



THE GHANA CHAMBER OF MINES

PUBLISH WHAT YOU PAY - 2015

In line with our core value to deepen transparency in the mining sector, the Ghana Chamber of Mines is pleased to publish direct statutory and voluntary payments made by its producing member companies to Government and District Assemblies in 2015.

The Ghana Revenue Authority (GRA) indicates that fiscal revenue from the mining and quarrying sector increased from GH¢ 1.24 billion in 2014 to GH¢ 1.35 billion in 2015. The latter represents nearly 15 percent of direct domestic revenue mobilized by the GRA. As well, data from the Bank of Ghana shows that the minerals sector accounted for 32 percent of gross merchandise exports, making it Ghana's leading source of forex earnings.

Further, the share of mineral revenue returned by producing member companies of the Chamber into the country through the Bank of Ghana and commercial banks increased from 75 percent in 2014 to 85 percent in 2015. In nominal terms, this means that USD 2.66 billion out of the USD 3.11 billion revenue realized by producing member companies was returned to the country. The remainder is used largely to fund capital expenditure, importation of consumables, and payment of dividends to other shareholders. Table 1.0 shows some of the key expenditure items as well as fiscal payments financed out of the returned mineral revenue.

As part of efforts to catalyze industrial development, member companies of the Chamber continue to actively create opportunities for the participation of local companies in the value chain of the mineral sector. Further to this, expenditure on local purchases increased from 18 percent of mineral revenue in 2011 to 28 percent in 2015, while expenditure on imported consumables declined to 5 percent from 15 percent of mineral revenue over the same period.

In addition, producing member companies

spent USD 17.8 million in 2015 to finance a variety of developmental projects in their host communities. Coupled with this, the cross-subsidization of social fuel products (premix) and electricity by mining companies magnify their social interventions beyond the boundaries of the host mining communities.

Summary Statistics on Payments by Producing Member Companies of the Chamber

Assumption: Average exchange rate: USD 1=GH¢3.729	
*Revenue	US Dollars
Total Mineral Revenue	3,118,067,504
Mineral Revenue Returned to the Country through Bank of Ghana (Mandatory Surrender)	465,299,347
Mineral Revenue Returned to the Country through Commercial Banks (Voluntary Repatriation)	2,196,553,767
Total Revenue Returned to the Country	2,661,853,114
Percentage of Mineral Revenue returned to the Country	85%
*Local Expenditure	
Local Payments for Goods (excluding Diesel)	265,628,482
Local Payments for Services (excluding Electric Power) & Contracts for handling ore, security etc.	599,967,991
Total Local Expenditure (excluding energy)	865,596,473
*Energy Spend	
Payment for electric power consumed	314,149,085
Payment for diesel consumed	313,105,096
Total Energy Spend	627,254,181
Total Local Purchases (Local Expenditure and Energy Spend)	1,492,850,654
*Key External Expenditure	
Amount for amortizing loans, including interest payments	434,773,852
Amount spent on Imported Consumables	166,385,403
Amount spent on capital expenditure- CAPEX	418,162,161
Total Key External Expenditure	1,019,321,416
*Human Resource Information	
Number of Direct Ghanaian Employees @ End of Year	9,762
Number of Expatriates @ End of Year	177
Total Direct Employment	9,939
Share of Expatriates in Total Employment	1.8%
Fiscal Payments	
**Mineral Royalties	130,231,337
**Corporate Tax	124,196,459
**Employee Income Tax Payments (PAYE)	108,539,414
**Other Taxes	234,711
***Dividends paid to the State	13,149,925
*Property Rate Payments	978,405
Total Fiscal Payment	377,330,252
Expenditure on Corporate Social Investment	17,827,897

Source: * Ghana Chamber of Mines | ** Ghana Revenue Authority | ***Non-Tax Revenue Unit of the Ministry of Finance

Promoting Environmentally and Socially Responsible Mining