, and thereby ensuring that the sector becomes a favoured mining destination for international investors.

Since its establishment, the NGSA has been reviewing and updating the geological maps of the entire country to produce data necessary for stimulating investments in the mining sector. This has led to the production of geological and mineral maps of every state and the FCT in digital format. In 2009, we produced a total of 102 sheets and of 1,324 sheets covering six geo-political zones of the Country. Plans are underway to continue the production of at least six maps in each geo-political zone of the country by 2010.

The NGSA has begun exploration of further mineral targets through the regional chemical mapping exercise and the U-Pb dating of four lithologic rock types from the basement complex of Nigeria. This will enable us narrow the search to the main target minerals for potential investors. These activities have been done with particular reference to exploration of Magnesite in Adamawa State, Ilonende in Bauchi State, Marble in Cross River State and Lead-Zinc in Zamfara State.

Other projects executed during the period under review include the geo-chemical mapping of Lafiyagi – Pategi and Isanlu area, Shaki, Igboho and Igbeti, as well as the British/NGSA geo-chemical mapping of two global reference network cells.

Furthermore, the Ministry has continued to embark on airborne geophysical surveys since 2003, which are aimed at unravelling areas of possible

mineralization. The 1st phase of aero magnetic and radio metric surveys, which has recently been concluded, covered 44% of the country. However, data collection and processing have been done, while interpretation is still in progress. The 2nd phase of the project covering 56% of the Country, is underway. Ground follow-up surveys to evaluate the results of the airborne surveys have been successfully carried in the following areas: Borno, Adamawa, Taraba, Benue, Kano, Ebonyi, Cross River, Ogun, Niger, etc.

The National Gravity Network Programme which is designed to map out mineral resources on the basis of their densities is also being carried out. So far, four (4) States have been covered, namely; Osun, Ebonyi, Enugu and Benue States.

9. **MINING CADASTRE DEPARTMENT**

The Ministry's on-going effort to reform and open up the mining sector to domestic and international investors is also predicated on the need to establish an autonomous Mining Cadastre Agency, free from interference of any kind. This new Mining Cadastre Office will be based on a licensing system for mining in Nigeria, that is:

- i) Transparent and rules based;
- ii) Has security of tenure of titles and Rights;
- iii) Encourages competition for Mining Titles and Rights on a "first come – first serve" basis;
- iv) Application of the principle of use it or lose it in mining title/rights administration; and
- v) Use of time limits for granting titles, and transferability of Mining Rights.

In this endeavor, the Mining Cadastre Department has an important role in developing and strengthening these and other mechanisms that give confidence to investors and providing the information necessary to attract them. Already, a draft Mining Cadastre Agency bill is ready for the consideration of the Federal Executive Council, while the review of the draft mining regulations has just been concluded by the Federal Ministry of Justice. The Department of Mining Cadastre is also working assiduously in collaboration with the World Bank assisted project to acquire a central cadastre office headquarters in Abuja, and zonal offices in Ibadan and Jos. Similarly, the new mining cadastre system will involve full computerization of all cadastre operations through the SIGTIM process. This is coupled with the education and training of staff in modern cadastral procedures.

In the process leading to the establishment of the new cadastral system, the department is currently involved in the revalidation of mineral titles. Indeed, the committee set up in March 2009 has evaluated a total of 2,330 mining titles and 512 licences and permits have been recommended to my office for approval and have been duly authorised. As of the 31st August. 2009, a total of 8,179 applications/titles have been registered, while over 2,508 mineral applications have been granted. Of that number, 2,062 licenses were issued. We believe that this new process will go a long way in clearing up the opaque, disorganized mining rights and permits registration systems of the past.

The department is one of the important revenue generation organs of the Ministry. Its sources of revenue earnings are from:

- a) Application processing fees.
- b) Annual Service fees.
- c) Information fees; and

d) Other fees such as transfer assignments, etc.

Indeed, it is noteworthy that since its establishment, in the period of 2005 to December 2008, the Mining Cadastre Department has generated revenues totaling ₦347,424,600.49. We are confident that the on-going reforms of the sector will facilitate an even greater increase in revenue.

The department is also involved in the revision of the geodetic network and the completion of cartographic coverage to facilitate a more accurate determination and charting of mineral titles. This programme is being implemented in cooperation with the World Bank assisted programme.

10. **ARTISANAL AND SMALL-SCALE MINING**

Over 90% of the nation's mineral production is currently carried out by Artisanal and Small-scale Miners (ASM). It is estimated that the ASM sub-sector provides livelihood to over 500,000 informal miners in the country. Indeed, if it is effectively formalized and integrated into the economy, indications are that we could employ upwards of 13 to 20 million people, especially, in the mining of Gold, Baryte, Gypsum, Cassiterite, Copper, Zircon Limestone, Kaolin and tantalite among others.

ASMs, therefore, play a vital role in the Government's strategy of poverty alleviation, employment generation and generally improving rural livelihoods. In order to control, strengthen and exponentially improve the economic deliverables of this strategy, the Artisanal and Small Scale Mining Department has embarked on an active drive to encourage the formation of mining cooperatives and associations. To this end, over 600 applications have been received for registration

as mining cooperatives, quarry associations and small scale miners. Of these, 234 have been registered. Similarly, this year has witnessed the verification and registration of an additional 17 private mineral buying centres, which would serve as an interface between mining cooperatives, licensed miners, local users and export markets.

The ASM Department has, during the period under review, directed considerable efforts at financially empowering small-scale miners by the provision of micro credit through micro finance institutions. The 1st batch of selected ASM operators and mining host communities has already been granted these micro credits. This has been complimented by a sustained effort to provide extension services in the form of technical assistance and support services to miners in numerous mining communities.

Significant achievements this year, in the Department, has been in the area of capacity building for ASM operators. Because of the importance of this strategy in the empowerment of our rural miners, the department has, in collaboration with the World Bank assisted project, conducted numerous courses. The courses include geographic information systems, mining finance and accounts, cutting and polishing of gemstones and the development of dimension stones, a project which, in particular, has been found to be most rewarding.

11. **MINES ENVIRONMENTAL COMPLIANCE**

The enforcement of environmental compliance in the mineral resource development of the country is one of the essential objectives of our Ministry. In particular, we are pledged to the enforcement of the environmental obligations

under the Minerals and Mining Act and, indeed, the adherence to global best practices in mining as a tool for the promotion of sustainable growth in the industry.

This commitment derives from the recognition that mining has its attendant environmental consequences such as deforestation, land degradation, soil erosion, acid rain, mine drainage and contaminating of water, etc., all of which have a negative effect on man and his habitat.

In this endeavor, the Mines Environmental Compliance Department (MEC) is charged with the responsibility of developing realistic transparent and sustainable environmental monitoring and evaluation methods, especially, as they relate to compliance with social, health and safety standards. The department also reviews all plans, studies and reports required to be prepared by holders of mineral titles in respect of their environmental obligations.

The department continues to work in close collaboration with the various state Mineral Resources and Environmental Management Committees (MIREMCO). This is in recognition that all mineral resources are vested in the Federal Government, and there is a need to foster close cooperation between the Federal Government and all other tiers of Government in the development of the nation's mining sector.

MIREMCO, therefore, is key to the effective management of conflict between operators and host communities, as well as to ensure environmental best practices in the mining sector.

Furthermore, the Mines Environmental Compliance Department has established a new laboratory at the headquarters and six geo-political zones, in order to ensure effective monitoring of compliance through laboratory analyses. This is complemented with a vigorous environmental awareness programme and training to enhance the capacity of MEC Staff in mines environmental analysis and procedures.

A significant highlight of its activities in the year under review has been the creation of an inventory of abandoned mines, with an appropriate action plan for their reclamation. So far, about 1,263 abandoned mines sites have been identified and ranked for prioritization.

12. **MINES INSPECTORATE**

The Mines Inspectorate Department which is responsible for the enforcement of laws and regulations governing minerals exploitation, exploration, use and exportation also carries out surveillance and monitoring of mining and quarrying activities.

The department has recorded a total of four hundred twenty-one million two hundred forty-five thousand two hundred thirty-seven naira and seventy kobo (N421,245,237.70) as revenue as of the month of July, 2009, making it the highest revenue generating department of the Ministry. In addition to this achievement, the department has, also, granted eight (8) permits for export of mineral samples for analysis while four (4) additional requests for export clearances permits are under consideration. The department has within this period under review, trained about 65% of its personnel, both locally and internationally, with the aim of

providing officers the necessary skills to make them effective in the discharge of their duties in the field.

13. **SEVEN STRATEGIC MINERALS**

Studies have led to the identification of numerous mineral resources and in particular the adoption of seven strategic minerals that are considered critical to the industrialization of the nation. These seven strategic minerals namely, Bitumen, Gold, Coal, Limestone, Lead/Zinc, Tantalite, and Barytes, have been discovered in sufficient and commercially sustainable quantities. They are found across the six geo-political zones of the country. Their exploration and exploitation could contribute greatly to the sustainability and management of human and infrastructural resources in the following areas:

- Power Generation;
- Food Security;
- Wealth Creation/Job Opportunity;
- Transportation;
- Security of Life and Property's
- War against illegal miners.

In view of the current adverse economic situation confronting the nation and the world at large it has become imperative to place special emphasis on the seven strategic minerals out of over thirty-four, for now. Gold, Coal, Iron Ore and Bitumen feature prominently amongst these minerals.

14. **COAL**

It has been established that the nation has reserves estimated at 2,734 million metric tones and inferred reserves of 391.42 million metric tones located across the various states in Nigeria. Coal remains the most important fuel for power generation worldwide and will remain so for decades to come. Industrialised nations of Europe, Asia and North America effectively utilise coal for their electricity generating facilities. Government has endorsed coal in the country's energy mix, as part of its determination to meet the short term and long term energy requirements.

15. **BITUMEN**

Estimates of bitumen are an oil equivalent of twenty-seven billion barrels, while estimated reserves have been put at 43 billion barrels of oil equivalent bitumen, in an area covering Edo, Ondo, Ogun and Lagos States. Nigeria's bitumen resources are considered to be in the league of major bitumen deposits in the world. Already, investors with the required technical and financial capability have shown interest in the exploration of Nigeria bitumen. The Ministry put out for bidding, in June of this year, two blocks of bitumen located in the South Western part of the country. Bid documents had been opened and are currently being evaluated for award.

16. **GOLD**

Due to its historic role as a fiscal instrument and a store of value in periods of economic instability, such as that which the world is currently experiencing, Gold has remained the most attractive mineral for mining investors and exploration globally. The Nigerian gold field stretches from Katsina and Zamfara States in the

North through the middle belt, South Western and South Eastern belts, with estimated deposit of over 500,000 ounces. Currently, we have a number of junior explorers in the country, whose exploratory results, so far, show very high grades, ranging from 30 to 50 grams per ton. Consequently, the Ministry is showcasing the nation's gold endowment at various targeted international investment fora.

17. **METALS SECTOR**

The development of a vibrant metals industry is fundamental to the economic growth and development of the nation. This strategic position is due to its unique potential to catalyze productivity across all aspects of the nation's industrial value chain. Steel, for instance, is capable of not only increasing exploration and mining of iron-ore, coal, limestone and manganese, to mention just a few, but along with aluminum is invaluable in the Construction, Manufacturing, Agricultural, Power, Transport and the Oil and Gas sectors of the economy.

The metals sector is therefore a key driver of industrialization and technology growth as, indeed, in the acquisition of highly technical skills. Thus, the nation's quest for greater self-reliance, economic diversification and its vision to join the league of industrialized nations may be realized without a functional metals industry.

It was in recognition of the important role which the metals sector plays in advancing the national economy, that heavy investments were made by Government in the sector over the last two or more decades. However, for various reasons, the sector continued to under-perform, leading to the necessary privatization of pertinent aspects of the sector.

In view of the preceding information, significant reform measures were introduced in order to resuscitate the sector. To this end, the Ministry's responsibilities are as follows:

- i) Act as a motivator/moderator, by providing the enabling environment which would stimulate private sector investment;
- ii) Ensure that a private sector led metals industry operates optimally, by producing competitive high quality products for both local and international consumption;
- iii) Ensure a robust and functional integrated steel industry that will guarantee the creation of employment opportunities, poverty reduction and wealth creation and begin to act as a core fulcrum of national economic growth;
- iv) Ensure that the private sector led metals industry functions effectively, thereby, achieving increased industrial capacity utilization and generating revenue for the country;
- v) Endeavor to make the sector an internationally competitive and attractive destination for capital for the development of the nation's metal resources;
- vi) Encourage growth in metals production and consumption by creating deep and functional linkages between the minerals and metals sectors, as well as other strategic sectors of the economy, such as oil and gas, transportation, agriculture, manufacturing, construction etc.;
- vii) Enhance environmental sustainability as a fundamental principle in the development of the metals sector;
- viii) Enhance institutional effectiveness, human capacity and bankable research in every aspect of the metals sector;

- ix) Ensure total adherence to all legal and regulatory requirements in the metals sector, and;
- x) Encourage beneficiation activities aimed at adding value to the metals.

18. **METALLURGICAL INSPECTORATE AND RAW MATERIALS DEVELOPMENT**

The Metallurgical Inspectorate and Raw Materials Development Department (MI&RMD) was established to regulate the operation of the metallurgical industries by ensuring that metallurgical raw materials and products being produced in the country meet national and international quality standards and comply with environmental regulations.

Consistent with the previously provided information, the metals sector is a huge and economically viable sector of the country, as it supports and stimulates the growth of other sectors. This means that the sector is very vital to the realization of the Nigeria's dream of becoming one of the top 20 industrialized nations by 20:2020. The department also ensures the continuous combined exploration work and testing of locally available raw mineral materials for the metallurgical industry, in conjunction with the Parastatals under it (such as National Steel Raw Materials Exploration Agency (NSRMEA), Kaduna, National Metallurgical Development Centre (NMDC), Jos and National Iron Ore Mining Company (NIOMCO), Itakpe, for the benefits of existing and potential operators in the industry.

The department had worked in collaboration with relevant institutions and had carried out investigations into the causes and effects of collapsed buildings in Abuja and Lagos, respectively, and had equally worked in conjunction with the committee set up by the Ministry to carry out the technical audit of Ajaokuta and NIOMCO, which is expected to be completed before the end of the year. The department is also responsible for supervising the completion of the Super Concentrate plant at NIOMCO, Itakpe. The project has been approved by Federal Executive Council and processes for implementation are well under way.

We are confident that when the draft Metallurgical Bill and the regulatory manual become a reality, the metallurgical industry will be better positioned to fully realize its potential and also generate even greater revenue for the economy.

19. **STEEL AND NON-FERROUS METALS**

The Steel and Non-ferrous Metals Department is one of the important technical departments in the Ministry that is charged with responsibility of coordinating, monitoring and regulating activities in the metals sector. In addition to these responsibilities, the department has taken a leading role in foreign investment solicitation for the metals sector, as an active part in ensuring that the privatized steel and aluminum companies remain productive.

The restoration of productivity at Alscon in Ikot Abasi after ten (10) years of closure is one of the department's success stories. Today, Alscon has an exemplary industrial relations atmosphere with an uninterrupted flow of gas to the plant, a situation which is primed to guarantee continued foreign exchange earnings for the nation.

The department is currently engaged in future arrangements that will enable the enhanced repositioning and completion of Ajaokuta Steel Company Limited, including the provision of the required infrastructure for the operation of the project. It is also currently in liaison with the Bureau of Public Enterprises for the commencement of operations of the Inland Rolling Mills at Jos and Oshogbo.

20. **NATIONAL STEEL RAW MATERIALS EXPLORATION AGENCY,**
KADUNA

The main responsibility of this agency is minerals exploration, with the provision of cost effective geo-scientific services and data to the metals industry.

The achievements of the agency during the period under review include:

- a) The extraction, through geophysical technique and geological mapping, of the **Madaka Manganese Deposit, Niger State**. Analyzed samples showed a very high tenor.
- b) Geological mapping of **Agbado Okudu Iron Ore deposit in Kogi State**, which a 1:5000 scale map was produced, a fifteen kilometer access route to site was opened up, and 4 valleys and depressions were filled.
- c) Detailed geological mapping of **Janga-Ribi River Dep** areas of Nassarawa State and exploration of pitting (15nos) have been carried out and 2nos core drilling boreholes have also been executed in the Eastern part of Lafia/Obi Coal Field.
- d) Tar Sand and Bitumen deposits, were identified in Awgu area of Enugu State, following recent geological studies by the Agency. More detailed mapping and excavations are presently being carried out in the area, to gather information on the deposits.

21. **CAPACITY BUILDING, RESEARCH AND DEVELOPMENT**

Pursuant to achieving its training, research and development needs, the Ministry established key institutions to achieve these goals. These institutions are responsible for the training of professionals, as well as conducting researches in specialized areas of the mines and steel sectors of the industry. One of these key institutions is the Nigerian Institute of Mining and Geosciences, Jos. This institution was established with a clear mandate to become an “International centre of excellence” and a “Unique Postgraduate Institution” for professional training and research in mining and geosciences. It is designed to train three (3) categories of students, comprising of those who:

- i) Possess a B.Sc or HND in mining engineering, minerals engineering and mineral exploration;
- ii) Carry out postgraduate research in mining and geosciences; and
- iii) Take short duration courses on specific areas of the mining industry as a means of upgrading their professional capabilities and knowledge in mining and geosciences.

In the same vein, the National Metallurgical training Institute, Onitsha, has a mandate to minimize the need to send Nigerians overseas for professional training in metallurgy and to organize and run training courses for low and middle level manpower.

With an annual training capacity projection of 400 students, the institution has attained 75% of its training programme and hopes to attain 100% by year 2010. It is noteworthy that about 60% of the institution’s graduates are self employed and another 40% employed by organizations in the oil, gas, steel and other related

industries In Nigeria. The training programmes of the institution have also been expanded to include Information Communications Technology.

In the area of research and development, the National Metallurgical Development Centre, Jos plays an important role in building capacity for the metallurgical and solid mineral sectors.

As part of its primary assignment, the centre has commenced research activities into the Ajebanoko Iron Ore Deposit in Igarra-Kabba-Jakura Meta – sedimentary region of Kogi State, as well as embarked on Tin. The centre has also, successfully, conducted research which proved the suitability of a locally produced vegetable as a core binder in the production of cores for sand casting in foundry operations. In addition to its research and development efforts, the centre also provides support services to small scale miners. The Government set up the Council of Nigerian Mining Engineers and Geoscientists (COMEG) to ensure the maintenance of high quality standards, relative to Mining Engineers. The council has, as its major responsibility, maintenance of a register of all relevant professionals including Mining Engineers, Petroleum Engineers, Metallurgists, Geoscientists and other related fields who practice the mining profession in the country.

Since its inception, COMEG has registered a total of 1,074 individuals and 21 companies.

24. **Sustainable Management of Mineral Resources Project (SMMRP)**

The Federal Government obtained a credit from the International Development Association (IDA) of the World Bank to fund the Sustainable

Management of Mineral Resources Project (SMMRP). The main objectives of the project are to increase the Government's technical capacity to manage Nigeria's mineral resources, with a view to providing the enabling environment for large scale development of the sector by local and foreign investors.

The project is also to establish a basis for poverty reduction and rural economic renewal through the development of non-farm income generating opportunities, mainly by promoting artisanal and small-scale mining. The project has continued to make excellent progress toward the achievement of these developments often in collaboration with the various organs of the Ministry. The following is a discussion of the various aspects of the project:

a) **Private Sector Development**

The SMMRP sponsored Messrs. PGW of Canada and Fugro Airborne Survey Contractors to carry out airborne geophysical survey of the Country. It also sponsored the geo-chemical mapping of the selected areas of the country, under the auspices of the Nigerian Geological Survey Agency, with the technical support of the British Geological Survey (BGS).

b) **Promotion of Artisanal and Small Scale Mining**

Short courses were conducted for artisanal miners mining communities in Jos, Plateau State and ASM officers of the Ministry underwent in-depth training, both at home and abroad. Similarly, a handbook containing a comprehensive tool kit, to guide operators on exploration and beneficiation techniques, is currently being produced.

c) **Disbursement and Grants**

Disbursement of grants, under the US\$10million grants program, was made to the first ten artisanal miners in July of this year. Fifty fresh applications from the six geopolitical zones of the Country are currently being processed for award of grants to an additional 20 artisanal miners monthly. Under this scheme, mining cooperatives are also given grants of a maximum US\$50,000, to enable them purchase simple mining tools and equipment.

d) **Capacity Building**

The project facilitated the upgrading of the old school of mines in Jos into the present Nigerian Institute of Mining and Geosciences (NIMG), by the provision of physical infrastructure at its three campuses, in addition to the recruitment of staff and a development of curriculum for the institute. The project also organized training for over 200 members of staff of the Ministry, NGSA, and Mines Inspectorate, within and outside the Country.

25. **CHALLENGES**

As we have highlighted earlier the minerals and metals sector holds great prospects for the accelerated economic development of the nation. However, the sector is not devoid of challenges that militate against its progress. Currently, the most serious problems we have are:

- a) Lack of a strong well articulated strategic framework;
- b) Lack of the requisite enabling environment;
- c) Slow, albeit, steady foreign capital inflow;

- d) Inadequate geosciences data for investors;
- e) Conflicts between operators and host Communities;
- f) The re-operation of ASCL and NIOMCO;
- g) Illegal mining activities;
- h) Delayed passage of related legislation;
- i) Lack of requisite infrastructural logistics, such as rails, road, water ways, power etc.;
- j) Conflicts between the Federal and State Governments on solid minerals rights;
- l) Smuggling of mineral commodities especially, gemstones, out of the country; and
- m) Of course, the perennial issue of tight budgetary parameters.

26. **WAY FORWARD**

In order to advance the sector and enable it to significantly contribute to the diversification of the economy, as well as mitigate the adverse effects of the primacy of oil and gas in the economy, the Ministry is committed to the accomplishment of the following:

- i) Articulation of a clear strategic road map and framework – such a framework must incorporate a program that addresses a comprehensive generation of geosciences data, given its role as the bedrock for any potential mining investment. While a review of other countries with similar significant mineral endowments but with on-going security and

infrastructure challenges, indicates continued interest from potential mining investors, we must make all effort to address the problem of transport infrastructure. Our ability to do so, coupled with our mineral wealth, will definitely make Nigeria the preferred mining investment destination. The foreign investment drive, which we have pursued vigorously all year, must continue at a much more accelerated pace, as necessary, to bring the range of junior and major mining firms into Nigeria. In particular, the benefits associated with bringing the global mining firms into Nigeria includes giving the country credibility as a mining destination, job and wealth creation, specialized technology and skills transfer, establishment of the requisite mining value chain, etc.

- ii) Articulation of a highly competitive enabling environment – Of course, the preceding activities must be complemented by a vigorous and robust stratagem that focuses on policy, institutional and legislative activities that enhances the enabling environment for mining activities. It certainly cannot be overemphasized that investors are principally motivated to invest their funds in environments in which risks are minimized. Although the Ministry has made significant strides in implementing significant legislative and institutional reforms such as, the passage of the Minerals and Mining Act of 2007, the creation of a Mining Cadastre System, completion of the mining regulations, etc., we still have work to do, relative to fully operationalizing the mining regulations, setting up of an autonomous Mining Cadastre Office, increased collaboration between the Ministry and the States, consistent with the provisions the 2007 Minerals and Mining Act.

Furthermore, the success of implementing the strategic road map and framework will require the support of appropriate and efficacious institutional framework and staffing. We must continue to train and re-train our personnel to provide efficient services. Our processes must be streamlined to conform with international best practices, as necessary to enable us to compete with our other mineral endowed neighbours.

27. **CONCLUSION**

Ladies and gentlemen, permit me to extend my appreciation to the Chairmen and members of the various committees in the Senate and House of the Representatives who have oversight functions in minerals and metals sector. They have shown considerable determination and zeal in ensuring that the sector moves with efficient speed in assuming its rightful role in the Nigerian economy. We shall spare no effort in our common objective of revitalizing the minerals and metals sectors.

Let me also express our deep gratitude to the mining community, for their persistence in the field, both physically and literally. As we continue to grapple with the arduous mission of regenerating the sector, we will work together with all stakeholders, in our quest to significantly contribute to Mr. President's 7-point Agenda and to ensure that we join the league of top 20 leading economies of the world by the year 2020.

Thank you and God Bless!!!