

GOLDFIELDS Ghana has presented a cheque for US\$10.3m as dividend for the 2013 financial year. The amount is government's carried interest in the Tarkwa and Damang goldfields, which is operated by the mining company. The Executive Vice-President (EVP) and Head of West Africa of Goldfields, Mr Alfred Baku, said despite several challenges facing the mining sector, Goldfields continued to keep its commitment to government.

Mr. Baku said Goldfields had made significant contribution to Ghana's economy not only by way of paying taxes, dividends and royalties, but also through offering direct and indirect employment. He acknowledged the challenges within the mining sector and pledged the company's firm commitment to all of its stakeholders, including government, communities, employees, and investors.

According to him, "several external factors, notably the low price of gold, had compelled us to look critically at our operations, locally and globally. We have to take tough decisions to ensure that we remain both operationally sustainable and profitable.

"That is the only way we can keep making significant contributions to government, attract investment for growth and expansion, take care of our communities, and fulfill our commitment to our employees and other stakeholders."

Presenting the cheque to the Deputy Finance Minister, Cassiel Ato Forson, Mr. Baku said it was imperative for government to also honour its commitments to businesses, particularly in these difficult times.

According to him, the government was indebted to Goldfields to the tune of US\$15 million in VAT returns.

"As we talk now, government owes us more than we have paid in dividend. This money has been outstanding for a long time. Legally, we should be charging interest. But we're being considerate," he said. He proposed that the government should come up with a mechanism whereby it could offset its indebtedness to companies through taxes due it by the creditors. Mr. Baku said such a partnership between the two parties would be mutually beneficial.

The Deputy Minister, Cassiel Ato Forson, who received the cheque, commended Goldfields for keeping its commitment over the years. He said despite challenges in the mining sector, the company remained one of the high-performing corporate institutions in terms of payment of taxes, royalties and dividends.

"Going forward, we are looking at the possibility of creating a separate fund to address the issue of VAT repayment. As it stands now, our laws don't permit us to offset VAT with dividends or other taxes due us," Mr Forson added.

As far as challenges facing the sector are concerned, he said the coming on-stream of the Atuabo Gas Project by year-end would ensure a cheap and reliable source of power for mining companies.