

DENR now considers export ban on raw minerals

To promote industrialization

Published March 3, 2017, 10:00 PM

By Madelaine B. Miraflor

The Department of Environment and Natural Resources (DENR) is looking at the possibility of banning the export of raw minerals in order to develop the country's metals and mining downstream industries.

During the third Mining Industry Coordinating Council (MICC) meeting held on Friday, Finance Secretary Carlos Dominguez III said the council did not just talk about the mining closures and suspension but also covered possible minerals and metal-led industrialization initiatives.

Industrialization in the mining industry would involve the development of more mineral processing plants so that miners could extract more value from the country's natural resources at the same time generate more jobs.

Amid the issues surrounding the decision of the Department of Environment and Natural Resources (DENR) to close down and suspend 28 mines, which is more than half of the country's 41 metallic mines, Environment Undersecretary Maria Paz Luna said the agency is open to the development of the metals and mining downstream industry.

This, in the condition that the end products will largely be for local consumption.

"We are going to review that and consider (industrialization). In the long run, it will support our local economy because the value of the products will be high. (If there are more mineral processing facilities) we don't have to import end products and export raw materials," Luna told reporters during the same meeting.

"We are going to review and consider the full industrialization and we are going to look at future policies to ensure that our metals are used for national industrialization and for purposes that we need them for," she added.

As of now, the country has only four mineral processing plants, two for gold and two for nickel.

In 2014, the Philippines became the world's top exporter of nickel ore after Indonesian government banned the exports of unprocessed ore.

Asked if the Philippines will do what Indonesia did, Luna said "it's one possibility."

"It makes sense that we use what we have for ourselves," Luna said.

"It is one of the things we are considering for any mines that we think should remain operating," she further said.

However, Dominguez said "limiting exports has a very bad experience in the Philippines."

"At a point in time, they limited the export of copra? So what happened is the coconut farmers got a very bad deal. The local processors and the oil mills just bought their copra at lower world market price, so we don't want that to occur," he further said.

For her part, the Department of Trade and Industry's (DTI) Board of Investment (BOI) Governor Lucita Reyes, who was also present in the briefing, said there's a need for the country to put up more downstream processing facilities.

"The interest of the DTI is basically putting more value-added on the mineral ores that we are currently exporting to other countries. And that is the reason why we have developed the copper roadmap as early as 2015 and identified certain projects to put up more downstream processing facilities," Reyes said.

"We would also like to revive the iron and steel industry," she added.

Juancho Pablo Calvez, Mines and Geosciences Bureau chief for Metallurgical Technology Division, said the Philippines has been consuming iron and steel product that are imported from other country.

"In 2015, we consumed 8.8 million metric tons (MT) of steel inputs and steel products but Philippines just produced 1 million of crude steel," he specified.

Minerals and metal-led industrialization is one of the key policy directions earlier identified by President Rodrigo Duterte for the highly-challenged mining industry.

<http://business.mb.com.ph/2017/03/03/denr-now-considers-export-ban-on-raw-minerals/>