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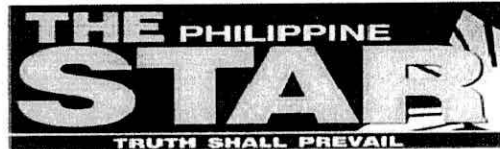
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IN THE NEWS

Strategic Communication and Initiative Service



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Phl mining to remain among Asia's laggard

By **LOUISE MAUREEN SIMEON**

The country's mining industry will continue to underperform this year given the uncertainties in government policies.

Latest report from Fitch Solutions Macro Research, a unit of Fitch Group, showed that the Philippines, alongside Myanmar, continued to underperform and would remain regional laggard in emerging Asia.

Based on Fitch's Asia Mining Risk and Reward index, the Philippines only scored 42.6 out of 100, ranking last out of 13 mineral-rich Asian countries and placing 45th globally.

"The Philippines has been characterized by weak mining reserves,

poor regulatory framework, corruption and increasing resource nationalism," Fitch said.

"Political uncertainty will continue to impinge on growth and especially foreign investment in the Philippines. Rampant income inequality, corruption and political uncertainty, increasing resource nationalism will also hurt the country in the coming years," it added.

Despite the replacement of anti-mining advocate Gina Lopez with Roy Cimatu, Fitch maintained that government regulations on the basis of environmental protection and general policy uncertainty would continue to plague the mining industry in the coming years.

The Philippines has already been left behind as Asia's mining sector continues to boast the greatest rewards globally with positive business environments, rich mineral deposits, supportive infrastructure and political stability in the countries holding the top positions in the mining index.

The Department of Environment and Natural Resources (DENR), however, maintained that the industry might only be able to recover once the second package of the government's tax reform program is passed.

"The provisions of Executive Order 79 regarding moratorium on new mineral agreements is premised on passing of a law regarding new fiscal regime," Environment Undersecretary for Min-

ing Analiza Teh told **The STAR** on the sidelines of the GEF-GOLD Child Project on Thursday.

"It is moving in the Senate so we are hoping that once the moratorium has been lifted, big investments will be opened up," she added.

The DENR is already letting the Department of Finance (DOF) take over all decisions regarding the taxation of the industry which will pave the way for the lifting of the moratorium on new mineral agreements.

It remains optimistic that once TRAIN 2 or the Tax Reform for Attracting Better and High-quality Opportunities (TRABAHO) Bill is passed, new mining projects will eventually be approved because that

is the only condition on the lifting of the moratorium on the processing of mining agreements.

The EO provides that a moratorium on new mineral agreements should be implemented until a legislation rationalizing existing revenue sharing schemes and mechanisms have taken effect.

However, the DOF clarified that TRAIN only increased the excise taxes on mineral products, and did not fully incorporate a new fiscal regime for mining.

House Bill 8400 has already been approved by the House of Representatives on third and final reading. The bill was transmitted to the Senate last November.



Mining industry worst in Asia for risk-reward balance despite DENR changes, Fitch says

THE Philippine mining industry is expected to continue to underperform in Asia as a result of weakening reserves, a poor regulatory framework, corruption, and increasing resource nationalism, a Fitch research unit said.

The Philippines was rated 13th in Fitch Solutions Macro Research's Outlook for Asia's Mining Sector report released Thursday. The report covers 13 countries and measures a country's mining risk and reward.

The Philippine score was 42.6, graded at 46.5 for rewards and 36.7 for risks.

It said one of the factors that affected the results were the uncertainty surrounding environmental policy, as well as corruption.

The uncertainty persists despite the replacement of former Department of Environment and Natural Resources (DENR) Secretary Regina Paz L. Lopez with Roy A. Cimatu in 2017.

"In the case of the Philippines, despite the replacement of anti-mining Environmental Minister Gina Lopez with the more accommodating Roy Cimatu in 2017, government regulations on the basis of environmental protection and general policy uncertainty will continue to plague the mining industry in the coming years. The country scores 42.6 in our Asia Mining Risk/Reward Index and is placed last out of 13 Asian countries, (unchanged) from last quarter," the report explained.

President Rodrigo R. Duterte appointed Ms. Lopez in June 2016. She implemented an uncompromising environment-focused policy on the mining industry and ordered the suspension of many major miners in early 2017.

In May 2018 the Commission on Appointments rejected her appointment, bringing on Mr. Cimatu. A number of metal miners were able to resume operations, but the ban on open-pit mining remains.

In 2012, President Benigno S.C. Aquino III signed Executive Order 79, which suspended the permit process for miners pending a new fiscal regime for the industry with a revenue split that was more favorable to the government.

President Duterte also ordered a move to increase domestic processing of nickel in 2016 to allow the Philippines to capture more value from its ores rather than ship them to China and Japan for processing.

Asked to comment, Mines and Geosciences Bureau (MGB) Director Wilfredo G. Moncano told *BusinessWorld* that he contests Fitch's findings.

Weakening reserves "may be true for one or at the most two mines but, overall mineral reserves ready to be developed are in fact increasing. Three of the priority mines for development once the new fiscal regime is put in place via the approval of TRABAHO Bill will

increase the reserves of gold and copper."

He add that the DENR and the MGB have been seeking ways to streamline the approval process for mining companies and which could start showing results by the second half of the year.

"The DENR and MGB are undertaking the review of the regulatory framework with the end of streamlining and reducing the steps, period of approval, documentary requirements and signatories in line with the Ease of Doing Business Act. The streamlining should be in place by 2nd half of the year," he said in a text message.

On corruption, Mr. Moncano said: "There may be a few bad eggs left in the bureau, but their irregular acts have been largely controlled. Employees have been investigated. Also, Regional Directors are rotated to other regions to prevent or reduce corruption." — **Vincent Mariel P. Galang**



PH still at bottom of BMI's Q1 mining index

BY EIREENE JAIREE GOMEZ

THE Philippines continues to languish at the bottom of the Business Monitor International (BMI) Research's Asia Mining Risk/Reward Index for the first quarter of 2019 due to policy uncertainty seen to hit against growth and investments in the country's mining industry in the coming years.

In a report released on Thursday, the Fitch Group unit said the Philippines is a regional laggard, scoring 42.6 out of 100 in the index it created to track mining risk and rewards. The average for Asian countries is 55.1.

Along with Myanmar, which scored 45.5, the Philippines would "continue to underperform," in the Asia region, the Fitch group said. "[These] two countries are characterised by

weak mining reserves, poor regulatory framework, corruption and increasing resource nationalism," it added.

The BMI said rampant income inequality, corruption and political uncertainty, increasing resource nationalism would also hurt the local mining industry in the coming years.

"[D]espite the replacement of anti-mining Environmental Minister Gina Lopez with more accommodating Roy

Cimatu in 2017, government regulations on the basis of environmental protection and general policy uncertainty will continue to plague the mining industry in the coming years," BMI said.

Industry and political problems loomed the local mining industry since the term of President Benigno Aquino 3rd who signed the Executive Order 79 in 2012 that banned nationwide the grant of mining permits until a new mining revenue-sharing scheme is legislated. In her first memorandum order, Lopez also ordered a freeze on the acceptance, processing and approval of applications for both metallic and nonmetallic mines.

Last month, the Department of Finance (DoF) proposed that all existing taxes and fees on the mining industry and a

royalty of 5 percent on gross output paid to the government on all mining operations shall be retained for all mining operations.

Revenues from the royalty for mining operations, whether large-scale or small; metallic or non-metallic minerals extraction; or located inside or outside of mineral reservations, was seen to bring in an estimated P7.2 billion in incremental revenues.

Meanwhile, the BMI report showed that Australia topped the index, which scored 76.5, on the back of positive business environment, rich mineral deposits and supportive infrastructure.

It was followed by Mongolia, Malaysia, India, Indonesia and Vietnam. Completing the list are Japan, Thailand, South Korea, China, Laos, Myanmar and the Philippines.



Private firms helping restore Boracay

BY **TARA YAP**

ILOILO CITY—The Department of Environment and Natural Resources (DENR) welcomes the participation of several private firms in the government's efforts to rehabilitate Boracay Island in Aklan.

DENR Secretary Roy Cimatu recently signed memorandums of agreement (MOAs) with Coca-Cola Beverages Philippines Inc. and JG Summit Petrochemical Corp. (JGSPC) acknowledging their contributions in cleaning up the resort island.

Coca-Cola donated a surf rake or a tractor-towed beach cleaner, while

JGSPC is bringing back to life one of Boracay's wetlands.

Instead of manual work, the surf rake can regularly clean the stretch of the famous white-sand beach. It can capture small objects such as broken glass, plastic, syringes, sea grass, or seaweed.

JGSPC is reviving for a three-year period Boracay's Wetland No. 8, the 1.8-hectare area in Manoc-Manoc village.

DENR Regional Director Francisco Milla Jr. said DENR has partner-

ships with major companies, which are aimed to help sustain the work that was started last year.

DENR also has partnerships for Bora-

cay's wetland rehabilitation with Energy Development Corp., San Miguel Corp., Aboitiz Equity Ventures, and Boracay Tubi System Inc.



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SECOND MARINE ANIMAL THAT BEACHED IN SOUTHERN LUZON IN A WEEK

WHALE DIES IN 'DEEP PAIN' AFTER INGESTING PLASTIC TRASH

By Maricar Cinco
@maricarcincoINQ

SAN PEDRO CITY—About a half kilogram of garbage, mostly discarded food packs, foil wrappers and hard plastic pieces from a furniture, was found “blocking” the stomach of a pygmy sperm whale (*Kogia breviceps*) that died 10 hours after it washed ashore in Calaca town in Batangas province.

It was the second marine animal that beached and died shortly this week after a pantropical spotted dolphin (*Stenella attenuata*) was stranded in Padre Burgos town, Quezon province, on April 9.

Fishermen in Calaca found the female pygmy, about 2.6 meters (8.6 feet) long and 150 to 200 kilograms, on April 10 in Barangay Putingbato.

Vulnerable

The animal kept “rotating 180 degrees” in water that suggested it was in “deep pain” and discomfort, said Marco Espiritu, a Bureau of Fisheries and Aquatic Resources (BFAR) veterinarian in Cavite, Laguna, Batangas, Rizal and Quezon region.

“When we saw it, we already had the feeling it wouldn’t make it. But still, we tried rehabilitating it (by) giving it vitamins,” Espiritu told the Inquirer by telephone on Thursday.

Espiritu conducted the



KILLER PLASTICS Plastic wrappers and trash (above) were pulled out of the belly of a pygmy sperm whale (left) that beached in the Batangas town of Calaca on April 10. It died while undergoing treatment on April 11. —PHOTOS COURTESY OF THE BUREAU OF FISHERIES AND AQUATIC RESOURCES

necropsy and said the whale, aside from “plastic impaction,” suffered from severe parasitic infection as he also found roundworms in its body.

The whale also bore bite marks from cookie-cutter sharks (*Isistius brasiliensis*).

Espiritu said the plastic prevented the whale from digesting any more food, rendering it “weak and vulnerable” to shark attacks.

Tricky case

He said the whale may have come from the West Philippine Sea although the species is widely distributed in the Philippines and a “com-

mon strander,” just like the spotted dolphin found on the shore at Barangay Marao in Padre Burgos.

“(The dolphin’s) a tricky case because we found its stomach empty, meaning it had not eaten for two to three weeks,” Espiritu said.

The BFAR even tried to re-float the female dolphin, which weighed 60 to 70 kg and was about 1.98-meter-long (6.5-foot-long), before it died. They took specimen samples from both marine animals for further tests.

In March, a male Cuvier’s beaked whale (*Ziphius cavirostris*) also beached and died in Compostela Valley, with 40 kg of plas-

tic trash found in its stomach.

Espiritu said the stranding of two marine mammals in Southern Luzon in a week may have just been a “coincidence,” although he noted an increase in the number of marine wildlife that had died after ingesting plastic since the year began.

“This says a lot about environmental pollution,” Espiritu said.

Environmental group Greenpeace earlier said at least three whales and a dolphin had died in Davao Gulf, while a number of whales, dolphins and turtles had suffered the same fate in Thailand and Indonesia. INQ



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CENTRAL VISAYAS: CEBU CITY

Can Cebu become the country's 1st single-use plastic-free city? Public hearing set on April 30

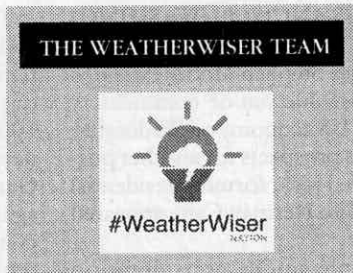
THE CEBU City Council is set to hold a public hearing on April 30 for a proposed law that will ban the use of a wide range of single-use plastic products. Among those invited to attend are representatives from the Cebu Chamber of Commerce, Inc., plastic manufacturers, fast food chains, and public market vendors, among others. Last Tuesday, the council approved the recommendation of its environment committee on the proposed ordinance of Councilors Eduardo Rama R. Jr. and Raymond Alvin N. Garcia. "The proposed ordinance prohibits the sale and use of single-use plastic products such as plastic bags, straw, coffee stirrer, soda and water bottles, food packaging and the like," reads a portion of the committee report. Councilor Jerry L. Guardo, environment committee chair, said the proposed law will be good for nature and help in the city's waste management, but they also need to consider the affected industries. Under the proposal, the Cebu City Environment and Natural Resources Office will draw up a three-year phase-out plan once the ordinance is approved. A similar pending proposal, authored by Councilor Eugenio F. Gabuya, Jr., sets an immediate implementation of the single-use plastic ban. — *The Freeman*





What we need to know about the El Niño cycle

WE have heard many times about the onslaught of El Niño. The tumultuous issues on water supply have made it to the headlines, and the ongoing drought widely felt across the Philippines has become part of daily conversations. Counting the cost of El Niño's impact will run into billions of pesos, particularly in the most vulnerable sectors.



We have to establish a greater understanding of these climate extremes; what it can do to our weather, and how it affects us in the coming months. An important factor to consider in all this is the so-called El Niño Southern Oscillation (ENSO).

The United States' National Oceanic and Atmospheric Administration defines ENSO as "a recurring climate pattern involving changes in the temperature of waters in the central and eastern tropical Pacific Ocean." This has a direct impact on the earth's climate, with cycles of searing droughts and destructive floods affecting millions of people around the globe every year. These climate extremes have resulted in calamitous weather-related events, the spread of disease, and disruptions in the global food supply. ENSO has three phases: neutral phase, La Niña and El Niño.

Neutral phase

Trade winds steadily blow from the tropical Pacific from east to west, gathering warm waters in the Western Pacific. In contrast, water temperature going to the east becomes cooler as trade winds cool the water drawn up below the sea surface. The temperature difference across the tropical Pacific Ocean causes the air to rise north of the northwest Pacific and descend near South America. This creates a huge connected cycle called the "Walker circulation." Neutral episodes are considered the normal phase in half of the ENSO cycles. While this brings normal weather for the Philippines, drought and floods cannot be ruled out in the equation.

La Niña

At this point, trade winds blow in harder, the equivalent of a neutral phase intensifying and expanding the warm pool of waters of the tropical Pacific across the equatorial regions of the Philippines, Indonesia, Papua New Guinea, and the South Pacific island nations, including north of Australia, and cooling the waters off toward South America. This increases the east to west temperature difference and strengthens the Walker circulation as the trade winds push even harder, otherwise known as the "feedback loop." Its impact on the climate pattern is largely felt at the beginning of the rainy season and well into the dry season of the following year. With the higher rate of convection and evaporation along the northwest Pacific side, more clouds and rain can be expected along the Western Pacific. As for the Philippines, this will translate to higher risk of devastating floods, lower daytime temperatures, and frequent tropical cyclones, many of which are already within the Philippine area of responsibility.

El Niño

El Niño is almost the direct opposite of La Niña, with trade winds weakening or reversing, allowing warmer waters to drift back toward the east. The change in the ocean temperature patterns results in the Walker circulation breaking down, resulting in even weaker trade winds and a higher tendency of more warming in the east. Once this feedback begins, El Niño has set in. With warm water shifting east, evaporation, clouds, and rain follow, shifting away from the equatorial Western Pacific. This will result in below average rainfall for the region, with greater risks of severe drought, higher temperatures, and more heat waves for northern and eastern Australia.

Although heat waves are not common in the Philippines, daytime temperatures during the hot-dry season (March to May) will reach its peak end of April through May, ranging from 34-38°C at most, and the apparent temperature perceived by the body, the "heat index," increases depending on the amount of moisture in the air. Normally, El Niño translates in many stronger typhoons for the Pacific Northwest since these tropical cyclones emanate from the warm tropical Pacific Ocean but are significantly less through the later part of the year.

The Philippine Atmospheric, Geophysical and Astronomical Services Administration already declared the hot dry season last month and the effects of the ongoing El Niño in the tropical Pacific has become more apparent. More serious water conservation efforts have to be done to cushion the impact on our dwindling water supply levels in various dam facilities around the country, particularly in Luzon. The situation definitely requires the combined support from the public, the government, and non-governmental organizations.

The implications of drought conditions may still be in its infancy stage today, but experts from the agency have raised concerns of more misery in the coming months. It will take a while before water supply levels will return to normal, and this won't be possible until the rainy season sets in by mid-June.

We have to learn to adapt, despite being powerless to these elements before it hits our most vulnerable communities. Stay #WeatherWiser!



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PH CAVE DISCOVERY: MEET 'HOMO LUZONENSIS'

By Melvin Gascon
@melvingasconINQ

Thirteen fossil bones and teeth excavated in a cave in the Philippines represent an enigmatic previously unknown human species, probably small in stature and possessing an unexpected mix of archaic and modern traits, scientists said on Wednesday.

The discovery of the remains of at least three individuals from this species, named *Homo luzonensis*, in Callao Cave in northern Luzon marked the second time in the 21st century that a bygone member of the human family has been found on southeast Asian islands.

A team of scientists from the University of the Philippines (UP) found the fossilized remains in Peñablanca, Cagayan province, in 2007, 2011 and 2015. They were unable to extract DNA but did determine that one of the individuals lived 67,000 years ago

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and the other, 50,000 years ago.

"This discovery for me is our contribution to the Filipino people, our contribution to our Filipino heritage and to world heritage," said UP professor Armand Salvador Mijares, leader of the Callao Archaeological Project.

The fossils are the earliest known human remains in the Philippines, even preceding the first *Homo sapiens* dated to 30,000 to 40,000 years ago discovered on Palawan Island, according to Mijares.

In 2003, fossils of another island-dwelling species—*Homo floresiensis*, dubbed the "hobbit" due to its diminutive size—were unearthed in a cave on the Indonesian island of Flores, some 3,000 kilometers from the Luzon site.

There is no indication the two species interacted or were closely related.

Contemporaries

H. luzonensis was a contemporary not only of the "hobbit" but of our own species, *H. sapiens*, which emerged in Africa roughly 300,000 years ago.

The scientists said they could not rule out the possibility that the arrival of our species in the region contributed to the demise of *H. luzonensis*.

The "hobbit" also disappeared about 50,000 years ago at the same time *H. sapiens* was spreading through the region.

The Luzon and Flores discoveries demonstrate that the story of human evolution is more complicated than previously understood, with Asia offering up surprises, potentially with more to come, the researchers said.

'Mythical cave man'

"(This archaeological find) highlights a singular mosaic of morphological characteristics that differentiates *Homo luzonensis* from other species of the genus *Homo* and underlines the major role played by Island Southeast Asia in the evolutionary history of hominins," Mijares said.

The fossils, which scientists named "Ubag" derived from a mythical caveman, were dug up from a supposed "sedimentary level" just about 3 meters below the ground surface of Callao's cave floor.

Before the confirmed discovery of *H. luzonensis* as a new human species, scientists referred to the fossils found in the cave as the "Callao Man."

Analyses of the bones, using 3D imaging methods and geometric morphometrics, show that *H. luzonensis* has a mix of "very primitive" physical features similar to *Australopithecus* and also "very modern," close to *H. sapiens*.

"This singular combination of characters clearly distinguishes it from other representatives of the genus *Homo*, especially the species known in Southeast Asia, such as *Homo sapiens* and *Homo floresiensis*," Mijares said.

Curved finger, toe bones

Scientists noted the *H. luzonensis*' curved finger and toe bones, which supposedly suggested that climbing was still an important activity for

this species.

"That is part of adaptation, as humans are known to have to ability to adapt to our environment," he said in an interview.

Funded by grants from the UP and foreign donors, Mijares carried out the archaeological study along with Florent Détroit of the National Museum of Natural History in Paris, Australian zooarchaeologist Philip Piper and geochronologist Rainer Grün.

According to Mijares, the discovery of *H. luzonensis* highlights the importance of Southeast Asia as an evolutionary region, and sets up the Philippines as a major area for evolutionary research.

It, however, also raised more questions, Mijares said, such as the mystery on the species' lineage, how and when its people reached Luzon Island.

Mode of arrival

The team said the *H. luzonensis* was believed to have arrived on the island either

through a "directed, interisland crossing" or by means of "accidental crossing," such as getting swept off by a big tsunami.

How big were they?

The researchers were circumspect in describing the physical appearance and lifestyle of *H. luzonensis*, known only from a sparse assemblage of hand and foot bones, and teeth from two adults and one juvenile, with no skull fossils.

Based on tooth size in particular, it appears it might have been much smaller than *H. sapiens*, but it is unclear whether it was as little as the "hobbit," which was roughly 1-meter tall.

"We have to stay cautious about it, especially because people will immediately have *Homo floresiensis* in mind as a 'model' for the physical appearance of *Homo luzonensis*, which was certainly not the case," said Détroit, a paleoanthropologist.

Stone tools, meat

"We can only speculate but it might be only in the range of a pygmy *Homo sapiens*," Mijares said.

The research was published


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PH Cave Discovery: ~~At~~ Meet "Homo luzonenses"

in the journal Nature.

Based on animal bones with butchering marks found at the site, it appears these people ate meat and may have used stone tools, Detroit said.

The fossils from the seven-chamber cave boasted a combination of anatomical features setting it apart from other human species.

There's no sign that H. luzonensis encountered any other member of the Homo group, Detroit said in an e-mail.

Our species isn't known to have reached the Philippines until thousands of years after the age of the bones, he said.

Butchered rhino

But a human relative was on Luzon more than 700,000 years ago, as indicated by the presence of stone tools and a butchered rhino dating to that time, according to Detroit.

It might have been the new-found species or an ancestor of it, he said.

More diggings and better protection of the popular limestone cave complex where the remains were unearthed are planned. —WITH REPORTS FROM

REUTERS AND AP INQ