

MISSION CRITICAL

# Exclusive: Saudi Arabia targets investment in East Africa critical minerals



Khalid Saleh Al-Mudaifer, Vice Minister for Mining Affairs in Saudi Arabia, speaks at the Investing in African Mining Indaba 2023 conference in Cape Town, South Africa, February 06, 2023. REUTERS/Shelley Christians

**East Africa may be in pole position to secure part of the \$15bn earmarked by Saudi Arabia for critical minerals mining.**

Saudi Arabia is aiming to invest in mapping, exploration and production of critical minerals in East Africa, Alawi Swabury, CEO of the Africa Battery Initiative (ABI), tells *The Africa Report*.

The Saudi ministry of industry and mineral resources has indicated interest in making investments in **Democratic Republic of Congo (DRC)**, **Tanzania** and **Burundi** to support planned Saudi battery manufacturing capacity, says Swabury, who attended the **Future Minerals Forum** in Riyadh between 10 and 11 January.

Saudi Arabia has said it will spend \$15bn to bolster its critical minerals supply as it seeks to produce 500,000 electric vehicles per year by 2030. Swabury says East Africa can aim to attract a significant part of that funding due to its untapped resources of **cobalt**, **lithium**, **graphite**, **nickel** and **manganese**.

Saudi’s state-owned mining companies **Ma’aden** and **Manara Minerals**, mandated to make foreign investments, have said they plan to purchase minority stakes in mining projects globally. Ma’aden and Manara are targeting East Africa with the support of the **Saudi Public Investment Fund**, Swabury says.

The Saudis want to invest in more exploration, as well as ramping up production where it is already under way, he adds.

**READ MORE** [‘Africa Business+’ unveils a new Critical Minerals dashboard](#)

The ABI, which has a partnership with the East Africa Community, was created in 2020, motivated by the Global Battery Alliance set up at the World Economic Forum in 2017. Better mapping of the region’s critical minerals is the initial priority. **Burundi** has been a blind spot for the mining industry to date, despite holding **6% of the world’s nickel resources**.

The ABI is trying to draw in mining technology partners and talks have started with the European Space Agency about using satellites for minerals mapping, Swabury says. “They could be part of the solution.”

Diasporic Africans in Europe from Tanzania, DRC, Burundi, Zambia and Zimbabwe are behind the ABI initiative. “The African diaspora has to take the lead in promoting African critical minerals,” says Swabury, who is based in Berlin. The ABI is planning to draw stakeholders together at a summit in Zanzibar in April.

Among the organisation’s goals is to promote investment in domestic African refining to add value before minerals are shipped to global markets.

**READ MORE** [Exclusive: Tanzania to ban unrefined lithium exports from May 2024](#)

Most of the companies that have shown interest in investing in East Africa’s critical minerals to date are from China, Swabury says. In Europe, however, there is “lots of talk” but a **lack of action** in securing critical minerals, he argues. European battery manufacturing plants, he argues, risk becoming “white elephants” unless that changes.

In **Britain**, successive governments have “failed to recognise the importance of critical minerals to the UK economy” and “failed to respond adequately to the aggressive capture of large parts of the market over the last three decades by China”, according to a report from the [House of Commons Foreign Affairs Committee](#) published in December.

Part of the problem, Swabury says, is due to European concerns over **child labour** in sub-Saharan African mining. Swabury argues that the problem is concentrated in precious minerals such as gold, where small amounts can be readily sold locally. Child labour, he says, is less likely in minerals such as graphite or lithium, where industrial quantities are produced for corporate offtakers. “It’s wrong to put the two things together.”

### Africa Insights

Wake up to the essential with the Editor's picks.

Sign up

theafricareport

DIGITAL EVENT

## UNLEASHING THE POWER OF SMALL BUSINESS

Join us on January 18th  
10.30am UTC

Brought to you by

theafricareport

DIGITAL EVENT

Brought to you by

## UNLEASHING THE POWER OF SMALL BUSINESS

Join us on January 18th  
10.30am UTC