

Project Risk Assessment of the Mining Industry of Ghana

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Abstract : The issue of risk in the mining industry is a global phenomenon and the Ghanaian mining industry is not exempted. The main purpose of this study is to identify the critical risk factors affecting the mining industry. The study takes an integrated view of the mining industry by examining the contribution of various risk factors to mining project failure in Ghana. A questionnaire survey was conducted to solicit the critical risk factors from key mining practitioners. About 80 respondents from 11 mining firms participated in the survey. The study identified 22 risk factors contributing to mining project failure in Ghana. The five most critical risk factors based on both probability of occurrence and impact were: (1) unstable commodity prices, (2) inflation/exchange rate, (3) land degradation, (4) high cost of living and (5) government bureaucracy for obtaining licenses. Furthermore, the study found that risk assessment in the mining sector has a direct link with mining project sustainability. Mitigation measures for addressing the identified risk factors were discussed. The key findings emphasize the need for a comprehensive risk management culture in the entire mining industry.

Keywords : risk, assessment, mining, Ghana

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