

The Ghana Chamber of Mines has projected a stronger gold output in 2011 on the back of additional production from new mines such as Adamus Resources. The forecast is also based on prospects of increased output from Owere Mines' expansion projects. Mr. Dan Owiredue, President of the Chamber, announced these at the 83rd Annual General meeting on the theme: "Building Partnership for Sustainable Community Development," in Accra.

He said the production of manganese and bauxite are expected to increase in 2011 and the cumulative mineral revenue is predicted to rise appreciable next year.

"The expected higher volumes of mineral production and the strengthening of gold price is expected to result in increased mineral revenues, with a corresponding increase in mineral royalties and corporate tax payment to government", he said. Mr. Owiredue indicated that gold output rose by one per cent in 2010 to 2.97 million ounces from 2.93 million ounces in 2009. He said gold revenue for the period jumped 27 per cent to US\$3.62 billion from US\$2.83 billion in 2009, propped up mainly by the healthy world market price of gold and with other minerals also recorded increases in prices during the period.

Mr. Owiredue said total investment inflow into the mining sector in 2010 was US\$ 770 million up from US\$ 762 million recorded in 2009 with contribution from producing, exploration, and support service companies. Cumulatively, the investment inflow into the sector from 2000 to 2010 stood at approximately US \$ 6.2 billion, Mr. Owiredue said.

He indicated that the total merchandise export earnings by the traditional minerals: gold, bauxite, manganese and diamond, represented about 49 percent of gross merchandise exports.

Mr. Owiredue said the mining sub-sector grew remarkably by 11.2 percent compared to the 6.8 per cent it recorded in 2009, making the industry second behind the electricity sub-sector, which grew by 16.7 percent in 2010.

He said in 2010 mining companies returned about 68 per cent of the US\$3.7 billion mineral revenue to the country through the Bank of Ghana and the private commercial banks. Mr. Owiredue said an average of 20 per cent was repatriated through the Bank of Ghana and remaining 48 per cent through private banks.

"This ensures that the country receives considerable foreign exchange from the mining sector to support the nation's foreign currency transactions", he said. Mr. Owiredue said the fact that the

significantly proportion of mineral revenue returned to the country, underscored the extent to which the mining industry positively affects the local economy. In 2010, the industry spent US\$ 865 million, representing about 27 per cent of its total funds to procure inputs locally including diesel and power. On challenges, Mr Owiredu said illegal mining remained the biggest problem, especially in the face of rising gold prices, leading to gold mining companies to spend huge sums of money to secure their concessions.

Mr. Mike Allen Hammah, Minister for Lands and Natural Resources, said a collaborative effort between Government and industry stakeholders will result in resolution of the issues to help reposition the industry as the growth pole for the country's accelerated development.

While commending the substantial amount of money spent by the mining companies to procure local inputs, the Minister asked them to increase the volume in line with the local content agenda. The Minister said there is the need to find creative ways to tackle illegal mining, and expressed the hope that the areas designated for small-scale mining would go a long way to curb the problem, and promote licensed small-scale mining.

Source: GNA