Diversifying Ethiopia’s export potential as an aid to poverty alleviation

Ethiopia’s mineral resources include gold, tantalum, platinum, soda ash, potash, bentonite clay, diatomite and kaolin (china clay). Yet, despite the existence of significant mineral potential, this sector has so far made only a minor contribution to the national economy. While the current economic policy of the country gives higher priority to the agricultural sector, the mineral sector has the potential to help the Ethiopian government realise its aim of alleviating poverty by serving as an engine of growth. This would provide raw materials for industry (including fertiliser production), a source of foreign exchange, and creation of new employment opportunities. Development of the mineral sector is also seen as the best option for reducing the country’s over-dependence on coffee as an export commodity, which furthermore is highly vulnerable to international price fluctuations.

BGS recently completed three assignments under a World Bank funded Energy Access Project: Mineral Component, which is designed to promote the Ethiopian minerals sector. These were: (1) Mining Title Cadastre Management System; (2) Geological Survey and Investment Promotion Study; and (3) Industrial Minerals and Artisanal Mining Study. BGS designed and installed a mineral occurrence database and minerals information system for the Geological Survey of Ethiopia. We have also formulated a strategy to promote mineral investment, which includes recommendations on organisational restructuring, revision of methods, provision of new equipment, and additional training and recruitment. With respect to industrial minerals, recommendations were made for the development of deposits of kaolin, ilmenite, apatite, bentonite, diatomite, zeolite, graphite, kyanite, garnet, talc, mica and magnesite. An industrial minerals map of the country and two promotional leaflets (for diatomite and bentonite) have been produced.

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(Project titles and duration: (1) Mining Title Cadastre Management System, 2005–06; (2) Geological Survey and Investment Promotion Study, 2005–06; (3) Industrial Minerals and Artisanal Mining Study, 2005–06)