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# ILLEGAL MINING; A Race against Time



The warning by the Ghana Water Company that Ghana risks importing water in the next ten to twenty years unless illegal mining activities (popularly known as “galamsey”) are stopped, has rekindled the fight against illegal mining. There is a disturbing trend: reports indicate that illegal miners have taken over the country’s rivers, causing extensive pollution of water bodies and vegetation.

The effects of illegal mining has even taken an international dimension as there are reports that the activities of illegal miners in Ghana is posing a threat to the quality of water in neighbouring Cote d'Ivoire.

Despite efforts by governments over the years to clamp down on illegal mining, campaigns have lost steam along the way. The new government however comes with a renewed appetite to fight this menace. The public, media, civil society and state agencies are being pressed to champion the cause. As part of the Government's efforts to deal with this menace, the Minister of Lands and Natural Resources issued a three-week ultimatum to all illegal miners in the country to halt their activities or face the wrath of the government.

An eight-member inter-ministerial committee has been set up to implement measures to stop the activities of illegal miners. The Chief Justice has designated seven High Courts and seven Circuit Courts in eight regions to deal with all mining offences.

Although these efforts can be described as laudable, there is more to this conundrum than meets the eye. If it were simply a matter of law enforcement to protect them, our water bodies will be safe. The best hope of our water bodies may lie in education which may lead to a development of a more environmentally conscious populace in the long term. Such movements may provide a lifeline to our rivers. The question is – will it happen quickly enough?

## Akufo Addo brings Yoofi Grant on Board to attract Investors

Mr. Reginald Yoofi Grant, the new Ghana Investment Promotion Centre (“GIPC”) boss is a man on a mission. He is already persuaded to rewrite the GIPC Act 2013 to attract investors into the country.

Speaking at a meeting with the American Chamber of Commerce Ghana on 30th March 2017, on: “Initiatives to Promote Investment (FDI) in Ghana”, he indicated that the requirements for foreign investors ought to be eased to ensure that the odds are stuck in Ghana's favor.

Mr. Grant a seasoned investment banker, cited the capital limits imposed on foreign investors as an example of a requirement which he believes should be removed. Under the current GIPC Law, a foreign investor who wishes to set up shop in Ghana needs to inject capital between the value of USD 200,000 and USD 1,000,000 depending on the industry. He questioned how beneficial this requirement has been to Ghana's economy and has pledged to review the laws with a view to a change.

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In his assessment, the reservation of certain industries for Ghanaians under the current law for example, has not protected the indigenous people in business but rather discouraged investment into the country. In his view, no industry should be the preserve of a foreigner or Ghanaian. Business opportunities must be created for all. Watch the Space!

## GHANA Maintains 'B' in New FITCH Ratings

The Ratings agency, FITCH, has upgraded Ghana's outlook to stable and said that the government was making progress in stabilizing the economy after a period of crisis. The agency kept its 'B' rating and added that it expected a revival of GDP growth and a decline in inflation and the budget deficit.

## Energy Update–Work begins on World's Largest LPG in Ghana



Bridge Power is a 400 megawatts Greenfield Power and LPG import, storage and transport infrastructure project that will be located in Tema near the Tema Oil Refinery. The project will be capable of being fueled by LPG, natural gas and diesel. President Akufo- Addo, at the sod cutting ceremony, noted that the \$1 billion project is aligned with the government's vision of making Ghana self-sufficient in electricity for industrial and domestic use.

## Tax Slash Corner



In accordance with the Agenda to boost the Ghanaian economy, the Government has introduced a "Budget of Goodies". To demonstrate their concern for the overall boost of the economy, the Finance Minister, Mr. Kenneth Ofori-Atta delivered his "Asempa Budget" on the 2nd of March 2017 announcing a number of tax cuts and reviews which are meant to stimulate the economy and bring relief to the private sector. Indeed, the Government is not hanging about: some tax laws have

already been amended to give full effect to their budget.

The list of goodies include:

### Abolished taxes:

- Import Duty on raw materials and machinery for production within the context of the ECOWAS Common External Tariff (CET) Protocol;
- Import Duty on importation of spare parts;
- Levies imposed on Kayaye by local authorities;
- 1% Special Import Levy;
- 17.5% VAT on imported medicines not produced in the country;
- 17.5% VAT on Financial services;
- 5% VAT on Real estate sales; and
- 17.5% VAT on domestic airline tickets.

### Reviewed Taxes:

- Replace the current 17.5% to 3% Flat Rate VAT for traders;
- Reduce National Electrification Scheme Levy from 5% to 3%;
- Reduce Special Petroleum tax rate from 17.5% to 15%;
- Reduce Public Lighting from 5% to 2%; and
- Implementing tax credits and other incentives for businesses that hire young graduates.

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## Ghana signs Double Taxation Agreement with Mauritius and the Czech Republic



Ghana has signed Double Taxation Agreements (DTA) with Mauritius and the Czech Republic. The implication of signing these DTAs means that nationals of relevant countries would not be subjected to double taxation of the same income in the two countries. It is expected that these agreements would boost trade between the countries, create a stable and predictable tax environment for investors and foster diplomatic relations. Ghana already has DTAs with Britain, France, Italy, South Africa, Belgium, Germany, Switzerland and the Netherlands.

## WHO's WHO?

- **The Chief Justice**

Her Ladyship Justice Sophia Akuffo has been identified to replace Her Ladyship Justice Georgina Wood who retires next month as Chief Justice of the Republic of Ghana.

- **Governor of Bank of Ghana**

Dr. Ernest Kwamina Yedu Addison

- **Director General of National Communications Authority**

Mr. Kweku Sakyi Addo

**To further discuss these, or any other related topic with us contact:**

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