

**SPPECH BY HIS EXCELLENCY MR. JOHN AGYEKUM KUFOUR
PRESIDENT OF THE REPUBLIC OF GHANA AT THE 77TH ANNUAL
GENERAL MEETING OF THE GHANA CHAMBER OF MINES, AT THE
INTERNATIONAL TRADE FAIR SITE, ACCRA ON FRIDAY, MAY 27TH 2005.**

The President of the Chamber,
Members of the Council of State,
Honourable Ministers and Members of Parliament,
Excellencies Members of the Diplomatic Crops,
Madam Chief Executive and
Madam of Ghana Chamber of Mines,
Distinguished Ladies and Gentlemen.

I am happy to join you today for your 77th Annual General Meeting.

The mining industry has made great strides during the past four years. We have a lot to celebrate and be thankful for.

Soon after my inauguration in 2001, I was made privy to some disturbing signals of looming danger in the sector. This led to the creation of the single portfolio Ministry of Mines in July 2002, to address those problems. That decision has proved to be very timely.

Today, Ghana boasts of a regenerating mining sector which has already attracted world-renowned companies like AngloGold-Ashanti and Newmont Gold. With the recent arrival of ALCOA, government is not only re-activating the VALCO smelter, but perhaps even more importantly, Ghana is on the threshold of establishing an integrated bauxite/aluminum, as was conceived by the nation's first President, Dr. Kwame Nkrumah.

Other companies in the sector are also contributing to the current positive developments. A good example is Gold Fields Limited which, I am happy to say, has stepped up its investments in the country.

There are yet other happy developments. For example, they include the prompt and regular payment of dividends to shareholders, as exemplified just a week ago by AngloGold-Ashanti. Your Chamber is also registering a steady increase in membership after years of stagnation. These are all indicators of what has been achieved so far, and also point to a greater future for the mining sector of the country. I commend all members of the Chamber for working in partnership with government to bring about this phenomenal transformation of the country's mining sector within this relatively short period.

Ladies and Gentlemen, as we celebrate the successes achieved so far, we must also anticipate evolving developments in the industry in order to address them, and in the process enhance our partnership. Indeed, it was in view of some of these emerging issues

that Government decided, at the beginning of its second term, to link the Ministry of Mines to that of Lands and Forestry, to form a composite Ministry.

The new Minister, a former Minister of the Environment, will keep up dialogue with related sectors, to push the mining agenda in a coordinated and sustainable manner.

Ladies and gentlemen, the theme for your 77th Annual General Meeting is “**The potential of Mining for Sustainable National Development**”. This is appropriate since Sustainable development is definitive in terms of real growth of economies and societies. And that mining has been, is, and will continue to be a major factor and contributor in the realization of this sustainable development of Ghana, is a truism.

The question to ask is whether the mining sector is anywhere near optimizing its contribution to the nation’s development. I dare say, that given its potential, the sector still has a very long way to go to attain this mark. The nation avidly expects the development of its hydrocarbon and iron industries. The development of these minerals will diversify the sector and help in the fulfillment of the sector’s potential. These are serious problems that demand sincere, committed, innovative and pragmatic solutions, which will deliver a win-win scenario, for both the companies and the nation.

Yet another concern is that the mining sector has so far not shown the modern tendency of contributing to the growth of the indigenous private sector of the economy. Sub-contracting of support services to small and medium scale local support companies is not developed enough. I am therefore appealing to the leadership of the sector to be engaged with this challenge.

At the moment, another major challenge facing the industry in this country is the distressed state of the communities in which your companies operate. This is an indication of the low levels of social investment which have been made within the communities since industrial mining started in this country over a century ago. I call on the industry to support government with radical and creative policies and programmes to redress this historical neglect.

It is common knowledge that the vibrant, rich and powerful city of Johannesburg in South Africa is indeed a creation of the forward looking policies of the mining sector of that country. Ghana must begin to see such a healthy development here.

Yet another problem which seems intractable at the moment is the phenomenon of “galamsey”. For the mining industry and the nation to move forward, we ought to find creative ways of addressing the issue of the “galamsey” operators, with regard to the harm they do to themselves, the environment, their communities, and the sectors legal concessions. As an industry, you cannot draw up sustainability and social responsibility programmes without effectively addressing the genesis of the “galamsey” phenomenon.

Ladies and Gentlemen, I do believe that one of the ways of solving this problem is for the sector to confront seriously and proactively the application of the concept of **inter-**

generational equity by which the expected benefits of any new project are not allowed to disadvantage the youth of the communities in which they operate. This is of crucial importance because to the extent that future generations cannot re-mine the same mineral extracted today, the issue of “sustainability” is fatally flawed in the industry. The communities must therefore be made to feel a shared ownership in the operations of the sector.

In this regard, inter-generational equity can be achieved in mining if the wealth and the opportunities generated from the industry are made to boost other potential economic activities as wealth-creating ventures for future generations. As a Government, we are asking your sector to join efforts with us in pursuing this goal.

Government appreciates the quick responses of both AngloGold Ashanti and Gold Fields in their programmes for Gold Jewelry manufacture in Ghana. We naturally expect the gold producers in your Chamber to join in this effort of value addition. In particular, the Chamber should help to revive the goldsmith industry, and sustain it for succeeding generations.

In that same vein, let me reiterate the call that I have made to you on other occasions to follow the lead of AngloGold Ashanti unto the Ghana Stock Exchange. With the listing of AngloGold Ashanti, the GSE leapt to the second spot in Africa, in terms of capitalization. It goes without imagination that when all of you begin to venture into the Ghana market in this way, you will be helping the nation achieve sustainability; I believe you can do it. The other point in connection with this capitalization is that all of you, must begin to operate through Ghana’s own upgraded banking sector.

Ladies and Gentlemen, as you all know, government has now upgraded the Western University College of Mines into a full fledged university. I gather that your industry has indicated the creation of a trust to support this new university, and I commend you for this.

I also acknowledge the many steps you are taking as an industry in appreciation your Corporate Social Responsibility. The media are replete with reports of your initiatives ranging from education, health reforestation, corporate sponsorships, and capacity-building and sponsorship for sports. These should not be short-term. Let us see sustainability in your support for these sectors, and more, within the nation.

In conclusion, distinguished ladies and gentlemen, I wish you happy and fruitful deliberations and declare the 77th Annual General Meeting of the Ghana Chamber of Mines duly open.

Thank You, and May God Bless Us All.