

**REMARKS BY THE PRESIDENT OF THE GHANA CHAMBER OF MINES,
MR. JURGEN EIJGENDAAL AT THE LAUNCH OF THE 80TH ANNIVERSARY
CELEBRATION AT THE M-PLAZA HOTEL, ACCRA ON 20TH MAY 2008.**

Distinguished Guest of Honour
Members of the Diplomatic Corps
Nananom
Development partners
Colleagues and stakeholders in the industry
Our friends from the media
Ladies and gentlemen

Today, it is my sincere pleasure to welcome all of you to the launch of the 80th Anniversary Celebration of Ghana Chamber of Mines – in short “the Chamber”. I am sure you will all agree with me that 80 years in the life of a business association is something worth celebrating. Since its inception at Tarkwa on the **6th of June 1928**, the Chamber has been the unifying mouth piece for the mining industry in the then Gold Coast to now the Republic of Ghana. As such the Ghana Chamber of Mines is one of the oldest business associations in the country.

I wish, on behalf of our members, to pay homage to the Founding Members and all past staff of the Chamber for their foresight. It has been their vision and dedicated service that is enabling us to celebrate here today.

By celebrating the 80th Anniversary of the Chamber, we will have a chance to reflect and showcase the many achievements made as an Industry. In looking back and by true assessment we will identify the fast transformation our Industry has made. The overall and undeniable contribution to the economic growth of the Ghanaian society is of essence. However, in this transformation, we have witnessed the maturing of an Industry that is now one of the most regulated, responsible and well-organized economic bodies in the country. The new mining regulations, environmental codes and social responsibility programs have added value to the overall Industry performance and image. It is my sincere conviction that such introspection will aid us in our future relations and responds to all stakeholders concerned.

The upcoming year-long celebrations must awake our ingenuity to find new ways the Chamber can use to efficiently carry out its agenda of using mining as a catalyst for national development.

An empirical assessment of the benefits of mining will help bring to the fore the contribution of mining to local and national development and give true meaning to the theme for the Anniversary **“LIFE WITHOUT MINING IS IMPOSSIBLE”**.

The Chamber will further take advantage of the 80th Anniversary to redefine its role in the areas of national economic planning (see yesterday's welcome initiative to establish the high-powered task force between policy makers and the mining community), urban and semi-urban planning/renewal, environmental stewardship, land use policies and corporate social investments. Let me take this opportunity to invite stakeholders to join the Chamber in our quest to maximize the positive impacts of mining on communities within which we operate.

As the Chamber takes steps to redefine and deepen its role as responsible corporate citizens, we equally expect relevant stakeholders to create the enabling environment through the provision of right policies, infrastructural development in order to reduce the cost of doing business in Ghana.

Ladies and gentlemen, my remarks will not be complete if I do not address the negative perception of mining in national development. Again, mining is an undeniable necessity but should be done in an economic, environmentally and sustainable manner. With all the progress made, there is certainly still room for further improvement. Let me assure you that the Industry is prepared to play its responsible role.

Presently the mining companies pay 3% mineral royalty on their gross revenues. This means that irrespective of the profitability or economic performance of a mine, it pays 3% of gross revenue to the State. In effect as the gross revenues of a company increases, (eg. Gold Price) so does the amount of cash the companies pay to the government.

For example, the mining sector contributed US\$892 million in mineral revenue and a paid in mineral royalties US\$26.76 million in 2005. Last year the mining sector contributed US\$1.79 billion in mineral revenues and paid US\$53.8 million in mineral royalties. These figures obviously will rise as a result of the surging prices in gold world-wide and the liberalization of the country's economy. As a matter of fact this contribution is aside, the dividends and taxes mining companies pay to government every year.

In addition to all these, mining companies contribute to rural development through their direct operations and the fulfillment of their community social responsibilities. They directly provide social services and attraction to other companies to do business in the less endowed regions.

Indeed the mining industry continues to implement series of social responsibility programs aimed at empowering host communities. Some also have built hospitals, schools and provided portable drinking water.

The linkages between the mining industry and the economy through the supply of goods and services create value multipliers for many industries in the country.

The operations of the mining sector provide vital inputs to the operations and services of non-mining companies and professional bodies which are directly linked to the mining industry. They include, Engineers and Planners, Tema Steel Works, Kingdom Transport, Pergah Transport, Allship, Catrol, Interplast, Capital Group, KEK Insurance Brokers, Engineering and Logistical Services, GOIL, Western Castings, Ghana Railway Corporation, VRA, ECG, Ghacem, Carmeuse Lime products, etc.

The employment created by these companies contributes to the development of the economy. These companies also add on to the mineral revenue through the payment for the goods and services they supply the industry.

Furthermore, the presence of the mines in Tarkwa, Obuasi, Kenyase and other areas has promoted the location of banks to do business with the mining companies. These banks also create employment and also provide services for community based businesses that would otherwise have to go to the regional capitals for banking services.

Mining companies usually set up masts in order to enhance communication and these masts also tend to facilitate telephone and cell phone services to communities living around the mines. Examples can be found in the Kenyase and Chirano areas. In addition, the local and indigenous companies in the country provide services to the mining industry. The linkages between the mines and the support companies contribute to employment and poverty reduction.

Mining companies have been instrumental in the provision of electric power to rural communities. They have provided transformers, electric poles, cables and equipment to facilitate the extension of power to mining communities.

Mining companies use loads of cement in their operations thus contributing to the incomes and taxes that accrue to the government. Besides, raw materials such as coconut husk, palm kernel shells, can be harnessed for the production of activated carbon, for use by the industry.

The Industry also provides a lot of support for education and health for mining communities and on the national level. Most of the schools and hospitals in the mining communities have either been built or maintained by mining companies. The Chamber for instance was very instrumental in the establishment of the University of Mines and Technology, in Tarkwa.

Human resources development and technology and skills transfer remain a key responsibility of the Mining Industry.

Another measure of the industry's direct fiscal impact on the local economy is the proportion of mineral revenues returned to the country. For instance, in 2006 the proportion of mineral revenues used to acquire capital equipment together with the amount returned to cover statutory obligations as well as voluntary initiatives were equivalent to 75 per cent of the mineral revenue.

Before I conclude my remarks, I would again like to express profound appreciation to all the past Presidents, CEOs and staffs of the Chamber, not forgetting our current competent and committed CEO, Ms Joyce R. Aryee and her dedicated team of able men and women at the Secretariat. Special thanks also go to chiefs and people of the communities where mining takes place and the business community in Ghana. We hope that we will continue to enjoy all your support and encouragement as we have received from all of you for the past 80 years.

Indeed the Chamber has a good story to tell! It is my hope that our friends from the media will support us in telling the success story of mining in Ghana.

Long live the Ghana Chamber of Mines! Thank you for your kind attention.