There are no translations available.

Africa's extractive sector has been the fortune and the curse of many African economies. Those States that have discovered significant reserves of naturals resources (like oil, diamonds, gold, and other minerals), have neglected other sectors becoming dependent on a few commodities, in many cases growing less than other States that do not have such resources. But this narrative is now changing. The global rush to shift from fossil-based systems of energy production and consumption (including oil, natural gas and coal) to renewable energy sources like wind and solar, is putting on the spotlight again the mineral resources, especially those metals that are critical to the energy transition, such as cobalt, copper, tin, graphite, lithium, manganese and titanium. Demand for these metals is set to explode over the coming decades driven by the growth in demand of electric vehicles (EVs), wind turbines, and solar photovoltaic technologies. Only the EV demand, according to recent research , is expected to grow by almost 300 times between 2020 and 2050.

Despite Africa's has huge resources of minerals that are key for energy transition and its competitive advantage in the sector, the continent remains still far from harnessing its potential. A paper published by FERDI (Fondation pour les Études et Recherches sur le Développement International) describes the opportunities and challenges posed by the development of extraction of these metals in Africa considering some solutions aimed at avoiding that once again, Africa will fall in the trap of exporting only mineral commodities with little or no level of value addition. The cases of African countries such as Gabon, that imposes to extractive companies to process locally some of minerals extracted, is analysed.

Importantly, the study also analyses a series of factors such as the weak transport infrastructure in the continent, which makes particularly expensive to move these minerals from the extractive sites to the consumption areas in and outside the continent, especially from landlocked countries (where these resources tend to be concentrated) to coastal countries from where they reach the global markets. The existence of "hard" borders between African countries and the still widespread presence of conflicts in many African regions are also other variable that can lead to an increase of costs and threaten the opportunity to create regional value chains. Last by not least, governance issues are analyzed, observing that countries will weak governance and high level of corruption are less attractive to investors.

If such constraint will not be properly addressed, exploration and mining costs on the continent will increase, eroding the competitive advantage that Africa has in the sector. The continent would therefore miss another opportunity for its development.