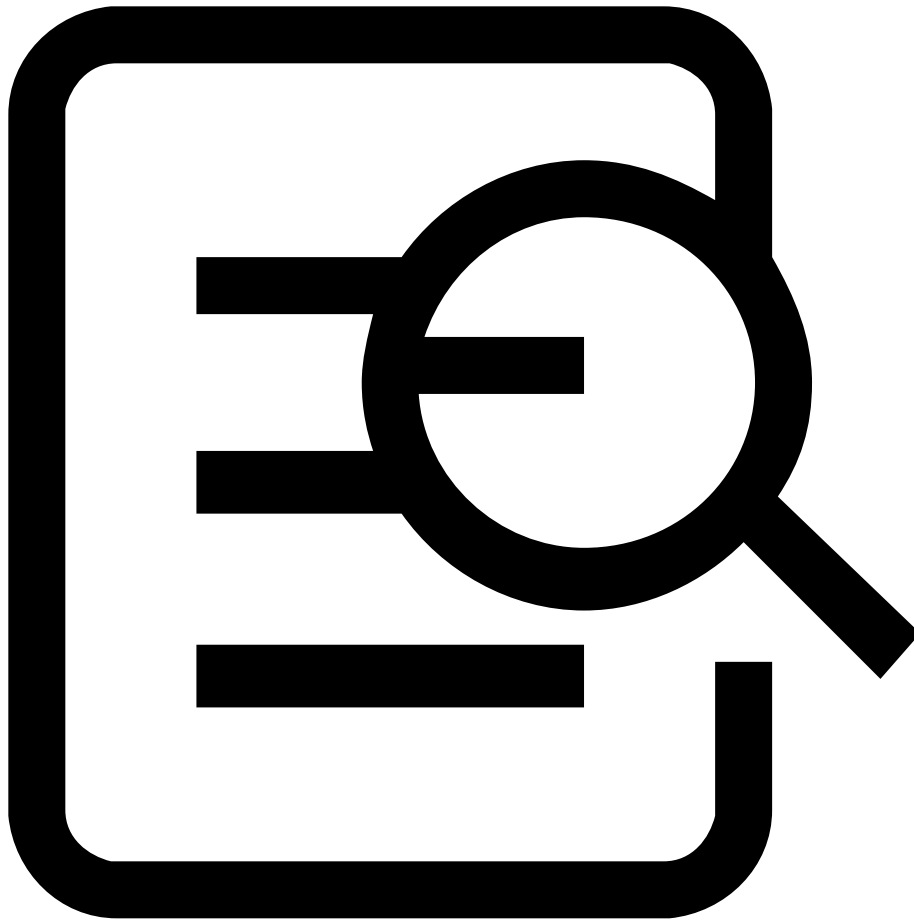


Philippines lifts nine-year ban on new mines to boost revenues



A view of nickel ore stockpiles at DMCI Mining Corporation's mine in Sta Cruz Zambales in northern Philippines February 7, 2017. REUTERS/Erik De Castro/File Photo



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Summary

- Philippines is one of world's top nickel, copper, gold producers
- Government seeks to boost state revenues with new mines
- State to renegotiate contracts for better terms
- Moratorium in place ahead of legislation to boost state returns

MANILA, April 15 (Reuters) - Philippine President Rodrigo Duterte has lifted a moratorium on new mineral agreements imposed in 2012, reopening the door to investments in a move that will boost state coffers but has dismayed environmental activists.

The Philippines, the top supplier of nickel ore to China and a major producer of copper and gold, imposed the moratorium while the government worked on legislation to boost the state's share of mining revenues. Since 2018, the excise tax on minerals has doubled to 4%.

Duterte's new executive order allows new mining deals and reviews of existing contracts for possible renegotiation. It also directs the environment ministry to formulate terms and conditions and to strictly implement rules on mine safety and environmental policies.

Mining is a highly contentious issue in the Philippines after past cases of environmental mismanagement fuelled a strong lobby against the industry led by local governments, legislators, advocacy groups and the Catholic church.

Shortly after coming to office in 2016, Duterte warned miners to follow tighter environmental rules or be shut down and the new executive order does not undo a ban on new open pit mines.

More than a third of the Philippines' total land area of 30 million hectares has been identified as having "high mineral potential", according to the Mines and Geosciences Bureau (MGB) and less than 5% of the Philippines' mineral reserves is estimated to have been extracted so far.

Several pending mining projects will now proceed to the development and commercial extraction stages, MGB Director Wilfredo Moncano said.

"This will not, however, mean that the protection of the environment and safety will be taken lightly," he said.

Scrambling for funds for infrastructure projects and to help support the pandemic-hit economy, the government has pushed for the revival and sale of idle state mining projects.

"(The executive order) will help bring the Philippines back on the investment map," the Chamber of Mines of the Philippines said in a statement.

"There will be a need for a lot of raw materials like nickel, copper, gold, manganese, chromite, etcetera when the world returns to normal," said Dante Bravo, president of the country's second-biggest nickel ore miner and exporter Global Ferronickel Holdings Inc ([FNI.PS](#)).

The Southeast Asian nation became the biggest supplier of nickel ore to top metals consumer China in 2020 after Indonesia banned exports of unprocessed ore.

Anti-mining activists said they were alarmed.

"In the middle of a climate crisis and this pandemic, corporate interests and profit have won again over the welfare and benefits of the many," Alyansa Tigil Mina (Stop Mining Alliance) said in a statement.

Reporting by Enrico Dela Cruz Editing by Ed Davies

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