

CHAPTER 3: Industry Issues and Government Policies

Small-Scale Mining

While the country's total gold production gets a healthy boost from panned gold production, this presents a number of problems.

First, small-scale mining in the gold rush areas have caused damages to lives and properties as a result of using inadequate equipment besides ignoring prescribed safety measures. Illegal construction of mine tunnels, indiscriminate use of dynamite--which loosens the soil--and mercury in the treatment of ores have been reported but so far seems unabated.

Second, most of these panned gold from the gold rush areas leaves the country through the back door instead of going to the Central Bank--which is suppose to be the sole purchaser. Official estimates from the BMGS show the contribution of panned gold production to the country's total gold production (see Table 3.1). Panned gold production comprise roughly 24% of the total in 1987. However, this contribution seems to be understated if other independent estimates are considered [1].

Table 3.1: Gold Production (Kg.)

Producer	1983	1984	1985	1986	1987
Primary	10,665	9,222	9,529	9,835	9,667
Secondary	14,596	15,251	15,449	14,155	15,066
Panned Gold	136	1,254	8,085	11,440	7,866
Total	25,397	25,727	33,063	35,430	32,599

Note: The BMGS started to closely monitor panned gold production in 1983.

Source: BMGS