

Mining market in Ghana

Mining is a major economic activity in Ghana and a key contributor to the Ghanaian economy. Gold mining accounted for 48.4% of gross merchandise exports in 2020.¹ In 2018, Ghana overtook South Africa as the largest gold producer in Africa. Ghana is politically stable. Improvements in industry regulation, reliability of electricity supply and a skilled labour force continue to underpin investment in the sector.

Key opportunities for Canadian mining suppliers

Mineral processing

The Ghanaian mining industry faces two major challenges as it relates to mineral processing. First, there are complex ore bodies that require innovative solutions to treat and recover. Second, the reliability and cost of power is a significant issue that affects the ability to effectively operate mineral processing plants. Mining companies are looking to optimize energy use and would invest in economical and sustainable renewable energy and energy-efficient technologies. Climate change considerations, a move toward greener energy sources and a reduction in carbon emissions are also key considerations for industry.

Health and safety

The Ghanaian mining industry's priority is to promote the health and safety of mining employees. The Chamber of Mines is implementing safety protocols at mining sites and communities to reduce injuries and deaths. The chamber is also collaborating with the Environmental Protection Agency of Ghana to improve adherence by mine operations to environmental standards; environmental degradation, deforestation and water contamination are linked to illegal mining activities in Ghana.

Mine site construction

Mine infrastructure typically increases with the development of new mines, although most operational mines go through a redevelopment phase. Mine infrastructure, provision of utilities, catering facilities, security installations, community resettlement and associated technologies all offer opportunities for Canadian mining supply and services companies. An efficient mining community is largely a function of the development of its infrastructure. A recent assessment of cleantech needs in Ghana shows the need for dust suppression technology for application on mining roads.

Notable challenges for Canadian mining suppliers in Ghana

- Ghana is an import-dependent economy. For the first two months of 2022, the Ghanaian cedi depreciated by 7.6% against the U.S. dollar. It was the worst-performing currency among 15 top currencies in Africa, in part due to the increased demand for foreign currencies as businesses recover from COVID-19.
- Machinery, plants and equipment imported to Ghana attracts 20% import duty. The Chamber of Mines has developed a list of equipment subject to 5% import duty, available to licensed Ghanaian mine services companies.

Industry highlights	
Open on restricted basis Export Development Canada's position	0.95% Global exploration share
60 World Bank Ease of Doing Business score	Gold, manganese and bauxite lead Ghana's mining sector
Can\$1 billion Ghana ranks 22nd overall in Canadian mining assets abroad	9 Canadian companies operating in Ghana

¹ Ghana Chamber of Mines, *Promoting Environmentally and Socially Responsible Mining, Annual Report 2020*

- Value added tax on drilling and laboratory services associated with exploration has stalled exploration projects and deterred new investors, leading to a dearth of greenfield exploration. VAT on inputs and landholding costs is an added cost to exploration in Ghana.
- Labour in Ghana comes at a significantly higher cost than other markets. Ghana mineworker wages are pegged to the U.S. dollar, largely negating the effects of inflation. Despite this, wage increases have been between 5% and 12% annually.

Ghana business landscape

- In 2020, Ghana was Canada's fourth-largest exports destination in sub-Saharan Africa, after Nigeria, Botswana and South Africa. Canadian mining assets in Ghana totalled nearly \$858.8 million. Top Canadian mining investors operating in Ghana are Kinross Gold Corporation and Galiano Gold (formerly Asanko Gold).
- Canada and Ghana launched negotiations on a foreign investment promotion and protection agreement in 2011. Negotiations have been stalled for several years, however, due to a major divergence between Canada and Ghana on substantive obligations.
- Ghana welcomes foreign investors. The Ghana Investment Promotion Centre is mandated to ensure investors set up with ease. Among others, GIPC assists with investor registration, import duty exemption on plant and equipment and local government permits and approvals.
- All correspondence, including presentations and promotional materials targeted at local contacts, should be in the Ghanaian official language, which is English.

Request a meeting

To learn more about the mining industry in Ghana, please request an in-person meeting with a Trade Commissioner on the Business-to-Trade Commissioner scheduling platform ahead of PDAC 2022. <https://go.b2b-2go.com/en/canadapdac-2022/>