

Strangling sanctions on Mali could trigger gold mine nationalization

November 24, 2021



The January 10, 2022, strangulating economic sanctions imposed by the Economic Community of West African States (ECOWAS) on Mali – cutting it off from all non-essential financial transactions with commercial and central banks within the region, imposing a land and air blockade, activating a regional military standby force, among other sanctions may ultimately trigger a forced nationalization of the assets of international gold mines operating in the country. *Barrick* and *B2Gold* remain major players in the country’s mining sector, with the country producing about 70 tons of gold in recent years, with over 800 metric tons of gold reserves.

Despite signals from Mali’s interim military leader Colonel Assimi Goita that he may be willing to capitulate to some of the demands of ECOWAS to return the country to civilian rule, the widespread public anger against France, The West and ECOWAS by most Malians fed up with the lack of economic dividends from decades of democratic rule may imply that if Goita capitulates to ECOWAS, his own position within the junta may be compromised, and he could be toppled and replaced by a more radical leader.

With nearly every West African nation has over the past three years having endured one form of attempted military intervention, and/or severe domestic political crisis, West Africa’s democracies will continue to unravel and possibly see more violent youth protests triggering more violent anti-democratic overthrows – unless the West entices China to share its common political agenda on Africa. On April 21, 2021, President Idriss Derby of Chad, who had ruled for 31 years was violently killed by rebels after years of civil war. Chad has yet to return to democratic rule. In Mali, President Ibrahim Boubacar Keïta was overthrown on 18 August 2020 by young military officers who are still in charge of the country. With the US in retreat globally, France beset by complicated internal challenges and the UK’s global role diminished by Brexit -- only China stands as a credible final arbiter between chaos and hope in many West African states. And yet China’s anti-democratic stance, its vow not to interfere in the internal affairs of other nations, and China structural need for African resources means that the crisis in Mali is unlikely to abate soon.

Sebastian Spio-Garbrah,
Chief Analyst & GMD

+233 55 596 9049
Sebastian@daminaadvisors.com

Alex Wark,
Partner, Business Development

+44 7779 656 878
Alex@daminaadvisors.com

Lars Henriksson
Partner, Asia
+60 11 1166 5199
Lars@daminaadvisors.com

Contact DaMina for a more detailed briefing from our risk analysts:

Alex Wark,
Partner, Business Development
London, UK
+44 7779 656 878
+233 55 596 9049
Alex@daminaadvisors.com
research@daminaadvisors.com

DaMina Advisors is a preeminent Africa-Asia focused independent frontier markets political risk research, due diligence, M&A transactions consulting and strategic geopolitical risks advisory firm. DaMina Advisors is legally registered and has offices in Canada, the UK and Ghana.

www.daminaadvisors.com

On Twitter  [@DaMina_Advisors](https://twitter.com/DaMina_Advisors)