



**PRESENTATION AT THE GHANA INDUSTRIAL SUMMIT & EXHIBITION
HELD AT THE ACCRA INTERNATIONAL CONFERENCE CENTRE ON**

**18TH – 20TH SEPTEMBER, 2018 ON THE THEME
“INTERNATIONAL PARTNERSHIPS FOR VALUE-ADDED INDUSTRIAL AND
LOCAL CONTENT DEVELOPMENT”**



**A PRESENTATION ON
“OPPORTUNITIES IN THE MINING SECTOR FOR GHANAIAN
ENTERPRISES”**

BY

THE MINERALS COMMISSION



PRESENTATION OUTLINE

1.0 INTRODUCTION

2.0 INCREASING MINING'S CONTRIBUTION THROUGH LOCAL PROCUREMENT

3.0 THE LOCAL PROCUREMENT LIST (LPL)

4.0 COMPARING 2014, 2015, 2016 & 2017 TOTAL AND LOCAL PROCUREMENTS

5.0 COMPARING 2014, 2015, 2016 & 2017 TOTAL AND TRUE LOCAL PROCUREMENTS

6.0 PRODUCTS AND SOURCING POINTS

7.0 CONCLUSIONS AND WAY-FORWARD



1.0 INTRODUCTION

- For the past 25 years Ghana has attracted significant **mining sector investment** amounting to **US\$19 billion**.
- Ghana has 14 large operating mines - 2 gold, 1 bauxite and 1 manganese.
- In 2017, export revenues from gold (**US\$5.7bn**), manganese (**US\$161.9million**), bauxite (**US\$50.85million**) and diamonds (**US\$3.02million**) totalled about **US\$6.00 billion**.
- Total Foreign Direct Investment (FDI) into the minerals and mining sector in 2017 amounted to some **US\$1 billion**.
- In 2017, the mining sector contributed **16.30%** to government revenue in the form of domestic tax as reported by the Ghana Revenue Authority.
- The sector also employed **23,772** people in large-scale mining sub-sector whilst an estimated **1,000,000** people are generally engaged in artisanal and small-scale gold, diamonds and industrial minerals sub sector.



1.0 INTRODUCTION (CONTD)

MINING SECTOR CONTRIBUTION TO GOVERNMENT REVENUE (2008 – 2017)

YEAR	CORPORATE TAX GH¢	MINERAL ROYALTIES GH¢	P.A.Y.E GH¢	WITHHOLDING TAX GH¢	MISCELANEO US GH¢	TOTAL INCOME GH¢	TOTAL GRA [DTRD] COLLECTION	TOTAL MINING/TO TAL DTRD
	(A)	(B)	(C)	(D)	(E)	F= A+B+C+D+E	(G)	H=F/G
2008	73,554,697	59,006,509	47,139,242	30,804,675	277,934	210,783,058	1,222,475,246	17.24%
2009	124,600,880	90,415,902	103,061,985	36,288,407	-	354,367,174.02	1,790,557,800	19.79%
2010	241,578,778	144,697,345	132,469,345	36,350,000	-	555,095,469.08	2,338,542,674	23.74%
2011	649,902,536	222,024,705	178,037,079	-	472,361	1,050,436,681	3,705,747,795	28.35%
2012	893,773,828	359,392,853	207,495,934	-	540,362	1,461,202,977	5,403,032,412	27.04%
2013	518,545,259	364,673,038	220,131,570	-	697,447	1,104,047,314	5,880,322,065	18.78%
2014	429,533,132	470,366,082	291,731,324	-	1,062,004	1,192,692,542	7,426,082,366	16.06%
2015	320,948,380	485,623,657	478,096,157	-	904,097	1,285,581,291	9,091,116,859	14.14%
2016	674,710,692	550,728,650	367,349,843	39,844,558.81	526,073	1,633,169,817	10,452,099,251	15.63%
2017	969,567,315	702,407,281	487,988,013	-	780,164	2,160,742,773	13,256,654,665	16.30%



2.0 INCREASING MINING CONTRIBUTION THROUGH LOCAL PROCUREMENT

- Mining can contribute more to the economy through local content

Under Regulation 2(2) of the Minerals and Mining (General) Regulations, 2012, L.I. 2173, mineral right holders are required to submit to the Commission, a

- ▶ 5-Year Procurement Plan which among other things details
 - targets for local procurement covering at least items in **local procurement list**
 - prospects for local procurement
 - specific support to providers or suppliers
 - other measures to develop the supply of local goods and services, including broadening access to opportunities and technical and financial assistance



3.0 THE LOCAL PROCUREMENT LIST

Products (Goods/Services)		Remarks
1.	Grinding media	First Edition Published in January, 2014
2.	Explosives (emulsion)	First Edition Published in January, 2014
3.	Cement and cement products/Grout	First Edition Published in January, 2014
4.	Quick and hydrated lime	First Edition Published in January, 2014
5.	Electrical cables	First Edition Published in January, 2014
6.	High Density Polyethylene (HDPE) and PVC pipes	First Edition Published in January, 2014
7.	General lubricants	First Edition Published in January, 2014
8.	Re-treading of tyres	First Edition Published in January, 2014
9.	Bolts and Nuts	Second Edition Published in November, 2015
10.	Crucibles	Second Edition Published in November, 2015
11.	Plastic sample bags	Second Edition Published in November, 2015
12.	Calico bags	Second Edition Published in November, 2015
13.	Bullion boxes	Second Edition Published in November, 2015
14.	Chain link fencing, Wire netting, etc.	Second Edition Published in November, 2015
15.	Conveyor rollers	Second Edition Published in November, 2015
16.	Metal/PVC core trays	Second Edition Published in November, 2015
17.	Overalls and work clothes	Second Edition Published in November, 2015
18.	Haulage services	Second Edition Published in November, 2015
19.	Catering services	Second Edition Published in November, 2015

3.0 THE LOCAL PROCUREMENT LIST (CONTD)

- Opportunities also exist in the following areas:
- Production of salt
- Manufacturing of Activated Carbon
- Cable bolt and accessories
- Mine support services i.e. Insurance services, Legal services, Financial services

3rd Edition of LPL will be published before end 2018

4.0 COMPARING 2014, 2015, 2016 AND 2017 TOTAL AND LOCAL PROCUREMENTS

Company	2014 TOTAL PROCUREMENT (USD)	2015 TOTAL PROCUREMENT (USD)	2016 TOTAL PROCUREMENT (USD)	2017 TOTAL PROCUREMENT (USD)	2014 LOCAL PROCUREMENT (USD)	2015 LOCAL PROCUREMENT (USD)	2016 LOCAL PROCUREMENT (USD)	2017 LOCAL PROCUREMENT (USD)	2014 PERCENT LOCAL PROCUREMENT	2015 PERCENT LOCAL PROCUREMENT	2016 PERCENT LOCAL PROCUREMENT	2017 PERCENT LOCAL PROCUREMENT
Grinding Media	67,947,404.46	62,283,571	60,595,146.96	63,081,057.10	33,606,086.56	28,125,101.45	32,903,097.10	41,603,050.08	49.5	45.2	54.30	65.95
Electrical Cables	2,292,580.52	1,350,579.89	1,451,848.79	1,778,316.14	1,388,044.98	949,490.36	1,311,726.79	1,627,355.14	60.5	70.3	90.35	91.51
HDPE/PVC Pipes	5,010,304.67	9,767,869.65	5,727,456.35	6,593,008.95	5,010,304.68	9,750,105.81	5,727,456.35	6,593,008.95	100	99.6	100.00	100
General Lubricants	12,641,802.22	11,221,521.45	13,817,800.04	15,473,514.09	12,300,029.22	10,930,109.71	13,814,989.25	15,473,513.09	97.3	97.4	99.98	99.99
Quick/Hydrated Lime	30,236,784.40	21,812,497.94	17,292,271.37	15,239,921.16	30,236,784.40	21,811,911.94	17,292,271.37	15,239,921.16	100	99.9	100.00	100
Tyre-retreading	1,441,519.40	751,665.99	707,735.50	678,900.64	1,441,519.40	751,665.99	707,735.50	678,900.64	100	100	100.00	100
Explosives	60,668,569.92	63,289,945.58	79,960,882.70	73,890,992.84	60,668,569.92	63,289,945.66	79,960,882.70	73,890,992.84	100	100	100.00	100
Cement	3,585,735.09	769,572	437,340.17	445,784.21	3,585,734.71	769,572.23	437,340.17	445,784.21	100	100	100.00	100
Bolts & Nuts	N/A	N/A	786,676.74	874,261.41	N/A	N/A	765,612.52	852,481.63	N/A	N/A	97.32	97.51
Crucibles	N/A	N/A	208,570.95	230,013.89	N/A	N/A	102,991.74	90,576.19	N/A	N/A	49.38	39.38
Plastic Sample Bags	N/A	N/A	644,404.85	565,790.45	N/A	N/A	644,404.85	565,790.45	N/A	N/A	100.00	100
Calico Bags	N/A	N/A	216,769.63	194,953.05	N/A	N/A	216,769.63	194,953.05	N/A	N/A	100.00	100
Bullion Boxes	N/A	N/A	7,632.38	38,607.57	N/A	N/A	5,587.50	36,813.23	N/A	N/A	73.21	95.35
Chain Link Fencing	N/A	N/A	206,133.83	66,187.25	N/A	N/A	69,837.83	61,784.25	N/A	N/A	33.88	93.35
Conveyor Rollers	N/A	N/A	535,481.62	651,712.31	N/A	N/A	340,931.38	398,223.05	N/A	N/A	63.67	61.10
Metal/PVC Core Trays	N/A	N/A	675,687.01	846,501.33	N/A	N/A	675,687.01	782,817.02	N/A	N/A	100.00	92.48
Overalls & work Clothes	N/A	N/A	1,021,486.37	1,338,148.68	N/A	N/A	1,018,860.94	1,338,148.68	N/A	N/A	99.74	100
Haulage Services	N/A	N/A	188,521,099.84	190,420,636.74	N/A	N/A	188,521,099.84	190,420,636.74	N/A	N/A	100.00	100
Catering Services	N/A	N/A	22,026,737.84	22,277,883.73	N/A	N/A	22,026,737.84	22,277,883.73	N/A	N/A	100.00	100
TOTAL	183,824,700.6	151,217,231.5	394,841,162.9	394,686,191.5	148,237,073.8	136,377,903.1	366,544,020.3	372,572,634.1	80.61	79.63	93.93	91.45

5.0 COMPARING 2014, 2015, 2016 AND 2017 TOTAL AND TRUE LOCAL PROCUREMENTS

Company	2014 TOTAL PROCUREMENT T (USD)	2015 TOTAL PROCUREMENT T (USD)	2016 TOTAL PROCUREMENT T (USD)	2017 TOTAL PROCUREMENT T (USD)	2014 TRUE LOCAL PROCUREMENT T (USD)	2015 TRUE LOCAL PROCUREMENT T (USD)	2016 TRUE LOCAL PROCUREMENT T (USD)	2017 TRUE LOCAL PROCUREMENT T (USD)	2014 PERCENT TRUE LOCAL PROCUREMENT	2015 PERCENT TRUE LOCAL PROCUREMENT	2016 PERCENT TRUE LOCAL PROCUREMENT	2017 PERCENT TRUE LOCAL PROCUREMENT
Grinding Media	67,947,404.46	62,283,571	60,595,146.96	63,081,057.10	30,022,809.56	17,892,166.25	25,594,409.75	27,528,368.00	44.2	28.7	42.24	43.64
Electrical Cables	2,292,580.52	1,350,579.89	1,451,848.79	1,778,316.14	172,698.22	488,000.66	1,065,441.96	612,104.70	7.5	36.1	73.39	34.42
HDPE/PVC Pipes	5,010,304.67	9,767,869.65	5,727,456.35	6,593,008.95	4,935,196.04	9,726,024.40	5,712,343.47	4,470,094.20	98.5	86.7	99.74	67.80
General Lubricants	12,641,802.22	11,221,521.45	13,817,800.04	15,473,514.09	12,300,029.22	10,930,109.71	13,814,989.25	15,431,541.67	97.3	50.1	99.98	99.73
Quick/Hydrated Lime	30,236,784.40	21,812,497.94	17,292,271.37	15,239,921.16	30,236,784.40	21,812,497.94	15,186,138.52	13,209,075.09	100	100	87.82	86.67
Tyre-retreading	1,441,519.40	751,665.99	707,735.50	678,900.64	1,441,519.40	751,665.99	707,735.50	678,900.64	100	100	100.00	100
Explosives	60,668,569.92	63,289,945.58	79,960,882.70	73,890,992.84	60,668,569.92	63,289,945.66	79,960,882.79	73,890,992.84	100	100	100.00	100
Cement	3,585,735.09	769,572	437,340.17	445,784.21	3,585,734.71	769,572.23	437,340.17	445,784.21	100	100	100.00	100
Bolts & Nuts	N/A	N/A	786,676.74	874,261.41	N/A	N/A	55,979.90	28,326.61	N/A	N/A	7.12	3.24
Crucibles	N/A	N/A	208,570.95	230,013.89	N/A	N/A	11,796.51	95.46	N/A	N/A	5.66	0.04
Plastic Sample Bags	N/A	N/A	644,404.85	565,790.45	N/A	N/A	644,404.85	552,309.38	N/A	N/A	100.00	97.62
Calico Bags	N/A	N/A	216,769.63	194,953.05	N/A	N/A	216,769.63	194,953.05	N/A	N/A	100.00	100
Bullion Boxes	N/A	N/A	7,632.38	38,607.57	N/A	N/A	5,587.50	36,813.23	N/A	N/A	73.21	95.35
Chain Link Fencing	N/A	N/A	206,133.83	66,187.25	N/A	N/A	14,085.79	37,749.25	N/A	N/A	6.83	57.03
Conveyor Rollers	N/A	N/A	535,481.62	651,712.31	N/A	N/A	327,958.24	282,421.60	N/A	N/A	61.25	43.33
Metal/PVC Core Trays	N/A	N/A	675,687.01	846,501.33	N/A	N/A	-	0.00	N/A	N/A	0.00	0
Overalls & work Clothes	N/A	N/A	1,021,486.37	1,338,148.68	N/A	N/A	929,798.86	1,075,966.26	N/A	N/A	91.02	80.41
Haulage Services	N/A	N/A	188,521,099.84	190,420,636.74	N/A	N/A	48,231,361.23	95,727,567.64	N/A	N/A	25.58	50.27
Catering Services	N/A	N/A	22,026,737.84	22,277,883.73	N/A	N/A	13,623,391.89	16,391,550.14	N/A	N/A	61.85	73.58
TOTAL	183,824,700.68	171,247,224	394,841,162.94	394,686,191.54	143,363,341.47	125,659,982.84	206,540,415.81	250,594,613.97	77.99	73.38	52.31	63.49



7.0 CONCLUSIONS AND WAY-FORWARD

- Total amount spent on the procurement of the 19 products/services by 12 minerals rights holders in 2017 was **US\$394,686,191.54**. This amount compares favourably with the total taxes (**GH¢2,160,742,773**) earned from mining in 2017.
- **In 2016 and 2017**, the total amount spent on the 19 items was **US\$789,527,354.48**.
- **More** was spent on **haulage services (US\$190,420,636.74)** in 2017 than on any item on the procurement list. This is followed by procurement of **explosives (US\$73,890,992.84)** and **grinding media (US\$63,081,057.10)**.
- Greater opportunities exist for Ghanaian Enterprises to participate in the mining sector, especially items on the LPL.



**Thank you for
your Attention**