



Press Statement

10 July 2012

**MBC STATEMENT ON EXECUTIVE ORDER NO. 79
ON REFORMING THE PHILIPPINE MINING SECTOR**

The Makati Business Club welcomes Executive Order No. 79, outlining the Aquino administration's policy on the mining sector. MBC lauds the government's clear designation of "no-go" zones for mining, the renewed drive for an improved sharing of revenues, and the emphasis on the primacy of national laws over local ordinances. We believe that the new EO paves the way towards a reformed and responsible mining industry—one that assures the productive exploration, development, and utilization of the country's minerals, while guaranteeing the people's right to a sustainable environment and a more equitable distribution of wealth.

Nevertheless, in the interest of having a more comprehensive and holistic national framework on mining, as well as to further improve Philippine competitiveness, MBC urges the government to introduce further reforms. For instance, we call on the government to finalize a definitive map that clearly identifies the boundaries of zones not open to mining—those "no-go" zones defined in EO 79. MBC also encourages the government to strongly consider incorporating into national policy global best practices, including internationally accepted environmental standards and models on revenue and benefit sharing, by taking into serious consideration relevant local and international studies on the matter.

While the issuance of EO 79 is surely an important step forward to resolving the bottlenecks that have hampered the full development of the Philippine mining industry, MBC expresses its concern over the continuing moratorium on new mining agreements pending the passage of legislation rationalizing revenue-sharing schemes. While we understand that there may be good reasons for this moratorium, we strongly suggest that this be accompanied by the President's certification of the draft bill as urgent and by expeditious action by our legislators for its passage within 2012 in order to avoid slowdowns to investment inflows that are crucial to the country's aim for inclusive economic growth.

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