

NIGER

Moving forward

Having

won presidential elections in March, ending a year-long military junta, veteran politician President Mahamadou Issoufou is bringing investor confidence and hope back to the resource-rich Niger and earning high praise from the international trade community for his efforts to restore democracy.

And, keen to ensure Niger redistributes its potential wealth to give a good standard of living to those of its population of 16 million who are facing poverty, the President says:

"Niger is well endowed by nature and we intend to exploit our resources in the best interests of the people. We have oil, uranium and gold—and those are just the substances in operation. There are, however, other natural resources not yet in operation, such as coal, phosphate and iron.

"If the developed countries have financed their industrial development from agriculture, I believe we can generate the same surplus from the mining industry."

In order to achieve this, President Issoufou is standing by his manifesto promises and implementing an eight-point mandate that aims to create 50,000 jobs, build new infrastructures, ensure food, water and energy security, develop effective health and education programs, and nurture a safe, democratic and well-governed Niger.

To reignite private-sector investment, the President is also looking to diversify the country's traditional partnership base and offering special tax privileges to tempt investors. Already, hotels in the business-friendly capital of Niamey are bursting with potential partners waiting to meet government officials and business managers to discuss new openings.



H.E. Mahamadou
Issoufou
President of Niger

President Issoufou is pleased with the progress made in this direction.

"We recently launched a project for the construction of a cement plant, which will increase cement production in Niger from 40,000 tons to 540,000 tons, showing that any opportunity will be used to boost the national economy," he says. "We are also opening the Kandadji Dam and the Imouraren uranium mine.

"Foreign investors should feel reassured by this and the other things we will be doing, because if a host country invests in a given activity, it means they are taking a minimum risk by investing in the same project. This is what our aim of 7% average growth rate represents—the oil, the uranium, the exploitation of our natural resources and the contribution of the private sector to those and other activities.

"In this country, there are a lot of traders and agents involved in purely commercial activities and we want to raise awareness about the need to invest in the secondary sector. Agriculture and animal husbandry represents more than 46% of our gross domestic product, followed by the tertiary sector, which is 42%. The secondary sector is just 12%, so you can see it is under-developed.

"Our goal is to encourage Nigeriens to invest more in this sector, where foreign investors are needed as well. We want to form more limited companies. All of these steps will be taken so that Nigeriens can start investing in their own country."

Development of the country's energy sector, particularly uranium, is a priority. Dominated by the high consumption

AREVA DEVELOPS SUSTAINABLE ENERGIES. SUSTAINABLE PARTNERSHIPS TOO. AREVA IS PROUD OF ITS COLLABORATION WITH NIGER.

As a world leader in the nuclear energy business and as a significant, growing player in renewable energies, AREVA is a responsible standard-setting operator in the mining industry that has always been highly involved in the economic and social development of the countries in which its sites are located. Present in Niger for over 50 years, AREVA is the principal shareholder in the Nigerien mining companies SOMAÏR and COMINAK and also getting ready to bring the immense Imouraren deposit into production.

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of wood and biomass resources, the country imports around 87% of its electricity from Nigeria, with local production of thermal power from coal and diesel making up the rest.

One of the world's largest uranium producers, Niger introduced a new Mining Code in 2006, which saw the National Mine Research Office—whose responsibilities included organizing mining exploration programs—replaced by two newly established entities: the Geological and Mining Research Center and Société de Patrimoine des Mines du Niger (SOPAMIN).

SOPAMIN holds the state's shares in the existing uranium companies and is in charge of engaging in commercial transactions, such as uranium sales. Since the adoption of the new Mining Code, the government has issued a significant number of new mineral-exploration permits.

"SOPAMIN is working on several projects and seeking financial partners for the government. Our job is to push the diversification out of our business partners and ensure we get the best possible markets," says SOPAMIN's managing director, Hamma Hamadou.

"The countries with the most interest to us at present are the United Arab Emirates (UAE), Saudi Arabia, South Korea, Japan and China. Of course, after the Fukushima incident, our Japanese projects will not be revived for another two to three years, but there won't be a shortfall of power demand in terms of uranium, because the plants exist and they need to generate power.

"We are now most interested in China, which has boundless energy needs. It has many uranium-production plants, but the production capacity is not yet sufficient to supply the country's reactors that are already very advanced, so we already have an agreement with them which started a few years ago.

"In terms of added value, we have U.S. companies with both Chinese and Nigerien capital, but the production of our company is insufficient to compensate for the deficiency of China. The production in our other companies without the

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Hamma Hamadou, Managing Director, SOPAMIN

participation of Chinese capital will certainly benefit from the demand of China. Besides China, the UAE and Saudi Arabia now have huge energy deficits because they produce only 25% of their domestic demand for electricity, and one of the most efficient energy sources that will enable them to meet domestic demand is nuclear energy.

"We also believe that India will see substantial increase in energy needs due to population, economic and purchasing-power growth."

High hopes for Imouraren mine

Development of the large Imouraren deposit about 70 km south of Arlit and Akokan was confirmed in January 2008, after nuclear giant AREVA agreed to increase royalty payments to the government by 50%. Ownership is now AREVA 56.65%, SOPAMIN 33.35% and Korea Electric Power Corporation (KEPCO) 10%.

Hamadou, who joined SOPAMIN in January this year, predicts profits equivalent to €9.5 million for 2010. For him, building credibility is now key. "If you have a solid reputation as a serious company, this will significantly increase your opportunities. We would like to be internationally known as a producer and distributor," he says.

As the country's first private employer and main industrial partner for the past 40 years, AREVA is a major stakeholder in the Nigerien economy. Its mining activity generates important revenues that have a positive impact on the development of social and public initiatives. Pascal Bernasconi, director general of SOMAIR, AREVA's subsidiary in Niger, and Ibrahim Courmo, deputy director general of AREVA, are naturally positive about Imouraren's prospects.

"Imouraren should become one of the largest mines worldwide, with a production target of 5,000 tons of uranium a year. The initial mining work has already started, and we aim to start production in 2013-2014. This corresponds to a €1 billion investment," Bernasconi says.

The industrial challenge is, he says, significant, as production has long been around 1,000 to 1,500 tons of uranium per year. "Since 2008, however, we have been making invest-



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ments to increase technical and human productivity so that by 2012 our production will reach up to 3,000 tons per year. If you add this to the production of Cominak, which is about 1,500 tons per year, you'll see that over time, mining companies in which AREVA has a stake will produce close to 10,000 tons of uranium per year."

AREVA has moved quickly since 2004, as economic conditions have become more favorable. "We have a licence and operating permits and have invested in mining resources such as trucks and drills. We have also built an industrial base as a factory on-site to process uranium concentrate mining," Courmo says. "Of course all this is accompanied by direct job creation which is very important. About 1,500 jobs will be created, not including any sub-contracting, which, when counting the workforce during the construction period, will reach up to 5,000 people employed."

"We also have to think about transportation and what that entails. There are companies that have developed their activities around our business."

As Bernasconi adds: "Employment is one of the components, but then there is what Niger gets in terms of currency, royalties, mining taxes and dividends due to its participation in the company, and all taxes and fees. These are the classical aspects, but beside that, there is the fact that we created something huge in the Agadez region. This has a direct impact on the city, with housing for employees. It is a very important economic activity, given the volume of people it represents."

"Enterprises like ours need help in order to invest, organize and to structure themselves, not just to be able to meet our needs, but also enable them to develop business in Niger, a landlocked country, which is strategically very important."

Six petroleum reservoirs to open

Formed in 1977, Société Nigérienne des Produits Pétroliers (SONIDEP), another flagship energy company, is playing a vital role in managing the country's petroleum resources. SONIDEP operates retail-sales stations for automobiles and fuel oil throughout the nation, importing crude from the international markets. This year, it expects to make sales revenues equivalent to €287 million, and to exceed the €300 million symbolic ceiling by 2015.

Led by general manager Idrissa Moussa, who has been in the company for 22 years, SONIDEP is going from strength to strength. It will soon operate six new petroleum reservoirs and transfer its operations to new headquarters.

"Niger is a young country, full of potential," Moussa says. "We have just discovered and started the exploration of oil ready for early 2012 and have important reserves in iron and coal. The base of any development is energy, and we have all the raw materials we need to develop these industries. People can come and participate in them and make a profit with us."

Meanwhile, based in the north of Niger, Société Nigérienne du Charbon d'Anou-Araren (SONICHAR) is involved in the extraction of coal, converting coal into electric energy and then transporting this energy to its clients in the city



The future is SOPAMIN

As nuclear energy becomes a more viable alternative to oil and gas, Niger, one of the world's top producers of uranium, is preparing to export more of this vital mineral.

Since 2007, Société de Patrimoine des Mines du Niger (SOPAMIN) has been responsible for issuing exploration rights and protecting the state's shares within mining companies operating within Niger.

A dynamic organization, with its own mines and mining activities, SOPAMIN will play a key part in fueling new markets as it expands the local industry by exporting uranium to China, Germany, South Korea and the U.S., as well as continuing to supply its traditional clients of France, Japan and Spain. It plans to tap into the India, Saudi Arabia, South America and UAE markets in the future.



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of Agadez and to mining companies in the region. With the opening of the new Imouraren uranium-extraction plant, SONICHAR will build a third branch to further increase their capacity, in line with their ambitions to expand and grow within the region.

Djingo Alkamissa, general manager says: "Uranium, coal, solar and wind energy? Niger has a lot of potential but it needs a lot of investors. Besides all the other opportunities, coal is going to go up as a result of what happened in Japan recently. Coal will revive its potential so I believe returns are almost guaranteed; we need investors so they can trust us and give us the chance to prove ourselves and prove to them the potential of Niger."

"For investors, the return on investment is first and foremost. I am pleased to announce that in the three years since I took over the company, SONICHAR has gradually recovered from five years of loss. We made €23 million in 2010. and we expect even better results by the end of this year. The results for 2011 so far are already quite significant."

The company is also committed to Corporate Social Responsibility, and positions itself in line with the President's education initiatives, while improving the quality of life for Nigeriens with donations, projects and job creation.

More success stories

The commitment to the country's success and development is prevalent through the domestic business sphere, with a

wealth of young companies demonstrating their professionalism and know-how.

A privately owned company, with 100% Nigerien interests, Société Nigérienne des Hydrocarbures (SONIHY) was created in August 2000, with an initial capital of 39 million francs CFA (€60,000). Today the company has built its capital to over 230 million francs CFA (€350,000) and continues to expand and grow.

Souleymane Hamadou, general manager, who set up SONIHY after 14 years working at SONIDEP, explains: "We are in the

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Souleymane Hamadou, General Manager, SONIHY

business of distributing diluted petroleum products such as oil, gas, butane and lubricants, and to date have managed to secure a share of between 60 and 65% of the gas market. "

"We are confident that our activity is going to double. In terms of the last three years, our activities have already seen a 15% growth rate per year. Niamey is a city in full expansion and we are implanting our products and presence, via our partner, multinational Swiss company, Oryx, all over the periphery. Within 20 to 25 years, some 50% of the Nigerien population will be urbanized, and a quarter of them will be living in Niamey. All this gives us hope that our business activity will grow."

Finally, state water-management company Société de Patrimoine des Eaux du Niger (SPEN), committed to both rural and urban water planning, is involved with the Kandadji dam, which, when complete, will increase agricultural production and hydropower generation, increasing installed electricity capacity to around 370 MW (a rise of 55%).

"Kandadji will not only cover the local need for energy but will also produce an opportunity to generate a surplus that could be exported and this is something we are working hard towards," says SPEN general manager Ibrahim Boubakar. "We have challenges but also enough opportunities to offer, and with the commitment of the new authorities, the investment climate will become more and more favorable, with enough room for everyone who is interested to come to Niger."

Our coal powers Niger

This is why we are working hard to extract coal and produce electric energy for a sustainable development in Niger.



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