Sovereign Debt News Update No. 189: Ghana and Russia's RUSAL Bauxite Deal: Foreign Investment, Industrialisation and Questions of Mineral Sovereignty

By:

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Ghana's emerging partnership with Russian aluminium producer RUSAL in the bauxite sector marks a significant development in the country's efforts to establish an integrated aluminium industry and strengthen domestic value addition in its mineral sector. On 29 October 2026, Russian aluminium producer RUSAL and the state-owned Ghana Integrated Aluminium Development Corporation (GIADEC) reached an agreement to jointly develop bauxite mining and alumina refining projects at the Nyinahin deposit in Ghana's Ashanti Region. The agreement, signed in Moscow during the Russia-Africa Economic and Humanitarian Forum, comes against the backdrop of growing international competition for access to strategic mineral resources and renewed African

efforts to move beyond the export of unprocessed minerals.

For Ghana, the proposed partnership presents an opportunity to mobilise foreign investment, develop domestic processing capacity and expand its participation in the global aluminium value chain. However, the arrangement also raises important questions concerning foreign ownership, the distribution of economic benefits and the extent to which mineral-producing countries can retain control over their natural resources. This update examines the details of the Ghana-RUSAL agreement, its potential implications for Ghana's industrialisation ambitions and the broader lessons for African mineral sovereignty, drawing particular attention to developments in Guinea's bauxite sector.

The Ghana-RUSAL Agreement: Structure, Ownership and Strategic Interests

The agreement provides for the development of two projects through separate joint ventures, namely Nyinahini Bauxite and Ghana Alumina Company, with RUSAL holding majority stakes in both. The first phase will involve the construction and operation of a bauxite mine at the Nyinahin deposit, which has estimated mineral resources exceeding 100 million tonnes in the area earmarked for development. The mine is expected to produce up to 5 million tonnes of bauxite annually. The second phase will involve establishing an alumina refinery with an annual processing capacity of 1.2 million tonnes, using bauxite extracted from the deposit. The refinery is expected to use natural gas. Under the proposed ownership arrangement, Ghana will retain a minority interest, including a 10% non-dilutable stake, in accordance with Ghanaian law. The joint ventures will also receive rights to explore, mine and process bauxite as part of the country's broader integrated aluminium industry development programme.

The agreement also reflects RUSAL's commercial interest in securing a more reliable supply of raw materials for its aluminium production operations. According to Reuters, the company has been seeking to reduce its dependence on external alumina suppliers after losing approximately 40% of its supplies from Ukraine and Australia in 2022. RUSAL, which is the world's largest aluminium producer outside China, already has substantial operations in

Guinea, including the Compagnie des Bauxites de Kindia (CBK), the Dian-Dian deposit and the Friguia complex. Its entry into Ghana therefore represents an expansion of an existing African bauxite investment strategy while strengthening its access to the raw materials required for aluminium production.

Broader Ghana-Russia Economic Cooperation

The bauxite agreement forms part of broader efforts by Ghana and Russia to deepen economic cooperation across strategic sectors. On 21 July 2026, one source reported that the two countries were exploring cooperation in nuclear energy, fertiliser production and mining. This included a Memorandum of Understanding between the Ghana Atomic Energy Commission and Russia's state-owned nuclear corporation, Rosatom, to establish a framework for potential collaboration in nuclear energy. Russia also expressed readiness to increase fertiliser supplies to Ghana and support the establishment of local fertiliser production facilities. In the mining sector, Moscow indicated its interest in jointly developing Ghanaian gold and bauxite deposits, with particular emphasis on investment and value addition. These discussions gained further momentum during the Third Russia-Africa Summit in October 2026, when President John Dramani Mahama announced that Ghana had initiated discussions with Rosatom on establishing its first nuclear power station. Mahama emphasised that reliable and affordable electricity was essential for industrialisation, stating that: "*Industrialisation requires reliable and affordable electricity.*" The proposed energy cooperation is relevant to Ghana's wider industrial ambitions, particularly given the substantial energy requirements associated with mineral processing and aluminium production.

Industrialisation, Employment and Export Opportunities

The bauxite deal is expected to contribute to Ghana's industrialisation agenda by strengthening domestic processing capacity and creating opportunities across the aluminium value chain. Rather than exporting bauxite primarily as an unprocessed mineral, the proposed refinery would enable Ghana to undertake an additional stage of production locally through the conversion of bauxite into alumina, an essential intermediate product in aluminium manufacturing. According to the RUSAL press statement, GIADEC Chief

Executive Officer Reindorf Twumasi Ankrah said the agreement advances the corporation's objective of establishing an integrated aluminium industry through domestic bauxite processing. He highlighted its anticipated contribution to employment creation, improvements in rail and port infrastructure, and opportunities for Ghanaian businesses, particularly local contractors and suppliers. RUSAL's General Director, Evgeniy Nikitin, similarly described the agreement as an important step towards strengthening the company's raw material base and developing an integrated production chain encompassing bauxite extraction and alumina production. These developments could strengthen Ghana's export capacity, attract investment into supporting infrastructure and stimulate economic activity in mining communities.

The proposed refinery is particularly significant from a mineral beneficiation perspective, as it would allow Ghana to move beyond the export of raw bauxite towards domestic alumina production. However, the development of a fully integrated aluminium industry will require further investment in aluminium smelting and downstream manufacturing, ensuring that value addition extends beyond the initial processing of the mineral. The extent to which these anticipated benefits materialise will therefore depend on the implementation of the projects, the distribution of economic returns and the degree of meaningful participation by Ghanaian businesses and workers.

Mineral Sovereignty: Lessons from Guinea's Bauxite Experience

Ghana's agreement with RUSAL also invites comparison with developments in Guinea, another major African bauxite producer where the Russian company maintains significant mining and refining operations. As examined in AfSDJN's Sovereign Debt News Update No. 159, Guinea illustrates the complexities surrounding foreign investment, ownership and the exercise of sovereign control over strategic mineral resources. Despite possessing substantial bauxite reserves, Guinea has historically captured limited downstream value, with much of its production exported as raw ore for processing elsewhere. China's expanding presence has been particularly significant, with Chinese-backed mining operations and investments in railways, ports and other export infrastructure strengthening its position in Guinea's bauxite industry. China's expanding presence was further consolidated through a US$20 billion resource-backed financing framework agreement signed with Guinea in September 2017.

Under the arrangement, China committed to financing infrastructure projects, with repayment linked to revenues from mining operations, in exchange for access to bauxite concessions granted to three Chinese companies. The proposed infrastructure projects included road construction, electricity transmission and the expansion of the Port of Conakry. Guinea's subsequent efforts to strengthen regulatory oversight and secure greater domestic value addition, including the revocation of 46 mining licences in May 2025 over alleged non-compliance with contractual obligations, have also exposed the legal and financial complexities associated with asserting greater control over mineral resources. More recently, Ghana's engagement with other potential investors in the Nyinahin deposit has also attracted attention.

On 1 November 2026, GIADEC hosted a delegation from Guinea's ORG Technology at the deposit, although no formal investment commitment was announced. This continued investor interest highlights the importance of Ghana establishing clear and consistent terms governing access to its bauxite resources. However, Guinea's experience underscores the need for African governments to ensure that foreign investment agreements support domestic beneficiation, technology transfer and infrastructure development without compromising regulatory autonomy. For Ghana, the challenge will be to ensure that the RUSAL partnership and any subsequent investment arrangements translate into meaningful domestic industrial capacity and equitable economic benefits, while safeguarding national control over its mineral resources.

Conclusion

The Ghana-RUSAL bauxite agreement highlights the opportunities and challenges associated with attracting foreign investment into Africa's strategic mineral sectors. While the proposed projects could support domestic processing, employment and export diversification, questions remain about the extent of Ghana's control over the development and economic returns of its bauxite resources, particularly given RUSAL's majority ownership in the joint ventures. The hosting of a delegation from Guinea's ORG Technology at the Nyinahin deposit further illustrates the growing interest in Ghana's bauxite resources and the importance of carefully managing competing investment interests. As Guinea's experience demonstrates, mineral sovereignty requires more than ownership of natural resources; it also entails the ability to determine how those resources are extracted, processed, financed and utilised

in pursuit of national development priorities. Ghana's challenge will therefore be to ensure that its partnerships strengthen domestic industrial capacity and economic participation without compromising its long-term control over its mineral resources.

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