The Ghana Chamber of Mines (GCM) has proposed that government returned at least 30 percent of the total mineral royalties paid by mining firms to communities in which they operated. The chamber said the amount should be set aside for a specific period of time and ring-fenced for specific infrastructural development within the communities.

The country's Minerals Development Fund (MDF) which was established in 1991 was to make available a portion of mineral royalties to be used directly for the benefit of mining communities, for research and other projects related to mining.

Mr Daniel Wiredu, President of GCM, said currently only 10 percent of the mineral royalties paid by mining firms in the country was deposited in the account, while another 9 percent is paid to host communities. In all, about 5.5 per cent of the total mining royalties went back to the mining communities themselves, since much of the revenue which went through the local governments was used as recurrent expenditure for administrative work.

Mr Wiredu said the 5.5 per cent of total mineral royalties that went to mining communities was inadequate to meet their development aspirations hence the chamber's request for 30 percent of the royalties to be returned to mining areas over a specific period of time. On the Local Content practice of member-companies of GCM, Mr Wiredu said out of the total number of 12,294 people employed in the mining industry in Ghana, 98 percent were Ghanaians while only two per cent were expatriates.

"This figure excludes the over 50,000 people who indirectly depend on the presence of mines in these areas for their income," he said. According to him, there was a list of 27 existing and potential direct local content mining inputs that local companies could take advantage of. Mr Wiredu said data gathered by supply managers of mining firms showed that it was possible to increase by 66 percent of what mining firms spent on Ghanaian manufactured products in the long term.

This would raise the annual average of goods directly sourced from the country from about one billion US Dollars to 1.6 billion.

"There are also plans by the Chamber to work together with the mining firms to ensure alternative livelihoods for the mining communities during and after the life-span of the mines. "Our main worry is that some mining towns become 'ghost towns' with livelihoods dwindling after the mines close down," he complained. "We are, therefore, developing livelihoods such oil palm plantations, vocations for young people as well as helping artisans to develop their own businesses, and these will outlive the mines to ensure that the economic activities are still buoyant after the mines have closed down."

The Chief Executive of the GCM, Ms Joyce Aryee, said the members of the Chamber were committed to ensuring active local participation in mining activities in the country.

"For us at the Chamber, local content goes beyond the supply of goods and services," she said. "The development of a high calibre and competent human resources, nurturing of local Ghanaian companies as well as capacity building in all areas of the economy is very key," Ms Aryee added.

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