

## **MINING INDABA 2013: South Sudan iron-rich and ‘open for business’, minister says**

Africa’s newest country, South Sudan, has thrown open its doors to the mining industry, the country’s minister for mines and petroleum, Stephen Dhieu Dau, said at a briefing in Cape Town on Wednesday February 6.

In a bid to diversify its economy away from oil revenues, the east African nation, which gained independence on July 9, 2011, passed a Mining Act last November allowing licences to be granted to foreign firms for the exploration of South Sudan’s rich mineral deposits of iron ore, gold, diamonds, copper and other base metals.

The bill is awaiting the president’s signature to come into effect.

South Sudan’s director for mineral development, Arkangelo Okwang Oler, told Steel First that the country’s “significant” deposits of iron ore would be used downstream to develop a national steel industry.

“Whatever iron ore we get out of the ground, we are thinking not of exports but of building a steel industry to develop infrastructure-building,” Okwang Oler said.

South Sudan relies on oil revenues for much of its income. In 2011, oil revenue provided 98% of the country’s budget of around \$7.4 billion.

Oil production in South Sudan halted in 2012 due to its dispute with neighbouring Sudan over oil export fees, leaving the landlocked country with almost no revenue.

While construction work on a pipeline to pump oil from South Sudan to an export terminal is expected to begin this year, the minister admitted that infrastructure was an issue for the country’s nascent mining industry.

“We are working hard to find infrastructure solutions,” Dhieu Dau said. “We are working with the World Bank and the Africa Development Bank to create a transport corridor, with new rail, road and pipeline solutions.”

The government was also working to provide a secure environment for investors in terms of land ownership and compensation, Dhieu Dau said.

The South Sudanese government is reviewing 24 permits granted under the previous regime as part of the new mining act.

Two gold-mining companies, New Kush Exploration & Mining and Equator Gold, are currently operating in South Sudan.

By Michelle Madsen