

## THE GHANA CHAMBER MINES, PUBLISH WHAT YOU PAY, 2013

The Chamber is happy to publish payments made by the mining industry in 2013. This publication is part of the Chamber's pursuit of transparency in the payments and receipts in the mining sector in Ghana. It covers direct statutory and voluntary payments made to Government, suppliers both local and foreign but locally registered in Ghana, District Assemblies and employees in 2013.

In the face of a steep drop in the price of gold and rising cost pressure on the local mining environment, revenue realized from the export of minerals by the producing members of the Ghana Chamber of Mines declined to US\$ 4.7 billion in 2013 from US\$ 5.4 billion in 2012.

Notwithstanding the deterioration in the fundamentals of the gold market, the minerals sub-sector continued to underwrite economic progress in Ghana. As an industry which subscribes to the principles of the Extractive Industry Transparency Initiative (EITI) we provide information on the sector in 2013 as follows:

- The total mineral exports of US\$ 5.13 billion accounted for **37.6 percent** of gross merchandize exports- the largest by any export commodity.
- Total tax revenue mobilized from the minerals sector by the Ghana Revenue Authority approximated GH¢ 1.1 billion, representing **18.7 percent** of direct tax and **14.3 percent** of total domestic revenue. Indeed, **two mining companies** were the largest corporate tax payers in 2013.
- **68 percent** of the realized revenue from the export of minerals was returned to the country through the commercial banks and the Bank of Ghana - far in excess of the statutory 25 per cent. The big ticket expenditures of mineral revenue were as follows:

### Utilization of Repatriated Mineral Revenue in 2013

Item	Amount (GH¢)
Payments to the State	1,127,757,720.76
Expenditure on local purchases	2,051,687,844.42
Expenditure on electricity and diesel	1,652,062,704.86
Employees	1,373,708,999.79
Expenditure on imported consumables	727,663,138.18
CAPEX	642,057,924.88
Expenditure on interest amortization	243,368,763.37
Payments to other shareholders	100,717,352.80
Payments to community and general public	24,854,308.008

*Note: Payments were converted from USD to Ghana Cedis at an average exchange rate of \$1= GH¢2.05*

Furthermore, the mining industry continues to cross subsidize the cost of social petroleum products such as premix through the payment of premium price for diesel.

## **Development of mining communities**

Only ten percent of the mineral royalties paid by mining companies is ploughed back to the Community. Out of this ten percent, the Office of the Administrator of Stool Lands takes one per cent for its administrative expenses. The remaining nine per cent is disbursed to host communities as follows: District Assemblies – 4.95 per cent, Traditional Councils – 1.8 per cent and Stools – 2.25 per cent.

The Chamber believes that the 4.95 per cent of mineral royalty returned to district assemblies is woefully inadequate for the stimulation of infrastructural development in mining communities.

The Chamber is therefore advocating for 30 per cent of mineral royalties to be returned to mining areas over a specific period of time and ring-fenced to specific infrastructural projects in order to catalyze the socio-economic development of mining districts.

The Chamber will continue to work with relevant stakeholders to implement principles of collaborative decision-making and shared responsibility for the management of social, environment and development issues related to mining.

*Issued by the Ghana Chamber of Mines*

*Promoting socially and environmentally responsible mining in Ghana*

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