

**CHAIRMAN'S REMARKS BY MR. DAN OWIREDU, CHAIRMAN
OF THE FORUM ON RESOURCE NATIONALISM HELD ON
THURSDAY, 7TH NOVEMBER, 2013 AT THE LA PALM ROYAL
BEACH HOTEL ACCRA**

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Ladies and Gentlemen

As President of the Chamber, I deem it a great privilege to be called upon to chair what I consider as an idea whose time has come. Fortunately, the task ahead of us in this session has been greatly structured by the work that Nick Holland, a world-renowned Mining Chief Executive has put forward as a remarkably thought-provoking document.

I sincerely believe that the overriding aim of this Forum should be the dispassionate discussion or assessment of the diverse initiatives and responses to socio-economic developments in natural resource –rich political entities, as well as the nascent forces striving to shape new thinking in the management of the ever dwindling resources of our world.

Wherever you may find yourself in the continuum of views on the subject, Resource nationalism is a real issue which demands urgent attention in order to allow us all to forge a new path of cooperation between resource owners, the owners of investable resources and those with the skill to explore, mine, process and market the natural resources in question.

Currently, many see Resource Nationalism as a grave investment risk. . In view of this, most mining economies have skirted around the critical issue of the relevance of an investor community and chosen the unilateral option of tax hikes and royalty increment as a means of getting more from mining companies before the vaunted cycle of a boom peters out .

Ladies and Gentlemen, Resource nationalism has assumed and retained the number one risk ranking on the side of the investor and operators while governments around the world have tended to proffer a mix of increased taxation, a wave of mandated beneficiation, export levies and limits on foreign ownership.

In certain areas certainly in our own country, some have even attempted to justify the illegality of galamsey operations on the altar of Resource Nationalism.

Ladies and gentlemen, it is an undeniable fact that Africa is endowed with abundant mineral resources that far exceed its demand requirements. It is well documented that without access to sufficient, quality and reliable minerals every social and developmental activity would be critically hindered. The importance of minerals in our daily lives cannot be underestimated.

Indeed it is generally said that everything is fundamentally linked to mining and that anything that is not grown is mined. In other words, life without mining is an impossible proposition.

However, in spite of Africa's diverse mineral potential, there remains a wide range of unique challenges that African countries face in the quest to meet their developmental goals in a sustainable manner. These challenges are further compounded by policy-formulation instability and the unpredictability of government policy implementation in many countries. This reality imposes a peculiar cost in the overall finance and planning of business concerns especially in the more deprived areas of the countries in which mines are located.

The rising global phenomenon of Resource Nationalism most probably was given greater impetus from the announcement in 2010 of a proposed new 'super profits' mining tax in Australia.

Consequently many mining and metals jurisdictions announced increases in taxes and royalties during the course of 2011–12 and many looked at Australia's action as commercial cover for proposed changes. Amendments to mining and tax laws can result in changes to capital

allocation based on a weaker risk/reward profile. I hope this will be discussed in some form by Nick.

Nevertheless, here in Ghana, the acquisition of five foreign owned mines which were in financial crisis in the first five years of Ghana's independence, introduced the new state directly into mining as an operator. To achieve this unique role in independent Africa then, the First President, Osagyefo Dr. Kwame Nkrumah was said to have "over-compensated" the foreign owners. He himself explained that "the extra million or so pounds are worth the foreign opinion that we are generous and not capricious."

Ladies and Gentlemen it is this sense of pragmatism in patriotism which I hope will continue to guide the handling of the issue of Resource Nationalism in our country.

Ghana followed this approach, both in the VALCO Negotiations of the early 1980's as well as the codification of mining practices which directly made mining as we know it now possible

Distinguished Invited Guests, regardless of how intimidating the hunch of nationalising resources may seem, we in the mining fraternity here in Ghana together with Government should explore synergies and defy all odds with regards to nationalising our resources with the aim of spurring development with mining.

In this regard, I am sure that Mr. Nick Holland's presentation would introduce fresh perspectives and insight to an important subject which cannot be pushed under the carpet.

. Nick's presentation has been well-received by audiences in Latin America, Australia and London and has led to discussions of a possible re-think of the traditional view of resource nationalism.

In order not to “undermine” Nick's efforts—pardon the obvious pun -- I will pause and invite him to give us his perspectives on the subject.

Once again let me wish you all fruitful deliberations. Now it is my delight to call on Mr. Nick Holland to lead us in what would be called an INDABA in South Africa. Nick!