



Areva's uranium mining deal with Niger receives cautious welcome

Transparency campaigners call for details of long-delayed deal with French firm to be published after dispute over royalties

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News that the French nuclear company Areva has finally signed a new operating contract with the Niger government for its northern uranium mines has received a cautious welcome from transparency campaigners.

Negotiations over the renewal of the deal had been stalled for more than six months after Areva initially said the application of the terms of a new 2006 mining code - which demanded a royalty increase from 5% to between 12% and 15% - would make its operations in the town of Arlit unprofitable.

A communique published by the government on Monday said the contract had been signed within the framework of the 2006 code but gave few details. A Reuters report suggested the company had agreed to give up a number of tax breaks and to increase royalties to "as high as 12% depending on profitability".

Ali Idrissa, a member of the Publish What You Pay coalition and head of the Network of Organisations for Transparency and Budgetary Analysis, said: "The priority for us is to call on the Nigerien authorities to publish the contract in accordance with our country's constitution. We will then be able to look at the details of the clauses, the important role we have to play with be monitoring this deal." The publication of natural resource contracts is demanded by the country's 2010 constitution.

The drawn-out negotiations with Areva had become something of a test case in Niger, with hundreds of people taking to the streets in a series of demonstrations over the past six months to call for the terms of the mining code to be respected.

Oxfam France, which has been campaigning on the issue, has drawn attention to the fact that Areva's total turnover of about \$9bn was more than four times Niger's annual budget, and that one in three French lightbulbs was powered by the country's uranium.

"It's obviously a victory for strong civil-society mobilisation as much in Niger as in France, but it's also a bit rich. It should be absolutely normal that business conform to the laws of the countries in which they operate," said Oxfam's Anne-Sophie Simpère, calling the opacity around the deal scandalous.

Early in 2014 the country's two mines, Somair and Cominak, which produce about 4,000 tonnes of uranium a year, were closed, causing a 10% drop in production. Areva has always insisted that shutdown was for planned maintenance.

The new deal, however, signals bad news for the new Imouraren mine, which had been scheduled to open in 2015, doubling the country's production. The communique, signed by the minister of mines, Omar Hamidou Tchiana, and Areva's chief executive, Luc Oursel, who reportedly was in Niamey for the negotiations, says the opening of Imouraren will be delayed until there is an improvement in the world uranium price. It has dropped from more than \$42 per pound in 2013 to \$34 in the first quarter of 2014, and the company reported a 17.3% drop in revenue in the first three months of 2014.

Areva also announced that it would: build a new headquarters in Niamey; employ Nigeriens to manage the Somair and Cominak mines; spend \$123m to rebuild the road to its mines in Arlit and \$17m on a local development project.

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- France
- Europe
- Niger
- Africa