Good morning and thank you for the opportunity to speak with you today.

This conference is only in its second day but, as usual, we have already heard a great deal which is thought-provoking.

It is difficult with such an important and diverse conference - a must-attend event in the industry’s calendar – to sum up the overall spirit in one word.

But what has come over so far is that, despite the many challenges in a global economy still struggling to escape from the fall-out of the financial crisis, optimism about the future of our industry in Africa remains very strong.

There is good reason, I think, for this feeling.

We have always to be careful not to treat Africa as some homogenous unit – a mistake often made by commentators from outside the continent.

This is a continent of remarkable contrasts. Indeed it is this very diversity which is one of its strengths.
But each time I visit – and I have come many times for work and leisure over many years – I am struck more and more by the vibrancy, dynamism and confidence for the future found in the east and west, north and south of this continent.

And as you look around, there is very solid ground for this confidence. Africa is home of some of the fastest growing economies in the world. While the mature economies of Europe and North America are only now coming out of the recession sparked by the global financial crisis, Africa has been powering ahead.

Investment has been pouring in. The middle class is expanding rapidly. And all the ingredients to continue this growth are in place.

Africa is blessed with a young, highly talented and increasingly educated population.

Governments are working hard to improve the climate for investment and to help use the revenues to improve the lives for their citizens.

And as this expert audience knows better than anyone, the continent is astonishingly rich in natural resources which remain in strong demand.

This does not mean, of course, that there are not big challenges to overcome. For businesses, they include, for example, developing local skills, combating corruption and navigating political instability.

And for all of us in the mining business, there is the added challenge of making sure everyone shares our commitment to get every single one of our employees home safe from work every day.
Now Africa may been written about as the New Frontier in terms of economic growth and investment but there is, of course, nothing new about the continent for Rio Tinto.

We have been working here for over 50 years. We now have operations in seven different African countries - South Africa, Namibia, Mozambique, Guinea, Madagascar, Cameroon and Zimbabwe.

Our businesses span bauxite, aluminium, uranium, diamonds, titanium, zircon and iron.

The division I head, Diamonds and Minerals, manages five operations in Africa – RBM in South Africa, QMM in Madagascar, Murowa diamonds in Zimbabwe, the Mutumba project in Mozambique and the Simandou project in Guinea to which I will return in a minute.

So our links as a company with Africa are both long and extensive. And like Africa’s increasing prominence on the global stage, our commitment is growing.

In 2012, we acquired BHP Billiton’s 37% interest in Richards Bay Minerals for $1.7 billion. This investment was the single biggest Foreign Direct Investment in that year and made up one third of the country’s total FDI in that year.

We also have an exploration presence across the continent.

We passionately believe in Africa’s rich potential and are backing these words with investment and effort.
When I talk here about potential, I don’t just mean its natural resources. Mining, of course, is our business but we always have wider horizons.

Indeed, the lesson that Rio Tinto has learned over our 140 year history is that we succeed best when the country where we operate succeeds and that rich natural resources alone can’t deliver a nation’s development and prosperity on an enduring basis.

Here in Africa, we have seen very different routes to successful development. But what they have in common, I believe, is a strong emphasis on building successful partnerships.

And it is the importance of successful partnerships and how we can build, maintain and strengthen them that I want to talk about briefly this morning.

So what makes a successful partnership? It clearly has to be one in which all partners see and share in the benefits. And these partners now go far wider than governments and companies.

It is easy, of course, to see the benefits of natural resource development for governments. Rio Tinto’s operations in Africa generate over $280 million US dollars in direct taxes and royalty payments.

But the benefits flow more deeply than this. We employ over 6,500 people on the continent – all but five per cent, by the way, from Africa. We have, for example, four African Managing Directors leading our African businesses.

But our partnerships now also include individual citizens and their communities and NGOs, small enterprises and large multi-national corporations. And the benefits are felt – locally, regionally and nationally.

These varied and diverse partnerships matter to us. I recently visited the elders of Beyla – one of the communities near the Simandou Range.
I was there not to talk business but express my condolences on the recent loss of the Elders’ President and share their pain in mourning.

And just as the number of partners expand, the benefits are shared more widely locally, regionally and nationally.

Let me give you a few examples of what I am talking about from our business in Africa.
Several of our African operations and projects have some form of state equity partnership.

The Government of Guinea holds a 49% interest in the CBG bauxite mine. The Government of Madagascar has a 20% interest in the QMM mine, and the Government of Cameroon owns 47% of the Alucam Aluminum smelter.

Here in South Africa, at RBM, a Broad Based Black Economic Empowerment consortium consisting of lead investors and the four host communities hold 24% of the asset and the employees hold 2%.

By bringing the State or the community in as a shareholder, or as an equity participant in the project, we are increasing the number of people who share an interest in seeing the project succeed.

They help us meet our objective of sharing the benefits widely and fairly.

And partnerships nowadays extend beyond the two party, government and miner model, which were dominant until recent decades.
The introduction of Chinalco and the IFC as co-investors in Simandou, for example, was important given the scale of the investment and potential benefits.

To transport the ore from the mine to market will, for example, require the development of a 650km railway line across Guinea and tunnels through a mountain range.

The size and scale of this type of infrastructure development requires an innovative approach to bringing new partners to the table in order to fund the investment required and share the risk.

A consortium partnership approach is being considered, to allow new investors and infrastructure owners to be mobilised to raise a portion of the required capital.

We are even open to investors taking a leading role in the infrastructure. The goal is to ensure that it happens.
But as well as new investors and partners at what you might say is a macro level, we also have them a micro level.

They include NGOs and multi-lateral organisations and small enterprises to boost development in the communities where we operate.

We want, wherever possible, our operations to be led, managed and operated by local people so we work with a variety of partners to improve skills and education.

We help and support local businesses so that they can first supply our mines but then expand to service other markets.

We do this by linking local contractors to our other suppliers in what could be called a mentoring arrangement.

The training company works with the local company to teach them how Rio Tinto and other top global mining companies do business -- particularly with regards to our safety and procurement.

These partnerships demonstrate the evolution of the old natural resource development model which was restricted to governments and companies.

But they also show how we must all be ready to think in fresh ways and innovate to maximise benefits.
As I have already hinted, Simandou in Guinea is a very important investment for us.

The Simandou range has one of the largest, high-grade iron-ore deposits in the world.

With our partners, including the people of Guinea, work is underway to develop a world class mine that will produce 100 Mtpa a year. That is more over a third of the size of Rio Tinto’s production from the Pilbara.

The contribution of the mine to the Guinean economy will be significant.

Current estimates suggest that it will more than double its size, fundamentally raising the country’s economic trajectory.

While transformations of this scale have on occasion been seen in the oil industry, they have seldom been triggered by a single mining project.

Simandou will create thousands of jobs, spend hundreds of millions of dollars locally, and make annual payments to government far exceeding the current fiscal revenue.

Economic multipliers will further stretch the significance of these direct benefits.

The railway I have already talked about will provide a transport link across a highly fertile but undeveloped agricultural region.

The deep-water port will add much-needed shipping capacity and support international trade growth. Fibre optic and wireless communications along the corridor will create new links in a country reliant on high cost satellite connections.
Over 1,000 km of new and upgraded roads will cut travel time to and from hundreds of towns and villages.

The project’s plan for investments in power generation, employee housing, training facilities, social infrastructure and financial services in hub towns will underpin development, especially at either end of the rail.

This investment and infrastructure should unlock broader-based economic activity which will be create many more local, lasting jobs.

Based on these direct and indirect effects, we believe this region is capable of generating an additional $3 billion in annual GDP across the corridor – equivalent to $1,200 per capita income.

It is why the corridor has been identified in Guinea’s most recent Poverty Reduction Strategy Paper as key to promoting economic growth.

Multi-lateral development agencies are also showing interest in the initiative.

They see the corridor as a way of harnessing private investment to help diversify the economy.
This sets new challenges and opportunities for large corporations like Rio Tinto.

We have the chance to use our managerial expertise and co-ordination capability to help drive this process under a common developmental framework.

In this way, companies can position themselves alongside government and other stakeholders in a co-ordinated effort to encourage broad-based economic growth.

We can see this already elsewhere in Africa. At our QMM mine in Madagascar, the project is integrated into a broader regional development framework.

A partnership was formed with government, international development organizations and civil society, with a regional development committee established to lead the development process.

The construction of the Port d’Ehoala in Fort Dauphin is a public/private partnership executed by QMM is a good example.

The port has been a catalyst to transform the region’s industrial base. Traditional industries such as sisal growing, fishing and harvesting of medicinal plants and fruits have received a big boost.

New industries including tourism have been developed. Not only does this benefit the local population through a balanced approach to economic growth; it also reduces a nation’s dependence on the mining industry’s contribution to GDP.
So how can we best build these innovative and collaborative forms of partnership?

First we need to recognise and harness effectively each partner’s different strengths.

Governments are critical in providing the stable legal and fiscal frameworks to attract investment and in providing an environment in which businesses can expect an attractive return.

It is also the job of government to help ensure the proceeds from business operations are allocated in a way that benefits the nation.

A mining company is best placed to provide the skills, infrastructure and safe working practices to get the resources out of the ground and to market.

Organisations like the IFC are invaluable in providing encouragement for private sector investment in developing countries.

Non Government Organisations often provide rigorous, independent environmental and social compliance practices.

Corporations like Chinalco can best provide world-leading infrastructure engineering services as well as a market for the product.

In short, different partners bring different strengths to a partnership. What’s absolutely critical is to choose the partners who will work together best to deliver your collective goals.

Our experience shows this works when there is a mutual respect for each other’s goals and objectives.
There must, too, be, a recognition that success relies upon a willingness to engage in collaborative problem solving as projects develop.

There are always going to be problems that come up. You need to have the confidence in each other’s good faith and determination to overcome them.

There is no room for the uneasy, adversarial coalitions of the last century. With many more partners, it is essential that goals are shared and trust is high.

This requires, above all, transparency from all partners and at all stages of development— from identifying initial costs and benefits to the lasting operational effects and the timeframes involved at each stage of a project.

Of course, bringing a number of partners together doesn’t come without its challenges.

In many ways it requires politicians to think like business leaders; business leaders to think like politicians.

This requires a commitment to listening and learning, as well as adapting when it is needed and an alignment of expectations.

Approaching major projects in this transparent and collaborative way is the best way to ensure that projects don’t founder on the shoals of mistrust and benefits are maximised and shared.

It is an approach which is vital if Africa is to make the most of its opportunities for its citizens, governments, investors and mining companies.

The good news is that, for Africa, there is no shortage of partners.

Nations, for example, no longer have to settle for mining operators with poor safety records or take it or leave offers of punitive terms from banks.

But in return, mining companies want certainty about the regulatory framework if they are going to make the massive commitment that is required.

This could be, indeed, should be, Africa’s time. The first decade has shown what the possibilities can be. And our industry is at the heart of these achievements and the opportunities to come.

This places a big responsibility on our industry and all our partners to collaborate in effective, innovative and lasting ways.

If we fail nations with vast untapped wealth “banked’ in the ground, will be unable to access it. If we succeed, this wealth will become the foundation for a prosperous continent in which all of us share.