

Size of the Industry

The Phillipine mining and quarrying industry includes a broad range of firms engaged in the extraction, dressing and beneficiating of minerals--generally classified as metallic and non-metallic [2]. Mining also refers to underground and surface mines, quarries, wells and all supplemental activities needed to render the material marketable [3]. Mining firms are generally classified according to the type of mineral they extract.

In 1986, there were 165 large mining and quarrying establishments in the country--with only 20% of these falling under the following metallic-mineral subsectors: gold, copper, nickel and chromite. However, these four subsectors contributed 87.4% of the mining sector's output of P14.2 billion. Most of the mining sector's labor force of 52,321 were also employed in the four subsectors. Moreover, capital expenditures of these subsectors amounted to P570 million--68% of the mining sector's total capital expenditures (see Table 1.2).

Production and Exports

The Philippine mining sector grew at a remarkable pace in the seventies. In 1970, the value of mine production was registererd at P1,541 million (US\$ 260 million). Since then, production has risen to P10,782 million (US\$1,436 million) in 1980--reflecting an annual average growth of roughly 120% for the 10 year period.

In contrast, the eighties was a period of stagnation. After 1980--a boom year for most metals and minerals-- the value of mine production in US dollar terms has continously declined for