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Amadou Bah Oury, the pardoned vice president of the Union des Forces Démocratiques de Guinée (UFDG), joins and shortly after withdraws from an educational reform council, reigniting rumours of his alleged collusion with President Alpha Condé (2010-present). His retraction from the council and vocal sensitivity after the press query him on this issue, show Bah Oury is likely to continue to contest leadership of the UFDG. Rio Tinto delivers it bankable feasibility study (BFS) to the government, which will pronounce on the probability of the launch of the Simandou South mine. Parliament approves a law that will allow for development of the Russia-based Rusky Alumine (RUSAL)-owned Dian-Dian aluminium mine. This allows the extraction of 3 million tonnes of bauxite by 31 December 2017, and 6 million tonnes per year by 31 December 2021.

Bah-Oury role on education council triggers allegations of conspiring with Condé

Amadou Bah Oury, the apparently ousted vice president¹ of the opposition **Union des Forces Démocratiques de Guinée (UFDG)**, joined a national council on education reform on 31 May that President **Alpha Condé** (2010-present) organised.² The news appears to confirm suspicions that, after his presidential pardon in December 2015 and return to **Guinea** in January, Bah Oury may have switched allegiance from the main opposition UFDG in order to destabilise the party's leader, **Cellou Dalein Diallo**. Condé argued that Bah Oury's inclusion on the council was an attempt at cross-party and stakeholder dialogue.³

Bah Oury spent several years in exile after the supreme court ruled he had been complicit in an attack and assassination attempt on Condé's residence in 2011 (see *ARC Briefing Guinea January 2016*). The supreme court sentenced Bah Oury in absentia to life imprisonment. Condé pardoned Bah Oury and 170 other prisoners in December but did not pardon others implicated in the attack, including opposition member **Fatou Badiar Diallo** and a military officer close to former president **Lansana Conté** (1984-2008), Commandant **Alpha Oumar Diallo** (see *ARC Briefing Guinea January 2016*).

Bah Oury's pardon sparked allegations that Condé had made an agreement with him to attempt to overthrow Dalein Diallo as UFDG leader, especially after Condé and Bah Oury met several times after the latter's return from exile. After the death of journalist **Hadj Mohamed Diallo** on 5 February, the UFDG accused Bah Oury of wielding a weapon and attempting to murder Dalein Diallo (see *ARC Briefing Guinea February 2016*). Dalein Diallo retracted Bah Oury's vice presidency, a move that Bah Oury rejected as invalid (see *ARC Briefing Guinea February 2016*). Dalein Diallo has also said publicly that Bah Oury's objective is to destabilise the UFDG, while Bah Oury has accused Dalein Diallo of murdering Mohamed Diallo (see *ARC Briefing Guinea February 2016*).

Following these incidents, Bah Oury has kept a low profile in the media, but defended his appointment to the educational reform council:

"It is not the politician that [Condé] seeks. It is the citizen with experience in an important domain, which expresses opinions that others deem relevant and bring added value in the process of elaborating a diagnostic of the Guinean education system and envisage possible alternatives... What is a constructive opposition? One that, when solicited, provides propositions

¹ After several months of contesting the legitimacy of the UFDG's leader, Diallo; and the death of the journalist **El Hadj Mohamed Diallo**, it

² *Africaguinee*, 1 Jun 2016.

³ [Source, journalist, Abidjan.](#)

and solutions to the government in the national interest. This is where I feel I fit into this invitation.”⁴

Several days later, on 10 June, Bah Oury announced that he had resigned from the educational reform council.⁵ Bah Oury claimed that on attending the first meeting of the council, he found that it was structurally biased towards the government.⁶ Bah Oury claimed the council ignored his proposals for alternative education and this obliged him to leave the council.⁷ Bah Oury responded defensively to questions in an interview about whether his participation in the council would consolidate the divorce between him and the UFDG:

“Stop talking about the UFDG! The UFDG involves me too. Cellou [Dalein Diallo] has committed to a path which is his own. I don’t care about this path. I battle and will act so that the UFDG, in its entirety, is committed to become an innovative, constructive opposition... I couldn’t care less about what Cellou [Dalein Diallo] thinks or what he could do.”⁸

Rio Tinto delivers final Simandou South bankable feasibility report to government

Rio Tinto, through the joint venture **Simfer S.A.**, and together with the consortium’s partners, the **Aluminum Corporation of China Limited (Chinalco)** and the **International Finance Corporation (IFC)**, delivered its bankable feasibility study (BFS) for the **Simandou South** concession to the government on 16 May.⁹ The conclusions of the report, which is not in the public domain, would indicate progress on the launch of the world’s largest reported iron ore discovery, which remains inactive after being at the heart of the **Beny Steinmetz Group Resources (BSGR)** case that found bribery of public officials under the **Lansana Conté** (1984-2008) regime (see *ARC Briefing Guinea February 2016* and *November 2015*). Simfer communicated just part of the report’s content:

*“[The report] details the development of the world class mine and of the multi-usage and multi-user infrastructure project (the BFS of which was delivered in February). The study is the result of an exhaustive analysis that Simfer, the **China Harbour Engineering Company (CHEC)**, **China Railway Construction Corporation (CRCC)** and other international mining and construction service providers have undertaken over the last few years.”¹⁰*

The health risk of the **Ebola** epidemic, the political instability in the country and company reduction in underlying earnings of 51% between 2014 and 2015 (and continued low iron prices) delayed the release of the report. They also make Rio Tinto’s proposed 2018 start date look unlikely. Rio Tinto upheld the start date in February, despite its 2015 annual report showing a \$1.1 billion write-down of Simandou South (see *ARC Briefing Guinea February 2016*). Some local commentators believe this is highly optimistic:

“The Simandou project could see delays until 2025 or later. The delay could be justified due to regular political crises in Guinea, which seriously affect the investment climate and impede financial backers. The investments made in Simandou are already around \$20 billion.”¹¹

It would appear that Rio Tinto is prioritising shorter-term profitability levels for the project by announcing significant employee cutbacks, indicating cautiousness whilst resolving funding and other needs.¹² Press sources report that Rio Tinto was planning to lay off 800 of its current 900 active employees. Rio Tinto has neither denied nor confirmed the number of employees it plans to lay off,

⁴ Africaguinee, 1 Jun 2016.

⁵ Africaguinee, 10 Jun 2016.

⁶ Africaguinee, 10 Jun 2016.

⁷ Africaguinee, 10 Jun 2016.

⁸ Africaguinee, 10 Jun 2016.

⁹ www.riotinto.com

¹⁰ www.riotinto.com

¹¹ Source, journalist, Conakry

¹² Guineenews, 29 May 2016.

stating that it will announce this after the delivery of the BFS to government as well as the completion of the road to **Beyla**.¹³ Local sources claim that layoffs are inevitable for a project of this size:

“The project is too expensive and will cost over \$18 billion, an investment that is impossible to make profitable with current market conditions... This should be formalised at the next board meeting on 17 July.”¹⁴

Rio Tinto employees are understandably nervous at this announcement:

“We await the publication of the list internally, which is already a worry. Only the finance department is currently working. The rest are waiting in worry and despair. The decision had been announced a long time ago by human resources.”¹⁵

Parliament ratifies bauxite and aluminium exploration law in Dian-Dian

Parliament on 30 May adopted Annex 12 of the mining concession convention for bauxite and aluminium production for the **Dian-Dian** project (**Boké Region**).¹⁶ The law will allow **Russia**-based **Rusky Alumine (RUSAL)** to extract 3 million tonnes of bauxite by 31 December 2017, allowing for annual production of 6 million tonnes per year by 31 December 2021.¹⁷ RUSAL has held the Dian-Dian concession since 2002, after signing a memorandum of understanding (MoU) with the Guinean government in 2001.¹⁸ The concession reportedly has 564 million tonnes of bauxite reserves and RUSAL will develop it through a joint venture with the Guinean government, **Compagnie des Bauxites et d’Alumine de Dian-Dian (COBAD)**.¹⁹ COBAD was consolidated in July 2015 as a RUSAL-led initiative.²⁰

Eva Cross, parliamentary spokesperson for the **Commission de l’Industrie du Commerce, des Mines, du Tourisme et de l’Artisanat** (industry, trade, mining, tourism and craftworks commission), stressed that there would still be a waiting period before the production capacity at the plant could be increased:

“Taking into account the state of the market from a global perspective, the parties have agreed to meet by 31 December 2020, at the latest, in order to evaluate market conditions insofar as profitability and construction of a modular factory with a 1.2 million tonne a year aluminium capacity.”²¹

RUSAL has reportedly put pressure on the government to ratify the mining concession.²² Press sources claim that RUSAL refused to re-open the **Friguia** aluminium refinery, which it closed in April 2012 after a minor strike, unless the ratification went ahead.²³ RUSAL used the Dian-Dian ratification as leverage to pressure the government to progress with the procedural framework to allow it to commence operations.²⁴

Annex 12 does not necessarily allow for development of the Dian-Dian mine. The government has imposed very strict pre-requisites for development of both the mine and the refinery, and will monitor compliance with these before it allows construction work to commence.²⁵ RUSAL still needs a licence in order to do this, which could take until 2017 to acquire. As Cross reiterates,

¹³ Jeune Afrique, 18 May 2016.

¹⁴ Guineenews, 29 May 2016.

¹⁵ Source, Rio Tinto employee, Conakry

¹⁶ Africaguinee, 1 Jun 2016.

¹⁷ Africaguinee, 1 Jun 2016.

¹⁸ Africaguinee, 1 Jun 2016.

¹⁹ Source, journalist, Conakry

²⁰ PR Newswire, 25 Jul 2015.

²¹ Source, parliament official, Conakry

²² Source, journalist, Conakry

²³ Source, journalist, Conakry

²⁴ Source, journalist, Conakry

²⁵ Source, journalist, Conakry

“The project... will aim to rehabilitate the Friguia factory from 10 January 2017, whilst also extending its production capacity, building complementary port infrastructure, which will benefit both mining and various other sectors’ activity... The state’s main priority is the relaunch of the Friguia factory... as the number one aluminium refinery in Africa.”²⁶

Implications

Bah Oury’s rapid reversal from apparent collaboration with the government on an educational reform council reaffirms his inconsistent and fluctuating personality. His participation may initially have created suspicions that he is working to destabilise the UFDG. However, his comments to the press appear to show that he still intends to contest for leadership of the UFDG, which has become a sensitive battle following the death of Mohamed Diallo.

Rio Tinto’s delivery of the BFS to government indicates positive movement on the project. Although neither party has released the results, the proposed layoffs over the coming few months could show that Rio Tinto may continue a tentative approach to development of the mine, especially considering current market conditions. The apparent end of the Ebola crisis is good news for further development of the mine, but in this case profitability will take precedence. The 2018 start date of the mine therefore looks increasingly doubtful.

If reports of pressure on the government are true, RUSAL seems eager to proceed with government and legal approval for aluminium and bauxite mining operations. This will only occur, as parliament has shown, if RUSAL pushes the re-opening of the Fraguia mine, which would be an expensive undertaking without guarantee of Dian-Dian’s operation.

²⁶ Source, parliament official, Conakry

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