

Contracting in Africa: export quotas, processing requirements and state participation

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African governments are using their mineral resources more actively than a decade ago. They set export quotas, require local processing and take larger stakes in mining projects. Supply and offtake contracts concluded through a Swiss company must reflect these measures, and the choice of governing law, seat of arbitration and enforcement strategy must take account of the fact that the counterparty is often a state or a state-owned company.

1 Three patterns of regulation

Three patterns currently shape contract drafting.

- **Export controls on raw materials:** the Democratic Republic of the Congo allocates cobalt exports through quotas. For 2026 and 2027 the annual quota is 87,000 tonnes plus a strategic reserve of 9,600 tonnes, and unused quotas are withdrawn. Zimbabwe prohibits the export of raw lithium ore and other unprocessed minerals, and will ban the export of lithium concentrate from 1 January 2027.
- **Processing requirements:** Guinea intends to end the export of raw bauxite and aims to have six alumina refineries by 2030. Several states tie mining rights to local processing.
- **State participation and contract revision:** Niger nationalised the Somaïr uranium mine in June 2025, and Mali revised its mining code to increase the state's share in mining projects.

2 The clauses that follow

Supply obligations under offtake and supply contracts therefore need an express reservation for export quotas, a force majeure clause that extends to measures of the authorities, and a price adjustment mechanism for the

case that a processing requirement is imposed. Where a project depends on a quota or licence, the contract should state who applies for it, who bears the risk of its refusal or withdrawal, and what happens to prepayments if the goods cannot be exported.

A local subsidiary in the host state is often needed as well. It meets local content requirements and gives access to the preferences of the African Continental Free Trade Area, which are not available to a Swiss company.

3 Governing law

Swiss law is a suitable governing law for the contracts of a Swiss project vehicle. For supply and financing contracts, English law is often chosen where the financiers require it. Both are accepted by Chinese and African parties.

4 Arbitration

For dispute resolution, arbitration under the Swiss Rules of International Arbitration with its seat in Zurich or Geneva is a natural choice. The Swiss Arbitration Centre recorded a record 125 new cases in 2025, with an average amount in dispute of just over CHF 50 million. The memoranda of understanding it concluded in 2024 with CIETAC, the Beijing Arbitration Commission and the Shanghai International Arbitration Center increase its acceptance among Chinese parties. The article on [Geneva as a seat of international arbitration](#) explains the legal framework.

5 State immunity and enforcement

Where the counterparty is a state or a state-owned company, state immunity and the location of assets available for enforcement belong in the review before the contract is signed. In practice, an assignment of the proceeds of sale to an account outside the host state protects the Swiss company better than an award or judgment that would have to be enforced in the host state itself. Assets located in Switzerland can be secured by attachment, as explained in the article on [attachment under Article 271 DEBA](#).

6 How Ressos Legal helps

I draft and negotiate offtake, prepayment, supply and consortium contracts for African projects, including quota, force majeure and price adjustment clauses, and represent clients in arbitration and enforcement proceedings. [Contact me](#) for a first conversation.

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Online version: helveticaregister.com/contracting-african-states-quotas-arbitration