



MINORITY CAUCUS

PARLIAMENT OF GHANA

Parliament House – Accra (Ghana)

21st April 2025.

**THE MINISTER FOR FINANCE
MINISTRY OF FINANCE
ACCRA.**

**THE MINISTER FOR LANDS AND NATURAL RESOURCES
MINISTRY OF LANDS AND NATURAL RESOURCES
ACCRA.**

Dear Sirs,

**NOTICE OF POTENTIALLY DIRE ECONOMIC CONSEQUENCES
OF RECENT GOVERNMENT DECISIONS AFFECTING THE GOLD
INDUSTRY**

We write to draw your attention to the potentially dire consequences of a number of actions that the Government of Ghana, through your respective offices has executed in the last three (3) months.

These actions, have generated high levels of discomfort among the investor community and have the potential impact of quickly eroding the gains Ghana has made in attracting foreign direct investments into the economy generally, and into the mining industry specifically.

1. Firstly, the Government through its 2025 revenue policies introduced two (2) tax measures that have negatively impacted the industry.
 - The imposition of an additional 2% growth and sustainability levy on gross mining volumes.
 - The imposition of a new growth and sustainability levy from 2026 to 2028.

Honourable Ministers, the combined effect of these royalty-like levies is that it is putting several mines already in distress into graver financial difficulties. It has further created uneven financial burdens in the sector for companies mining other minerals that have not experienced a price boom.

In response, industry operators through the chamber of mines have called for direct engagements with government to explore more efficient and sustainable approaches to contributing to national development, rather than these punitive measures.

2. Following these levy increases, the Government secondly announced the enactment of the GOLDBOD ACT which among other things proscribes the participation of foreign investors in Gold trading and export. Contrary to the concerns expressed by the Minority caucus in Parliament, the bill was rushed through and has since been announced to have banned all foreign investors involved in gold trading and exports.

Specifically, section 78(4) the GOLDBOD ACT appears to be in breach of Article 107(b) of the constitution 1992. It retrospectively takes away rights that have accrued to foreign investors who operate in the gold trading industry.

3. Thirdly, the Government has further rejected the application to renew a mining lease by Goldfields Ghana Limited (an otherwise regular transaction) effectively signalling to the investors to pack out of the said operation. Conversely, Government should rather use the renewal of the mining lease to renegotiate the terms for the benefit of the country as Goldfields Ghana Ltd is well placed to maximize resources from the concessions.
4. The Government has further to the above, announced a policy to defund 80% of the inflows into the Minerals Income Investment Fund (MIIF) which hitherto was used in investing in new mining concessions to increase the nation's participating interest in the mining industry. This signals to the markets that the state is no longer interested in investing in mines in order to get a bigger share of mining resources. In other words, the Government is not putting money behind our mining interests. Investors and potential investors are thus being informed that the state does not have skin in the game.
5. There has also been at least one violent attack on a mine leading to the death of about eight persons following vitriolic rhetoric by known public figures seeking to cast aspersions on foreign investors in the mining industry. Sadly, announced investigations into this attack and deaths have stalled, causing unease among the mining investor community.
6. The Government decision to abolish the community mining schemes opens the door to scaling up galamsey activities. The reasons provided by the Minister for lands for banning the Community Mining Schemes and promising to replace them with Mining Cooperatives after due diligence had been conducted was uncalled for. The mining schemes could be corporatized without banning them. This policy is a setback for the country; and we are not surprised that galamsey activities have increased.

The combined effects of these developments within a space of three months sends a troubling signal to the FDI community to the effect that investments in Ghana and specifically investments in the mining industry may not enjoy as much fiscal and operations security as was previously the case.

At a time when domestic savings and investments are low, it is imperative that the Government rather takes steps to ensure the creation of a favourable environment that attracts Foreign Direct Investments into the Ghanaian economy rather than measures that have the potential to send wrong signals to the investor community.

The recent levies on the industry deepens the perception that fiscal measures may be abruptly changed to the detriment of investors. For many players in the industry, these measures will increase the risk of operating losses and job losses, with very negative consequences on lives and livelihoods. The proscribing of foreign investors in gold trading sends worrying signals about expropriation of economic sectors. Coupled with the non-regard for investments made by FDIs in the trading and export value chain, this worsens perceptions that Ghana is not a safe investment destination.

Finally, the rejection of lease renewals after investors have sunk hundreds of Millions of dollars into operations further scares away investments and reduces national revenue forecasts especially if replacement investments have not been engaged already.

As ranking members of the committees on the Economy, Lands (mining), and Finance, we are obliged to bring to your notice, the potentially dire consequences of these actions. The Government's actions will have a significantly negative impact on the investment climate and economic outlook. This is the time when you need to bolster economic stability and attract rather than discourage, Foreign Direct Investments into the economy. We urge you to carefully reconsider these measures and provide more confidence for investors in the Ghanaian Economy as quickly as possible.

Specifically we urge government to:

- renew lease renewal applications currently due to secure investor interests.
- introduce fiscal incentives to the mining industry to stimulate further investments in the sector.
- refrain from rhetoric that encourage attacks on mines and dislike for the investor community.
- engage investors in the mining industry to fulfil key obligations including social responsibility and local capacity building projects in mining communities.
- to develop a transparent framework for the transition of local Ghanaian companies from small-scale to medium and large-scale gold production. This will help address the issue of galamsey which is often associated with small scale mining.

Sincerely Yours,

SIGNED

Hon. Kojo Oppong Nkrumah
Ranking – Committee on Economy &
Development

Hon. Kwaku Ampratwum Sarpong
Ranking – Committee on Lands &
Natural Resources

Hon. Dr. Mohammed Amin Adam
Ranking – Committee on Finance