**SPEECH BY HE GEOFF TOOTH, AUSTRALIAN HIGH COMMISSIONER TO KENYA**

**AT THE CELEBRATION OF THE FIRST BULK SHIPMENT OF BASE TITANIUM MINERALS,
BASE TITANIUM PORT FACILITY, LIKONI**

**THURSDAY 13 FEBRUARY 2014**

Cabinet Secretary Balala,

General Manager Joe Schwarz and all the Base Titanium team,

Commissioner,

Ladies and Gentlemen,

I am simply delighted to be here today, a very important day for Australia-Kenya relations. This is the biggest investment by an Australian company in Kenya in its 50 year history as an independent country and it is a watershed event.

For too long Australia companies have been under-represented in Kenya’s mining sector and I think Kenya’s economy, and the relationship, has been the poorer for it.

It has been a different story over recent decades in the rest of Africa. Over 200 Australian companies with more than 700 projects in mining exploration and processing are currently operating in 42 African countries. The total value of Australia’s current and potential investments on the continent is over US$40 billion.

Today we are witnessing the start of what can become a very significant Australian mining presence in Kenya. I believe we could also be witnessing the beginning of a new era for mining in Kenya, one that could help transform this economy and the lives of the Kenyan people.

In Australia we have a strong record of ensuring that our mining sector is sustainable, sensitive to environmental considerations and subject to appropriate operational and safety standards.

Cabinet Secretary, Ladies and Gentlemen,

Everything I have seen and heard strongly suggests that Base has brought these high standards to Kenya. The company is utilizing advanced technology and strongly advocating corporate responsibility.  It is delivering partnerships with local communities.  It is engaging in an open and transparent way with the Kenyan government.

This project will bring many material benefits to Kenya.  It will boost GDP, provide the government significant taxes and royalties, directly employ and skill many hundreds of Kenyans, and lead to the development of some important new infrastructure and other projects on the Coast.

But perhaps most important of all, this should be a head turning project. It can be a project that sends a strong message to world markets and prospective investment partners that Kenya is “open for business” and ready to take advantage of Africa’s mining boom.

It can as it has in Australia, create and support a whole series of other industries, initially in mining services, but more broadly across the services industries in general.

For Kenya, mining needs to become a more important part of the economic development story.  Most economists would agree that Kenya’s mining sector is simply too small for a country at its stage of economic development, its ambitions and with its potential.

Cabinet Secretary, Ladies and Gentlemen,

Mining and petroleum can be a tough game – we have learnt that in Australia from experience and yes by making mistakes, both onshore and off.  The size of mining investment and the value of the material can create enormous expectations.  Quite naturally there is concern in communities about what mining can also mean for traditional ways of life, for social cohesion, for the environment, for sound development practice. There are numerous examples in Africa and around the world where the benefits of oil and mineral resources have been squandered, have distorted growth and have corrupted societies and government.  But Australia and many other countries have reaped the rewards from effective, equitable and sustainable management of our mineral resources sector and we believe this can be repeated in Kenya. This project can lead the way.

Can I congratulate all involved in the first chapter of this story for what you have achieved so far. I look forward to seeing this ship and many more like it steaming in and out of this port for many years to come.