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Phl to remain difficult for mining investments

By LOUISE MAUREEN SIMEON

TORONTO – Even if the Philippines recently ranked first among a list of countries worthy of investments this year, that may not be the case for some sectors such as mining and this may be a long-term scenario for the industry.

Privately owned organization Quest Exploration Drilling (QED), which actively operates in the Philippines, said the country would not likely secure significant foreign investments this year, and even for the rest of the Duterte administration's term, if policies remain vague.

"There may be some development by Filipino-owned entities, but the ability to attract foreign investments is, in my view, extremely difficult because there is no continuity and surety of policy," QED managing director

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Phl... From B9

Alan Blackley told **The STAR** on the sidelines of the trade show of the Prospectors & Developers Association of Canada Convention (PDAC) here.

Blackley made the warning even as the *US News & World Report* recently hailed the Philippines as the top investment destination, citing the country's $304.9-billion gross domestic product, 103.3 million population and $7,739 GDP per capita.

"Getting foreign investments in the Philippines is gonna be a big, big question mark. Mining development is expensive, it costs billion of dollars and that's a lot of money," Blackley said.

The Chamber of Mines of the Philippines estimated that over $30 billion in the local mining industry has been lined up over the next five to 10 years, but that value has been somewhat stalled, and may not likely increase given the government pronouncements in the last two years.

This includes closure and suspension orders that are yet to be resolved, orders banning legally-accepted methods of mining, and even the President's seeming lack of enthusiasm and support for the minerals sector.

"If you are going to invest that (huge amount of money), you want to make sure that you're gonna get a return, and that at some stage, you will be making money. Otherwise, why would you invest?" Blackley said.

"There are plenty of other countries around the world that are far more inviting than the Philippines, and so money will be invested elsewhere," he warned.

For Chamber of Mines of the Philippines board member and Towards Sustainable Mining initiative chairman Eulalio Austin Jr., even if investments would pour in for the industry, it would still be quite a challenge for mining.

"With this regulatory climate, for sure evaluations for the projects would be affected because of the risks involved. The regulatory climate will have some effects on investors," said Austin, Philex Mining Corp. president and CEO.

"But as of the moment, there are no mines opening and looking for foreign investors because of the moratorium. Had there been mines opening last year and this year looking for investors, that's the time we can say investors are really sluggish," he said.

Blackley emphasized that the possibility of any progress for the industry may not be on the radar anytime soon as government support is still nowhere to be found.

"There is the politics of mining and the strength of anti-mining lobby. What people don't realize, and it makes me so mad, is that everything in our life, everything that we have depends on mining, and I mean every single thing that we have. If there is no mining around the world, then we wouldn't have a modern world, it's as simple as that," he said.

"But everybody says do not mine in the Philippines, but what's wrong with that? Why should it be somewhere else? The Philippines has a very fast growing population and a lot of people living in poverty. Why not allow mining to help alleviate difficulties for a lot of people?" Blackley added.

While foreign investors consider mining regulations in the Philippines as 'very good,' the problem lies with the enforcement.

"Regulations are actually fine, and if they are enforced properly, there will be no issues. The government would have to come out categorically and state that they support mining, but for now, there is none," he said.

As legislators and some groups move toward repealing the Mining Act of 1995 and replace it with a new one, Blackley believes such move would end the mining industry.

"The Mining Act is the law of the land and that is not being enforced. Repealing the law would have to be end of the mining industry in the Philippines, there will be no mining industry in the Philippines," Blackley said.

"Mining is getting expensive (with the double excise tax). Mining is a worldwide industry and the Philippines is competing with other countries, and once you make it too uncompetitive, then that is the end of it," he added.

QED is a privately-owned organization with active operations in Papua New Guinea, the Philippines and Solomon Islands. Its head office is located in Laguna and its holding company is registered in Singapore.

QED's services include diamond drilling, reverse circulation drilling, geotechnical and geothermal drilling and water management solutions using equipment that has been modified to suit the challenging Asian environment and terrain.