

Speech by Vice President Dr. Mahamudu Bawumia at the inauguration of Royal Ghana Gold Refinery, Accra: 08/08/2024

Salutations

- His Royal Majesty, Ogeahoho Yaw Gyebi II, Paramount Chief of Sefwi-Anwiaso and President of the National House of Chiefs
- His Royal Majesty, Osagyefo Amoatia-Oforipanin – The King of Akyem Abuakwa State
- His Royal Majesty, King Tackie Teiko Tsuru II – Ga Mantse
- The Minister of Finance and MP for Karaga, Hon. Dr. Mohammed Amin Anta
- The Minister of Lands and Natural Resources and MP for Damongo, Hon. Samuel A, Jinapor
- The Minister for Trade and Industry and MP for Adansi Asokwa, Hon. Kwabena Tahir Hammond
- The Governor of the Bank of Ghana, Dr. Ernest Addison
- Barima Twereku Ampem III – Ntotrosomanhene
- Okugyiaman Kwaku Gyamprah III – Paramount Chief of Sefwi Chirano Traditional Area



- Tetrete Okuamua Sakyim – Amanfimanhene
- Nana Asiedu Akora II – Chief of Akyem Ntronang, representing Obirempong Kwesi Amoh Kyeretwie (Abiremhene)
- The Executive Chairman, Royal Ghana Gold Limited,
- All Ministers and Deputy Ministers present;
- CEOs, Heads of Agencies, MMDCES and all other government appointees present
- The CEO and Board of Directors, Royal Ghana Gold Limited,
- Board Members of Bank of Ghana and PMMC
- The Ghana Chamber of Mines
- The Association of Scale-Scale Miners
- Members of the Diplomatic Corps
- Nii mei, Na mei, Nananom
- All dignitaries present,
- Distinguished guests,
- Ladies and Gentlemen,

1. It gives me great joy to address you today on the commissioning of the Royal Ghana Gold Refinery. This historic achievement in the natural resources sector, specifically in gold, marks a significant milestone in





Ghana's journey towards economic transformation and industrialisation. Today, we celebrate not just a new facility but a testimony to our government's commitment to adding value to our natural resources, creating jobs, and ensuring sustainable economic growth.

2. The partnership between the Government of Ghana, through the Bank of Ghana, and Rosy Royal Minerals Limited symbolizes a vision for a prosperous future in the precious minerals industry. The state-of-the-art refinery being commissioned today is equipped with cutting-edge technology that meets international standards, significantly boosting our capacity to locally process gold and increase value addition prospects.
3. Ladies and gentlemen, historically, Ghana has exported its gold in raw form, missing out on significant revenue and job creation opportunities. The government of President Nana Addo Dankwa Akufo-Addo has been determined to make value addition a critical component of our export strategy since 2017. The launch of this





refinery is particularly important as it realises a key part of this vision.

4. Originally, this vision was to be actualized through a joint venture between the Precious Minerals Marketing Company (PMMC) and Rosy Royal Minerals Limited. PMMC granted part of its land for the construction of the refinery and despite delays due to COVID-19, the beautiful edifice you see today, which started in 2018, was completed in 2022. I commend the Board, Management and Staff of both PMMC for their relentless support and cooperation in seeing to the fruition of this historic national project.

5. The establishment of this refinery is a strategic investment which contributes immensely to Government's efforts in ensuring value addition of our mineral resources. Currently, our country's gold is exported in dore form to be refined outside Ghana, resulting in lost revenue and missed opportunities for job creation. Between 2018 and 2023, Ghana's average annual gold production was 3.92 million ounces (122.5





tonnes). All this gold was exported unrefined, resulting in lost revenue and missed job creation opportunities.

6. The refinery will offer more premium to gold exported from Ghana. Initially, it is expected to create 80 to 120 direct jobs and another 500 indirect employment opportunities, boosting domestic tax revenue in the form of corporate taxes and enabling us to refine gold to 24 carats, 99.99% purity - same quality as a good delivery bar (LBMA standard).

7. With the ability to locally refine our gold, we will be able to sell the refined gold at its appropriate price, enabling us to retain its economic value within our borders, while creating numerous job opportunities for the youth. In addition, Government's intention to refine all gold produced in Ghana will further enhance our economic independence and resilience.

8. Ladies and gentlemen, with the BoG's domestic gold purchase programme (DGPP), which started in 2021 and the refinery, we are positioning Ghana as the gold hub of Africa. This marks a new era for Ghana and





ushers us into my vision of building a resilient economy anchored on our mineral resources in a golden age of natural resource governance.

9. Distinguished ladies and gentlemen, Nananom, with the right policies and a deliberate approach to our natural resources use, we will be able to overcome the cyclical depreciating trait of our currency. Historically, the nature and structure of our largely primary commodity producing and import dependent economy is such that a largely flexible exchange rate regime in the context of external shocks, fiscal indiscipline and speculative activities will lead to a continuously depreciating exchange rate over time even if we have periods of stability. This has been our experience. The reality is that we have very few anchors to sustainably hold the exchange rate stable. It is in this context that I am going to introduce a few anchors.

10. Given Ghana's global and continental strategic position in the production of gold, we are more than ready to realize significant benefits of our gold in the management of the cedi. With a significant value





addition to our gold as a result of this refinery, we are going to move quickly to back the cedi with gold.

11. For this to work well, we need a large amount of reserves. The more the better. We have huge gold deposits in Ghana. If we truly control this factor, currency stability is not a rocket science subject. The Monetary Rule will be to fully back any increase in base money with at least an equivalent increase in foreign exchange reserves of gold.
12. To be able to do this we will need the cooperation of all stakeholders in the gold production value chain – both upstream and downstream. Government will consult the small- and large-scale miners on the best means possible to feed the refinery to its optimal refining capacity while we come out with favorable policies to discourage smuggling.
13. A few years ago, I pushed for the reduction of the gold export levy (withholding tax) from 3% to 1.5%. The result of this is that after a sharp decline in 2021, the gold export volumes have been steadily recovering, with





2024 showing promising signs. In the first half of 2024, the small-scale mining sector alone produced a total export volume of 1,003,478.04 ounces. This is more than double that of Jan-Jun 2023 (389,294.93 ounces). Also, in value terms, 2024 recorded \$1.77 billion and was higher than comparative figures for 2023 and 2022 just from the small-scale sector.

14. Given our strategic intention to realize higher production volumes to refine locally and support the gold for oil and gold for reserves programmes for a stable currency, I will further reduce the withholding tax from 1.5% to 1%, in the next government under my presidency.

15. Distinguished ladies and gentlemen, to be able to obtain maximum value for the products from the refinery, it is necessary to obtain the requisite international certifications such as the London Bullion Market Association (LBMA) Good Delivery Bar Certification.





16. Achieving the LBMA Good Delivery Bar Certification is crucial. This requires refining gold for at least three years and establishing an annual production of no less than 10 tonnes of gold. Also, RGGL must implement the LBMA's responsible sourcing programme and pass an independent audit.

17. Distinguished Ladies and Gentlemen, with respect to achieving annual average production of 10 tonnes, I am confident that leveraging on the BoG's Domestic Gold Purchase arrangement for both reserve and the gold-for-oil programme, with the support of the mines and commercial banks in Ghana, as well as other industry players, RGGL will be able to obtain the LBMA Good Delivery accreditation in suitable time. I urge all stakeholders, particularly the large- and small-scale mining companies, to support RGGL in meeting these requirements.

18. Additionally, it is required that the refinery, among other things, is fed with gold that is marked as responsibly sourced. Responsibly sourced gold is gold, which is extracted legally, with due regard to the





environment and devoid of conflict, human rights abuse and/or child labour.

19. The current issues of illegal mining pose a big threat to our value addition efforts as it has a real potential of tainting the gold dore which will be fed to the refinery thereby making it difficult to meet the responsible sourcing requirements, and by extension the ability to operate with international certification. This is why the Royal Ghana Gold Refinery must ensure that its entire feedstock is responsibly sourced.
20. There is therefore a compelling reason, more than ever to ensure that we nip the menace of Galamsey in the bud to ensure responsible mining and safeguard our environment and water bodies.
21. I am very certain in my mind that addressing the Galamsey (illegal mining) problem does not just require political will but also well thought through policies that are practical. The next NPP government under my presidency shall adopt practical policies to address the root causes of Galamsey and support the small-scale





mining sector. I am of the firm conviction that while Galamsey is a menace, small-scale mining is not, and therefore the latter must be supported with the right policies.

22. Our overarching objective for dealing decisively with the Galamsey menace and enhancing the small-scale mining sector is to improve lives and livelihoods and protect the environment. Our approach will be five-pronged:

- i. **Geological survey:** Part of the reasons for Galamsay is because there are no properly documented geological surveys indicating areas with proven reserves. This problem causes miners, mainly illegal miners and some small-scale license holding miners to dig everywhere and anyhow (haphazardly) in search for gold and eventually destroy large parcels of lands with little or no success of finding gold. I believe that having proper data on areas with proven reserves for small-scale mining will avert the problem of trial and error digging and optimize land use.





In view of the above, the next NPP government under my presidency will adequately provide the Geological Survey Department and our universities with resources annually to investigate and undertake mapping of areas where we have mineral resources.

A minimum of US\$5 million will be invested in this geological investigation of mineralized zones from 2025. With evidence of proven reserves, we will ensure that earmarked concessions in these resource mapped areas with proven reserves will be 100% Ghanaian owned for small-scale mining.

ii. **Simplified small-scale mining licensing regime:**

Many people opt to mine without a license because of delays and bureaucracies as well as high costs in acquiring mining licenses. To address this challenge, *we will amend the existing mining law to ensure that the entire licensing regime from application to the grant of small-scale mining license will end at the Minerals Commission with the involvement of our chiefs and district assemblies.* This will also require that we decentralize the operations of the minerals commission





and environmental protection agency to all mining districts.

- iii. **Reclamation of degraded land:** There must be increased effort towards reclamation of degraded mining lands. This would require a carefully planned programme and consistent resource allocation. *The next NPP Government will set up a reclamation fund with an annual dedicated budget to implement the land reclamation programme.*

The private sector will be invited to hugely participate. At the same time, growing decentralization of the Minerals Commission and the EPA, which will be deepened by the next NPP Government, will enable increased compliance enforcement to safeguard our land and environment.

- iv. **Scale-up sound environmental technologies for small-scale mining:** Pollution of our water bodies through mining is a major national concern. The mercury-free gold Catcher machine which has been





piloted and used in many mining areas by the current NPP administration has proven to be effective and safer.

The next NPP Government will scale-up the use of this technology through technical support for sustainable small-scale mining programme. In addition, the construction of settlement dams will be attached to ensure safe storage and treatment of discharge water from the gold-catcher machine operations.

- v. **Law and regulatory enforcement:** We will use a comprehensive and collaborative approach to ensure strict adherence to our mining laws and regulations to prevent illegal and improper mining practices such as mining near or in river bodies, the use of prohibited chemicals or equipment for mining, environmental degradation, and so on.

23. Distinguished ladies and gentlemen, while we do these to curb illegal mining, we will adopt a multilevel approach to support and enhance the operations of small-scale mining. Among the many approaches, will be the establishment of a Minerals Development Bank





to provide financial resources to indigenous Ghanaians in the sector.

24. This will deepen the Ghanaian ownership dream and avoid situations whereby Ghanaians acquire mining license and sell to third parties because they do not have the required capital. We will also set up common user processing factories for the small-scale mining sector to enable them scale up how much they realize from processing.

25. Ladies and gentlemen, when I laid out my vision on Ghana's next chapter at the University of Professional Studies, Accra (UPSA), one of my sub-themes was on what I termed "A golden age for the maximisation of the benefits from natural resources". One of the key policy agenda I articulated and will implement when God-willing I am given the nod as President of the Republic of Ghana in 2025 will be to formalize, regularize and regulate the artisanal and small-scale gold mining (ASGM) in Ghana.

26. This policy will ensure that activities of the entire ASGM value chain are sustainably and responsibly





done so that a sizeable portion, if not all of gold produced by this sector would be sold to the Bank of Ghana (BoG) and be eligible to be part of the gold reserves of the central bank.

27. Using a phased approach and leveraging on the already established and hugely successful BoG's Domestic Gold Purchasing Program (DGPP) in the medium term, we will implement an enhanced due diligence scheme and significantly raise gold production standards in the long term.

28. This policy will further improve the foreign reserves adequacy of the BoG to ensure adequate foreign exchange is available to meet the international trade needs and reduce external borrowing requirements of the country. Improving the BoG's level of gross international reserves in addition to prudent fiscal and monetary policy is key to ensuring a stable Ghanaian cedi.

29. Distinguished guests, ladies, and gentlemen, the refinery we are launching today has the capacity to





refine four hundred kilograms of Dore gold per day. It can therefore refine 132 tons of gold (more than all the gold exported from Ghana) at three hundred working days per year.

30. This refinery has adequate capacity to meet the needs of Ghana and surrounding gold producing countries. It is my expectation that our domestic mines will be fully on board and make this refinery their first point of call. With that kind of support, RGGL can obtain the LBMA good delivery list accreditation in three years making it the second of such refinery in Africa.

31. In conclusion, as we commission this state-of-the-art refinery, let us remember that this is a stepping stone towards setting Ghana's gold on the global market. The Royal Ghana Gold Refinery symbolizes our determination to harness our mineral resources for the maximum benefit of all Ghanaians. Let us strive for excellence, innovation, and sustainable economic development while ensuring responsible extraction of our mineral resources.





32. We have a responsibility as a government to work collaboratively with the Royal Ghana Gold refinery to attain the LBMA certification. Government will support the small scale and large-scale miners across the country and will need their collaboration and trust in this once in a lifetime nation building exercise.
33. At present, Government is pursuing this international certification, with efforts being led jointly by the Bank of Ghana and Ministry of Lands and Natural Resources. On the back of this, Nananom, distinguished ladies and gentlemen, we will work collaboratively with the key stakeholders, particularly the large- and small-scale miners on how best to progressively work towards refining all gold in Ghana before they are exported.
34. We must begin and support the process of acquiring an LBMA certification now. This is my dream, and I am sure it is the dream of all of us to ensure maximum value addition to our mineral resources, especially gold.





35. I thank all of you for your attention and I take the opportunity to wish the Board, Management and Staff of RGGL success in this endeavour.

May God bless our nation and make it great and strong.

Thank you.

