

SPEECH OF TRADE AND INDUSTRY SECRETARY ALFREDO E. PASCUAL
MINING PHILIPPINES INTERNATIONAL CONFERENCE AND EXHIBITION
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I stand before you today to discuss a subject that touches the very core of our nation's progress and its aspirations for the future—mining and its responsible management for the current development needs of our country.

First, let us be clear: Mining is not just an extraction process that leaves behind a barren landscape. It is a means of converting our natural resources into valuable assets that can power the engines of our economy, create jobs, and lay the foundation for infrastructural advancements that will benefit not just our generation but those to come.

To those who argue for preserving our mineral wealth for future generations, I ask you this: What legacy will we leave them if we don't harness these resources wisely and responsibly now? If we wait for a utopian future to touch these assets, we effectively deny our children and their children access to better education, healthcare, and improved living conditions today.

The investment needs of our country are immediate. Our current generation has the ethical responsibility to advance our country in ways that can only benefit future generations of Filipinos.

However, the word "responsible" in responsible mining is key. It serves as our moral compass. We must never forget our responsibility to our environment, to the communities affected by mining activities, and to the very land from which these minerals are extracted. Modern technologies and stringent regulations can enable us to mine in a manner that minimizes ecological damage.

By advocating for responsible mining, we are not turning our backs on the environment or our future. Instead, we are embracing a balanced view that considers social development and environmental sustainability as two sides of the same coin. In a developing country like ours, this is not just a desire—it's a necessity.

We must be united by a shared vision: harnessing the extraordinary yet untapped potential of the Philippine mining industry in an age of unparalleled innovation and technological growth. In this epoch-defining moment, the imperative has never been clearer—we must pursue an industry that contributes to economic growth and does so with unwavering environmental stewardship and social responsibility.

Our country is a treasure trove of mineral resources. For instance, we have abundant reserves of the so-called green metals such as cobalt, copper, and nickel -- 2.1 billion metric tons of nickel, 6.9 billion metric tons of copper, and 260,000 metric tons of cobalt. At this time, we can offer investors a golden opportunity to serve both regional and global markets in a way that is not just profitable but profoundly impactful.

The mining industry continues to contribute significantly to the country's economy. As the source of our raw materials, it has been pivotal in our pursuit of sustainable growth and recovery.

By 2050, the World Bank Group has estimated that the production of minerals could increase by nearly 500 percent or over three billion tons of minerals and metals to meet the growing demand for clean energy technologies, such as renewable energy and energy storage.

Similarly, the International Energy Agency estimates that the total mineral demand from clean energy technologies will quadruple by 2040.

In the face of such a growing demand for minerals that we have, we must not overlook the added value that can be generated from these mineral resources right here in our country. As we all know, extracting minerals is just the first step in a long chain that ultimately brings prosperity to a nation. The real wealth lies in the value-added processes—refining, smelting, and further manufacturing—that can dramatically increase the economic value of these raw materials.

Unfortunately, for years, we've been exporting raw ores to other countries, effectively giving away not just our natural resources but also the opportunity to add significant value to them. When we export these raw ores, we send off potential jobs, technological advancements, and a vast range of socio-economic benefits that could otherwise contribute to our national economy. In doing so, we allow other nations to profit from our natural endowments, as they add value to these raw materials and sell them back to us at a premium.

Refined metals can be worth three to ten times more than their raw, unprocessed forms. By establishing our own processing plants, we could create thousands of high-skilled jobs, encourage technological innovation, and build competitive industries serving domestic and international markets.

As part of our commitment, the Department of Trade and Industry (DTI) firmly pushes for the development of the green metals sector by advocating for value-added downstream mineral activities in the segment of battery precursor production used for electric vehicles (EV) batteries and Battery energy storage system (BESS).

The DTI has launched various initiatives, such as the Trade and Industry Development Talks for the green metals sector. This initiative is anchored on the global transition to clean energy technologies, championing the promotion and development of green metals.

Additionally, we are implementing the Master Development Plan for the Leyte Ecological Industrial Zone (LEIZ) as a potential hub for mineral processing. The proposed LEIZ is supported by the presence of a copper smelting plant and the availability of a geothermal power supply and sulfuric acid for a high-pressure acid leaching (HPAL) plant to produce the EV battery precursors.

The DTI-Board of Investments (DTI-BOI) also leads the Working Groups on Mineral Processing and Battery Manufacturing/Green Metals, which seeks to address concerns and issues vital for developing and promoting the sector to create a strategy that will attract mineral processors and battery manufacturers into the country.

To reiterate, the government consistently supports the revitalization of mineral development. Alongside this is the recognition of the industry's important role in the energy transition towards green technologies to address climate change.

As the Philippines aims to strategically position itself in the regional and global value chains of electric vehicles and batteries, it is essential to recognize the suitability of Philippine nickel ores for battery applications, mainly as battery-grade materials for cathodes.

Moreover, the abundance of mineral resources, such as copper, which plays a pivotal role in essential components of electric vehicles, further strengthens our country's positioning in the mining industry.

We must focus on advancing value-added activities and increasing participation in the regional and global value chains of electric vehicles, batteries, and renewable energy equipment.

The holistic approach demonstrates a genuine commitment to a more environmentally responsible and sustainable future for mining in the Philippines.

Our government also recognizes the importance of partnerships. We will actively engage with mining companies, communities, and stakeholders to ensure that the benefits of mining are shared equitably.

Let me also take this opportunity to invite foreign investors to partake in this exciting journey of growth and prosperity. Our country boasts an abundance of natural resources that hold the promise of both economic development and sustainable progress.

There is a tremendous opportunity to use the extractive industry's potential to propel long-term economic growth.

With the Philippine companies, several opportunities in mining and mineral processing include:

- Green metals processing (cobalt, copper, nickel) and other value-added downstream mineral activities
- Copper wire rod facility (to address the value chain gap in the local copper industry)
- Battery technologies
 - Battery precursor production: materials mixed in proportions of metals based on desired battery chemistry
 - Battery cell, battery pack, and battery management systems
 - Other battery components
- End-user industries
 - Renewable energy equipment

The electronics industry, too, can experience a boost. The Philippines has already shown strengths in electronics manufacturing. With a local supply of essential metals like gold, copper, and rare earth elements, we can climb up the value chain from merely assembling products to producing intricate components, thereby capturing more value within our borders.

And let's not overlook construction, one of the primary drivers of our economy. Access to domestically produced steel, copper, and other materials could bring down costs, making it more affordable to build the infrastructure needed to sustain our growing population and economy.

To be more attractive in doing business in the Philippines, Section 300 of Republic Act No. 11534, otherwise known as the Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act, provides for formulating the Strategic Investment Priority Plan (SIPP).

Signed on May 24 of last year, the SIPP is the country's investment plan containing the list of priority activities for investment promotion and facilitation supported through fiscal and non-fiscal incentives as provided in the CREATE Act.

The exploration of metallic resources is listed under Tier 1 (Special Laws) which is limited only to capital equipment incentives. On the other hand, green metals processing is listed under Tier 2, where activities cover environment, health, food security, industrial value-chain, and defense-related activities.

The SIPP guarantees higher incentives (Tier 2) for registered business enterprises located farther from metropolitan areas and the highest tier (Tier 3), where projects or activities involve research and development applications and highly advanced technologies.

With our genuine collaboration and cooperation, I hope we can transform mining into a strategic pillar for achieving the country's national economic and social development goals.

Together, we can harness the wealth beneath our soil, drive economic growth, create jobs, and uplift communities.

In closing, the opportunity before us is grand and multi-dimensional. The metals under our soil can be the keys to a kingdom of economic opportunities, social progress, and national pride. Let us seize this moment wisely and responsibly for our generation and the generations to come.

With our shared vision and collaborative spirit, I am optimistic that we can revolutionize mining into a strategic cornerstone for the Philippines' national economic and social objectives. Together, let's unearth the vast wealth beneath our soil to fuel economic growth, generate meaningful employment, and elevate the lives of our communities.

Thank you for your attention. I wish each one of you an enjoyable afternoon. Let's make history together.