

**SPEECH BY MINISTER FOR LANDS AND NATURAL RESOURCES
HON. NII OSAH MILLS, AT THE GHANA MINING INDUSTRY AWARDS
ON 3RD DECEMBER, 2015 AT THE ALISA HOTEL**

Your Excellencies

Honourable Members of Parliament,

President and past Presidents of the Ghana Chamber of Mines

CEO and past CEOs of the Chamber of Mines

Captains of the Mining Industry

Members of the Diplomatic Corps,

Nananom,

The media,

Distinguished Invited Guests,

Ladies and Gentlemen.

It is my pleasure to join you all today at the first edition of the Ghana Mining Industry Awards. We are gathered here to celebrate outstanding achievements in one of Ghana's foremost industries: **MINING**. As I have been made to understand, the GMIA was instituted by the Council of the Ghana Chamber of Mines to promote, recognise, and celebrate outstanding achievements and excellence in the mining industry. This noble cause needs to be commended because we all have a fair idea of the mining industry's contribution to national development and the skills and competencies required to make the endeavour both productive and meaningful to all stakeholders.

I want to expressly convey my sincerest admiration to the Executives of the Chamber of Mines and the Adjudicating Board who rigorously went through the nominations and categories to identify deserving individuals and companies who are worthy of the accolades to be conferred on them for excelling in their endeavours in the mining industry.

The theme for the 2015 Ghana Mining Industry Awards: **“Recognising Excellence, Celebrating Achievement in the Mining Industry”**- is very opportune because it offers an opportunity to spur mining companies on to achieve

outstanding heights in the industry at this time of declining metal prices and escalating costs. Without a doubt, mining companies that will weather the storm need to demonstrate excellence in several facets of their operations.

Ladies and Gentlemen, as is very evident, minerals and metals are essential raw materials for industrialization and are critical to the transformation of economies that are highly dependent on mining. Indeed, if appropriate strategies are put in place, Ghana's natural resources have the potential to contribute significantly not only to the progressive socio-economic and political development of the country but to the transformation of the economy.

Minerals Resource Development and Management Programme

Distinguished ladies and gentlemen, Ghana presents a number of opportunities in the mining sector, especially in the gold industry. We pride ourselves of being the second largest gold producer in Africa, after South Africa and the 10th largest globally. But we are blessed with much more natural resources than just gold. The country has both tapped and untapped reserves of bauxite, manganese, solar salt, iron ore, limestone and clay.

The government is committed to promoting sustainable extraction and use of mineral resources, diversification of the economy with emphasis on the processing of raw materials and the strengthening of regulatory and institutional frameworks for the exploration and development of Ghana's natural resources. Through strong partnerships with investors, the government will enhance community participation in the management of the resources.

In this regard, I am pleased to inform you that about a month ago, the Minerals and Mining (Amendment) Act was passed by the Parliament of Ghana with the primary aim to sanitize the mining sector. The new amendment law further reiterates the prohibition of every form of illegal small scale mining and criminalises mining by both foreigners and Ghanaians without a license. It also mandates the judiciary to confiscate the equipment and tools used in illegal mining as well as the product of the menace.

The law now criminalises the engagement of foreigners in small-scale mining operations and also makes it an offence for a Ghanaian to employ or engage a foreigner to undertake or participate in illegal small scale-mining activities.

Ladies and gentlemen, complementing the amendment to Minerals and Mining Act is the passage of the Minerals Development Fund Act which is awaiting presidential assent. I dare say that it is our expectation that the MDF will be a game changer as its diligent implementation should witness a transformational change and renewal of mining districts through tangible development on the back of the mining industry.

Distinguished Ladies and Gentlemen, in order to deepen the integration of the sector with the rest of the economy, the **Local Content Regulations** is serving as a useful guide to the implementation of local content in the mining sector. Through a collaborative effort between the Minerals Commission and the Chamber of Mines, a procurement list has been issued by the former which mining companies are expected to procure from local sources. The current list which consists of eight items, are;

- Grinding media
- Explosives
- Cement & cement products
- Heavy duty electrical cables
- Tyre rethreading,
- Quicklime & hydrated lime
- HDPE & PVC pipes and
- General lubricants

I have been informed that the Minerals Commission has commenced discussions with the Chamber with the view to expanding the number of items on the procurement list. It is the expectation of my Ministry that you will surpass the 77% achievement the mining companies chalked in 2014 soon.

Mining Sector's Contribution to Ghana's Economy

Distinguished ladies and gentlemen, Ghana certainly benefits from mining in diverse ways. The very evident benefit to many is the creation of job opportunities, as well as taxes, and royalties mining companies pay to the state. These financial contributions are very substantial and for which reason the sector has continued to be the leading and prime contributor to the nation's purse. Mining provides quality and high paying jobs directly to Ghanaians, who constitute about 98% of the

workforce and gives capacity to Ghanaian youth who often transfer their knowledge and skills into other sectors of the economy.

Despite the opportunities in the mining sub-sector, mining comes along with its challenges such as land and its degradation, pollution of the environment including water bodies and issues of land tenure security. One major challenge facing producing companies is the high incidence of illegal mining (galamsey). Government regards small scale mining as a legitimate business with a great potential for poverty reduction. Accordingly, my ministry will work with the Minerals Commission to formalise the small-scale mining sector more deeply so it can contribute more meaningfully to the economy.

We however take serious exception to the encroachment of concessions legally granted to big mining companies by illegal operators. We will continue to work with other government entities to protect the investments made in the sector. Recent amendments to the Minerals and Mining Act, our institutions will complement the efforts of security services to prevent the scourge of illegal mining.

Ladies and gentlemen, my Ministry has embarked upon various sensitization programmes to create awareness on the acquisition of licenses in order to curb the menace of illegal mining. These public sensitization programmes include advertisements in the media and on bill boards as well as signages in English, French and Chinese at vantage positions at the Kotoka International Airport. It is our fervent expectation that such public engagements will increase knowledge about the new law and the ramifications for those who fall foul of it. On this note I wish to reiterate my gratitude to the Chamber of Mines for underwriting the cost of the signage at the Airport.

Distinguished ladies and gentlemen, my ministry has started the implementation of the Corporate Social Responsibility (CSR) guidelines developed through extensive stakeholder collaboration. This is expected to reduce social conflicts and ensure that companies contribute to structured development in communities in which they operate.

The guidelines seek to establish a comprehensive and forward looking framework for mining in a manner that catalyzes sustainable development in host

communities. The Minerals Commission will review CSR reports submitted by mining companies to ensure compliance with the guidelines. It is our expectation that the novel CSR programmes of mining companies will be synergized by the Minerals Development Fund Act when it is eventually promulgated.

Ghana is working with the Africa Minerals Development Centre under the supports of the Africa Union to domesticate the Africa Mining Vision into a Country Mining Vision. As part of this, my Ministry has initiated a series of workshops to solicit ideas and views for consideration. I am confident that the Chamber will make the requisite inputs to the endeavour.

Conclusion

As I bring my speech to an end, I would like to touch on a sensitive issue that has affected virtually every facet of our lives. **The power crises.** Since 2013, the country has been faced with a debilitating power crunch that has affected every aspect of the economy. Industries have been the hardest hit and while the situation is regrettable, government would like to express its profound gratitude to the mining industry for its fortitude and willingness to make the necessary adjustments for alternative and oftentimes expensive power supply in order not to lose production.

As has been stated severally, it is the expectation of the government that the pipeline of additional generating capacities and natural gas resources will conjoin to turn our dark days to brighter days in the near future.

Finally, I would like to congratulate all companies and individuals who will be duly recognized this evening for their exemplary performances in the mining sector. Just like in a classroom where there will always be a primus inter pares (first among equals), today, one of you will emerge as the Mining Company of the Year. It is my fervent expectation that the awards will incentivize everyone to achieve greater heights for yourselves, your shareholders, the communities within which you operate and the nation as whole.

I wish you all the very best of a merry-filled evening. Thank you all for coming.

God richly bless you.