

“The Management of Liberia’s Natural Resources”
Keynote Address by H.E. President Ellen Johnson Sirleaf
at the Business Luncheon Meeting
Hosted by the Federation of Indian Chambers of Commerce and Industry,
the Confederation of Indian Industry and Associated Chambers
of Commerce and Industry
The Oberoi, New Delhi, India
September 11, 2013

Mr. Chairman;

Members of the Federation of Indian Chambers of Commerce and Industry, the Confederation of Indian Industry and Associated Chambers of Commerce and Industry;

The Liberian Delegation;

Special Guests;

Ladies and Gentlemen:

I thank all of you, who represent the Indian Chambers of Commerce and Industry, for the kind invitation to address you about investment opportunities in my country. Thank you for your interest in Liberia, a small country in size and population, but one which is richly endowed.

I am especially honored, as the first Liberian Head of State to pay a State Visit to India, a country one can describe in superlatives – for its geography, population and technical acumen, as well as for its diverse ethnic groupings, culture and traditions.

My task, before this audience of business leaders, is to encourage and interest you to come and invest in our country. It is important, then, to set the scene by saying a little bit about this potential.

Today, Indians form the second largest expatriate community in Liberia. Generations of Indians harbor deep affection for our country; some have married Liberians, some have settled there, many raised families there. We believe that their experience will sway others of you in this room, and beyond, to participate in Liberia’s reconstruction through investment. We believe that giants, such as ArcelorMittal and Sesa Goa, with their multi-billion-dollar investments in our mining sector, provide a convincing story about the openness of our economy.

Our country’s Vision 2030 Development Strategy aims at making us a middle-income country by the end of that year. The first slice of that Vision, the Agenda for Transformation, has identified the priority areas of infrastructure, power, ports and roads to put our country on a sustained development path.

In Liberia today, there is a younger more adventurous corps of Indian business people, who dominate the building materials sector, a highly needed and profitable business in the aftermath of a destructive civil war, as people rebuild their lives and livelihoods. A large number of Indian pharmacies render services throughout our country.

Like many of our neighbors in the West African sub-region, Liberia is rich in natural resources – our forests are virgin; our mountains are filled with iron ore, gold and diamonds; our land is fertile, with plentiful rain; and our share of the Atlantic Ocean has fish potential and for hydrocarbon. Agriculture remains our key area of strength, with rubber being our

traditional export. We also are a major oil palm producer, with recent investments from two Asian countries, Malaysia and Indonesia. Traditionally, coffee and cocoa also are part of our endowment.

With forest resources accounting for 43 percent of the biodiversity in West Africa, there is great potential for the production of wood and related products. We no longer seek timber exporting agreements, but investments that add value for exports of wood products, including furniture.

In recognition of this potential of ours, ongoing reforms aim at making this sector transparent, investor-friendly, and beneficial to the nation, particularly local communities. The goal is to make the sector responsive to the needs of the Liberian people, ensuring that the rights of investors are protected, and that forest resources are used in a sustainable and responsible manner. Our new forest laws stress the integration of community, conservation, and commercial forest management. A Community Rights Law empowers communities to fully engage in the management of forest resources.

Liberia, with a coastline of 360 miles, is a marine country with tremendous fishing potential in revenue and exports. With World Bank support, we have initiated measures for the sustainable and effective governance of our fisheries sector. Reforms are under way to eradicate instances of illegal fishing, and make the sector attractive to investors.

We welcome Indian investors to our marine sector, particularly in establishing fish cluster sites, which could include facilities for cold storage, drying, packaging for export and local consumption.

Liberia is traditionally a mineral-rich country, with significant deposits of iron ore, diamond and gold, recently discovered in substantial quantities of gold.

We have thus made significant progress in ensuring that the exploitation of these resources are done so in an appropriate governance framework, and that the ongoing reforms in all of our sectors will protect the national interest but continue to create an investment environment to ensure security of tenure and a fair return for investors.

Two years ago, ArcelorMittal, whose major shareholder comes from your country, made the first iron ore export, in 20 years, under a Phase 1 program that has increased annual exports to 5 million tons. A Phase 2 will increase exports even more, to over 15 million tons annually. Another company, Sesa Goa, owned by Vedanta, an Indian corporate entity, is poised to start operations by the end of this year.

Moving beyond India, another Asian company, China Union, in July commissioned the first phase of its iron ore operations, and two European companies will, for the first time in our history, start industrial gold production.

An abundance of rainfall makes Liberia suitable for hydroelectric power. Therefore, major progress is being made to restore our Mt. Coffee Hydroelectric Dam that was damaged during the period of conflict. When operationalized at the end of 2015, the hydro will supply much of the needs in the Capital City but will still fall far short of the requirements of major mining and agriculture operations. Several heavy fuel oil plants (HFOs) will fill in the gap, and power under a West Africa regional plan will be an additional source. We are also pleased that negotiations are well advanced with the Jindal Group of Companies, who will be installing a major plant in our country, to increase the source of power for industry.

The chance that oil will be discovered, in commercial quantities, off Liberia's coast represents multiple opportunities for investment and growth. Being in the preparatory phase of oil exploration allows us to plan correctly so that when production hopefully commences, it will be conducted in a manner that recognizes and addresses some of the challenges which other West African countries in a similar situation have experienced.

A reform, nearing completion, will ensure that oil policies and legislation comply with international best practices, and partnership with the world's best operators, such as Chevron and ExxonMobil, who have the technical and financial capacity to undertake the high risk and high cost of exploring and developing our offshore oil prospects.

All of these opportunities we mentioned will ensure that we create an open and transparent environment which guarantees investors a fair return on their investment, while respecting the rights and dignities of our citizens.

Let me say to you, members of the Chambers of Commerce and Industry, that we look forward to a partnership with you. Although our country is small, our population small also, with our endowment and with the fact that we do form part of the West African Community that enables us to have businesses with economies of scale that enable us to increase our purchasing power within our sub-region, providing more opportunities for you.

We have already become eligible for the African Growth and Opportunity Act (AGOA); we have duty-free and quota-free access to the European Union market for exports, except arms and ammunition; and we also have tariff-free entry into ECOWAS, our regional institution. All of this gives us a market that's more than twenty-five times our own size.

India has also helped us in building a Barefoot Vocational Training Center in Liberia – and I must mention that because my Gender Minister is in the room – to make sure that our women learn how to produce and manage solar energy in urban and rural areas. This will ensure that also our rural population take part in promoting the industrialization of our country.

We think we've made tremendous progress; we think we have an attractive investment for the development of our natural resources. We believe we have an environment that's conducive, investor-friendly and transparent.

Governance issues still haunt us; we're still trying to ensure that integrity becomes one of the issues that we must continue to address. But I can say to you, emphatically, that Liberia is open for business in a conducive environment, and that Liberia welcomes you.

