High metal prices provides the most important incentive for mining companies to beef up their production. Since most metal prices were depressed during the first half of the eighties, the volume of production of metallic minerals declined sharply. Gold production was not affected because gold prices hovered at levels that had a comfortable spread over average production costs. Besides, there was the emerging small scale mines involved in panned gold which served as a boost to overall gold production.

The sectors that suffered the most were that of copper, nickel and chromite. Last year, it was only the copper sector which was able to take advantage of attractive copper prices. Production of nickel and chromite remained in the doldrums (see Table 1.5).

Since whatever is produced by Philippine mines are mostly exported (either directly or indirectly), exports follow the same trend as that of production. Thus, the value of mineral exports and its share to total exports showed a downtrend for the period 1980-1987. From a share to total exports of 21.3% in 1980, the sector only registered 8.5% in 1987 as shown in the table below.

Table 1.6: Share of Minerals to Total Exports
(US$ millions, F.O.B.)

Year	Mineral Exports	Total Exports	% Share
1980	1,235	5,788	21.3
1981	1,025	5,722	17.9
1982	727	5,021	14.5
1983	550	5,005	13.2
1984	516	5,392	9.6
1985	594	4,629	12.8
1986	552	4,837	11.4
1987	482	5,692	8.5

Note: These data excludes gold delivered to the Central Bank

Source: Department of Economic Research, Central Bank