

The Ghana Chamber of Mines, **Publish what you Pay – 2007**

Once again the Chamber is happy to publish below payments made by the mining industry in 2007. This publication is part of the Chamber's pursuit of transparency in the payments and receipts in the mining sector in Ghana. It covers payments made to government, companies both local and foreign but locally registered in Ghana, individuals, and Chiefs during the course of 2007.

Contrary to perceptions, mining companies returned 66 per cent of revenues to Ghana. This amount is far in excess of the statutory average of 20% required by the Bank of Ghana. Out of the 66% returned,

- 5% went directly to the state,
- 8% was used to pay for electric power,
- 11% for diesel,
- 1% for social responsibility projects and programmes.

In addition, all producing members of the Chamber have set up social development funds. Gold producing members contribute a dollar per ounce as well as a percentage of gross profit into the funds for the socio-economic development of host communities. Other companies provide lump sums annually for the development of their communities.

| Financial Information | Amount (USD) |
|---|-------------------------|
| Mineral Production value (USD) | 1,597,554,370 |
| Mineral revenue returned through Bank of Ghana (mandatory surrender) | 319,308,006 |
| Mineral revenue returned through Commercial Banks (voluntary repatriation) | 730,875,264 |
| Amount for amortizing loans, including Interest payments | 80,666,408 |
| Statutory Payments | Costs (Gh Cedis) |
| Mineral Royalty Payments | 43,226,713 |
| Social Security Payments | 9,927,221 |
| Employee Income Tax | 15,540,262 |

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| Property Rates | 859,575 |
| Customs Duties | 4,872,949 |
| Customs Processing Fees | 1,142,484 |
| Concessionary Levy (5% on Imports) | 227,196 |
| Export Development Levy | 320,641 |
| ECOWAS Levy | 322,395 |
| Dividends paid to the State | 115,819 |
| Corporate Tax | 19,059,241 |
| National Reconstruction Levy | 23,683 |
| Other | Costs (US\$) |
| Capital expenditure | 538,432,312 |
| Socio-economic Contributes to Communities | Costs US\$ |
| Education | 1,010,246 |
| Health | 565,596 |
| Electricity | 458,797 |
| Roads | 609,146 |
| Water | 220,876 |
| Housing | 618,531 |
| Agro-Industry | 386,668 |
| Agriculture | 743,937 |
| Sanitation | 262,863 |
| Resettlement Action Plan (RAP) | 4,503,381 |
| Alternative Livelihood Projects | 2,897,767 |
| Others | 830,747 |
| Total | 13,108,554 |
| Contributions to the general public | Costs (US\$) |
| Education | 65,403 |
| Health | 36,159 |

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|--------------|----------------|
| Electricity | 1,075 |
| Water | 104,862 |
| Others | 244,398 |
| Total | 451,897 |

Mining as a catalyst for development

Mining companies also contribute to the development of Ghana by their very existence in rural communities. These social multipliers are in the areas of

- **Banking,**

The presence of the Mines in Tarkwa, Obuasi, Kenyase and others has promoted the locations of banks to do business with the companies. These banks also employ locals and provide services for community based businesses who would otherwise have to go the regional capitals for banking services.

- **Telephony,**

The mining companies set up masts in order to enhance communication. However, these masts also tend to facilitate telephone and cell phone services to communities living around the mines. Examples can be found in the Kenyase and Chirano areas, which are very far distant and may not have had easy access to telephony if the mines had not been established.

- **Electricity,**

Companies have provided transformers, electric poles, cables and other equipment to facilitate the extension of power to mining communities.

- **Health,**

Mining companies have established hospitals and health care centers in mining communities to cater for the needs of staff as well as community members. Mining companies are also involved in the treatment and control of malaria, HIV/AIDS etc.

- **Infrastructural Development – Roads etc**

Another way of contributing to local development is the creation of access roads to rural communities thereby stimulating economic growth. These roads are kept motorable even if not asphalted.

- **Education**

Most of the schools in mining communities have either been built or maintained by mining companies. More teaching and learning facilities continue to be provided in consultation with various Education offices in the mining areas. Just recently Gold Fields donated a single storey office complex to the Tarkwa-Nsueam Municipal Education office.

- **Human Resource Development,**

The human resource in the mining sector in Ghana is one of the best trained mining professionals in the sub region. Most of them have been recruited to work in mines all over the world and they contribute to the development of the economy through remittances and taxation.

- **Technology Transfer**

A lot of technology is transferred to Ghanaians in the mining industry through the deliberate policy of promoting Ghanaians to higher levels of management in the mines.

Conclusion

The value the mining industry generates for the country is not restricted to the fiscal revenues only. The linkages between the mining industry and the economy through the supply of goods and services create value multipliers for the country.

Therefore the intangible benefits of mining, such as employment generation, long-term capital formation, social investments, linkages to the local economy as well as skills transfer complement the fiscal payments to the State as a total package of benefits to the country.

CREDIT: Public Affairs Department
Ghana Chamber of Mines
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