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Chamber of Mines CEO calls for open, honest and transparent relationship between Government and Industry.

The CEO of the Ghana Chamber of Mines, Dr. Toni Aubynn, has called for open, honest and transparent relationship between government and industry to ensure the sustainable development of Ghana's minerals.

He blamed external and internal pressures on Government for the mining fiscal policy changes in Ghana. He was speaking as a panelist on the topic of Resource Nationalism on the main stage of the Mining Indaba in Cape Town. Dr. Aubynn was responding to a question of the key drivers of Ghana's drastic changes to its mining taxes in 2012 in spite of its long time standing as a good example of good and stable mining policy. "I am not too sure what the drivers were, but I suspect both internal and external pressures may have combined to push government into such a drastic mining fiscal policy change.

He indicated that the optic of a sustained commodity price increase, without consideration to cost, may have created the false impression that huge margins were being reaped by mine investors. Naturally pressures would be put on governments to ask for more. He also took a swipe at the IMF which insisted on the imperative to increase taxes including the introduction of windfall profits taxes without fully understanding the issues within the industry. "If the IMF insists that the industry is making windfall profits, regardless of their understanding of the balance sheets of the industry, it only gives a shot in the arm of governments to seek windfall profit tax."

He also opined that the rebasing of Ghana's economy in 2009, meant a reduction in donor inflows. Dr. Aubynn said "I suspect that in the attempt to fill this funding gap, government found the resource sector an easy target without a full understanding of the long-term implications."

Dr. Aubynn insisted that Ghana was still the best place for mining investment in Africa and advocated for a more open, honest and transparent relationship between mining industry players and government. "We need to bridge the trust gap between government and the mining industry, which I think is not peculiar to Ghana alone" says Dr. Aubynn.

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