A woman in a yellow safety vest and face mask is washing her hands at a public water station. The background shows other people in similar attire, suggesting a busy, possibly outdoor, setting. The text is overlaid on the right side of the image.

# **RESPONDING TO CRISIS: COVID-19 and Its Impacts on Philippine Mining**

**GERARD H. BRIMO**

Chairman, Chamber of Mines of the Philippines

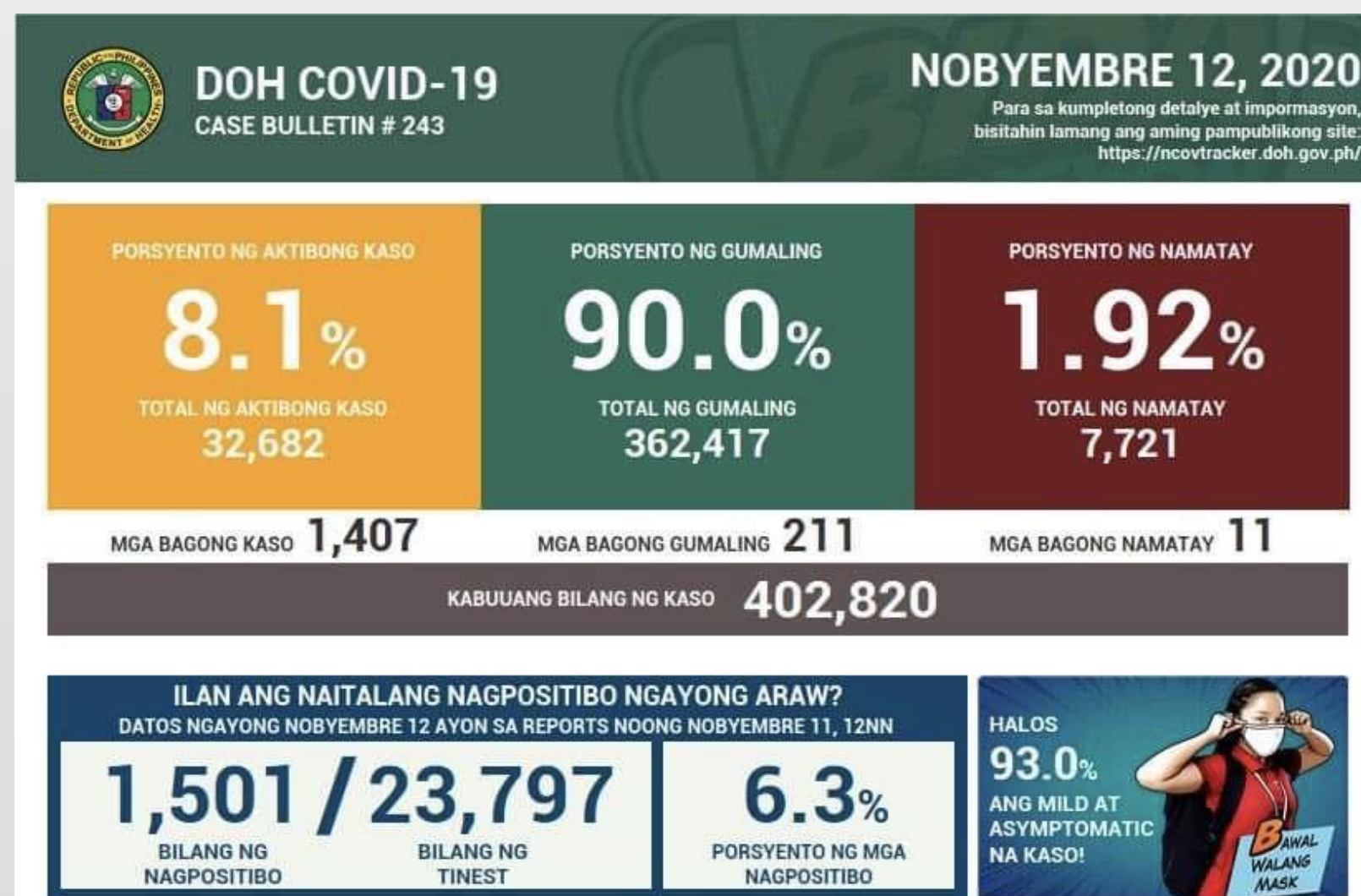


**Chamber of Mines  
of the Philippines**

# PHILIPPINES: Leading COVID-19 incidence in Southeast Asia

Country	Cases	Cases Last 24hr	Deaths	Tests	Recovered	Cases per Million	Population
World	52,289,705	652,716	1,286,926	-	34,017,423	6,704	7,800,000,000
China	91,775	38	4,742	-	86,462	64	1,439,324,000
USA	10,403,745	133,134	241,809	160,865,743	3,997,175	31,431	331,003,000
Indonesia	452,291	4,173	14,933	3,211,592	382,084	1,688	268,000,000
Philippines	402,820	1,404	7,721	5,178,439	362,417	3,840	104,900,000
Vietnam	1,253	1	35	1,260,799	1,093	13	95,540,000
Thailand	3,852	5	60	920,317	3,693	56	69,400,000
Myanmar	65,598	1,145	1,508	690,344	49,563	1,229	53,370,000
Malaysia	43,791	919	303	2,329,033	32,069	1,404	31,200,000
Cambodia	301	0	0	10,438	288	19	16,010,000
Laos	24	0	0	72,130	23	3	6,858,000
Singapore	58,102	11	28	4,066,897	57,990	10,353	5,612,000
Timor Leste	30	0	0	12,239	29	23	1,318,000
Brunei	148	0	3	71,938	145	345	428,607

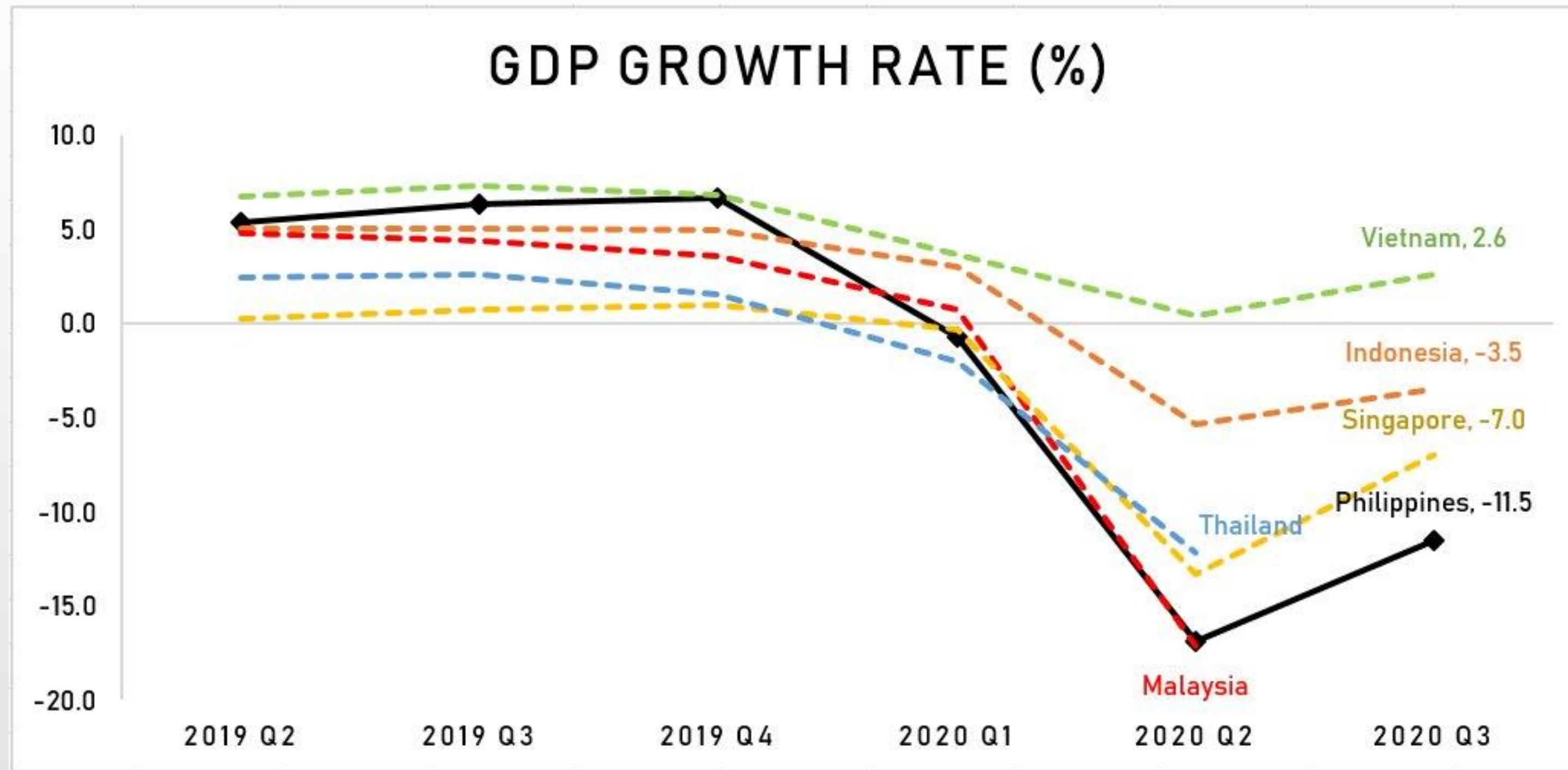
Last Updated: November 12, 2020



- Despite periodic stringent lockdowns and quarantines in certain areas since March 2020, the Philippines has the second highest number of COVID-19 cases in Southeast Asia with over 400,000.
- The Philippines also reported the second highest number of COVID-19 related deaths at 7,721.
- The country currently has 32,600 active cases.



# COVID-19 Impact on Philippine Economy

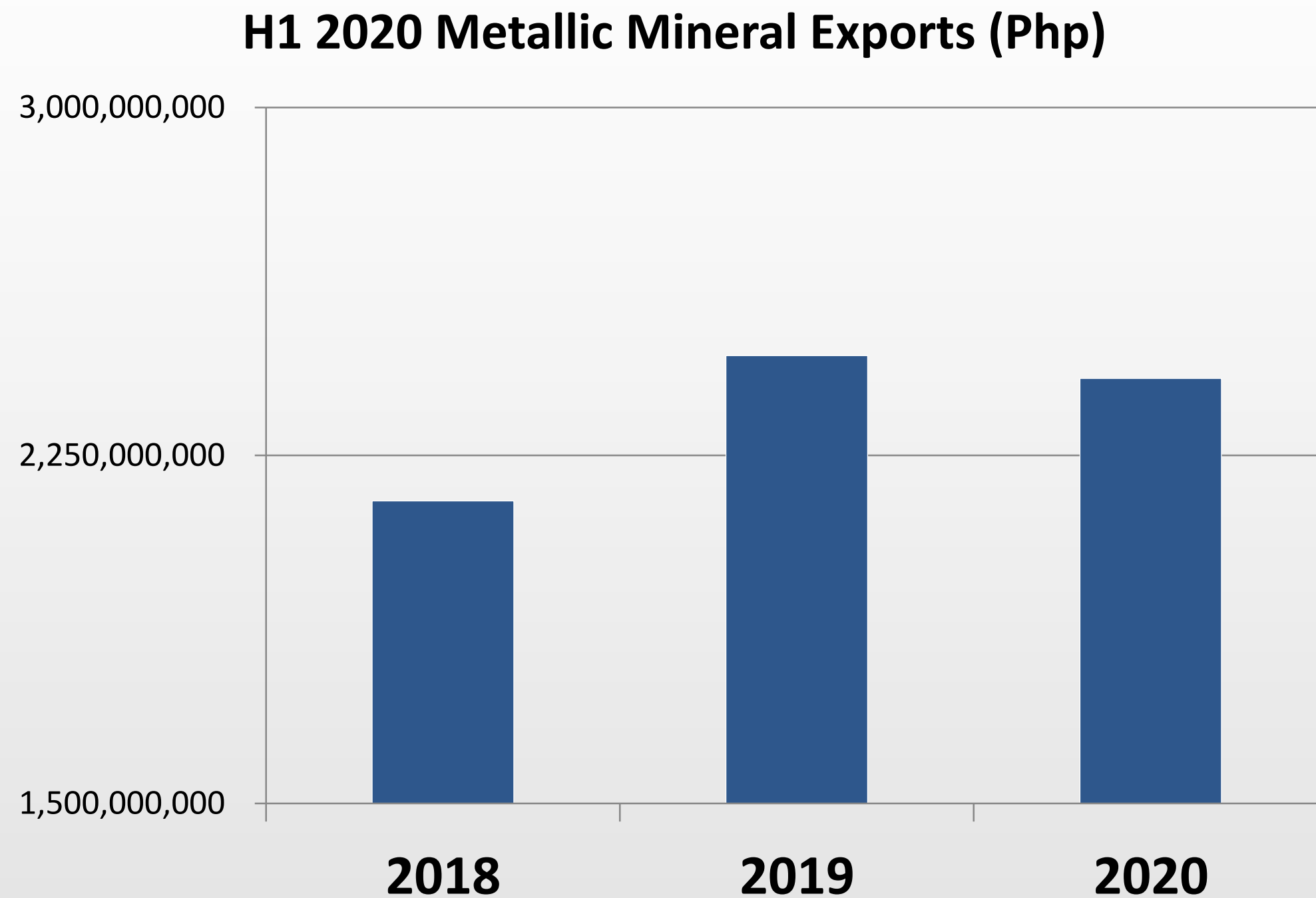


ASEAN GDP Growth Rates 2020

- 11.5% decline in Q3 **Gross Domestic Product**, and a first semester GDP contraction of 9%;
- Country **exports** contracted by 18.6%, dragged by steep decline across all major commodity groups;
- Drop in **OFW remittances** by 6.4% in first five months compared to 2019;



# LOCKDOWN: Impacts on the Mining Industry



Source: Bangko Sentral ng Pilipinas

- Only temporary closure of some large scale operations experienced due to local government directives.
- Mineral exports therefore largely unaffected, declining by only 2%, from US\$2.465B in H12019 to US\$2.416B in H12020, due largely to increase in gold prices.
- Employment in mining also largely unaffected.
- *However, several cases of COVID-19 infections have recently been reported in several mine sites throughout the country.*



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## LOCKDOWN: How mines responded

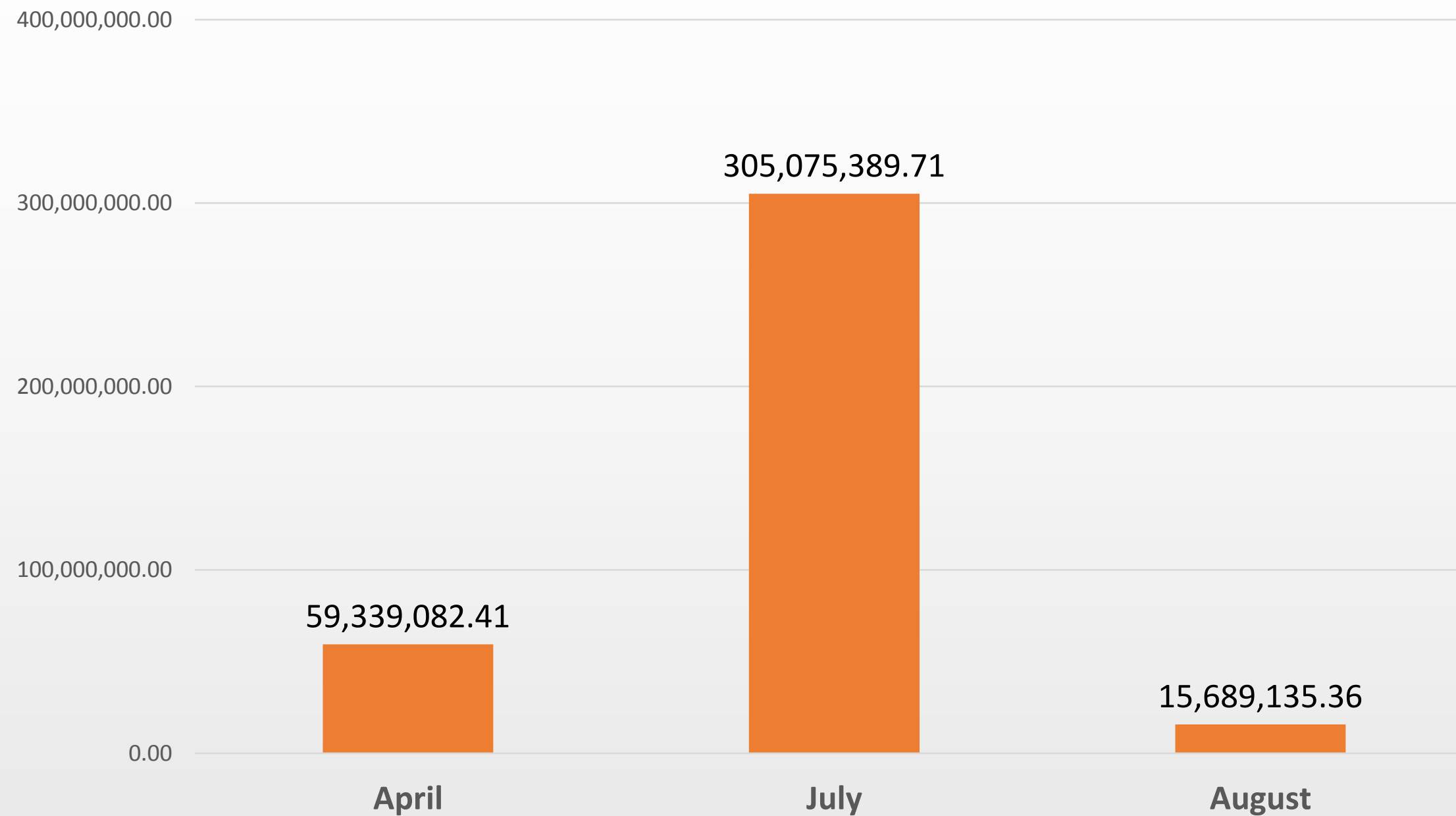


- The Mines & Geosciences Bureau of the Department of Environment and Natural Resources (DENR), *thru the recommendation of the Chamber of Mines of the Philippines*, issued a Memorandum on March 27, 2020, authorizing mining companies to realign their mandated social development funds (1.5% of operating costs) to support affected communities quarantined due to the COVID-19 pandemic.



# LOCKDOWN: How mines responded

COVID-19 ASSISTANCE FROM REALIGNMENT OF SOCIAL DEVELOPMENT FUNDS



- As of August, 2020, mining companies spent over **Php380 million (US\$ 7.8 million)** on:
  - PPEs, disinfectant, and medical supplies;
  - food assistance and supplies for the social amelioration measures benefitting 297,491 frontliners and 1,099,090 households/families living in host communities.

TARGET BENEFICIARIES HELPED	As of August 7
Medical/Public Safety Frontliners	297,491
Households/families	1,099,090

Source: Mines and Geo-sciences Bureau



# PROVIDING DISINFECTANTS, MEDICINE, AND PROTECTIVE EQUIPMENT TO LOCAL COMMUNITIES



OceanGold Phils., Inc.



Philex Mining Corp.



Hinatuan Mining Corp.



PGMC, Inc.



Eramen Minerals, Inc.



FCF Minerals, Inc.

# PROVIDING FOOD, SUPPLIES, AND BASIC NECESSITIES FOR HOST COMMUNITIES



ZDMC, Inc.



Taganito Mining Corp.



FCF Minerals, Inc.



Carmen Copper Corp.



TVIRD, Inc.



Rio Tuba Nickel



# LOOKING FORWARD: Mining policies for post-COVID19 economic recovery

- The Department of Environment & Natural Resources (DENR) and Department of Finance (DOF) have come out with media statements in support of mining to spur economic growth amidst the on-going pandemic and post-COVID.
- Rehabilitation and privatization of government-owned mineral assets foreclosed/abandoned in the 1970s and now held by the Privatization Management Office (PMO) under consideration.
- The pending issue is fixing mining policies and a possible new mining tax regime.

## Privatization of government mining assets 'long overdue'

October 9, 2020 | 12:31 am

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SPOTLIGHT

BusinessWorld

## Revival of mining industry pushed

October 8, 2020 | 12:34 am



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A piece of raw gold is weighed and sold to a dealer in Mount Diwata, Diwalwal on Mindanao island in this Feb. 24, 2008 file photo. — DAVID GREEDY/BLOOMBERG NEWS

THE Finance department is looking to revive the mining industry through the sale of state mining assets and the passage of a long-awaited tax measure, in order to create jobs and generate revenues amid the economic slowdown.

"Definitely, we are pushing for the revival of the mining industry. As I keep on mentioning, the mining industry provides jobs in areas where there are no other alternative jobs. So we will be pushing for revival of the mining industry because they provide good jobs in the rural areas," Finance Secretary Carlos G. Dominguez III told the Philippine Business Conference & Expo organized by the Philippine Chamber of Commerce and Industry (PCCI).

SPOTLIGHT



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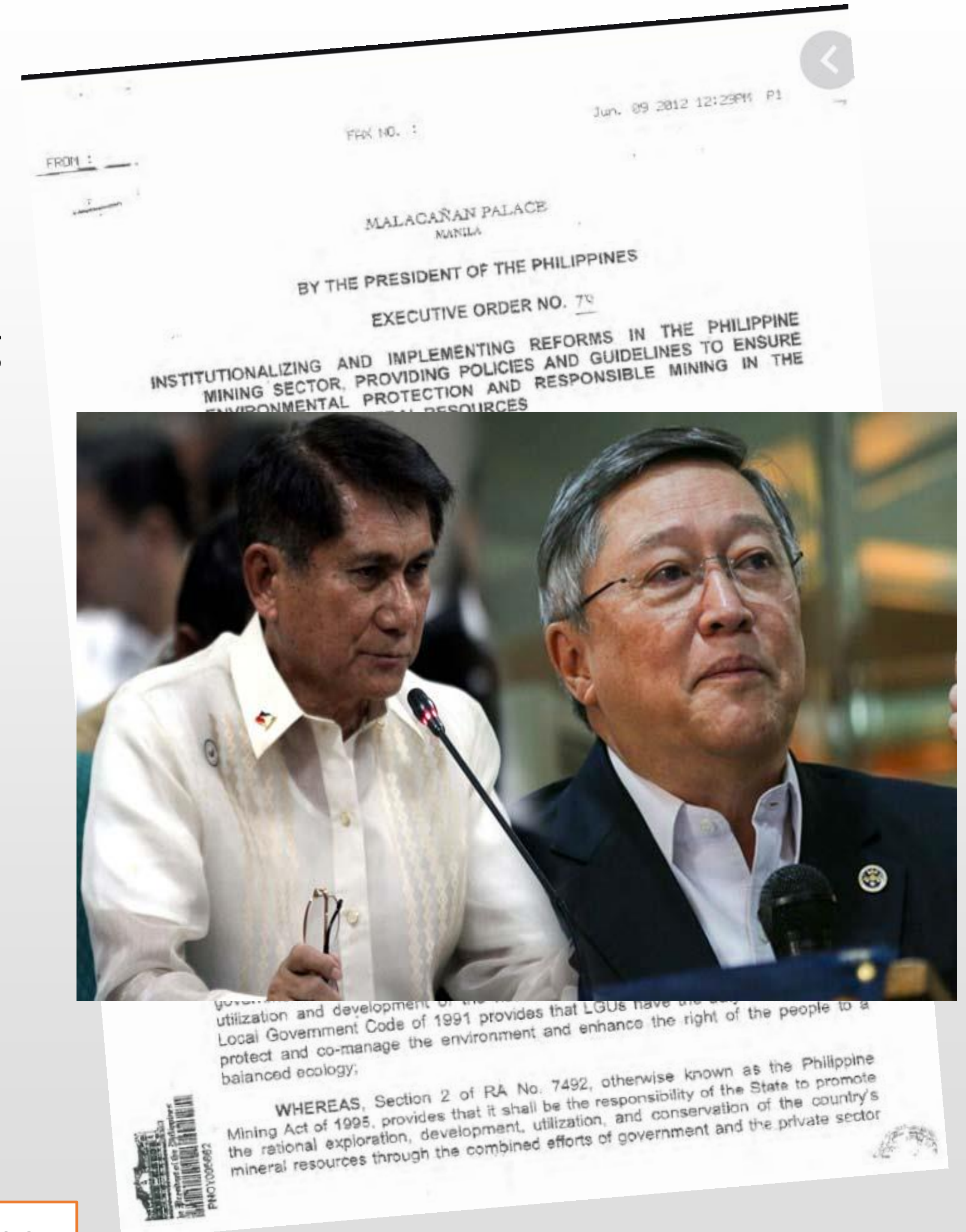


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# LOOKING FORWARD: Mining policies for post-COVID19 economic recovery

- Three problematic policies that have stifled the growth of the industry are being reviewed by the DOF and DENR:
  - **Lifting of the moratorium on new mineral agreements** imposed under Presidential Executive Order No. 79 (2012) until new mining taxes are legislated (Note: the Excise Tax on mineral products had increased to 4% of gross revenues under legislation passed in 2017).
  - **Lifting the ban on the open pit mining** method by repealing Department Order 2017-10 issued by former DENR Secretary Gina Lopez.
  - **Resolve suspension orders** issued by former DENR Secretary Lopez and pending in the Office of the President after compliance with any corrective measures recommended by the Mineral Industry Coordinating Council (MICC).

**Also under review is the renewal of the FTAA of Oceana Gold Philippines, Inc.**



# LOOKING FORWARD: Mining policies for post-COVID19 economic recovery



In December 2017, recognizing that the industry needs to demonstrate world-class practices, the Chamber of Mines agreed to implement the **TOWARDS SUSTAINABLE MINING (TSM)** program developed by the Mining Association of Canada (MAC) and make it mandatory to its member companies.

TSM is a performance system that helps mining companies evaluate and manage their environmental and social responsibilities. Apart from Canada, TSM is currently being implemented by six (6) other partner countries: Argentina, Botswana, Finland, the Philippines, Spain, and Brazil



2017 Signing Ceremony between the Chamber, officers of the MAC, and witnessed by the DENR Secretary and the Canadian Ambassador.

# TSM Assessment Protocols



Mining companies will self-assess their performance and operations against SEVEN Assessment protocols:

## Communities and People

Safety and Health

Community and IP Engagement

Crisis Management and Communications

Child and Forced Labor

## Environmental Stewardship

Tailings Management

Water Management

Biodiversity Conservation Management

- Companies assess themselves against the protocols using a defined grading criteria (*Rating System: C, B, A, AA, AAA*).
- Project sites submit their self-assessment results/reports annually to the Chamber of Mines.
- The Chamber of Mines publishes the self-assessment grades and reports.
- An independent verifier is engaged every three years to perform external verification of self-assessments.
- A 15-man independent Community of Interest (COI) panel performs oversight and policy functions and conducts random yearly interviews.

In 2020, the Chamber decided to defer implementation of the tailings management protocol pending the finalization of the ICMM Global Standard on Tailings Management.

# TSM Rollout



- In spite of the ongoing pandemic, TSM was rolled out to COMP members in Mindanao and Luzon-Visayas in August and September, respectively.
- Messages of support were expressed by Canadian Ambassador Peter MacArthur, DENR ASec. Nitz Caguioa, MGB Dir. Dodo Moncano, and 14 MGB Regional Directors.
- Total of >200 representatives from COMP member firms participated.



Thank you.

**Chamber of Mines of the Philippines, Inc.**

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