

PUBLISH WHAT YOU PAY - 2021

As part of our core values of transparency and good governance in the minerals sector, the Ghana Chamber of Mines is pleased to publish information on payments as well as expenditure on key mining inputs and corporate social investments by its producing member companies in 2021.

The total direct domestic fiscal payments (excluding dividends) of the producing member companies of the Chamber increased from GH¢ 3.973 billion in 2020 to GH¢4.611 billion in 2021, representing an upturn of 16.05 per cent¹. The members' payments represent 16.48 per cent of direct domestic receipts mobilized by the Ghana Revenue Authority (GRA). Likewise, the producing member companies paid GH¢122.78 million as dividends to the state in 2021². Overall, the producing member companies' tax and non-tax payments represented 6.75 per cent of total government revenue and grants in 2021.

Moreover, the minerals sector retained its position as the largest source of forex from commodity exports with a contribution of US\$ 5.241 billion. According to the Bank of Ghana, the minerals sector accounted for 35.60 per cent of merchandise exports in 2021, which was more than the separate contributions of the other main export commodities: cocoa and crude oil.

To deepen the foreign exchange market, the producing member companies returned US\$ 4.075 billion out of their realized mineral revenue of US\$ 4.994 billion to the country through the local commercial banks in 2021. This translates into 81.59 per cent of their mineral revenue. Likewise, the producing member companies stimulated domestic activity by spending US\$ 3.984 billion of their realized revenue on inputs procured from in-country manufacturers and suppliers as well as on financing corporate social investment projects (CSI) and honouring fiscal obligations to the state³. It is worthy of note that the producing member companies spent US\$ 2.490 billion out of the US\$ 3.984 billion on purchases of goods and services, inclusive of electricity and diesel, from resident manufacturers and suppliers in 2021. The expenditure on locally sourced non-labour inputs is equivalent to 49.85 per cent of producing member companies' mineral revenue. In terms of CSI, the producing member companies spent US\$25.74 million in 2021 on a variety of projects that were designed to improve services and socio-economic development in their respective host communities. Table 1.0 provides a summary of the key expenditure items as well as fiscal payments made by producing member companies of the Chamber in 2021.

Table 1.0: Summary Statistics on Payments by Producing Member Companies of the Chamber in 2021

*Revenue		US Dollars
Total Mineral Revenue		4,994,399,843
Total Mineral Revenue Returned to the Country		4,074,899,282
Percentage of Mineral Revenue Returned to the Country		81.59%
*Local Expenditures		US Dollars
Payments for Goods and Services (excluding diesel and electricity)		1,886,796,501
Payment for Electric Power Consumed		286,207,665
Payment for Diesel Consumed		316,720,877
Total Expenditure		2,489,725,043
*Other Big-Ticket Expenditures		US Dollars
Amortizing of loans, including interest payments		128,863,422
Payment for imported consumables		224,443,177
Capital Expenditure (Capex)		831,283,451
*Human Resource Information		
Number of Direct Ghanaian Employees		12,138
Number of Expatriates		98
Total Direct Employment		12,236
Share of Expatriates in Total Employment		0.80%
Compensation to Employees of Producing Member Companies (USD)		545,938,830
*Fiscal Payments		GH¢
Corporate Tax		2,547,302,894
Mineral Royalties		1,535,914,578
Employee Income Tax Payments (PAYE)		527,501,915
Dividend		122,776,167
Total Fiscal Payments to the State		4,733,495,553
*Social Investment Spending		US Dollars
Expenditure on Corporate Social Investment		25,739,575

Source: *Ghana Chamber of Mines (2022)

Glossary of Key Terms

1. Direct Domestic Revenue- It refers to direct taxes paid by member companies to Ghana Revenue Authority (GRA). It comprises Corporate Income Tax, PAYE, and Mineral Royalties.
2. Expenditure of Mineral Revenue on inputs- It refers to the monetary value of all types of inputs financed with revenue realized from the export and sale of gold doré or manganese. Gold doré is semi-refined gold produced by mining companies and it is exported to refineries for further processing to obtain bullion (fine gold) and other trace metals, which may be classified as either deleterious (not valuable) or of economic value.
3. Mineral Revenue- It refers to revenue realized from the export and sale of refined gold doré or manganese. In the context of gold, mineral revenue encompasses receipts from both refined gold and silver. The latter is a non-deleterious by-product of the refining process and is considered part of the taxable revenue of gold-producing companies by the Ghana Revenue Authority.
4. Mineral Revenue Returned- It refers to the proportion or amount of mineral revenue retained in Foreign Exchange Accounts or Foreign Currency Accounts of resident commercial banks.

5. Minerals Sector: In the context of this report, the minerals sector refers to the activities associated with the production of gold, diamond, bauxite, and manganese. It is loosely equated to the entirety of the mining sector, which includes other mining companies that are not members of the Chamber of Mines.
6. Number of Direct Employees- This metric measures the number of employees engaged directly by mining companies.
7. Producing Member Companies- It is a generic term that describes the category of member companies that are involved in the business of producing minerals. For the period ending December 2021, the producing member companies of the Chamber were as follows:
 - Abosso Goldfields Limited
 - Adamus Resources Limited
 - AngloGold Ashanti Iduapriem Limited
 - AngloGold Ashanti Obuasi Limited
 - Asanko Gold Mine Limited
 - Chirano Gold Mines Limited
 - FGR Bogoso Prestea Limited
 - Ghana Manganese Company Limited
 - Golden Star Wassa Limited
 - Gold Fields Ghana Limited
 - Newmont Ghana Gold Limited
 - Newmont Golden Ridge Limited
 - Perseus Mining (Ghana) Limited

¹ This data relates solely to the producing member companies of the Chamber. It, therefore, does not refer to the whole mining and quarrying sub-sector.

² The dividend payment was in respect of the 2021 fiscal year but paid in 2022.

³ The expenditure on inputs could be financed through a variety of means such as from on-shore and off-shore accounts

*****Promoting Environmentally and Socially Responsible Mining*****