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Vol. XXII, No. 135
Tuesday, February 10, 2009 | MANILA, PHILIPPINES

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Today's Headlines

Mines chamber upbeat on investments

MINING INVESTMENTS could hit \$1.5 billion this year given a possible second-half rise in demand, the Chamber of Mines of the Philippines (CMP) said.

"China is doing its best to move its economy forward so the market demand will be there," said Nelia C. Halcon, CMP executive vice-president, in a telephone interview.

A \$586-billion stimulus package announced by China last year is already being implemented, she said, to be used for various infrastructure projects that will require minerals exported by the Philippines.

The chamber's forecast compares to the Mines and Geosciences Bureau's \$800 million to \$1 billion investment outlook, based on mining project delays traced to the lack of credit.

For instance, Australia's OceanaGold Corp. has shelved the development stage of its Didipio gold and copper project in Nueva Vizcaya after failing to secure \$200 million to start commercial operations.

Late last month Apex Mining Co., the Philippine unit of British miner Crew Gold Corp., laid off 150 workers to rationalize operating and development costs in its southern Mindanao gold mine.

Ms. Halcon said the projects would still push through: "The delayed projects will resume late this year."

However, industry observer Richard Mills, chairman of executive search firm Chalre Associates, said "the projection seems inflated."

"When there is no credit [available for miners] and no one wants commodities, it would be impossible for them to attain that," Mr. Mills said in a telephone interview.

It would even be an achievement if the country nets the same investment level as last year, he said. The government has estimated 2008 outlays as having totalled just \$630 million — way below a \$1-billion target — as mining companies struggled to find funding.

Meanwhile, Ms. Halcon said tighter rules on Indonesian mining may benefit the country as early as this year.

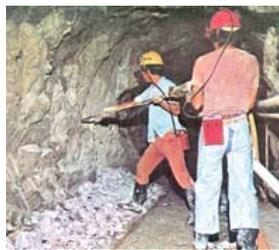
The new law, she said, limits the size of exploration areas, imposes additional mining permits, and requires miners to invest in downstream mineral processing.

"Instead of the foreign investors going there, they may go here," Ms. Halcon said.

She said that over the next two weeks, the CMP would be meeting with bankers and officials of the Philippine Stock Exchange to make financial institutions understand the industry and discuss listing options, respectively.

Mining investments have totalled \$2 billion since 2004 when the Supreme Court allowed complete foreign ownership of mining ventures, government data show.

The Philippines is said to be sitting atop an estimated \$1 trillion worth of unexplored copper, gold, nickel and zinc reserves.



THE COUNTRY'S mineral resources remain largely untapped. — *BW file photo*

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