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Letter to the Editor

The Liberian Observer Online/Daily Observer in Print

Dear Editor

I note with interest the recent coverage your newspaper has dedicated to the matter of the Yekepa-Buchanan railway and the potential broader economic benefits of a multiuser rail system. Your newspaper is correct in identifying the national strategic importance of this issue, and I applaud your paper for highlighting the critical decisions that are now being made with regards to Liberia’s future management of this important infrastructure and how it can be best leveraged to provide generational benefits for the citizens of Liberia and support the expansion of Liberia’s mining and industrial development sectors.

President Boakai has publicly stated on multiple occasions that he is committed to a multiuser access infrastructure that is owned by the people of Liberia, and his recent publication of Executive Order 136 committing to multiuser infrastructure rail and the formation of the National Railway Authority was a clear step forward to achieving this vision. It is therefore very disappointing to see that certain government officials have effectively sabotaged the President’s vision by aligning themselves behind his back to a model where one Indian-owned company, ArcelorMittal, continues to monopolise the rail for its personal use and refuses to allow access to other users such as HPX, a United States company with majority American ownership. It is also surprising to see ArcelorMittal actively undermine the President’s stated position for multiuser rail access through its continued push to extend its exclusive control and access of the existing line into the future.

The multiuser rail model represents a golden opportunity for Liberia to unlock billions of dollars in revenue and introduce new actors into Liberia’s mineral development sector. HPX has provided clear information to the Inter Ministerial Concessions Committee that it will contribute over US$1.6 billion in rail user fees for Liberia over the next 25 years through a $2.10 per tonne access fee that would be paid directly to the Liberian Government.

Cementing Liberia's commitment to a multiuser rail system will create a concrete platform for Liberia's economic sovereignty and prosperity and open up mineral development opportunities that are currently stymied by lack of infrastructure access. This is the model of integrated development that has been pursued with great success elsewhere in Africa, notably with the Lobito Trans-Africa Corridor connecting Angola, the Democratic Republic of the Congo, and Zambia – and possibly other countries in the future – for which the United States Government has helped mobilize more than $6 billion in investment, as highlighted by President Biden during his recent visit to Angola. Instead, by allowing Arcelor Mittal to continue to control the system, notwithstanding well-known shabby safety records confirmed by the Government of Liberia, and granting that company the authority to select who can access the line and under what conditions, malign actors are undercutting President Boakai's Executive Order 136 and gifting Liberia's autonomy to a corporate entity that makes decisions for the best financial interests of its owners rather than those of Liberia.

HPX is rapidly advancing its plans for the development of its iron ore mine in Guinea and has in place all approvals from the Government of Guinea to export 30 million tonnes of iron ore per year through Liberia. In 2022, HPX signed a Framework Agreement with the Government of Liberia to access the existing Yekepa-Buchanan railway and port infrastructure, however, has not been able to conclude a final access agreement to date.

We implore President Boakai and the people of Liberia to remain steadfast in their commitment to reshaping Liberia's economic future through fostering a transparent and independently operated infrastructure system that meets international best practice standards and will attract support from Liberia's historic partners like the United States as well as investment from reputable companies worldwide.

Finally, given this long-standing economic development partnership and history with Liberia, I assume that Liberia supports the strategic and economic interests of the United States of America, most especially when they clearly align with Liberia's own economic interests.

Dr. J. Peter Pham
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