

# Firestone Eyes Exclusive Right for Rubber Production in Liberia

By J. Burgess Carter - May 27, 2019



*Firestone Liberia's sprawling nursery is a key part of the company's plan to complete the re-planting of the entire farm by the year 2033.*

## **Senate Concessions Committee proffers amendments to concession agreement**

While a high-powered delegation of the Firestone Plantations Company was meeting with President George M. Weah late last week, the Senate committee on Concession and Investment was making a parallel move in favor of the company to plenary, the highest decision-making body of the Senate. On Thursday, May 23, the committee submitted a report to plenary on the 2018 Concession Agreement on Amendment to the Amended and Restated concession agreement between the Republic of Liberia and Firestone Liberia Inc.

If plenary heeds the Concession and Investment Committee's report, Firestone Liberia could end up with the "exclusive right, permit and license to engage in production in the production area (subject to other terms in Liberia) and the utilization in Liberia of rubber and rubber products and the exportation of rubber products from Liberia."

According to the committee, chaired by Senator Sando Johnson, "except as provided in the amendment, Firestone Liberia is not to engage in any business other than the production and utilization in Liberia of rubber and rubber products and the export from Liberia of rubber products."

However, the report noted that in the event Firestone Liberia wishes to engage in the production of, in Liberia and the export from Liberia of agricultural products other than rubber products, "she should first notify the government of Liberia of her intention to do as decided, provided that such production of other agricultural products shall not adversely affect [rubber] production; that nothing contained in this agreement shall prevent affiliates of Firestone Liberia from engaging in other businesses within the territory of Liberia, pursuant to law."

In June 2018, Firestone Liberia was [chided by the House of Representatives](#) for for being in violation of its Concession Agreement, by selling hevea rubber wood, furniture and growing coffee and cocoa. The House’s action was based on observations and findings by its Joint Committee on Agriculture and Labor, as well as Lawmakers from Margibi and Montserrado Counties.

In response, Mr. Edmundo Garcia, the Managing Director of Firestone Liberia at the time, admitted to producing rubber wood and selling furniture, but said they were “trials” to encourage Liberians to engage in rubber wood furniture. He also admitted that the management is involved in growing cocoa and coffee, but was also a trial and part of the amended documents of Firestone which is before the Legislature to engage in crop diversity.

Essentially, the amended concession agreement would allow Firestone Liberia some latitude — albeit with permission from the Government of Liberia — to keep experimenting with other tree crops such as cocoa and coffee. And the rubber wood venture, provided that it remains viable, will continue.

The Senate committee’s proposed amendment states that Firestone Liberia shall have the right to sell rubber products to unrelated persons of her choice, on an arm’s length basis, at prices she might deem appropriate, taking into account good, modern, competitive business practices; “except both parties so agree in accordance with section 4.1 (a) and that Firestone Liberia informs the Government of Liberia not less often than six (6) months of the term and conditions of all such sales made pursuant to section 4.7 taking place during the immediately preceding six months.”

The amended and restated concession agreement further states that Firestone Liberia shall have nonexclusive right at all times to purchase, without limit, subject to terms of section 4.1 (a) and 4.7 hereof to process, market, sell, deal in and export all such rubber and rubber products.

Article 3 of the Agreement stipulates that: “Except as amended by this 2018 amendment, the terms of the 2008 Concession Agreement shall be as set forth in that agreement and together with this 2018 Amendment shall remain fully binding on each of the parties.”

“Based on the findings indicated above, the Senate Committee on Concession and Investment recommends to the plenary of the Senate to approve the enactment into law, the Amendment to the Amended and Restated Concession Agreement between the Republic of Liberia and Firestone Liberia Inc.”

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