

***MTT Welcome Address and Intro for Keynote Speaker  
Digging Deeper: A Mining Philippines Policy Forum  
October 17, 2024***

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Good morning honored guests, friends, ladies and gentlemen. Welcome to the Digging Deeper Policy Forum.

Let me begin by clarifying what the phrase “Digging Deeper” means. No, it is not to bury ourselves, as one friend quipped. The issues that ail our industry remain; nothing much has changed, he said. Quite the contrary. We dig deeper here precisely to further explore the complexities of those issues and to learn the developments. We dig deeper to extract agreements, solutions, and actionable steps from our policy makers, and our industry movers and shakers. We dig deeper to find ways that would

enable us to tap the full potential of our mineral-rich nation for the benefit of our country and people.

I also told my smart-alecky friend that, in the last two years, we have been consulting and working closely to address those issues with cabinet officials – namely DENR Sec. Toni Yulo-Loyzaga, DILG Sec. Benhur Abalos, DOF Sec. Ralph Recto, as well as our keynote speaker whom I will introduce to you shortly. He has graciously accepted our invitation to be with us here and to discuss his plans and programs for our industry.

The best assurance I gave my friend is that last August, President Bongbong Marcos himself granted the Chamber of Mines the honor and privilege of an audience with him – the first time for our industry with a sitting president. For about half an hour, the president listened intently to our

presentation in its entirety and expressed that he is fully aware of mining's importance to our country's socio-economic growth and of the issues that hinder the industry from attaining its full potential. All the cabinet secretaries I mentioned were present and told the president that their respective departments are already addressing our concerns and pursuing our recommendations.

Before I discuss our recommendations, let us give President Bongbong Marcos and his equally supportive cabinet members a thunderous round of applause.

Let's also give a big hand to the Jobs Sector of the Private Sector Advisory Council whose efforts made our presentation to the president possible.

*Sa ngalan naming ng mga minerong Pilipino, maraming salamat po sa inyong pagpapahalaga sa aming industriya.*

In our presentation to the president, we underscored that before we take the leap to value-added mineral processing the government is advocating – which we fully support, let me emphasize that -- four key challenges that have driven mining investors away from our shores must first be resolved: (1) long-term policy consistency, (2) the long and complex approval process for exploration permits and mineral agreement applications, (3) business continuity risks from LGUs and communities, and (4) tax uncertainties and lack of adequate benefits to invest.

To resolve these challenges, we recommended the following:

**First: Assure long-term policy consistency** via the drafting of a robust mining policy that would, among other things, clarify the role of national and local government units and specify the approach to indigenous community management.

**Second: Simplify and expedite approval processes for mineral agreements** by reducing application steps, eliminating redundancies, and imposing clear-cut timelines, in close coordination with government agencies with which our industry interacts. We also recommended the implementation of an online register of pending applications.

**Third: Minimize business continuity risks from local ordinances** by:

Number 1, clarifying the status of mining companies as government contractors and exporters to be consistent across national and local laws;

Number 2, rationalizing LGU power to issue ordinances that prohibit mining or specific mining methods within their jurisdictions; and

Number 3, requesting ARTA to identify and fix redundancies between national laws and local ordinances, and empowering it to suspend the implementation of those inconsistent with the Ease of Doing Business Act and the LGU Citizen's Charter.

**Our fourth recommendation is: Address uncertainties in tax policy and investment incentives by:**

Number 1, establishing a stable and predictable mining fiscal regime (***Note: provide latest update on mining tax development, if any***);

Number 2, including a “financial stability clause” in all mineral agreements to guarantee continuity of mining operations and to assure the sanctity of contracts, regardless of material adverse change in government policies that would prevent mining contractors from performing their obligations; and

Number 3, strengthening the potential of the industry by appointing a senior government official who will focus on addressing obstacles to mining investments and on promoting and marketing the industry.

Only if these recommendations are taken and put into action, we told President Marcos, can we be able to produce enough minerals to feed the mineral processing facilities we aspire to build. Only then can we really be a significant player in the global energy transition movement.

We know our recommendations are not simple and will take time to implement. So I told my friend, “patience”. After all, patience is one of a miner’s strongest virtues.

We are also very much aware that the Marcos Administration’s support for mining is not unqualified. The support is not just for the extraction of minerals per se because of its socio-economic benefits. Our government also wants to ensure that the implications of mining on the integrity of the ecosystem and on the livelihood and well-being of



communities are addressed in a responsible, sustainable manner.

After we adopted the Towards Sustainable Mining initiative in December 2017, we embarked on a six-year preparation period that saw, among others, our members participate in the Filipinization of 8 TSM Protocols, the formation of our multi-sector Community of Interest Advisory Panel, the accreditation of our External Verifiers, and the designing, development, and cascading of the TSM Mine Site Sustainability Audit online app or MSSA.

This year, we are fully implementing TSM following our commitment to our stakeholders. As scheduled, all our 19 operating member-mines submitted their TSM self-ratings from March to May via the MSSA for their 2023 TSM performance and 8 of these mines were externally verified from June to July. The

consolidated self-assessment and individual verified results will be discussed in detail in one of our afternoon sessions. Following TSM transparency principle, we will make public the verified results shortly.

One of things we are most delighted about TSM is that we have chosen highly qualified people to help our members in their journey towards better ESG performance. In the last two years two of our TSM Advisory Panelists were appointed undersecretaries. Just last month, one of our TSM External Verifiers was named DENR assistant secretary for mining concerns and, concurrently, director of the Mines and Geosciences Bureau. He is none other than my *tukayo*, Engr. Mike Cabalda. Please accept our congratulations and best wishes, Director Mike! And thank you, too, to our COI Panelists and External

Verifiers for keeping the ESG fire burning among our members.

We are happy to report to you that Year 1 Phase 1 the National Unified Information, Education, Communication Program – implemented from August 2023 to May 2024 – was a resounding success. Among the highlights of the campaign – aptly called Better Mining, Brighter Future – is the establishment of the foundation for strategic industry rebranding, which included the launching of a Facebook page and a documentary that showcased many different aspects of responsible mining. There was also sustained positive storytelling through newspapers and online news sites, as well as capacity building of industry stakeholders to prepare them for a continuous communication and brand campaign. These activities enabled us to generate

a total PR value equivalent to almost 1 billion pesos – nearly 2,000% of target.

The NUIECP is an initiative of the MGB that seeks to improve public perception on mining. A first-of-its-kind undertaking with five other industry associations and with the support of several others, the program is being implemented with the help of EON, a prominent communications agency. The Chamber of Mines leads the charge in this initiative as chair of both the Steering Committee and the Communications Sub-Committee. A survey conducted after Phase 1 among members of the participating industry associations show overwhelming positive sentiment for the campaign in terms of its effectiveness, awareness, support for and participation in its training programs, and overall satisfaction with campaign management and impact.

The carefully selected session topics we have lined up today all have a bearing on how our industry will move forward in the coming years. Apart from finding ways to contribute to our ESG policy regime through TSM, we will dig deeper into how we can enhance competitiveness and compliance through strategic innovations in mining policy. We will also talk about best practices in improving operational efficiencies, and finally, analyze the impacts of a progressive mining fiscal regime that we all pine for.

With apologies to my pessimistic friend, we will be Digging Deeper with our hopes up. While we've seen nickel prices decline for the most part of the year on account of Indonesia's stranglehold on supply, we remain upbeat given that the rapid adoption of electric vehicles and renewable energy technologies that will undoubtedly drive demand. Copper's recent price surge only demonstrates its increasing role as a vital

indicator of global economic health and, like nickel, a catalyst of decarbonization efforts. Gold is projected by experts to reach 3,000 US dollars per ounce by mid-2025 and, given the geopolitical uncertainties posed by the US-China-Russia tensions and the Middle East conflicts, could even reach over 5,000 US dollars.

These, coupled with the promise of a better policy environment augur well for Philippine mining. Our keynote speaker will further illuminate us on that promise.

He is the Director General, with rank of Secretary, of the Anti-Red Tape Authority or ARTA, an agency attached to the Office of the President and created by the Ease of Doing Business and Ease of Efficient Government Service Delivery Act of 2018. Our special guest took his oath of office and assumed his

current post in November 2022 and spearheaded the operationalization of the agency and the development of its major initiatives.

Prior to ARTA, he was the Assistant Secretary of the DTI Consumer Protection Group – *kaya't siya po ay isang batikan at mahusay na sandigan ng mga may problema gaya natin sa industriya ng pagmimina*. He served in a concurrent capacity as OIC-Director of the Bureau of Philippine Standards where he promulgated the development of 108 new standards and the revision of 151 Philippine National Standards aligned with the international standards of ISO/IEC and good regulatory practices of the World Trade Organization. He likewise served as Chairperson of the DTI-Steel Task Force where he led the investigation of the biggest steel importation in the country.

My good, reliable, and optimistic friend was a litigation lawyer for almost 30 years prior to joining government service. He obtained his law degree from the Ateneo Law School and was among the top 15 in the 1986 bar exams. He acquired his bachelor's degree in Business Administration Major in Accountancy from the University of the Philippines – Visayas in 1980 and passed the CPA Board examination in the same year.

Ladies and gentlemen, let's all welcome, ARTA Director General Ernesto V. Perez.