



# The Ghana Chamber of Mines

## PUBLISH WHAT YOU PAY - 2020

In consonance with its value of transparency and commitment to deepening accountability in the minerals sector, the Ghana Chamber of Mines is pleased to disclose information on payments to central government and parastatals as well as expenditure on key mining inputs and corporate social investments by its producing member companies in 2020.

Data from the country's fiscal authority, Ghana Revenue Authority (GRA), show that fiscal revenue (excluding dividends) attributable to the mining and quarrying sector increased from GH¢4.013 billion in 2019 to GH¢4.172 billion in 2020, representing an upturn of 3.97 per cent. The sector's payments represent 18.1 per cent of direct domestic receipts mobilized by the GRA and 7.5 per cent of total government revenue in 2020. Likewise, the Non-Tax Revenue Unit of the Ministry of Finance received GH¢224.836 million as dividend payments by the mining industry in 2020.

Moreover, the Bank of Ghana's statistics on merchandise exports show that the minerals sector accounted for 48.4 per cent of gross exports receipts in 2020, which was more than the combined contribution of cocoa and crude oil to merchandise exports. Unsurprisingly, the minerals sector retained its position as the foremost source of foreign currency from export earnings.

In line with the Chamber's commitment of deepening the foreign exchange market through repatriation of export earnings, its producing member companies returned US\$ 3.666 billion of their realized mineral revenue of US\$5.140 billion in 2020 through the local commercial banks. This translates into 71.32 per cent of their mineral export revenue.

Similarly, its producing member companies stimulated domestic activity by spending US\$ 4.387 billion of their realized revenue on inputs procured from in-country manufacturers and suppliers as well as on financing corporate social investment projects and honouring fiscal obligations to the state. It is instructive to note that the producing member companies expended US\$3.049 billion on purchases of goods and services, inclusive of electricity and diesel, from resident manufacturers and suppliers in 2020. Relative to mineral receipts, the expenditure on locally sourced non-labour inputs amounts to 59.31 per cent.

More so, the producing member companies spent US\$27.84 million in 2020 on a variety of projects that were aimed at improving socio-economic infrastructure and services in their respective host communities. Table 1.0 provides a summary of the key expenditure items as well as fiscal payments by producing member companies of the Chamber in 2020.

### Glossary of Key Terms

1. 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 dore or manganese. Gold dore is semi-refined gold produced by the mining companies and it is refined by certified London Bullion Market Association (LBMA) refineries to obtain bullion (fine gold) and other trace metals, which may be classified as either deleterious or of economic value.
2. Mineral Revenue- It refers to revenue realized from the export and sale of refined gold dore 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 considered as part of the taxable revenue of gold producing companies by the Ghana Revenue Authority.
3. Mineral Revenue Returned- It refers to the proportion or amount of mineral revenue retained in accounts of resident commercial banks.
4. Number of Direct Employees- This metric measures the number of employees engaged by mining companies and their respective on-site contractors at the end of December 2020.

5. Producing Member Companies- It is a generic term that describes the category of member companies that are involved in the business of producing minerals. Visit [www.ghanachamberofmines.org](http://www.ghanachamberofmines.org) for more information on the producing member companies of the Chamber.

**Table 1.0: Summary Statistics on Payments by Producing Member Companies of the Chamber in 2020**

*Revenue	US Dollars
Total Mineral Revenue	5,140,470,417
Total Mineral Revenue Returned to the Country	3,666,121,400
Percentage of Mineral Revenue Returned to the Country	71.32 %
<b>*Local Expenditure</b>	
<b>US Dollars</b>	
Payments for Goods and Services (excluding diesel and electricity)	2,669,530,913
Payment for Electric Power Consumed	180,399,403.20
Payment for Diesel Consumed	198,952,283.29
Total Expenditure	3,048,882,600
<b>*Other Big Ticket Expenditure</b>	
<b>US Dollars</b>	
Amortizing of loans, including interest payments	23,573,127
Expenditure on imported consumables	194,181,068
Capital Expenditure (Capex)	450,390,335
<b>*Human Resource Information</b>	
Number of Direct Ghanaian Employees	33,919
Number of Expatriates	444
Total Direct Employment	34,363
Share of Expatriates in Total Employment	1.3%
Compensation to Employees of Producing Member Companies (USD)	479,676,683
<b>**Fiscal Payments</b>	
<b>GH¢</b>	
Corporate Tax	2,139,225,504
Mineral Royalties	1,391,236,062
Employee Income Tax Payments (PAYE)	641,867,754
Others (Self-Employed)	557,867
***Dividend	224,836,600
Total Fiscal Payments to the State	4,397,723,787
<b>*Social Investment Spending</b>	
<b>US Dollars</b>	
Expenditure on Corporate Social Investment	27,839,216

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

**NB: All in-text figures have been rounded up.**

The dividend payment in 2020 was in respect of the 2019 financial year  
 The expenditure on inputs could be financed through a variety of means such as from on-shore and off-shore accounts