

Economic Contribution

The adverse situation in which the mining sector found itself in during most part of the eighties is reflected in the sector's contribution to the national economy.

In 1980, large establishments in the sector employed a little over 69,000 workers--0.42% of the total labor force that were employed. This has shrank further in 1986 when only 52,320 workers were employed in these large establishments--down to a mere 0.25% of the total labor force employed in the country.

Moreover, the flourishing of small scale mining activities particularly in the gold rush areas in the countryside has to be considered. The attractiveness of gold prices in recent years has lured people to engage in gold panning activities. Employment in small scale mining is estimated at 200,000. Thus in terms of employment, small scale mining is a very important sector.

The inflation-adjusted value added contribution of the mining and quarrying sector is showing a downtrend. In 1980, the share of mining (gross value added at constant 1972 prices) to GDP was at 2.41%. This has continuously declined through the years, as it settled at 1.58% in 1988.

Foreign exchange earnings is the most important contribution of the sector to the national economy. However, if export earnings is taken as a proxy indicator for the foreign exchange earnings for the sector, then this too has been on the downtrend.