STATEMENT TO PARLIAMENT ON THE UNDEREXPLOITED BAUXITE INDUSTRY, AND ITS IMPACT ON EMPLOYMENT AND BAUXITE RELATED COMPANIES BY HONOURABLE PHILIP BASOAH, MP FOR KUMAWU - 7 JULY, 2017

Mr Speaker, thank you for giving me the opportunity to read a Statement on underexploited bauxite industry and its impact on employment and bauxite related company, especially Volta Aluminium Company Limited (VALCO). Mr Speaker, Ghana is lucky to have been blessed with many natural resources; vast arable lands, water resources, timber, gold, diamond, manganese, coal, bauxite, et cetera. The efficient exploration and processing of these God-given resources have the potential of freeing the citizens from unemployment and driving us towards self-sufficiency.

Mr Speaker, most countries that are developing at a fast rate today are capitalising on the availability of one thing and that is the advancement of an industry. I believe it is high time we took bold steps to explore our resources and get the best out of them. The underutilisation of our resources can be cited as one of the causes of unemployment.

Unemployment situation

Mr Speaker, while we continue to say that the youth of this country are the ones to take over from the current generation, we need not forget that, so many of these youths are unemployed and are thus living unproductive or less productive lives. It is sometimes disheartening that our natural resources are not tapped effectively to benefit the masses. We sit on “gold” but because we do not explore and develop our resources, our country’s development is being affected.

Underdeveloped bauxite mines

The country has three bauxite mines, and all of them are underdeveloped. Neither are there refineries to process the bauxite into alumina. And the situation has remained same for many years. As a result, Mr Speaker, Ghana imports alumina although we mine our own bauxite. This bauxite is mined and shipped to the UK for the British Aluminium Company (BAGO) to smelter and bring it back to us, at a high cost before we can use it for production.

The VALCO situation

Mr Speaker, the establishment of Volta Aluminium Company Limited (VALCO) was as a result of the vision of the first President of the Republic of Ghana, Dr Kwame Nkrumah, to establish an integrated aluminium industry in the country. The VALCO aluminium was owned by Kaiser Aluminium and Chemical Corporation and Reynolds Metal until October 2004 when Kaiser Aluminium and Chemical Corporation formally sold its 90 per cent ownership to the Government of Ghana under former President John Agyekum Kufuor. The industry was to make way for Ghana to mine its own bauxite, refine and smelter it for onward distribution to manufacturers. It is sad to recount that this vision of our first President has not been realised for more than sixty years on, with successive governments doing little to set up an Integrated Aluminium Industry.
Mr Speaker, it will interest you to know that only one out of five cell lines is in operation at the Volta Aluminium Company. One out of five! Over the years, VALCO’s operations have been marked by shutdowns and restarts because, power is either not available or insufficient to see it run at full capacity. The Volta Aluminium Company is currently operating at 20 per cent of its rated capacity because of this. Mr Speaker, several workers have been laid off as a result and the company is not growing. Mr Speaker, findings from the company show that they can employ about five times the number of workers if they are operating at full capacity.

**The Integrated Aluminium Industry (IAI)**

The Integrated Aluminium Industry will see to the development of bauxite mines at Awaso, Nyinahin and Kyebi. This would be followed by a refinery to refine alumina from the bauxite mined from the three sites. Reliable and affordable power supply would be specially allocated to VALCO for its smelting operations, as indicated in item 882 of the 2017 Budget. These will allow Ghana mine bauxite and refine it into alumina without having to import it for operations. It will as well, enable us to export alumina to other countries for foreign exchange and supply to downstream companies like Aluworks, Western Rod Company, Tema Steel Works, and the numerous packaging companies that use aluminium tins.

**Prospects for employment**

Mr Speaker, the Integrated Aluminium Industry project has very high prospects for employment and productivity. After the project, VALCO would have all five cell lines in operation, and this means the company will employ about five times the number of people working with just one cell line now. The Nyinahin mine with bauxite deposit of 70 metric tonnes (MT), valued at US$17.5 billion has the potential of providing about 98,000 jobs for our youth. There is a notion that there are no jobs in Ghana, I call it a notion because indeed, there are jobs but we have not developed them yet. Today, many of our youth flee to foreign countries looking for greener pastures instead of staying in Ghana and doing something productive for national development.

Mr Speaker, the prospects for job creation in Ghana is enormous. The problem is that we are not exploring and investing enough to make and expand the opportunities. I am confident, however, that His Excellency, President Nana Akufo Addo will rewrite the story. I was elated to find out that an aluminium refinery is expected to be set up by government to enable the country refine its own bauxite into alumina. When the needed commitment is given to this course, Mr Speaker, Ghana can produce about 350 metric tonnes of alumina, and this can generate about 19,000 direct and indirect jobs.

The establishment of an industrial park dedicated to manufacturing aluminium related products from the alumina VALCO smelts will also create jobs for our people. In all, Mr Speaker, experts say the project is set to create more than 2.3 million jobs for the people of Ghana. The Integrated Aluminium Industry, therefore, is a long-held vision that will better our economic fortunes when implemented. Therefore, Mr Speaker, I make a passionate appeal to government, the Finance
Ministry, Ministry of Lands and Natural Resources, the Minerals Commission and all stakeholders to synergise for the smooth implementation of the Integrated Aluminium Industry.

Thank you, Mr Speaker.