

# African tycoon draws Nigeria, France into 'cement war' in Senegal

DAKAR: Its shimmering azure chimney stacks towering into the sky, the latest cement works launched by Africa's richest man lies idle in a Senegalese meadow - stopped in its tracks by legal action and cut-throat competition in a rapidly growing industry.



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Nigerian industrialist Aliko Dangote's cement business has been flourishing elsewhere in Africa and the Senegalese project, first conceived four years ago, was due to start production in June.

But the west African nation's government is being taken to a regional arbitration court in Ivory Coast by French manufacturer Vicat, which claims that the plant represents a "distortion of competition" in a country where the market is already saturated.

"This is the first time in the history of Senegal that we have seen a plant built in violation of all the rules," said Boubacar Camara, president of Sococim, a Senegalese subsidiary of Vicat.

Dangote, 56, made his first fortune in Nigeria more than three decades ago when he started trading commodities with a loan from his uncle.

His cement business is the jewel in the crown of the Dangote Group, the largest industrial conglomerate in west Africa according to Forbes magazine, which describes Dangote variously as "the richest black person in the world" or "Africa's richest man", with a personal fortune of \$25 billion (18 billion euros).

He has been expanding his empire outside of Nigeria in recent years -- Dangote Cement now has operations in 15 African countries -- but the Senegal project and the court case aiming to stop it may come to represent a frustrating inability to leverage his influence across the entire continent.

"A cement plant is dangerous, you need permits, prior authorisation and you also have to conduct an environmental impact study. That hasn't been done," Camara told AFP.

The water-cooling technology involved in the \$630 million (457 million-euro) plant would require a daily withdrawal of 4,500 cubic metres of groundwater, a precious commodity in an arid Sahelian country like Senegal, according to Camara.

"It's a race against the clock. Once production begins, it will be much more difficult to intervene," Camara told AFP.

"Given the conditions in which he has installed his plant, Dangote could come and set whatever prices he likes."

Dangote has said the operation would create 4,000 jobs and, in any case, the state has no power to oppose it, a source close to the Senegalese Ministry of Mines told AFP.

"Initially, there were certain procedural irregularities that Dangote fixed," said the source, adding that "the main problem was the environmental impact".

French President Francois Holland wrote to his Senegalese counterpart Macky Sall in January about the plant "in order to raise awareness of the difficulties faced by Sococim", according to a source in the Senegalese presidency.

Sall responded to the effect that "the rule of law and the Senegalese courts" would must be allowed to decide whether the project could go ahead, the source told AFP.

It is not the first time that the controversial project has run into problems.

Senegalese courts ruled during construction that it encroached on a sacred forest owned by the descendents of Cheikh Amadou Bamba, a Sufi Muslim mystic and religious leader who was revered by millions of Senegalese.

Construction was only allowed to recommence when Dangote offered the family a persuasive \$12.6 million in compensation.

Villagers in Galene, the tiny settlement on the doorstep of the cement works 50 kilometres (30 miles) from Dakar, say it has been installed on land once used by thousands of farmers and their animals.

"We fear that it is going to stop us growing and raising our animals," said Oumy Ba, the village chief.

Community leader Bougouma Thiongane said however that the project had been "welcomed with open arms".

Galane and the surrounding villages have no electricity or tap water and Dangote promised to change that, while also raising employment prospects for every young person in the area, Thiongane said.

The plant, one of the largest in Africa, will be ready to begin operating "within 90 days", Aramine Mbacke, the CEO of Dangote Senegal, told Financial Afrik magazine earlier this month.

It will produce three million tonnes of cement annually, three-fifths of which will go onto the local market, he said.

The operation is being launched amid increased competition between Sococim, which has a 65 percent market share, and Ciments du Sahel, which makes up the rest.

"Both plants already have a combined capacity of six million tonnes for a market of two million tonnes. They produce below capacity. That explains the reason for this war," an official from the Ministry of Mines said.

"In the sub-region, everyone wants to make cement," he added.

The management of Dangote Senegal declined to comment.

*Source: AFP*

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