

**fastFT DR Congo**

## Ivanhoe founder Robert Friedland joins debate over DRC mining code

Billionaire stresses need for stability to enable investment

Neil Hume in Cape Town YESTERDAY

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Robert Friedland, the billionaire founder of Ivanhoe Mines, has waded into the row over a new mining code in the Democratic Republic of Congo, saying he would pay higher royalties and taxes but only if money benefits local people and there was proper accounting.

Mr Friedland, who is developing a giant copper mine in the resource rich nation, said he was not opposed to a refreshed code, but said the mining industry needed stability to keep investing in projects.

“I don’t mind paying . . . as long as that royalty goes to develop, help and empower local people,” he told the Investing in African Mining Indaba in Cape Town. “I want the accounting of that money to be transparent and absolutely help people around the mines”.

He added: “I not concerned about the level of taxation, that’s not the fundamental issue. The issue is the mining industry needs stability and we absolutely need transparency”.

Under the new code, which needs to be signed off by President Joseph Kabila, royalties on copper, cobalt and gold will rise. But what has really rattled the industry is a move to drop a clause that protects miners from changes to the fiscal and customs regime for 10 years.

As well as Ivanhoe, international miners active in the Congo include Glencore — the Swiss miner and commodity trader — Randgold Resources — London’s biggest listed gold producer — and China Molybdenum, which owns the huge Tenke Fungurume.

“The mining industry is sick and tired of being gored,” said Mr Friedland. “We are like a herd of antelopes, our horns pointing out united in our opinions.”

The DRC is the world’s biggest source of cobalt, a metal widely used in mobile phones and the batteries that power electric vehicles, and Africa’s largest copper producer. However, it is also one of the poorest countries in the world and there are high levels of corruption.

The country’s current mining code was written in 2002 and efforts to modernise the code started in 2014.

Mr Friedland said the industry was united in its determination reach a “sustainable” long-term

solution for taxes and royalties in the DRC and was “absolutely confident” there would be dialogue with policymakers and President Kabila.

Speaking earlier on Wednesday, the Minister of Mines for Democratic Republic of Congo Martin Kabwelulu refused to speculate on whether President Joseph Kabila would sign the new mining code into law.

But Mr Kabwelulu said the new code would not hurt the industry, saying it was like a “bush fire” that would not destroy everything,

“There are plants that will keep their roots. New plants will grow,” he said.

Those comments drew a sharp response from Randgold’s chief executive Mark Bristow.

He said “I will stand back and start a bush fire and see what it does to the jungle,” and urged the government to reopen negotiations with the companies.

### **Read more:**

- [DRC Mining co to renegotiate all contracts within next year](#)
- [Randgold says prepared to take legal action against DRC mining code](#)
- [Commodities note: The Democratic Republic of Congo deserves a better mining law](#)

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