

IN THE FOURTH SESSION OF THE FIRST
PARLIAMENT OF THE FOURTH REPUBLIC

REPORT FROM THE COMMITTEE ON MINES AND ENERGY ON THE
FIRST REPORT OF THE MINERALS COMMISSION COVERING
THE PERIOD 1989 - 1995

INTRODUCTION

The Report of the Minerals Commission (1989-1995) was laid before the House by the Western Regional Minister on behalf of the Minister of Mines and Energy on Thursday, 11th July, 1996 and was referred to the Committee on Mines and Energy by Mr. Speaker for consideration and report.

In considering the report, the Committee made reference to the following documents:

- (i) The 1992 Constitution,
- (ii) P.N.D.C. Law 154,
- (iii) the Minerals Commission Act, 1993 (Act 450); and
- (iv) the Standing Orders of Parliament

The Report covered a six-year period which is at variance with section 17(2) of the Minerals Commission Act 1993 (Act 450). Under the Act, the Commission is required to submit report to Parliament every year. Even though some explanations were given, the Committee hopes that the current situation reflects teething problems and has directed the Commission to ensure that subsequent reports are submitted to Parliament annually.

After scrutinizing the report at series of meetings held with the deputy Minister in charge of Mines and officials from

the Commission, the Committee finds the activities and operations of the Commission to be in conformity with the Minerals Commission Act, 1993 (Act 450) and reports as follows:

OBSERVATIONS AND RECOMMENDATIONS

(i) Problems relating to the membership of the Minerals Commission were raised in the Commission's report and the Committee noted that by the end of 1993 the Commission was left with only five out of the nine members specified in Act 450. The Committee had discourse with the sector Minister and is satisfied with the measures being taken to update the membership.

(ii) The Committee observed that the Commission had been concerned with the impact of mining activities on the environment and had contracted NSR Environmental Consultants of Australia to study the situation. However, it has taken the Minerals Commission, Environmental Protection Agency and the Attorney General's Department far too long to come out with any detailed draft regulation. The absence of a detailed regulation on the effects of mining on the environment has resulted in a situation where there is no effective co-ordination between the Commission, Environmental Protection Agency and the Ministry of Lands and Forestry on the issue and renewal of mineral rights in the country.

The Committee recommends that action should be expedited by these bodies on the draft regulation.

(iii) It was also observed that some mineral title holders have continued to hold on to their licences but have failed to carry out effective prospecting work because of lack of requisite financial, technical and managerial resources.

Other Ghanaian concessionaires are just speculators who aim at making money by acquiring concessions and reselling them to other investors. This habit has led to frustration of genuine investors.

It is the view of the Committee that steps are taken to discourage speculators and people who do not have the requisite resources to engage in mining from encumbering with prospective mineral land.

(iv) In 1992 through the recommendation of the Commission, the Government approved the establishment of a Mineral Development Fund which is been used to develop mining areas and sector. The Committee commends the Commission in this direction.

However, it notes with concern the recent upsurge of hostilities between Mining companies and local communities which, it believes, stems from the fact that the people in these areas, particularly the youth are not sufficiently briefed on how mineral royalties are used.

The Committee therefore recommends that the sector Ministry should set up a machinery to ensure that communities in mining areas benefit from mineral royalties.

(v) Furthermore since mining is an exhaustive industry, the Committee recommends that mining companies should have a programme of alternative investment in mining areas

so that they would remain active in terms of employment, commerce and wealth after the minerals have been depleted.

(vi) The Mining sector has attracted a lot of foreign investors since the liberalisation of the investment climate. The investment in this sector has had very positive impact on the economy. The highly technical and capital intensive nature of mining has tendered to limit the participation of Ghanaians in the industry.

It is against this background that the Committee notes with satisfaction steps being taken by the Commission to enhance greater Ghanaian participation in the mining industry, which includes:

- (a) a Seminar organised in September 1992 on "Financing Mining Projects: Problems and Prospects",
- (b) encouragement of small-scale mining
- (c) low fees paid by Ghanaian investors
- (d) Manpower survey of the Mining sector to identify the type of personnel that mining companies would require in their operations and to restructure the curriculum of the Universities to produce the required personnel to service the industry.

The Committee recommends that the University of Science and Technology's School of Mines should co-operate with the Commission to train the necessary manpower needs of the Mining sector.

(vii) The Committee also notes and commends the Commission for its efforts in seeking to establish in Ghana, companies that provide services to the mining industry. So far, some of such

support services established in Ghana include: Mineral laboratories, Explosives manufacturing, Drilling and Contract Mining Services as well as Geological Mining Consulting Services.

Whereas in the past all these companies operated outside Ghana and were not liable to pay taxes to the Government, the story is rather the contrary at the moment.

Besides the above merit, Mining Support Services give employment to Ghanaians and also pass on technological and managerial knowhow to Ghanaians. Even if the minerals are exhausted in Ghana the laboratory companies and other Mining support services would continue to operate here and work for mining companies in the sub-region.

The Committee therefore recommends that the Government should sustain the impetus already set in motion by the Commission.

CONCLUSION

Ghana is endowed with large deposits of various minerals which should be exploited for the benefit of the country taking into consideration the environmental impact.

During the period (1989-1995), the Minerals Commission had tremendously promoted a high level of investor interest in the Mining sector and as a result gold production increased from 429,467 ounces in 1989 to 1,703,674 ounces in 1995.

It is against this background that the Committee requests the House to adopt its report on the Minerals Commission's Report covering the period 1989-1995 to enable it sustain the success so far chalked.

Respectfully submitted



ASIEDU NKETIA,

CHAIRMAN

COMMITTEE ON MINES AND ENERGY



ABREFA TAWIAH

CLERK TO THE COMMITTEE

26TH JULY, 1996