

The Government today set up a seven-member team to review and re-negotiate stability agreements it had entered into with some mining companies to ensure that the country derived maximum benefits from its resources. Finance Minister Dr Kwabena Duffuor, who inaugurated the team, said the review was necessary as the nation had benefited little from dividends and record world prices of gold.

Given that the country's mining sector consists mostly of gold mines, one would have expected a higher fiscal take by the Government. Unfortunately, the phenomenal increase in gold price has not sufficiently benefited the people of Ghana, Dr Duffuor said. The first task is to review and re-negotiate any part of a Stability Agreement signed between Ghana and any mining company that is not in the best interest of the country, Dr Duffuor told members of the team.

The team will also determine the extent to which the stability agreements depart from all mining leases granted to other mining companies and redesign any existing mining agreement and/or draft new agreement, where necessary, to ensure support for Ghana's economic growth and development. In addition, it will establish whether the Stability Agreements comply with provisions of the mining laws of the country, the legal regime for mining (fiscal imposition, foreign exchange regulations, duration of stability arrangements, and the provisions of the country's tax laws) and the laws applicable to the agreement.

Besides, the team will look at the fiscal regime, governments carried and participating interests and undertake the preparation of a framework or procedures and conditions that will govern granting of stability agreement in the mining sector. Other areas of reference for the team include the review of the mining list with the view to reducing exemptions granted and promotion of local content and establish whether the country is in a breach of any provision of any mining agreement.

Government in the 2012 Budget Statement increased the Corporate Mining Tax from 25 to 35 per cent, introduced a windfall tax of 10 per cent and established a uniform regime for capital allowance of 20 per cent for five years. Dr Duffuor said the issue with the mining operations was about fair and transparent sharing of benefits and windfall gains from the exploitation of the country's resources.

What government is looking for therefore, is a win-win situation in which both the mining companies and the people of Ghana will equally benefit. The importance of the government's strategy is to develop an economy that works for everyone, he added.

Professor Akillappa Sawyerr, Chairman of the Team, assured the Government of members' commitment to deliver on the task assigned.

Source: GNA