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Local procurements under mining local content increases exponentially



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Cumulatively, for a period of more than five years, the mining sector local content framework has resulted in the retention of huge amount of capital resources in Ghana, promoting local employment and the growth of domestic manufacturing.

Progressively from 2014 to date, the country has been able to retain a total of over US\$ 1.42 billion through local procurement which otherwise would have been used to import production inputs for the industry.

The total annual value of local procurements made in the mining sector grew by 165.85 percent from 2014 to 2018. Although 2019 figures are under review, the Minerals Commission indicates that the expenditures through local procurement continued on this growth trajectory last year as well.

In 2018, the total local procurements made were about US\$ 394.09 million, up from US\$ 148.24 million in 2014. This is made of both actual locally manufactured mining products required in the industry, as well as mining products imported by local companies.

Local procurement of mining products manufactured in-country grew from US\$ 143.36 million in 2014 to US\$ 252.93 million in 2018, and this is further expected to increase when figures for 2019 are released.

The Director of the Policy Planning and Minerals Titles Directorate of the Minerals Commission, Mr. Collins Anim-Sackey indicated that, it has become imperative that the regulatory body [Minerals Commission] and government ensure that the mining companies deepen the use of local content in their operations.

“If we are able to ensure that we have companies established in-country, that are producing these item [mining products] then we will have the resources remaining in the county. This will contribute to job creation and taxes to government,” Mr. Anim-Sackey said.

Under Act 703 and L.I. 2173 mine support service providers, holders of mineral rights and holders of licence to export or deal in minerals are required to submit 5-Year Procurement Plans to the Mineral Commission.

The 5-year Procurement Plan shall specify the targets for local procurement covering at least the items specified in the local procurement list as provided for in the regulation.

Also, the plan must indicate other measures to develop the supply of local goods and services, including broadening access to opportunities and technical and financial assistance for local suppliers as well as giving of preference to the company with the highest Ghanaian content where competing bids are within two percent of each other by price.

Products required under Act 703

The current local procurement list includes Grinding Media Explosives (Emulsion) Cement & Cement Products/Grout Quick & Hydrated Lime Electrical Cables (PVC) Pipes General Lubricants Re-Treading of Tyres.

The others are Bolts and Nuts, Crucibles Plastic Sample Bags, Calico Bags, Bullion Boxes, Conveyor Rollers, Metal/PVC Core Trays, Overalls & Working Clothes, High Density Polyethylene & Polyvinyl Chloride, Chain Link Fencing/Wire Netting/Barbed Wire, Haulage Services & Catering Services. Security Services.

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