

additional investments in capacity. Moreover, a constraining factor which seems to be inhibiting foreign investments in the country is the non-enactment of the New Mineral Development Code.

This does not preclude, though, the absence of investments in the industry. Investments in order to further improve operating efficiency will always be resorted to. Foreign companies that have the means of offering new-technology--which allows for cost savings or increased efficiency--and the knowledge or experience in negotiating satisfactory mining agreements besides operating in other host countries will have a distinct advantage in the country [4].

#### Prospects for Machinery, Equipment and Spare Parts

Given the prospects for the mining industry, the purchases of imported machinery and equipment in the medium term will grow moderately. Moreover, much of these purchases will be in the form of replacement demand due to obsolete machinery and equipment..

On the other hand, demand for spareparts is expected to improve in the coming years in lieu of any major expansion and equipment upgrading programs in the industry.

Lastly, there is a good possibility that there will be shifting in the country sources of machinery, equipment and spare parts. In a large degree, this would depend on the type of technology that is adopted by a number of joint venture firms with foreign equity participation.

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