**Duterte admin should go beyond responsible mining**

If the Philippines is to maximize the potential of its vast minerals, the incoming Duterte administration should push for better governance in the mining industry.

Bantay Kita strongly urges the next administration to raise mining taxes and institutionalize transparency and strong regulatory mechanisms on how the mining industry is governed.

**Maximizing benefits from finite resources**

President Duterte’s incoming administration needs to raise government share from the sale of minerals. This is for the present and future generations to benefit from these finite and nonrenewable resources.

According to the 2nd Report of Philippine Extractive Industries Transparency Initiative, government collected a total of P5.7 billion from mining. This is from the sale of minerals estimated to be worth P74.3 billion.

Government must impose royalty payments for these resources to raise collections. Currently, only those in mineral reservation areas pay this tax. In 2013, royalty payments collected by government was estimated to be only at 1.21% of estimated mineral sales that year. This is not fair payment for these finite resources taking into account the negative effects of mineral extraction to communities. All mining companies must be required to pay royalties as payments for these minerals.

Government also foregone an estimated P3.2 billion pesos due to tax incentives which is already a whooping 35% of revenues that could have been collected had there been no incentives granted. Government needs to rationalize tax incentives it grants to mining companies.

Fiscal policies on mining should also make sure that extraction is linked to industries such as manufacturing. This is to allow for processing in the Philippines and greater benefits to the economy. Currently, bulk of minerals extracted is exported raw to China and Japan. Indonesia has already imposed high export taxes on raw ore.

**Transparency mechanisms**

The next government needs to put into law the Extractive Industries Transparency Initiative (EITI) and require all mining companies to disclose their revenues, monitoring reports, and extraction figures among others. Of the 48 operating mining companies in 2013, only 31 companies voluntarily participated in the transparency initiative.

The state’s policy must also include even more civil society and public participation in the governance of natural resources to put in place checks and balance.

**Stricter environmental regulations**

The government has recently identified no-go zones for mining as well as areas prone to natural disasters. The next administration must ensure mining regulators strictly implement these policies.

**Empower local government units (LGUs)**

The next government must also ensure LGUs are transparent on how they spend their share from nationally-collected mining taxes. This is to ensure that mining proceeds translate to local development. National government must also timely release these mining shares to fund much needed local development programs.

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**Notes to the Editor:**

Bantay Kita is a coalition of civil society organizations advocating for transparency and accountability in extractive industries.

Extractive Industries Transparency Initiative is implemented in 51 countries around the world. Currently, the Philippine EITI is under the Department of Finance. The Philippines received ‘implementing status’ in 2013. The country will undergo validation in 2017 to gain ‘compliant status’.

**Quotes:**

“Without better governance and a tax regime that accounts for social and environmental costs of mining, I don’t think mineral extraction will ever contribute to poverty alleviation and sustainable development in the country,” said Tina Pimentel, National Coordinator of Bantay Kita.

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