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## West Africa to attract even more investment in its iron ore deposits

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Reuters reported that restive West Africa will attract even more investment in its iron ore deposits than the billions of dollars already committed this year, as resources firms race to dig mines to meet demand from steel mills.

A handful of countries on the West African coast sit on vast unexploited resources of iron ore. Globally, more than a billion tonnes of iron ore was used worldwide last year.

Mr John Jorgenson, iron ore specialist at the United States Geological Survey, said that "Guinea, Sierra Leone, Liberia, Cameroon, Gabon, Ivory Coast, they all have potential." He said that only Mauritania exports iron ore so far, but if major projects elsewhere in the region are realized, countries on Africa's western coast could produce just less than 10% of the world's supply, up from less than 1% last year.

Mr Jorgenson said that "The reserves are a pretty good size, a quarter of a billion to half a billion tonnes, and some of the grade is 65% iron, which fits in the range of Australian and Brazilian deposits."

If the investments announced this year alone come to full fruition, then companies including BHP Billiton, Rio Tinto, Vale SA and Chinalco will spend around USD 10 billion on projects in West Africa.

ArcelorMittal also restarted work in Liberia and Senegal in 2010, projects which will cost almost USD 4 billion to complete. Competition for the Belinga deposit in Gabon, a 2006 deal being reviewed by the government, will be fierce.

While West Africa is not the only place being eyed by miners, they are finding a warm reception by governments in a region with some of the world's poorest countries.

For a country such as Liberia, which hopes to raise gross domestic product to USD 1 billion this year, a world class iron ore mine, which costs at least that much to build has the potential to transform the economy.

In neighboring Sierra Leone, Shandong Iron & Steel's USD 1.5 billion investments in African Minerals' Tonkolili deposit, agreed this month, will create thousands of jobs, plus bring in taxes and export revenues.

Mining firms were perceived to be willing to sign deals with an outgoing government in order to secure involvement when the new government, whoever heads it, begins examining agreements signed by former administrations.

(Sourced from [www.reuters.com](http://www.reuters.com))

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