

Mining sector earns P100.56-B in 2016, output down 8%

Published February 1, 2017, 6:33 PM | Manila Bulletin

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Overall mineral output in 2016 suffered a shortfall. Based on a document provided by Mines and Geosciences Bureau (MGB), the country's metallic mineral production value incurred an 8 percent shortfall in 2016 from P109.84 billion in 2015 to P100.56 billion, lower by P9.28 billion.

“Poor base metal price, string of mine suspension and mine imposed non-operations due to unfavorable weather conditions, low metal price and/or maintenance status catapulted the metallic sector to its lackluster performance,” MGB said.



Coal mine / Credit: Pixabay / Manila Bulletin

In terms of percentage contribution to the total production-value, gold continued to dominate the production scene in 2016 accounting for 44 percent or P44.85 billion of the total metallic minerals production value. While nickel direct shipping ore together with mixed nickel-cobalt sulfide took the second spot with 37 percent or P36.84 billion followed by copper with 18 percent or P17.76 billion. The remaining 1 percent or P1.11 billion came from the consolidated output of silver, chromite and iron ore. Nickel direct shipping ore production volume and value alone went down by 23 percent and 41 percent, respectively, from 32.1 million dry metric tons valued at P36.60 billion in 2015 to 24.7 million MT dry metric tons valued at P21.77 billion in 2016.

“It is important to note that of the 28 nickel mines, seven are currently in suspended status and four temporarily stopped their respective mine operations. The total production of nickel direct shipping ore of this group in 2014 was about 5.2 million dry MT with an estimated value of about P8 billion,” MGB said. On metal prices, copper and nickel both recorded declines of 3 percent and 11 percent, respectively.

Copper slipped from \$2.48 to \$2.40 per pound, while nickel went down from \$5.34 per pound to \$4.75 per pound year-on-year.

MGB also noted that the mine audit has yet to substantially affect the production of metallic mines in 2016 since no suspension has been officially imposed.

But the agency, which is tasked to regulate and develop the sector, mentioned some worst case scenarios when the 20 mining companies recommended for suspension are finally shutdown.

“The immediate impact to the economy in terms of investment, employment and production are conservatively estimated to be as follows: affected investment will be 27.54 percent of the total investment or \$1.69 billion from \$4.45 billion,” MGB said.

“In terms of employment generation, 42.79 percent or 19,674 of the current workforce stood to lose their jobs in case of mine closures. Not to mention, the employment generated from livelihood/enterprises/small businesses created due to the presence of mining operations in the host and neighboring communities,” it added.

The Department of Environment and Natural Resources is set to announce the final result of the audit on February 2, 2017.

(Article retrieved from: <http://business.mb.com.ph/2017/02/01/mining-sector-earns-p100-56-b-in-2016-output-down-8/>)