

# Miners see no clarity on industry policy from 2022 candidates

By Luisa Maria Jacinta C. Jocson

THE CHAMBER of Mines of the Philippines (CoMP) said it is not clear on whether mining policy implemented by the current government will enjoy any continuity in the succeeding administration in the absence of clear intentions expressed by the 2022 Presidential candidates.

"We have yet to hear a clear minerals development policy or strategy from any of the Presidential candidates. All candidates should develop a long-term minerals development policy as many future technologies (renewable energy, batteries, EVs, computers, etc.) all depend on scarce minerals, and securing these will be critical," CoMP Executive Director Ronald S. Recidoro said in an e-mail interview.

"The mining industry has always looked at changes in administration with cautious optimism. This is particularly true of the 2022 national elections, considering the policy gains we have secured in the last two years," he added. "We would like to ensure that these gains are sustained under the next administration, and that its fruits — increased socio-economic contribution from mining — are felt by the Filipino people."

On Dec. 23, the four-year ban on open-pit mining was lifted by Department of Environment and Natural Resources (DENR). Its Department Administrative Order (DAO) 2021-40 repeals the 2017 order issued by the late Environment Secretary Regina L. Lopez.

DAO 2017-10 banned open-pit mining, noting that "most of the mining disasters in the country were due to tailings spills associated with open-pit mining."

Mr. Recidoro said the current government is taking the steps in the right direction.

"We think the (current) administration was right in making these policy corrections. With regulatory safeguards now firmly in place, and an improved fiscal regime being implemented, the time was right to allow new mines to come onstream. We can only hope that the new administration will see it fit to continue and build upon these reforms," he said.

In April, the government lifted the nine-year moratorium on granting new mining permits.

"The mining industry under President Rodrigo R. Duterte's administration was a

mixed bag, but which has turned in our favor in the last 12 months. Early in his administration, Mr. Duterte voiced his concern over irresponsible mining practices he had seen while mayor of Davao City. He then appointed Secretary Regina L. Lopez to introduce radical change into how mines were regulated and operated. As a result, suspensions and closure orders were issued, and a ban placed on open-pit mining," Mr. Recidoro said.

At the time, Mr. Recidoro said the excise tax on minerals doubled ahead of the moratorium on new mining permits. He said the industry "suffered tremendously during that time, but we took it as an opportunity to re-examine the industry, effect key environmental, social, and governance (ESG) reforms, and upgrade our capacities and capabilities."

"Like the other mineral-rich countries, we should position the country as a global player and make best economic use of our mineral resources. Given the opportunity, we would be happy to provide the candidates with a briefing on the matter and emphasize the importance of a strong and responsible minerals industry to the country," he added.

The Foundation for Economic Freedom (FEF) said in a statement that the lifting of the ban would boost an economy still reeling from the pandemic by generating government revenue at the national and community level and increasing export revenue to help finance critical capital imports.

"Lifting the ban on open-pit mining will accelerate the growth of the mining industry, which will generate good paying jobs in the countryside and help dent rural unemployment and poverty," the FEF read.

"Any negative effects on the environment can be mitigated with rehabilitation measures and other environmental safeguards that mining companies must adhere to. Open-pit mining is used worldwide and in countries with strict environmental laws, such as the US, Australia, and Canada," the FEF added.

Meanwhile, environmental groups and political parties expressed their opposition to the resumption of open-pit mining, calling it a reversal of Mr. Duterte's election promise.

"Isa na naman itong pangakong napako ng administrasyong Duterte. Sabi niya noong eleksyon na ipapasara ang mga dambuhalang mina na nakasisira sa kalikasan, ngunit ngayon binibigyang-daan ang open-pit mining, ang panghuhuthot sa yamang mineral ng bansa,

ang matinding pagwasak ng mga kabundukan," Bayan Muna Party-list said in a statement.

(This is another promise of the Duterte Administration that was not fulfilled. During the campaign, he said he will have the big mining companies closed. But now, he is giving way to open-pit mining, which damages the environment, robs us of our mineral wealth, and destroys our mountains.)

"Mukhang nais ng administrasyong Duterte na mangolekta ng malaki mula sa kompanya ng mina bago mag-eleksyon kung kaya't ngayon tinanggal itong ban sa open-pit mining," it added.

"It is crystal clear that if the Duterte-Marcos alliance wins the elections in 2022, we can expect more pro-mining policies from government. We must call on the opposition to campaign for the reinstatement of the open-pit mine ban and the moratorium on new mining projects. We call on all pro-environment Filipinos to unite and defeat the pro-mining Duterte-Marcos alliance," Leon A. Dulce, national coordinator of Kalikasan People's Network for the Environment said in an e-mail, referring to the ticket of Presidential candidate Ferdinand R. Marcos, Jr. and his running mate, Davao Mayor Sara Z. Duterte-Carpio.

Anakpawis Party-list and the fisherfolk group Pambansang Lakas ng Kilusang Mammalakaya ng Pilipinas also warned of major environmental consequences of the return of open-pit mining in a joint statement.

"The resumption of open-pit mining is (brining) our environment towards a major disaster in the making. The country's productive agricultural and fisheries resources will be sacrificed for this extreme greed for profit of mining corporations at the cost of the people's socio-economic rights, national patrimony, and sound and sustainable environment. Moreover, this order is a betrayal of the people who continue to defend their livelihood and rights to a healthy ecology," the statement read.

"As a result of the nickel tailings, traditional fish species that used to thrive in the municipal waters have become extinct. Moreover, the tailings have destroyed several reefs that used to be the breeding grounds of fish. Until now, those big mining companies responsible for the degradation of fishing waters have yet to compensate the affected fishing communities," it added.

## Dominguez proposes shorter school holidays

FINANCE Secretary Carlos G. Dominguez III said reduced school holidays could help students make up for the shortcomings of pandemic-era schooling, such as the absence of face-to-face lessons.

At a briefing in December, he said the drastic reduction in in-person school hours will have long-term effects because it reduces the earnings potential of future graduates.

"That is economic scarring, I think, that will potentially hit us in the future," he said.

"I'm not an education expert, so I really don't know, but we do have to catch up for those lost two years."

Schools stopped running face-to-face classes in 2020 to deal with lockdowns designed to curb the spread of the coronavirus disease 2019 (COVID-19).

Socioeconomic Planning Secretary Karl Kendrick T. Chua has said that the unavailability of face-to-face schooling could cost the country P11 trillion in lost wages over the next four decades.

The Philippines was the last country to return to in-person classes, which are being piloted by a handful of schools. The Department of Education plans an expanded reopening this year.

Moody's Investors Service in July 2021 said that the Philippines could face deep economic scarring over the long-lasting effects of the pandemic.

This scarring, it said, may manifest in the labor market and poverty levels.

In response, Mr. Dominguez said the economy is headed to a "strong and early recovery."

"Improvements in our macroeconomic indicators were driven by government policies that further reopened the economy safely, including more targeted and granular lockdowns, accelerated vaccination drives and more mobility for vaccinated individuals.

The government recently raised its gross domestic product projection for 2021 to 5.5% after the economy grew 7.1% third quarter last year after lockdowns declared to curb a Delta-driven surge in cases.

Economic managers retained the 7-9% growth target for 2022.

The government announced that Metro Manila will return on Monday to Alert Level 3, a stricter form of lockdown, to curb a recent spike in COVID-19 cases.

The economy declined by a revised 9.6% in 2020. — **Janina P. Ibañez**

## RCEP delay risks PHL exclusion from markets, exporters say

THE DELAY in ratifying the Regional Comprehensive Economic Partnership (RCEP) treaty risks freezing the Philippines out of a massive market, exporters warned.

RCEP, which took effect on Jan. 1, is a free trade agreement among ASEAN countries, Australia, China, Japan, South Korea, and New Zealand. The Senate went into recess without ratifying RCEP before the year ended.

Sergio R. Ortiz-Luis, Jr., Philippine Exporters Confederation, Inc. (Philexport) president, said in a phone interview that the Philippine entry into the trading bloc will be delayed by a few months.

"The biggest argument is we will be shut out from the market. We will not be a priority. It is difficult to be shut out. That is the biggest worry," Mr. Ortiz-Luis said.

"We hope that the delay will not take long. But I think it will delay the process for us by a few months," he added.

RCEP is being opposed by the agriculture industry, which fears a surge in imports, lower prices, and the displacement of domestic producers.

Philexport supports ratification, deeming it beneficial to employment and livelihood.

Mr. Ortiz-Luis warned that any further delay in ratifying RCEP will reduce the Philippines' share of regional trade.

"We will eventually notice that the Philippines will be left behind by those participating in RCEP," Mr. Ortiz-Luis said.

Asked to comment on the ratification process, the chairman of the Senate Committee on Foreign Relations, Senator Aquilino L. Pimentel III, said many senators are requesting interpellations. — **Revin Mikhael D. Ochave**

### FULL STORY

Read the full story by scanning the QR code with your smartphone or by typing the link [bit.ly/RCEP010322](https://bit.ly/RCEP010322)

## DTI reports 69 violations of price freeze orders in typhoon zone

THE Department of Trade and Industry (DTI) said it issued 69 show-cause orders to sellers of construction materials who violated price freeze orders in provinces affected by Typhoon Odette (international name: Rai).

The DTI said in a statement on Sunday that it also confiscated overpriced supplies from hard-hit areas like Surigao del Norte.

Items covered by the DTI's price controls include consumer goods, power

generator sets, construction materials, and fuel products.

Trade Secretary Ramon M. Lopez warned alleged profiteers: "Our DTI regional teams and the Consumer Protection Group, in collaboration with the Philippine National Police-Criminal Investigation and Detection Group (PNP-CIDG), have been relentless in this drive to catch... hoarders who are taking advantage of our countrymen who are already

suffering from the damage caused by Typhoon Odette."

The DTI said it recently started distributing livelihood kits to micro-entrepreneurs affected by Typhoon Odette.

The first recipients were 1,036 beneficiaries, including micro, small, and medium enterprises (MSMEs) from Siargao, the Dinagat Islands, Surigao del Norte, Bohol, Cebu, Southern Leyte, Negros Occidental, Negros Oriental, Guimaras, and Iloilo.

"With an initial fund of P8 million readily available for distribution, the program immediately heeded the call of the President to bring government services to the typhoon victims as soon as possible," DTI said.

"This is part of the estimated P150-million fund to bring livelihood kits to around 2,000 beneficiaries per typhoon-affected province, with around P8,000-10,000 per beneficiary, or around P20 million per province," it added. — **Revin Mikhael D. Ochave**

### OPINION

## Transformative Leadership in the year of recovery

For many business leaders, the beginning of this new year will be a time to reflect on the lessons of the past two years and to resolve to take steps to improve their respective organizations. If the global pandemic has taught us anything, it is the need to ensure that our enterprises are strong enough to survive major upheavals and agile enough to adapt and evolve into healthier ones primed for future success.

This is where "future-back" thinking becomes useful. Future-back thinking is all about having a clear purpose and a clear vision of what you want your organization to become and then working backwards and planning for the steps and strategies that will lead to that vision and help make it a reality. It's strategizing for the transformation of your business as it moves toward reaching its potential.

This thinking is even more critical for large, established enterprises, where transformation happens much more slowly and is likely to meet resistance. Every business needs to transform in order to thrive because change and disruption are inevitable.

This becomes even more critical given the encouraging signs of recovery we are beginning to see in our country and economy. While there is a sense of cautious optimism and rising hope that the worst is behind us, leaders understand that obstacles will still arise. However, they also know that there can be no true success without challenges to overcome.

Given the exigencies of our times and the challenges to come in what we all hope will

be the year of recovery, we believe that the need for transformative leadership becomes even more urgent and important than ever. Transformative leadership is a framework that focuses on three value-driving pillars: people, technology, and innovation.

### HUMANS@CENTER

Author and leadership guru Simon Sinek once said, "Business is about people. If you don't know people, you don't know business." Your business would not exist without people, especially the two most important ones: your customers or clients and your employees. Your strategies and long-term vision should have them both at their center. Every decision, every technology implementation, and every product and service must be viewed through the human lens.

Understanding your customer or client is paramount in delivering products and services that will delight them and create compelling value propositions. This is at the core of business success, but it is also critical to recognize the need to adapt to your audience constantly. As society shifts and trends emerge, having the pulse of your base and having a solid understanding of where they are going is essential for planning for the future.

Meanwhile, understanding your own people is just as important. They are more motivated to perform when they see that leadership values them and sees them as humans with real needs instead of replaceable workers. Enacting organizational transformation becomes easier when

we always consider the impact on our people and act accordingly. One such transformation that is necessary for businesses to be future-proof but has a high impact on people's everyday work is new technology implementation.

### TECHNOLOGY@SPEED

Technology can be a great disruptor, but it can also be a great equalizer. Nowadays, technology is a necessity for businesses to be competitive, and because markets can shift quickly and dramatically, rapid technology adoption is an important step that allows your organization to continue creating value for and meeting the ever-evolving needs of customers and clients.

However, as we continue to move forward into a very interconnected world, the issue of trust becomes that much more important as well. Information security and integrity are now at the forefront of conversations regarding technology in business. Speedy implementation without enough attention given to safeguards means taking on undue risk. The balancing act between ease of access and security will need vigilance and constant adjustment.

Internally, successfully leveraging and implementing technology requires upskilling and/or retraining your people. One of the common causes of resistance to this kind of change is the need to learn new things which can be disruptive and gets in the way of people getting their work done.

I am sure that many readers are old enough to remember businesses having to drag their operations kicking and screaming into the internet age. However, as technology never stops

evolving, so should we never stop thinking of how we can make it work for us and make us better. As leaders, technology transformation for your organization can be very tricky and will need you to be patient, understanding, encouraging, and communicative. This is part of making sure your business adopts a culture of growth and innovation.

### INNOVATION@SCALE

For an organization to continuously thrive into the future despite shifts and disruptions, it must have a mindset of impatience and dissatisfaction, and a willingness or even an ardent desire to always seek new and better ways to operate and deliver what customers and clients need.

On the human side of this, leaders should seek to embed the transformative mindset into company culture. Make it intrinsic in how people think and operate and empower them to experiment and take appropriate risks. With innovative thinking as part of company culture, strong resistance to transformation is far less likely.

On the technology side, adoption and implementation should make business sense. Innovation should not be practiced simply for innovation's sake. Thoughtfully scaling technology transformation allows you to learn and adjust as you go. In this way, the human impact is better managed and leveraging new technological capabilities is more effective.

### TRANSFORMING FOR THE FUTURE

The three pillars of people, technology, and innovation each are drivers that create long-term value for stakeholders. Together they comprise

the transformative leadership framework that guides the necessary approach, planning, and strategies to ensure that an organization is built for the future and resilient enough to survive and thrive future disruptions — such as the Great Resignation.

Anthony Klotz, a professor of Texas A&M University, proposed the concept of the Great Resignation. This idea predicts a large portion of the workforce leaving their jobs once the pandemic ends, as it is established that how work is organized and conducted will not return to how it was before the pandemic started. This makes it even more critical for leaders to adopt these value-driving pillars not just to simply retain its employees, but to even potentially bring about a potential resurgence in the constant war for talent. In essence, we believe that by applying the transformative leadership framework to their organizations, business leaders can shift their focus from worrying about the Great Resignation and instead proactively build trust and confidence in order to drive a Great Resurgence in the business.

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