

**ADDRESS BY THE PRESIDENT OF THE NIGERIAN SOCIETY OF MINING ENGINEERS (NSME) AND HOST, DR EBENEZER O.A. DAMISA, FNSME; AT THE OPENING CEREMONY OF THE 16<sup>TH</sup> ANNUAL GENERAL MEETING/CONFERENCE OF THE SOCIETY HOLDING AT BARCELONA HOTEL, 23 BLANTYRE STREET, ABUJA. 1-4 NOVEMBER, 2016.**

**Courtesies**

It gives me great pleasure and honour to extend to you all, the felicitation and a very warm welcome on behalf of the Council and the entire membership to the Opening Ceremony of the 16<sup>th</sup> Annual General Meeting/Conference of the Nigerian Society of Mining Engineers (NSME).

We are very delighted and honoured by the President of the Federal Republic of Nigeria, His Excellency, President Muhammadu Buhari, GCFR; worthily represented by the Honourable Minister of State, Mines and Steel Development, Hon. Abubakar Bawa Bwari.

We also express our immense gratitude to some notable personalities for their auspicious presence at this ceremony. I seek your indulgence to mention a few: Engr Goni Sheikh (the Conference Guest speaker) former Permanent Secretary in the Ministries of Mines and Steel Development & Petroleum Resources; Dr Emmanuel Egbogah, *OON*, Chairman Emerald Energy Resources Ltd and former Special Adviser to the President on Petroleum Matters; Prof Ibrahim Garba, Vice Chancellor Ahmadu Bello University Zaria; Engr Mohammed Amate Director General Mining Cadastre Office; and other dignitaries at this great occasion.

The theme of the Conference *MINING INDUSTRY AND NIGERIA'S ECONOMIC DIVERSIFICATION* we believe is very pertinent and in tune with the Change Agenda of this administration. One of the pillars on which the Change Agenda is anchored, is the diversification of Nigeria's economy through *solid* minerals. The choice of Abuja

as host of this AGM/Conference at this particular time is significant, being the seat of power.

## **Our Society**

Permit me your Excellencies to intimate you of some of the objectives of NSME as enshrined in our Constitution. Some of the objectives for which the Nigerian Society of Mining Engineers is constituted are:

- (a) *to bring together all the Mining and Mineral Processing Engineers in Nigeria as members of the Society.*
- (b) *to advance the science and practice of engineering in the fields of mining and mineral processing.*
- (c) *to afford a means for facilitating the acquisition and preservation of the knowledge which pertains to the professions of mining and mineral processing.*
- (d) *to represent to any Government the views of the Society on any legislative enactment or proposed legislation or any other subject(s) of concern or interest to the Society in Nigeria.*
- (e) *to ensure the maintenance of high standards and regulation of professional practices in mining and related industries and ascertain high academic and professional standards in mining and related programmes in institutions of higher learning in Nigeria.*

## **The Nigerian Mining Industry**

It is an opportune time, as we always do every year at our conferences, to address some burning issues regarding Nigeria's Mining Industry. It is not possible, of course, to discuss all the issues in this welcome address. Our Conference Communiqué which emanated from our Panel Discussion yesterday has taken care of most of them and will be presented at this ceremony.

It cannot be gainsaid that Nigeria has a wealth of mineral resources distributed throughout the country which can be explored for possible exploitation to broaden the country's economic base. We strongly believe that with the mineral assets that the country possesses, the sector, with commitment of all stakeholders, can contribute in great measure in achieving the laudable objectives of boosting and diversifying its economy in significant ways.

It is common knowledge that the sector has remained stunted since the 1980s and has been contributing less than 1% to the Gross Domestic Product (GDP). For instance, the sector contributed about N400bn representing about 0.33 percent, to the national economy in 2015 compared to about 5% in the 1970s. These statistics are worrisome. In addition to contributing as much as 5% in the 1970s, the Sector was also the largest employer of labour in the non-agrarian sector, with quite a good number of multi-national companies operating on the Jos plateau and thus was a significant player in some of the core global mining commodities. Today major mining companies globally do not see Nigeria as a mining jurisdiction; in fact while the country has assets in various minerals, it is only in a few major minerals that we have a top ten presence.

Generally speaking, in order to attract investment into the sector, significant work is required to further understand the mineral base in the country. One major reason we would say is that lack of appropriate and sufficient data on mineral endowment in the country is directly linked to under-investment in mineral exploration. Exploration is a long and a very critical process that requires significant government intervention. The Nigerian Society of Mining Engineers (NSME) had been in the forefront in urging the government to ensure that statutory allocations were made to the Solid Mineral Development Fund (SMDF). We were therefore delighted when on Wednesday 19 October, the Federal Executive Council approved the allocation of N30bn to SMDF. This is a step in the right direction and it bodes well for the Industry. As we rejoice at this development we would do well to remember that exploration in mining, for which the amount is dedicated, is very expensive. We

commend the government for laudable this initiative, however we would like to opine that this amount will not go far enough to make the necessary impact and therefore urge the government to explore other sources of funding to complement statutory allocations to the SMDF. For the general framework for the administration and disbursement of the Fund we would like to suggest that Loan Disbursement from the Fund should only cover detailed exploration as opposed to basic exploration or prospecting. As part of the qualification criteria for accessing the loan, an operator must show evidence of having undertaken basic exploration activities such as geological mapping, pitting and trenching where applicable. Since the report of the basic exploration would spot geological anomalies, it should be reviewed, analysed and evaluated by a team of experts and if the results are encouraging, the report will then be used as a basis for granting the loan for detailed exploration.

The above suggestion is aimed at curtailing speculators who may want to seize the opportunity of the loan window to go into the mineral industry even though they lack the dogged commitment required for mining business. In addition, it is to ensure that only competent mineral exploration outfits and mining consulting firms accredited by COMEG are engaged. The NSME is prepared to work with Ministry or the SMDF in this regard.

### **Investment in Nigerian Mining Sector**

We see long term growth fundamentals as strong in mining business worldwide, which means that investment in the Sector locally and internationally, will continue to rise in the foreseeable future and will be driven by a number of key trends. Two interrelated trends are known to have led to change in 2005 in the upswing mining cycle or in the dynamics of mining business globally. These are shift to Asia/emerging markets on one hand and resource sovereignty and innovation imperative on the other. We expect these conditions to stay for the next decade and significantly beyond. We are confident in the long term outlook and in the future demand of mineral products which we believe will continue to be driven by the urbanization and industrialization in the developing world. Also, millions of people

globally will continue to seek better life as they move from rural to urban realms over the coming decades thus greater demand for minerals and metals that we produce. We also see continuing robust demand from advanced economies as they invest in upgrading their infrastructure. Regarding investment, mining companies especially major ones like BHP/Billinton, Rio Tinto, Goldfields etc, pay particular attention to the national competitiveness of the countries in which they intend to operate when they seek new assets for development. Nigeria needs to realize that we are in competition with the rest of the world in the investment dollar. Competitiveness is driven by key factors that private sector companies evaluate when deciding to enter a jurisdiction: (1) the quality of the resource (2) the cost structure of the country (3) the institutional framework overall. When compared to other mining jurisdictions globally Nigeria can be said to be an average performer at best across each of these dimensions which suggest that a lot must be done to improve the performance of the sector especially with regard to attracting direct foreign investment.

As for investment by large indigenous firms, there are several initiatives that should be explored for different minerals, each with a set of specific value chain. These initiatives will grow domestic market, substitute imports, expand exports and manage precious mineral smuggling.

## **AWARDS**

Your Excellencies, distinguished ladies and gentlemen, I am pleased and honoured to announce that the Council of the Nigerian Society of Mining Engineers has approved awards of various honours on some distinguished personalities.

### **Honorary Fellowship**

1. **Dr. Emmanuel O. Egbogah**, PhD, DIC, D.Sc., OON; Chairman, Emerald Energy Resources Ltd and Former Special Adviser to the President on Petroleum Matters Federal Republic of Nigeria, in recognition and appreciation

of his exemplary leadership qualities and meritorious contributions to the development of mineral and energy sectors in Nigeria and in other countries.

2. **Prof Ibrahim Garba**, BSc, MSc, PhD, DIC, MIOM<sup>3</sup>, FNMGS, COMEG-Regd. Professor of Geology and Vice Chancellor, Ahmadu Bello University Zaria in recognition and appreciation of his immense contributions to Earth Sciences Education and significant contributions to the Nigerian Mining industry.
3. **Prof Olugbenga Akindeji Okunlola**, BSc, MSc, PhD, FASI, FSEG FNMGS, the 28<sup>th</sup> and current President of the Nigerian Mining and Geosciences Society (NMGS), in recognition and appreciation of his exemplary leadership qualities and significant contributions to the field of Geology.
4. **Chief Nathaniel Bahago**, Chairman/Chief Executive Officer of Nasbago Nigeria Ltd, a renowned miner and an outstanding businessman, in recognition of his invaluable support to the Nigerian Society of Mining Engineers and immense contributions to the Nigerian Mining Industry.

### **Special Award of Honour**

It is with great pride and privilege to inform Your Excellencies, Distinguished Guests, Ladies and Gentlemen that the Council considered the conferment of the Special Award of Honour on the immediate past President of the Society in the person of Engr. Benjamin Okwudili Nwude, FNSME, FNSE, FNMGS, FAutoEI for his exemplary leadership qualities, commitment and sacrifice to Nigerian Society of Mining Engineers (NSME). Others to receive Special Award of Honour include:

1. Engr Marshall John
2. Engr Oluwafemi Adewumi
3. Hajia Hauwa Ibrahim

The investiture of these awards on them will take place later during this ceremony.

We wish to also announce the following awards on the members of the Society who have distinguished themselves in mining education and practice.

**Elected into the Class of Fellow:**

1. Engr Jesse Zira Kwaha
2. Engr Jimada Mohammed Abdulkadir
3. Engr Mohammed Ali

**President's Award**

1. Engr Aliyu Danladi Bida
2. Engr Dr Babatunde Adebayo
3. Engr Dr Dungka George Thomas
4. Engr Muhammad Nuru Sani Usaini
5. Engr O.A.W. Oyeladun
6. Engr Matthew Bartholomew Ameh
7. Engr Charles Uka
8. Engr Sunday Ayodele Agbalajobi
9. Engr Gbajamila Olatunbosun
10. Engr Gabriel Durojaiye
11. Mr Thomas

The investiture of our members who have been elected into the **Class of Fellow**, those honoured with Special Award of Honour and President's Award will take place later today at the Dinner and Awards Night.

We heartily congratulate all of who are being honoured today and expect your continued interest and support to our great society in particular and the Nigerian Mining Industry.

## **Conclusion**

Your Excellencies, Distinguished Guests, Fellows of the Society, Members, Ladies and Gentlemen, may I express my deep appreciation to all who have contributed to the success of this AGM/Conference of our great Society. I also wish to thank the Hon Minister and all who have honoured us with their presence at this Opening Ceremony.

Long live NSME and long live the Federal Republic of Nigeria.

Thank you and God bless.

**Dr. E.O.A. Damisa, FNSME,  
President, Nigerian Society of Mining Engineers**