

The fortunes of mining companies world-wide are on the decline with some closing shop as a result of the collapse of gold prices, and in the face of increasing demands from host countries for higher rents from the industry to support their development efforts, Mr. Alfred Baku, Executive Vice President, of Goldfields West Africa has stated.

Such demands, Mr. Baku noted, are negatively impacting the mining industry and thwarting efforts to sustain operations. He indicated that: "The world is going backwards in terms of mining activities, it might get to a time that we might not be able to sustain our activities any longer because government is asking too much from mining companies."

These came to the fore last Thursday when the Institute of Financial and Economic Journalists (IFEJ) visited the Goldfields Ghana Mine in Tarkwa, in the Western Region. The visit was part of an extractive industry programme meant to equip journalist with knowledge of the mining, oil and gas sector to enable them report competently and authoritatively on the emerging issue in the industry. The Programme is sponsored by the German Development Cooperation (GIZ).

Mr Baku pointed out that the mining industry was "going through tough times" as a result of rising cost of production. According to him, while the cost of production was going up; the returns are consistently going down cutting back on existing operations.

In Ghana specifically, Mr Baku maintained that the power tariffs are in double digits as compared to the single digits in other countries the company operates in. Ghana, he advised, "must try to grow the pie and not shrink it". For him, it was not just about tightening up the fiscal regime for the mining sector, but rather, how government could ensure that the tax net captured about 95% of the people in the country as is happening in several European countries.

Mr Baku emphasised the need for collaboration among stakeholders - Government, Industry and Communities to ensure a long term partnership.

The Head of sustainable Development at Goldfields Ghana limited, Mr Robert Siaw, told IFEJ members that responding to the needs of the communities within the company's concession

area was of paramount concern to them. According to him, the company had over the years assisted in improving the communities' access to water, improved access to markets among other developmental projects within the Tarkwa area.

Mr Siaw disclosed that the company had invested over \$26 million in the communities within the last few years. He assured that the company will continue to act responsibly and care for the environment as well as all its stakeholders to ensure sustainable development.

Source: Public Agenda