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DEVELOPMENT OF GHANA'S LITHIUM RESOURCES

The Ghana Chamber of Mines has been following the national discussions on the mining lease for the Ewoyaa project with keen interest. We are pleased with the ongoing engagements among government, civil society, media, and the larger population.

The Chamber lauds the Ministry of Lands and Natural Resources and Minerals Commission for their manifest commitment to promoting constructive public discourse, inclusive development, and transparency. In the same vein, we commend the civil society community for their important contributions to seeking a fair share of the benefits associated with the development of lithium resources for the country.

The conflation of the views of the different stakeholders is expected to enhance the outcomes of the project without hurting the country's ability to attract requisite private capital to develop mineral endowments responsibly. Accordingly, we urge circumspection in the discourse on the subject.

Further, the Chamber finds it unfortunate that some commentators have inaccurately portrayed the mining sector as shortchanging the country in terms of the distribution of mineral rents. Apart from the significant value that is retained in-country through employment and purchases from local suppliers, a plethora of studies has shown that a more than proportionate share of mineral rents accrues to the government. For instance, a model by the Natural Resource Governance Institute (NRGI) suggests that the government's share of mining rents is "just over 50%" which "falls comfortably within the 40% to 60%" profit-sharing ratio recommended by the International Monetary Fund (IMF) for mining countries¹.

The Chamber recognizes that the current arrangement where some fiscal inflows from the mining sector are commingled with other taxes in the Consolidated Fund impedes the visibility of the developmental impact of the mining sector. Against this backdrop, the Chamber has been advocating for the sequestration of fiscal payments by mining companies in a manner that is akin to the practice in the oil and gas sector. More so, the Chamber has been championing the plough-back of a commensurate portion of mineral revenue to host communities in a timely manner to complement the voluntary corporate social investment initiatives of its member companies to enhance socio-economic development.

The Ghana Chamber of Mines wishes to assure the country of its unalloyed commitment to continue working with stakeholders to leverage the country's mineral endowments for inclusive

¹ <https://resourcegovernance.org/sites/default/files/documents/ghana-gold-mining-revenue-analysis-company-disclosures.pdf>

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and sustainable development. The development of mineral resources should lead to outcomes that are beneficial to both the host country and investors.

Notes to the Editor

The Ghana Chamber of Mines is the main minerals industry association in Ghana. The Chamber represents the collective interests of companies involved in mineral exploration, production, and processing in Ghana. Its member companies produce over 60 percent of Ghana's mineral output. The Chamber has represented the industry's interests since 1928.

Contact Us

Ahmed D. Nantogmah

Director, External Relations and Communication

Email: anantogma@ghanachamberofmines.org

Phone: 024 4322894