

STRATEGIC COMMUNICATION AND INITIATIVES SERVICE

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IN THE NEWS



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Paje names 6 more WQMA

WITH three days left in office, Environment and Natural Resources Secretary Ramon Paje signed separate administrative orders naming six more important water bodies as water quality management areas (WQMA) to better protect them from pollution.

"This is part of our effort to keep the country's waterways clean and ensure the sustainable water supply for Filipinos," the outgoing environment chief said.

Designated as WQMA are Naguilan River System in La Union, Cañas-Maalimango Rivers in Cavite, Ayala River in Zamboanga City, Taoloan River Basin in Misamis Oriental, Talomo River in Davao City and Lake Sebu in South Cotabato.

This brings to 31 the total number of WQMAs nationwide, 25 of them were designated under the Aquino administration.

Designations of water bodies according to Paje would help determine what control measures to institute to effectively achieve water quality objectives and improvements in those areas.

WQMAs require serious protection and management action by the local government and its stakeholders.

Joel dela Torre

Daily Tribune

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Mining company welcomes Lopez appointment at DENR

Global Ferronickel Holdings Inc. (FNI), one of the two listed mining firms operating in Surigao del Norte, has welcomed the appointment of Regina Paz "Gina" Lopez as secretary of Environment and Natural Resources (DENR).

FNI, which operates a mine in Cagdianao, Claver in Surigao del Norte, said it supports President-elect Rodrigo Duterte's choice to lead the DENR.

DENR is the mother agency of the firm that directly governs mining operations in the country, the Mines and Geosciences Bureau.

Lopez has been advocating

programs that aim to help the environment even though she is a private person.

As a responsible miner, FNI will continue to make the advocacies of the government a priority and is looking forward to partnering with Lopez in her quest to uplift the conditions of host communities.

"As a significant contributor to the Philippines' mining sector, it is our duty at FNI to ensure mining is conducted in a responsible and sustainable manner.

We are proud to say that our operations are conducted in accordance with ISO standards. We

are committed to practices that respect human rights and the aspirations of local communities. We also provide safe and healthy workplaces for our employees," Dante Bravo, president of FNI, said in a statement.

"We share the same goal as Secretary Lopez, that of leaving positive legacies for our future generations," Bravo added.

FNI recently acquired a land as a jump off point for operational expansion. Prior to this, the company also brought a mining firm operating in Brooke's Point, Palawan for about \$50 million.

Ed Velasco

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Groups count on Lopez to stop coal project

By Maricar Cinco
Inquirer Southern Luzon

WITH the appointment of Regina Lopez as environment secretary, green advocates and church leaders in Batangas have expressed hope that the incoming administration of President-elect Rodrigo Duterte will stand in the way of a proposed coal project in their province.

"I am confident that Lobo, Batangas City, [and] the whole province, most specially the center of centers of the world marine biodiversity, under your leadership will be a government priority concern," Lipa Archbishop Ramon Arguelles said in a text message to Lopez.

The message of Arguelles, who is currently in the United States, was forwarded to members of the Green Thumb Coalition, whose convenors include Lopez. The coalition of over 40 national and local organizations promoting environment conservation has actively campaigned against coal and mining projects in Batangas.

Gokongwei-led JG Summit



LOPEZ

ARNOLD ALMACEN

Holdings Inc. is planning to erect a 600-megawatt coal-fired power plant in Barangay Pinamucan Ibaba in Batangas City. Last week, the city council approved a resolution to issue the locational clearance for the project.

In the neighboring town of Lobo, Canadian-Australian-owned Egerton Gold Philippines Inc. and Mindoro Resource Ltd. are seeking government permits to extract gold

from 20,000 hectares of land in Barangay Balibago.

Both Batangas City and Lobo have been identified as biodiversity critical areas for being close to the Verde Island Passage, a strait known as the world's center of marine biodiversity between Batangas and Mindoro provinces.

In a phone interview Friday, Batangas city councilor and coalition member Kristine Balmes said she expected Lopez to deny JG Summit's application for an environmental compliance certificate (ECC) as a prerequisite to operate the coal plant.

"[The] application for an ECC is still pending, so it might not be issued anymore," Balmes said.

According to her, the incoming environment secretary has joined since last year the series of rallies opposing the coal plant, which environmentalists tag as the dirtiest fuel source.

"We've also been pushing for her (Lopez) to be [environment] secretary as early as April," Balmes said. She claimed that

Duterte made the offer to Lopez even before the May 9 elections.

The Green Thumb Coalition has issued a nine-point action plan, drawn from Duterte's pronouncements during the campaign period, "to gauge [his] commitment to a propeople, pro-environment agenda for his first 100 days of office."

This includes a ban on logging, the expansion of the National Integrated Protected Areas System, and the passage of the Forest Resources Bill, and covers national land use, food sovereignty and sustainable agriculture, human rights, climate justice, waste management and sustainable development.

The group is pushing for the passage of the Alternative Minerals Management Bill and the issuance of a moratorium on large-scale mining, for rescinding permits issued to new coal-fired plants, and for beginning a just transition to renewable energy.

Duterte and Lopez already discussed the action plans, Balmes said.

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Stop mining operations hurting IPs in Nueva Vizcaya

KATRIBU Kalipunan ng Katutubong Mamamayan ng Pilipinas urges appointed Environment Secretary Gina Lopez to support the call of Novo Vizcayanos and indigenous peoples (IPs) for an immediate stop to mining operations and the cancellation of the permit of Oceana Gold Philippines Inc. (OGPI) in Nueva Vizcaya. IPs have, since last June 15, put up a barricade in an attempt stop OGPI's operations.

Aware of their destructive impact, the incoming secretary is known for her opposition to irresponsible mining operations wherever they may be. On the other hand, she has been very supportive of people's initiatives and actions against such mining operations. As environment secretary, we expect her to be consistent in her stand against destructive mining, to be always on the side of the marginalized and affected communities; and, more importantly, to stop such mining operations which she will be in a better position to do soon.

The IPs who are greatly affected by destructive mining also call on the incoming environment secretary to thoroughly pursue incoming President Rodrigo Duterte's promise to heed the people's growing demand to end large-scale and destructive mining not only in Mindanao but throughout the country. This promise can now be realized with the immediate revocation of OGPI's mining permit. This would bring relief to the mining-affected communities in Nueva Vizcaya.

The IPs also urge Lopez to investigate all

mining operations, stop those that are destructive, hold accountable those guilty of destroying the environment and violating peoples' rights, and declare a moratorium on the approval of new mining applications.

Lopez is fully aware that the Filipino people, especially the IPs, have not benefited and, in fact, have suffered much from previous regimes' implementation of a liberalized mining policy. Almost 60 percent of approved mining operations are situated in IP territories and have resulted in the destruction of IP land and their deprivation of livelihood.

The Indigenous Peoples' Agenda recommends to the Duterte administration a reorientation of the domestic mining industry, the repeal of the Philippine Mining Act of 1995 that legalizes the destruction of the environment and violates peoples' rights, and the enactment of a propeople, proenvironment law.

The Filipino people and IPs' struggles to uphold their collective rights to their land and environment in the face of destructive mining have gone through so many hardships and trials. Many have sacrificed their lives.

Avaricious, profit-driven mining operations must end now.

—REI A. PAULIN, media liaison,
Katribu Kalipunan ng mga Katutubong
Mamamayan ng Pilipinas, National Alliance of
Indigenous Peoples Organizations in the
Philippines, kamp_phils@yahoo.com

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Fishers doubt her stance on coastal ecotourism

LUCENA CITY—While praising her for her standing steadfastly against mining, a militant group has urged incoming Environment Secretary Regina Lopez to also oppose ecotourism projects that displace fisherfolk from their communities.

Salvador France, vice chair of the Pambansang Lakas ng Kilusang Mamamalakaya ng Pilipinas (Pamalakaya), described Lopez's appointment as a "welcome development," but he put

her to task for her support of ecotourism projects, especially in coastal areas.

In a statement, France said he considered Lopez an ally against large-scale mining in Verde Island Passage (VIP), a biodiversity-rich strait which separates Luzon mainland and Mindoro island and along which almost 8 million fishers, farmers and indigenous people live.

Pamalakaya argued that development projects like ecotourism

were no different from wanton mining exploration as both endangered fishing communities. "Water-based ecotourism projects are tried and tested; fisherfolk families and residents along the coast were always wiped out beforehand," he said.

He stressed that it would seem bad if the next Department of Environment and Natural Resources head would favor and approve massive reclamation and the sellout of coast-

lines for conversion into beach resorts with floating hotels at the expense of fisherfolk's lives and livelihood.

"This is a strong reminder to Secretary Gina Lopez that we are always ready to oppose and frustrate any attempts to transform the productive fishing waters into moneymaking ventures of big business-magnates," France said. *Delfin T. Mallari Jr., Inquirer Southern Luzon*

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Mayor loses polls, dump

OUTGOING Butuan City Mayor Ferdinand Amante Jr. faces an environmental complaint in the Office of the Ombudsman for allegedly turning a 10-hectare fruit tree nursery into an open dump these past four years.

Over 500 Butuan residents signed the complaint filed in the Office of the Ombudsman for Mindanao on June 23.

They said the dump should be closed as it was prohibited under the Ecological Solid Waste Management Act of 2001, Republic Act No. 9003.

Officials of Barangay Dulag, where the dump is located, passed a resolution on June 20 calling for its closure effective June 30, when

Amante steps down.

Amante lost his bid for a third term to construction mogul Ronnie Vicente Lagnada in the May 9 elections.

The complaint said Amante did not hold a public consultation before allowing in 2012 the operation of the dump in what used to be a 10-hectare nursery for fruit trees.

The dump allegedly continued to operate even without an environmental clearance certificate from the Department of Environment and Natural Resources.

Dona Z. Pazzibugan

Daily Tribune

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Very old trees in Clark Freeport get 'surgery'

Clark Development Corp. (CDC) has recently conducted "tree surgery" to protect century-old trees inside the Clark Freeport from deterioration.

The Environmental Permits Department of CDC said they have reinforced trees with steel bars to prevent further decay of some of the old trees.

The project is also in preparation for the onset of "La Niña" phenomenon in the coming rainy season, according to Rogelio Magat, manager of CDC-EPD.

Magat said they were able to provide "surgery" to some 10 ailing and defective Narra trees in front of building 2122 at the

former air force base of the United States during the first quarter of this year.

The other materials used for the "tree surgery" include cement, sand, coal tar and reinforced steel bar.

Last year, typhoon "Lando" did not spare Clark Freeport, and resulted to the destruction of some century-old trees.

Aside from the "tree surgery," other tree preservation efforts of the state-run firm include tree inventory, maintenance and geo-tagging. All these are also part of CDC's program to fight global warming.

There are approximately 120,000 trees in the Freeport. Some of the species include

Acacia, Calumpit, Molave, Balacat, Kamantog, Alibangbang, Antipolo, Fire Tree, among others.

Clark has always been known for its backdrop of greenery, ages-old trees, clean air and other creations it is blessed with.

CDC aims to keep that almost pristine state environment by implementing plans and programs that are geared to protect mother nature while spurring progress inside the Freeport.

They include policies on green buildings, waste management, minimizing carbon footprints and enforcement of applicable laws.

Ed Velasco

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Gina Lopez unwittingly sets foreign firm's shares on fire

By Ronnel W. Domingo

NEWS that a staunch anti-mining advocate is taking over the domestic industry's regulator may have spooked local stocks, but this may have also boosted mining shares overseas.

Axiom Mining Ltd. yesterday had to explain to its own regulator, the Australian Securities Exchange (ASX), why prices of its shares surged 31 percent over the past several days.

"There has also been political and media speculation that with the new government in the Philippines, it may introduce a ban on the shipping of nickel ore, further limiting the supply available to China, the world's largest consumer of nickel ore," the company said, thus making its shares attractive to traders.

The ASX asked Axiom why prices jumped from a low of 13 cents at

the close of trading on June 23 to an intra-day high of 17 cents on June 27. The ASX also noticed an increase in the volume traded.

The Queensland-based firm, which mainly operates prospective nickel mines in the Solomon Islands, said it was not aware of any undisclosed information that may have caused all these to happen.

Axiom promised to provide updates on its projects, which are still undergoing exploration.

Mining shares took a beating at the Philippine Stock Exchange (PSE) for two consecutive days last week—first, when it was announced that President-elect Rodrigo Duterte offered to Regina "Gina" Lopez the opportunity to be secretary of the Department of Environment and Natural Resources, and second, when she announced the following day she has accepted the offer.

In a telephone interview last

week, Lopez said an economy "propped up by mining and its ill-effects is not the way to go."

"You can't build an economy based on suffering and injustice. It isn't right," she said.

Lopez, who is currently in Japan, said she has been around the country and has seen that the poorest places were mining areas.

"The communities suffer and the foreigners and already rich people rake it in. This must stop if our country is to realize the future it [deserves]," she said.

In particular, Lopez expressed disdain of open-pit mining, which she said foreign miners even refuse to do in their own country.

When asked whether she would approve of mining if done responsibly, Lopez said: "How can it be responsible to do open-pit mining in a country that is most vulnerable to climate change?"

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Much ado about nothing

STOCKBROKER and long-time friend Joey Roxas of Eagle Equities Inc. reminded me of this romantic comedy by William Shakespeare in relation to what happened to our market last week.

The market was on an upward direction in the first two days of the week, then tilted backwards on Wednesday due to a sell-off in reaction to the appointment of well-known anti-mining crusader Gina Lopez as head of the Department of Environment and Natural Resources (DENR) under the administration of President-elect Rodrigo Duterte. Lopez is the managing director of ABS-CBN's Lingkod Kapamilya Foundation Inc., a nongovernment organization with a hardline stance against the exploration and exploitation of the country's natural resources.

The unexpected appointment of Lopez rattled the market's sub-sector. The Philippine Stock Exchange's (PSE) mining and oil index fell 7.3 percent, said to be the sector's steepest drop in 10 months.

Semirara Mining and Power Corp. (SCC) and Philex Mining Corp. (PX) sustained the heaviest losses. Their mining permits were up for review, thus Lopez's appointment drew serious concerns.

The market fell again on Thursday and Friday, this time due to the United Kingdom's exit from the European Union (EU). Even close to the voting hour, Brit voters remained somewhat equally divided, driving markets to fall due to fears the "Brexit" could greatly affect the UK and the entire global economic growth.

The UK is 12 percent of the EU's population and 20 percent of its gross domestic product (GDP). Its departure was perceived "crippling." The possible departure of major members such as France or the Netherlands would thus be a 'death blow' to global economics.

Related issues

UK's status as one of the world's biggest financial centers was expected to be diminished in a "Brexit." It would lose its role as a gateway to the EU.

"Brexit" campaigners claimed, however, that Britain could "reinvent itself as a Singapore-style supercharged economy."

For the "Bremain" supporters, exiting the EU was an unnecessary move that would just make the UK economy suffer. They said car makers in the UK would no longer be tax-free when exporting to other parts of Europe. UK employees in the EU would also likely lose what was described as "significant benefits"

MARKET RIDER

Den Somera



conferred while an EU member.

UK's tax revenue was also expected to take a hit if companies doing large amounts of business with Europe would move their headquarters back to the EU.

Before voting to "Brexit," the UK has been benefiting from trade deals made between the EU and other world powers. The exit would also mean the UK missing out on all the anticipated benefits of what the EU has been negotiating with the US (the world's biggest free trade area). The trade deals done have been "highly beneficial to British business."

"Brexit" proponents, on the other hand, claim the UK would be free to establish its own trade agreements. They said it could follow the lead of Norway. It has access to the single market but is not bound by EU laws on areas such as agriculture, justice and home affairs.

Pro-EU proponents doubt this could be easily obtained. They said the UK would remain bound by virtually all EU regulations, following agreements made in the Brussels summit in February.

The UK could adopt a "Canada-style trade arrangement" after its exit. The Canadians were able to strike a trade deal "getting rid of tariffs."

The Pro-EU membership said, however, it would take "years of painful negotiations" to make this happen. They said the "Brexit" may even lead to getting a comparatively "poorer deal enjoyed today" with the EU.

Barclays, for its part, said "a departure of one of the EU's most powerful economies would encourage the populist anti-EU movements in other countries." It could lead to the "collapse of the European project," it added.

Open Europe, a think tank that only wanted to see the EU radically reformed, said the worst case "Brexit" scenario was the UK economy losing 2.2 percent of its total GDP by 2030. In comparison, the recession of 2008 to 2009 shaved UK's GDP by 6 percent.

On the other hand, the think tank also found out the GDP could rise by 1.6 percent if the UK is able to negotiate a free trade deal with Europe based on its current

trade set-up with the EU.

Bottom line spin

Amid the talk about the negative impact of a "Brexit," it should not create that much fuss like in the plotted romantic relationships of the leading characters in Shakespeare's work.

The "Brexit" has less impact on the US economy, in general. The impact would certainly be lesser for us.

In the case of the US, the small number of companies operating in the UK would be directly affected. In our case, it would be the small number of labor force based in the UK as well as the prospects of growing our labor export to the UK.

Remittances from overseas Filipino workers (OFWs) in the UK is not that substantial. The loss in employment prospects in the UK can easily be offset by the increasing demand for our OFWs within the region.

The Philippines also has strong local economic fundamentals that point to more economic growth. This is reflected in the latest United Nations Conference on Trade and Development (Unctad) 2016 World Investment Report. The Philippines managed to land within the top 15 prospective destinations for foreign direct investments (FDI).

Five percent of the respondents to the Unctad's business survey of investments prospects of multinational enterprises (MNEs) chose the Philippines as among their top three most promising host countries from 2016 to 2018.

The Duterte administration, in its current posture to foster political stability, peace and order and a conducive investment climate, could ignite another long market rally. Should it succeed within the first 100 days, the Philippines may even snag larger foreign direct inflows than the previous. It could even possibly attract FDIs closer to the amount our Southeast Asian neighbors have been getting.

Should this happen, expect the market to perform better, one that could even ignite a long bull run. Start training your sights to sectors that will greatly benefit from this development.

We will try to look into them starting next week.

(You may reach the Market Rider at marketrider@inquirer.com.ph, den-somera@msn.com or at www.kapitaltek.com.)



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PRRC uses 'mudballs' to clean up Pasig River

Pasig River Rehabilitation Commission (PRRC) officials threw "mudballs" into the Pasig River yesterday to help clean up its polluted waters.

The officials, led by executive director Ramil Tan, threw the mudballs following the opening of a 75-meter linear park along the riverbanks in Barangay Poblacion, Makati City.

They also unveiled solar-powered street lamps that would light up the park at night.

The PRRC said the fist-sized mudballs, which originated in Japan, are infused with beneficial microor-

ganisms and kneaded with molasses, rice hull and mud.

Mudballs are used to clean up bodies of water such as rivers, lakes, and oceans where there are concentrated deposits of sludge and slime.

Among these microorganisms are lactobacilli "that filter out the bad bacteria in dirty water. The garden soil serves as the 'house' of the good bacteria where they can multiply. The molasses serve as the food of the good bacteria so they can multiply even faster," the PRRC said in a statement. —Mike Frialde

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Residents oppose Romblon palladium mining application

RESIDENTS of Tablas Island in Romblon, led by their provincial governor, lodged on Monday a complaint against the offshore mining application of Asian Palladium Mineral Resources, Inc. (APMRI).

"[The] Province of Romblon, as a whole... strongly object to the application of Asian Palladium Mineral Resources, Inc., to conduct any mining activity in the water areas of the island," Governor Eduardo C. Firmalo, was quoted as saying in a letter released by the Office of the Governor.

According to a separate statement released by the same office, the residents from seven municipalities of Tablas Island filed their complaint at the Mines and Geosciences Bureau (MGB) regional office.

The complaint included 81,630 signatures, resolutions from municipalities and barangays, and non-government organizations against the mining proposal.

In April, APMRI filed an application for a Financial Technical Assistance Agreement to explore for palladium, platinum and other related mineral deposits in waters of Tablas Island covering about 10,000 hectares.

It cited the need to protect marine resources for the livelihood of fisherfolk.

The letter also alleged that APMRI has not complied with the requirements governed in Section 21 of the Department of Environment and Natural Resources (DENR) Administrative Order 2010-21 mandating the publication/posting/radio announcement of an exploration permit application.

"The mining company was not able to publish their notice of application in a locally accredited newspaper," the letter read.

Other principals behind the complaint were Professor Tomas Faminial of Romblon State University, Joje Mesana of the Alliance of Students Against Mining, a retired PNP

senior officer, Orville Gabuna, and Rodne Galicha of The Climate Reality Project.

The complaint was addressed to outgoing DENR Secretary Ramon J. P. Paje and incoming Secretary Regina Paz L. Lopez.

MGB Region IV-B Director Roland A. de Jesus said that the complaint will be forwarded to the Panel of Arbitrators for resolution.

"We are mandated by law to facilitate the mining application process and we are also mandated to inform the stakeholders to know their stand and sentiments," Mr. De Jesus said in the statement.

In the letter, Mr. Firmalo reiterated the province's position in defying metallic miners to conduct its operations in the province's premises.

"No to metallic mining both on land and under the water has long been the united stand of the people of Romblon," Mr. Firmalo added in his letter.

For his part, Bishop Ronelio V. Fabriguer, chairperson of the Romblon Ecumenical Forum Against Mining, said in the separate statement that "the people of Romblon will continue to oppose any mining activity as we take care of God's creation which should be used [in] sustainably addressing our present needs without compromising the capacity of the next generation to survive."

"[The] stance of the provincial government of Romblon and its people is consistent with Sustainable Development Goals (SGD) targets especially on sustainable communities, climate action, and life below water," Mr. Galicha, co-chair of the Economic Development Committee of MIMAROPA Regional Development Council and country manager of The Climate Reality Project, said in the statement.

In 2011, Mr. Firmalo issued an executive order imposing a moratorium on the exploration, excavation, extraction and utilization of metallic minerals of Romblon. — **Janina C. Lim**

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Energy department plays down impact of Indonesian coal ban

By Victor V. Saulon *Sub-Editor*

THE Department of Energy (DoE) and big coal consumers have downplayed the possible impact of the Indonesian ban on coal shipments to the Philippines, saying the country's power sector sources its supply through big vessels bearing flags of different nationalities.

"Indonesia's ban is on their vessels coming to the Philippines," Energy Secretary Zenaida Y. Monsada said in Filipino during a press briefing on Monday.

She added that the big ships carrying the country's coal imports were not those of Indonesia.

This comes after reports last Friday said Indonesia had decided to halt coal shipments to the Philippines after an Indonesian vessel and its seven crew members had been abducted within local waters.

Some of the country's big coal users have supported Ms. Monsada's assessment on the impact of the ban on the power sector.

Antonio R. Moraza, president of Aboitiz Power Corp., said the ban was for Indonesian ships and tug boats.

"We use neither," he said, adding that the company uses "big ships" that are "very much less susceptible."

"Ships we charter go through a different route away from where there have been incidents," he said.

Joseph C. Nocos, vice-president for business development at Alsons Consolidated Resources, Inc., said the company "typically keep a 60-day inventory of coal."

"Upon checking with our supplier, we learned that the ban covers barges delivering coal to the Philippines. Our coal comes in larger vessels, hence we are not covered," he said.

"In the event that coal cannot be procured from Indonesia, our supplier is ready to procure coal from their other sources in Australia and other countries," he added.

Luis Miguel O. Aboitiz, Aboitiz Power executive vice-president and president of the Philippine Independent Power Producer Association, also said Indonesia's move would have "no impact" on the company.

Lawrence S. Fernandez, Manila Electric Co. vice-president and head of utility economics,

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Energy department plays down
impact of Indonesian coal ban

said: "We are in close coordination with our suppliers to ascertain the impact, if any, and will work with them to ensure continuity of electric service to our customers."

But based on latest DoE data, the country imported 17,407,089 metric tons (MT) of coal in 2015, the bulk of which or 16,555,968 MT came from Indonesia. The rest came from Vietnam, Russia and Australia.

"Of our importation of coal for power, cement and other industries, 96% of these come from Indonesia," Ms. Monsada herself noted.

The country consumed 22,006,401 MT of coal last year, with power generation accounting for 79.77%, cement for 15.22%, and other industries cornering the rest.

"Possibly, coal demand now is bigger because of the entry of new coal-fired power plants," Ms. Monsada said.

She said that coal importers usually have an inventory that could last for the next 20 to 30 days.

"What we want to see are the delivery schedules, if some were deferred," she said, adding that her department was coordinating with the National Defense and Foreign Affairs departments.

She also cited a similar incident on March 26 when a coal shipment on its way to Batangas via a barge was hijacked, although the intention apparently was to take over a tug boat that went with the delivery vessel.

Another incident happened on April 9 after a delivery to Cebu, resulting in Indonesia calling for a ban on coal shipments to the Philippines using its vessels.

Still, if the recent ban causes disruption on supply, she said coal consumers have to negotiate new contracts with suppliers from alternative sources such as Australia, Russia or Vietnam.

She said coal trading goes through a broker who arranges the cost of imports plus freight, including the vessel to be used in the delivery. The distance from the supplier entails additional costs, she added.

Ms. Monsada said that imported coal is crucial for power plants because of its high heating value and sulfur content. Locally sourced coal, which is of lower quality, is blended with the imports.

Locally produced coal amounted to 8,173,078 MT last year, mostly coming from the Semirara coal mines.

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Duterte problem: Agrarian-reform issues not acted upon by Aquino

BY JONATHAN L. MAYUGA [@jonlmayuga](#)

INCOMING President Rodrigo R. Duterte will inherit a handful of recommendations involving stock-distribution options (SDOs) and agricultural venture agreements (AVAs), which were submitted by the executive committee of the Presidential Agrarian Reform Council (PARC), but were not acted upon by President Aquino, an official of the Department of Agrarian Reform (DAR) said on Monday.

Aquino, who is PARC chairman, did not convene a single PARC meeting in his six-year watch. PARC is the highest agrarian-reform policy-making body. The panel acts on petitions, such as implementation of SDOs, as well as AVAs, a joint initiative of the landowners and farmers in lieu of land distribution.

Such schemes are facilitated by

the DAR and had to be approved by the concerned parties, normally, through a referendum.

PARC is composed of the president as chairman; the secretary of agrarian reform as vice chairman; and the secretaries of agriculture, environment, budget, local government, public works, trade, finance and labor; director general of the National Economic and De-

velopment Authority (Neda), Land Bank of the Philippines president, National Irrigation Administration administrator, and representatives of affected landowners, as well as agrarian-reform beneficiaries as members.

Under the law, PARC has the power to cause the revocation of SDOs and AVAs if the terms and conditions are violated and the scheme is not benefiting agrarian-reform beneficiaries.

Agrarian Reform Undersecretary for Legal Affairs Luis Meinrado C. Pañgulayan said "a handful" of the complaints filed by farmers have been "resolved" together with their "recommendations" and have been submitted to PARC.

One big landholding that is covered by a petition to cancel the SDO is that of SVJ Farms in Negros Occidental.

"We recommended to set aside the SDO. The initial valuation of the stocks based on the value of the land is unfair to the farmers," he said.

"There was fraud from the very beginning and the farmers are at the losing end," he said.

There are other cases, he add-

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STRATEGIC COMMUNICATION AND INITIATIVES SERVICE

*Duterte problem: Agrarian-reform issues
not acted upon by Aquino*

ed, wherein farmers do not receive their dividends and other benefits.

The recommendation for the cancellation of the SDOs of SVJ Farms, he said, was submitted for PARC approval in 2015.

He added that there are also cases pending approval of the PARC executive committee involving the AVA between agrarian-reform beneficiaries belonging to the Hijo Agrarian Reform Beneficiaries Cooperative (Harbco) and La Panday Foods Corp. based in Tagum, Davao del Norte.

Under the AVA, Harbco reportedly incurred P290 million in debts, with Lapanday owing to controversial provisions in the AVA. The farmers sought to cancel the AVA, it being lopsided in favor of La Panday.

Similar cases happened in other SDO and AVAs cases involving Comprehensive Agrarian Reform Program-covered sugar estates and banana plantations, the bulk of which are in Negros Occidental and Davao regions, wherein farmers suffer from hunger and poverty, but the landowners or agribusiness corporations earn millions from the scheme.

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Kalinga farmers to gain from irrigation fee plan

TABUK CITY—If the incoming Duterte administration exempts farmers from paying irrigation fees, that singular act will spare rice farmers in Kalinga province from paying up to P16 million yearly.

Close to 10,000 farmers pay P1,500 a hectare during the wet season and P2,550 a hectare during the dry season for water distributed by the Upper Chico River Irrigation System (Ucris), according to the Alyansa dagiti Pesante iti Taeng Kordilyera (Apit Tako), a Cordillera alliance of peasant organizations in the region.

Operated by the National Irrigation Administration (NIA), Ucris discharges water to 11,300 hectares of rice fields in Tabuk and in Pinukpok town in Kalinga, and to farms in Quezon town in Isabela province. Tabuk rice fields served by Ucris span 6,438 ha.

A rehabilitation program that aims to improve the system, which is funded by the World Bank, is suffering from delays, however.

"Irrigation is a basic public service, therefore, farmers should not be charged service fees. Irriga-

tion in most Southeast Asian countries is a free government service," said Andres Wailan, Apit Tako spokesperson.

Incoming Agriculture Secretary Emmanuel Piñol said he was lifting irrigation fees and had chastised NIA for objecting due to its impact on the upkeep of irrigation facilities.

The agency collected P9.7 million from Tabuk farmers during the monsoon season and P16.4 million during the dry season, Wailan said.

"Even if only 70 percent of the Tabuk farmers covered by the Ucris service area pay, NIA could still collect P6.8 million for the wet season and P11.5 million for the dry season," he said.

Kalinga is classified as the biggest rice producer in the Cordillera, with Tabuk farms generating the bulk of harvests.

According to the Kalinga provincial planning and development office, 20,194 of 44,190 ha of farms in the province are irrigated. In Tabuk, only 8,464 of 17,116 ha of farms are irrigated. *Kimberlie Quitasol, Inquirer Northern Luzon*

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STRATEGIC COMMUNICATION AND INITIATIVES SERVICE

Air pollution seen costing trillions, IEA says

AIR pollution will continue rising in the next decades unless nations around the world invest trillions in cleaner energy and emissions controls, the International Energy Agency (IEA) said.

The Paris-based agency is calling for governments to adopt a strategy to cut pollutants by half, a plan that would add about 7 percent to the total energy investment needed through 2040, according to a report on Monday. That includes \$4.8 trillion for advanced pollution control and accelerating the transformation of the energy industry.

"Clean air is a basic human right that most of the world's population lacks," Executive Director Fatih Birol said. "We need to revise our approach to energy development, so that communities are not forced to sacrifice clean air, in return, for economic growth." The IEA's strategy pushes for cleaner fuels, energy efficiency, better cooking facilities and emissions controls. It also calls for a collective long-term air-quality goal, policies for implementation and regulations to monitor and enforce it. The agency said the efforts may cut pollution-related deaths by more than 3 million a year.

Poor air quality is affecting the entire planet, with 80 percent of cities that monitor levels failing to meet

standards set by the World Health Organization.

Public pressure is mounting in countries, such as China, prompting ambitious renewable-energy agendas. The developed West also has its fair share of smog, with London surpassing the European Union's annual limits on air pollution just eight days into 2016.

The energy industry is the single largest man-made contributor to poor air quality, the IEA report said. Most of it comes from unregulated and inefficient fuels. The agency sees air pollution as the fourth-largest threat to human health, after high blood pressure, poor diet and smoking.

What's actually clogging up our air? These three pollutants have the biggest impact on health.

1. Particulate matter (PM): Tiny particles that float in the air, and can be either liquid and solid. They're linked to detrimental health impacts, such as chronic lung diseases. The severity depends on the size of the particles. The bigger they are, the more damage they can do to your respiratory system. About 85 percent of PMs comes from the energy industry, according to the IEA.

2. Sulfur dioxide: A gas made from burning fossil fuels. Most of it comes from power plants and industrial processes, such as metals process-

ing with almost all from the energy industry. It causes adverse health effects and can also be dissolved into water, resulting in acid rain.

2. Nitrogen oxide: A greenhouse gas that contributes to climate change. Almost all of it comes from the transportation sector and power plants that burn fossil fuels. It's a toxic gas that causes lung inflammation and other health problems when inhaled.

What are the main causes of air pollution?

1. Poverty: There are 2.7 billion people in the world who burn biomass for cooking. Smoke inhalation from this, as well as burning kerosene for lighting, is estimated to cause 3.5 million premature deaths a year, mostly women and children in developing Asia and Sub-Saharan Africa.

2. Fossil-fuel intensive industries: Power plants that burn fossil fuels and industrial facilities are major emitters. Burning coal is responsible for 60 percent of combustion-related sulfur-dioxide emissions.

3. Urbanization: Tightly packed cities with roads full of traffic lead to dirty air. Two-thirds of the \$2.3-trillion investment into pollution control technologies recommended by the IEA is to comply with elevated vehicle emissions standards. *Bloomberg News*

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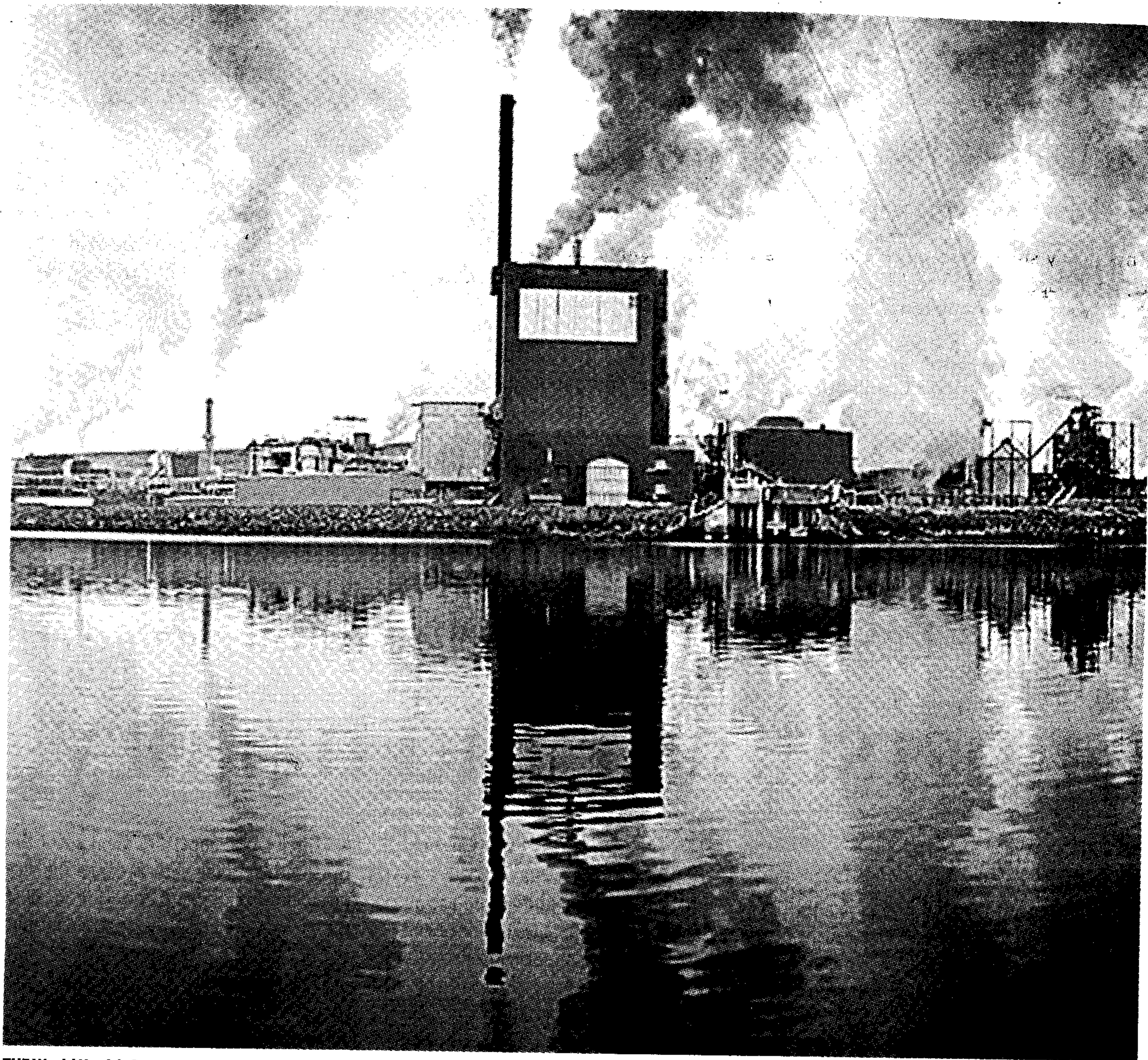
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STRATEGIC COMMUNICATION AND INITIATIVES SERVICE

Air pollution seen costing trillions, IEA says



THE World Health Organization has just classified air pollution as carcinogenic to humans, while Beijing redoubles efforts to clean its smoggy skies. ERIC PRINE

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STRATEGIC COMMUNICATION AND INITIATIVES SERVICE

DOE assures ample coal inventory

The Indonesian government's decision to ban all ships from sailing to the Philippines is not a cause for alarm in the local power industry as operators of local coal plants still have around a month-long inventory and are currently looking for alternative sources of coal, the Department of Energy (DOE) said yesterday.

In a briefing, DOE Secretary Zenaida Monsada said power outages are not seen in the immediate future as coal plant operators are required to have around 20 to 30 days of coal

inventory.

"We have imposed a requirement on them. Based on our circular, they should have 20 to 30 days of inventory, including those in transit," she said.

Monsada said the agency is now collating information on those coal reserves that are in transit. "We need to see the delivery schedules to see if there are deferred coal shipments," she said.

Meanwhile, coal operators are also looking for other sources of coal and alternatives include

Australia, Russia and Vietnam, the energy secretary said.

"In case the Indonesian source is not available, we have other sources like Australia, Russia and Vietnam but these will have a different quality. (Operators) of power plants would (also) need to negotiate for their respective new contracts," she said.

Last week, the Indonesian government banned any Indonesian-flagged vessel to sail to the Philippines following abductions in the Sulu Sea by

armed groups. The ban also covers vessels containing coal shipments.

Monsada clarified all coal shipments are not made using Indonesian flag-bearing vessels.

While the ruling is not yet seen to have an immediate impact, the DOE elevated its concern to Malacañang, the Department of National Defense (DND) and the Department of Foreign Affairs (DFA) since Indonesia is the country's major source for coal, Monsada said.

"So far, the DFA has had talks with Malaysia and Indonesia for security but we don't know at what level they are in their agreement," she said.

Based on DOE's 2015 data, Indonesia accounts for 95 percent of the country's total coal

imports, amounting to 16.56 million metric tons.

In terms of coal usage, 79.77 percent is used in power generation, 15.22 percent in the cement industry and 5.02 percent in industrial and direct processing industries.

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STRATEGIC COMMUNICATION AND INITIATIVES SERVICE

Economic production more vulnerable to climate change



DATABASE

Cecilio T. Arillo

A NEW study shared to "Database" by the Potsdam Institute for Climate Impact Research (PIK) and Columbia University has shown for the first time how enhanced connectivity of the global network of supply can amplify production losses and these losses can spread more easily across countries.

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STRATEGIC COMMUNICATION AND INITIATIVES SERVICE

Economic production more vulnerable to climate change



Cecilio T. Arillo

DATABASE

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THE study also revealed that the susceptibility of the global economic network to workers' heat-stress has doubled in the last decade, lead Potsdam-Institute for Climate Impact Research (PIK) author Leonie Wenz said, as he explained that climate damages do not only depend on the warming of our planet, but also on the resilience of our societies and economies.

"Our study shows that, since the beginning of the 21st century, the structure of our economic system has changed in a way that production losses in one place can more easily cause further losses elsewhere," Wenz said.

"What is self-evident for us today is really a phenomenon of the past two decades," Wenz explained, adding that the study examined the example of local heat stress-related productivity reductions causing global effects.

"Across the world, production is interlinked," he argued.

According to the PIK study, Super typhoon Haiyan in the Philippines destroyed more than half the world's production of coconut oil, which is one of the two most commonly used vegetable fats in food production worldwide.

The study also mentioned that the 2011 flood in Queensland stopped production in the fourth-

biggest coal-exploration site on Earth for weeks, with economic repercussions well beyond Australia.

PIK and Columbia University researchers focused on the effects of small daily perturbations due to extreme temperatures that lead to heat-stress among workers in construction, agriculture and other economic sectors. "While single major shocks to economic networks like these illustrate how economic activity is globally linked, previous research showed that increasing temperatures decrease productivity because, for instance, workers get exhausted more rapidly," the researchers said.

Combining data on temperature, population and the global economic network from 1991 to 2011 and based on existing research on temperature effects on workers, the scientists run computer simulations of heat-stress consequences in order to find out more about the network's

The impacts of adverse weather on supply chains are missing from the assessments of the Intergovernmental Panel on Climate Change and, with a few exceptions, are being ignored in discussions around adaptation. This is a mistake. Adaptation requires a global strategy, not just local ones.

vulnerability to the propagation of production losses in each year.

The study covers economic flows between 26 industry sectors from mining and quarrying to textiles and wearing apparel, and to post and telecommunications, as well as final demand in 186 countries.

"With unabated climate change, the rise in global mean temperature will have severe impacts on natural and societal systems," coauthor Anders Levermann said.

He pointed out: "To estimate the costs of future climate change, we need to assess global economic impacts of more frequent heat extremes and meteorological impacts, such as floods and tropical storms, and understand their relation to the economic network's structure."

"This is the basis for implementing appropriate adaptation measures in a warming world and with more intense weather extremes, it is likely that society needs to become more resilient and more flexible," Levermann said.

He explained that links in global economic chains and world markets mean that extreme weather in one place can have repercussions else-

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STRATEGIC COMMUNICATION AND INITIATIVES SERVICE

Economic production more vulnerable
to climate change

where. For example, a combination of exceptional rainfall and Cyclone Yasi in 2010–2011 paralyzed the world's fourth-largest region of coal exploration in Queensland, Australia. Cooking coal prices rose the following year by 25 percent. In 2011 droughts and floods in Russia, Pakistan and Australia caused global food prices to climb, possibly contributing to the escalation of civil unrest in Egypt, Syria and Saudi Arabia.

"Yet, the impacts of adverse weather on supply chains are missing from the assessments of the Intergovernmental Panel on Climate Change and, with a few exceptions, are being ignored in discussions around adaptation. This is a mistake. Adaptation requires a global strategy, not just local ones," Levermann pointed out.

Stressing further, he said: "It is these unanticipated and sudden shocks from extreme weather events on global trade that are most disruptive for society; gradual changes can be foreseen and are easier to adapt to. Sitting in a bathtub with the tap running, it is easy to stop the floor getting wet, as the water rises by placing a few towels (up to a point).

"But the effect of climate change is like throwing rocks into the water. Our interlinked societies, the dynamics of which we are only beginning to understand, are like dominos lined up on the edge of the tub. One wave can make them all tumble."

To reach the writer, e-mail cecilio.arillo@gmail.com.

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Indonesia ban won't immediately affect PHIL's coal imports, supply—Monsada

By LENIE LECTURA [@llectura](#)

THE Department of Energy (DOE) on Monday dismissed fears that the country's coal supply would be immediately affected by the ban imposed by Indonesia on all vessels en route to the Philippines.

Outgoing Energy Secretary Zenaida Y. Monsada cited three reasons coal importation in Indonesia won't be affected. For one, Monsada said most of the large sailing vessels that transport coal to the Philippines do not bear the Indonesian flag.

"The coal itself may come from Indonesia, but the vessel that will transport the coal to the Philippines does not bear the Indonesian flag. Remember that the travel ban is only for vessels bearing the Indonesian

flag," Monsada said.

"Besides, only small ships would be affected. The vessels that transport coal to the Philippines are usually large ones and these do not bear the Indonesian flag," she added.

The ban came after several Indonesian sailors onboard a coal tugboat in Sulu Sea were kidnapped by the Abu Sayyaf Group (ASG).

The DOE chief also cited ample coal supply, which could still last for 20 to 30 days. Monsada said coal-

plant operators are set to brief her on their respective inventory within the week.

Moreover, Monsada said the country could source coal from other countries, such as Russia, Australia and Vietnam. "We haven't diverted sourcing coal from Indonesia."

"Nonetheless, we are still coordinating with the Department of National Defense and the Department of Foreign Affairs with regards to security," Monsada added.

The country's coal supply is mostly sourced from Indonesia because it is cheaper.

DOE records show that the country imported 16.55 million metric tons (MMT) of coal from Indonesia in 2015. The volume represented 95.11 percent of the country's total coal importation last year, which stood at 17.4 MMT.

Aside from Indonesia, the country's coal supply is being sourced from Russia, Australia and Vietnam.

Meanwhile, the country's total

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Indonesia ban won't immediately
affect PHIL's coal imports, supply - Monsada

“The coal itself may come from Indonesia, but the vessel that will transport the coal to the Philippines does not bear the Indonesian flag. Remember that the travel ban is only for vessels bearing the Indonesian flag.”—MONSADA

consumption of coal stood at 22 MMT. Of this volume, coal used for power accounted for 79.77 percent.

Suspected militants in the southern Philippines boarded an Indonesian tugboat and abducted seven of 13 crew members in a third such attack in the volatile region, the Indonesian foreign minister said on Friday.

The crewmen were believed to be taken by two separate groups to a jungle camp in Sulu, a predomi-

nantly Muslim province about 950 kilometers (590 miles) south of the Philippine capital, Manila, Foreign Minister Retno Marsudi told a news conference in Jakarta.

Jolo island in Sulu province is a stronghold of militants from the ASG, notorious for ransom kidnappings and beheadings of hostages.

“This third incident absolutely cannot be tolerated,” Marsudi said. “The government will do everything possible to ensure the release of all

those hostages. The safety of the seven Indonesians will be prioritized.”

She said the government received confirmation that six of the 13 crew members of the tugboat that was towing a coal barge were freed with the vessel and on their way to Indonesia.

Filipino militants held 14 Indonesians among more than 20 hostages after raiding tugboats in separate incidents in late March and early April. The Indonesians were freed last month, following reports that a ransom was paid, but the Indonesian government denied it gave money.

After meeting security ministers and military and intelligence chiefs on Friday, Marsudi said Indonesia extended a moratorium on coal exports to the region until the Philippine government can guarantee security for coal barges in its waters.

She said Indonesia supplies more than 90 percent of coal to the southern Philippines. *With a report from AP*

Daily Tribune

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Local stocks rebound

The local stock market opened the week with an upsurge as investors went on bargain hunting mode after three days of declines amid the United Kingdom's referendum vote to leave the European Union.

The bourse rebounded also ahead of handover of the reins of government on Thursday.

The benchmark Philippine Stock Exchange index (PSEi) edged up 86.18 points, or 1.13 percent, to 7,715.90 yesterday from Friday's 7,629.72 finish.

Harry Liu, president of Summit Securities Inc., said the bourse suffered losses last week amid global panic over the EU referendum result and after Gina Lopez's appointment as head of the Department of Environment and Natural Resources (DENR).

The incoming Duterte administration has recognized that responsible mining plays a key role in the Philippines.

"Seeing everything clearer (British exit and the DENR situation), some investors came back and buy again," he said in an interview.

As Duterte's inauguration as the country's 16th President comes closer, Liu said everyone was bullish about the situation and that Duterte would move forward his vision and mission.

"Businessmen concerned in the market seemed to accept his (Duterte) vision and mission. An eight-percent GDP (gross domestic product) is possible. Addressing the peace and order and corruption issues is important to businesses," he said.

Justino Calaycay Jr., head of marketing and research at A&A Securities Inc., said investors took advantage of cheaper stocks considering the minimal impact of British exit "Brexit" vote on the economy.

After last week's plunge, the mining and oil sector led yesterday's market rally surging by 3.09 percent.

The property index increased by 1.98 percent, while other counters gained moderately.

The total value of trades reached P6.81 billion as 1.6 billion shares changed hands.

Advancers outpaced decliners, 120 to 74, while 38 issues unchanged.

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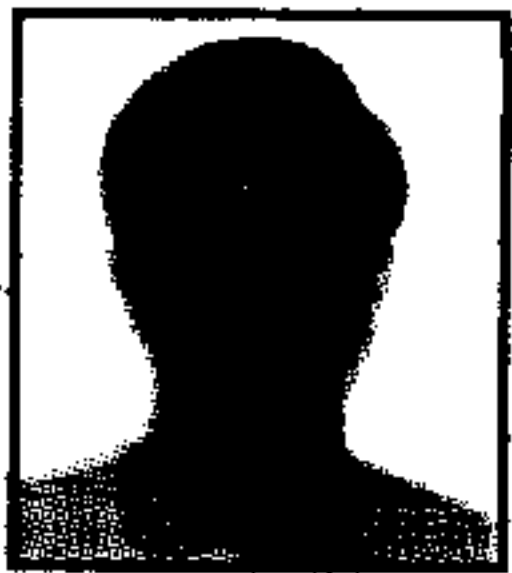
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PAGTANAW AT PANANAW

12 BARONG TAGALOG

Bert de Guzman

I ABINDALAWANG Barong Tagalog pala lang pinagpipilian para isuot ni incoming President Rodrigo Roa Duterte sa kanyang inagurasyon bilang ika-16 na pangulo ng Pilipinas. Mula ngayon, dalawang araw na lang ang hihintayin natin upang tuluyang maupo sa puwesto ang bagong pangulo na nasilo ang imahinasyon ng taumbayan sa kanyang pangako na sa loob ng tatlo hanggang anim na buwan, lilipulin niya ang illegal drugs at susugpuin ang kriminalidad. Welcome, President Rody!

Ayon nga pala sa mga report mula sa Davao City, gusto ni RRD na simple lang ang isusuot kaya bawat isang barong na sadyang idinisenyo ng mga kilalang designer ay tig-P6,500 lang ang halaga. Malaking kamurahan at kapayakan ito kung ikukumpara sa amerikana (suit) na isinusuot ng mayayabang at nagpapasiklabang pulitiko.

Habang sinusulat ko ito, mukhang hindi talaga magkakasama sa inagurasyon sina Mang Rody at beautiful Leni sa Huwebes, Hunyo 30. Ang machong alkalde ay manunumpa kay Supreme Court Associate Justice Bienvenido Reyes noon, samantalang si Aleng Leni naman ay manunumpa sa isang barangay captain mula sa pinakamahirap, pinakamaliit at pinakamalayong barangay sa Camarines Sur.

Unti-unti nang sumusulpot ang 'di pagkakaintindihan o bangayan sa mga incoming member ng Duterte cabinet. Ang unang isyu ay tungkol sa pagmimina sa bansa. Ang nagkakabangga ngayon ay sina incoming Finance Sec. Carlos "Sonny" Dominguez at incoming DENR Sec. Regina "Gina" Lopez. Naniniwala si Dominguez, kaklase rin ni Mang Rody, na hindi dapat mangamba ang mining industry sa Pilipinas sapagkat ang "responsible mining" ay mananatiling bahagi ng Rody administration. Hindi rin huhingi o magpapataw ng bigger revenue share na kinontra ng mining industry.

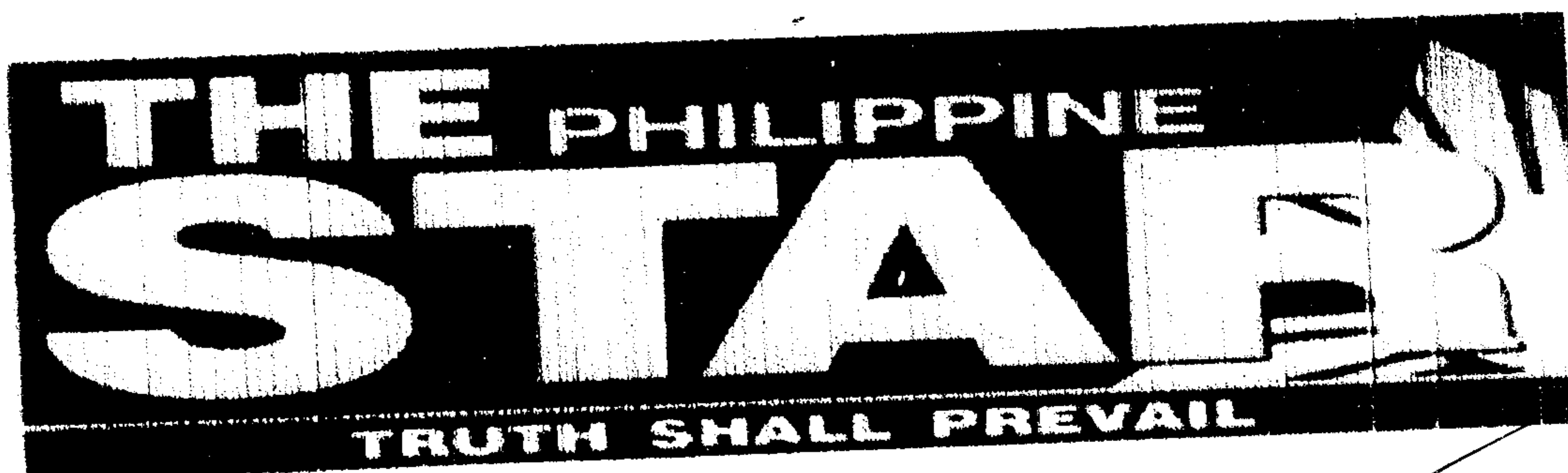
"Mahalaga ang papel ng pagmimina sa Pilipinas. Ang key word dito ay 'responsible' at maliwanag ang posisyon ng ating presidente tungkol dito: you have to do it right", sabi ni Dominguez. Dagdag pa ni Sec. Sonny: "I also see no problem with the revenue sharing as specified in the current law."

Matindi ang pahayag ni Sec. Gina, isang anti-mining advocate, na kahit ang "responsible mining" ay hindi katanggap-tanggap (acceptable). Badya ni Lopez: "How can it be responsible to do open pit mining in the country that is most vulnerable to climate change?" Papaano rin daw na magiging "responsible" ito kung malalagay sa panganib ang buhay at kinabukasan ng mga magsasaka at mangingisda katapat ng malaking pera o kita ng mga dayuhan at mayayaman sa operasyon ng minahan.

Hinggil naman sa isyu ng pagpapalibing sa diktador na si ex-Pres. Marcos, mismong ang bagong hirang na Kalihim ng Department of Social Welfare Administration na si Juliet

Taguiwalo, biktima ng malupit na martial law regime, ay salungat sa plano ni President Rody na mailibing ang diktador sa Libingan ng Mga Bayani. Hindi pa nagsasalita ang bagong hirang na Kalihim ng Department of Agrarian Reform (DAR), si Rafael Mariano na isang militant congressman, pero tiyak na salungat din ito sa balak na pagpapalibing kay Marcos sa nasabing libingan.

Patuloy na may nagtatanong sa akin ng ganito: "Di ba sinabi ni President Rody na ang pagkakaibigan niya sa mga kaibigan ay nalalagot kung saan ang interes o kagalingan ng bayan ay nagsisimula"? Eh, bakit daw hindi niya hirangin si VP Leni sa gabinete para makatulong sa kagalingan at kabutihan ng bayan? Ayon sa report, ayaw daw yatang saktan ni Digong si Sen. Bongbong Marcos na kanyang kaibigan na tinalo ni Leni. Saka plano rin daw yatang hirangin ni Mang Rody si Bongbong sa kanyang gabinete!



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UNCLOS jurisdiction on South China Sea case questionable

LONDON (Xinhua) — Two leading experts on international law in Britain have recently published two research papers, both concluding that an arbitral tribunal that allowed the South China Sea case initiated by the Philippines against China to go ahead is not convincing legally.

Antonios Tzanakopoulos, associate professor of Public International Law at the University of Oxford, and Chris Whomersley, a former deputy legal adviser to the British Foreign and Commonwealth Office, are the experts.

In 2013, the Philippines unilaterally filed compulsory arbitration against China at the Permanent Court of Arbitration in The Hague with respect to the two sides' dispute in the South China Sea.

The dispute is obviously concerning sovereignty and maritime delimitation, which are beyond the stipulations of the United Nations Convention on the Law of the Sea (UNCLOS), according to a recent research paper by Tzanakopoulos originally published in the Social Science Research Network (SSRN).

"Both the Philippines and the tribunal sought to carve out distinct and limited 'disputes' over which the tribunal could make a decision," but this carving-out exercise "smacks of artificiality," he wrote.

China made a declaration in 2006 in accordance with Article 298 of the UNCLOS, making it clear that China would exclude disputes on maritime delimitation from compulsory arbitration.

The paper further elaborated: "It is difficult to see how questions of entitlement generated by maritime features are not inextricably intertwined

with issues of delimitation as well as with issues of sovereignty over the relevant features."

Tzanakopoulos' analysis on the jurisdiction of the arbitral tribunal was echoed by Whomersley.

In his paper published last week by the Chinese Journal of International Law, an independent and peer-reviewed research journal, Whomersley wrote that "questions of territorial sovereignty, status of features and maritime delimitation are inextricably linked; to consider only one element out of these three is unreal and artificial, and, worse, it risks producing a distorted result."

The tribunal "failed to recognize that the fundamental dispute is about the sovereignty over the features in the South China Sea, and that the status of the features, such as whether they are low-tide elevations or 'rocks,' is a question which can only logically be answered once the sovereignty dispute has been resolved," Whomersley wrote. "To put it succinctly: the tribunal should have got below the surface of the Philippines' claims, but it did not."

Besides, according to Giovanni Andornino, professor of International Relations of East Asia at the University of Turin and vice president of the Turin World Affairs Institute, said, "Negotiations are the most effective way to solve the disputes" in a recent interview with Xinhua.

"Safeguarding sovereignty and territorial integrity is one of the priorities of China, which has not acted aggressively but has reacted to its perception of the growing interference by the US and other countries in the South China Sea," Andornino said.

In his view, working toward formulating a Code of Conduct in the South China Sea issue, accepted by all the interested parties, would be "an extraordinary step forward" to solve the disputes.



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Duterte to wait for court ruling on sea row

Only after the release of a ruling by the arbitral court in The Hague on Manila's maritime case against Beijing will the Duterte administration speak about its policy on the dispute over territories in the South China Sea.

"We shut up. We will wait for the decision before we make any public statement," outgoing Mayor Rodrigo Duterte said, addressing officials and employees of the Davao City Hall yesterday

By **CHRISTINA MENDEZ**
morning.

The Permanent Court of Arbitration is expected to decide in the next days on a three-year-old case filed by the Philippines seeking a reaffirmation of its entitlements in the West Philippine Sea and contesting China's massive claim.

China, which is claiming almost the entire South China Sea, has snubbed the proceedings.

The president-in-waiting

said he is set to meet with his top defense and military officials after his inauguration to discuss the matter and thresh out a policy on dealing with China.

"We're just waiting for arbitral judgment. I have to talk to everybody in government to decide, including the military," Duterte added.

He had said in recent interviews that he was willing to enter into talks with China on the matter – and to strengthen relations with the Asian power.

But during the campaign, Duterte was more confrontational – even declaring in a presidential debate that he would race to one of the disputed islands on a motorboat or a jet ski to plant a Philippine flag and to dramatize his determination to assert the country's sovereignty.

He told the audience it would be up to the Filipino people to mourn his death in case he got killed in the ensuing "crossfire."

Daily Tribune

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STRATEGIC COMMUNICATION AND INITIATIVES SERVICE

South China Sea tribunal has no legal validity



Leading international law experts said any verdict by the Arbitral Tribunal on the South China Sea have no legal validity at a seminar on the South China Sea Arbitration and International Rule of Law in the Hague on Sunday.

Any verdict by the Arbitral Tribunal on the South China Sea will not have any legal validity, simply because the related parties have not all entered into an agreement to authorize the Hague-based arbitration body as a go between in the dispute, a host of veteran law experts said.

The experts, some of whom even drafted the United Nations Convention on the Law of the Sea (UNCLOS), discussed the issue at a seminar on the South China Sea Arbitration and International Rule of Law in the Dutch city, where the Permanent Court of Arbitration (PCA)'s Arbitral Tribunal is assessing the dispute case filed unilaterally by the Philippines.

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South China Sea tribunal has no legal validity

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The experts spoke to *China Daily* at the sidelines of the one-day seminar, organized by Leiden University's Grotius Center for International Legal Studies and Wuhan University's Institute of Boundary and Ocean Studies from Central China.

They said the PCA had no jurisdiction on the sovereignty dispute under the framework of the United Nations Convention on the Law of the Sea (UNCLOS).

They also said the related parties had not entered into an agreement to allow the tribunal to conduct such arbitration.

According to them, these are two essential preconditions for the PCA to exercise the arbitration.

"So China has held the right stances of non-participation and non-acceptance in the dispute arbitration, which has been stirred up mainly due to the geopolitical strategy of other powers in the region," said Abdul Koroma, former judge of the International Court of Justice, the principal judicial organ of the United Nations, based in the Hague.

Koroma said the PCA didn't obtain an agreement from the related parties to conduct the arbitration, which is a precondition required under United Nations law.

"On this case, the Arbitral Tribunal has no such authority simply because not all of the related parties have agreed to authorize in invoking the arbitration," said Koroma, who was previously the Sierra Leone ambassador to the United Nations and European Union.

"Only the Philippines has filed the case of arbitration and it is one-sided," he added. "So there is a lack of authority, in accordance to the international law."

For China, the South China Sea has been owned by China since ancient times and that the Philippines and Vietnam have occupied some islands and reefs in the region.

China has repeatedly insisted that the related parties should solve the dispute through negotiations, but the Philippines initiated the South China Sea arbitration against China at the Permanent Court of Arbitration in The Hague in early 2013.

"It is right for China not to accept arbitration and any verdict of the PCA," Koroma said. "This is very clear."

Koroma said he was echoing calls from other experts attending the seminar, insisting the international law should not be used for some countries to achieve their objectives of foreign policies.

At the seminar, many experts have opposed efforts by the US, which is not a direct party involved in the South China Sea issue, to support the Philippines in the region to achieve its foreign policy goals of realizing a strategic rebalance in the Asia-Pacific region, by containing China.

"The United States should not get involved because it is not a direct stakeholder in this issue. I suggest that this is a issue for the countries in the regions to seek solutions through negotiation," said Tom Zwart, a School of Law professor at the Utrecht University in the Netherlands.

Zwart said he didn't mean to take sides in the dispute but he insisted that the United States

should not use the rule of international law to serve its foreign policy agenda, because in recent years the country had returned to the Asia-Pacific region to boost its strategic presence.

"Instead, I believe the best way is to go back to the negotiation table in an Asian way," said Zwart, who worked as senior counsel to the Dutch deputy prime minister.

He said that from historic perspectives, China and the Asian countries had for centuries been sorting out their differences in a way which was mutually agreeable, and that they would still be able to do so for centuries more.

"Regarding to the complexity of this dispute, with so many parties and interests involved, you could not deal with it within a framework of the UNCLOS, because the treaty does not offer procedures to solve the problem," Zwart said. "So China and its neighbors must sit down to discuss the solutions by themselves."

Sreenivasa Rao Pemmaraju is a famous international lawyer who has served as chief legal adviser in India's Ministry of Foreign Affairs. He says China has a lot of evidence to indicate its ownership of the islands and reefs in the South China Sea.

"I am very glad that Chinese experts have brought so much ancient evidence and materials to show its ownership and jurisdiction of the South China Sea at the seminar, which will help people know more about what the case is about," said Pemmaraju, who is also chair of the UN International Law Commission. "There should be nothing short of this."

But he said the problem was that some documents were in Chinese and it took more time for people like him to know more about the truth behind it.

"This is the beginning of dialog and this will help the Philippines understand the reasons behind China's stances on the dispute," Pemmaraju said. "Then eventually, the case will be sorted out as the related parties know more the origins."

He has called for more confidence and trust building among the Asian communities because historically, the countries had been colonies of the West. "And now we are developing countries and we have many poor people in China, India and the Philippines," he said. "We have to show our sympathy to each other. We have long way to go and we must save energy and focus on development."

Pemmaraju said China now had played a big and responsible role in the world. "China has not brought trouble to anybody else and China has a great stake in peace," he said.

At the sidelines of the Sunday seminar, Nico Schrijver, academic director of the Leiden University's Grotius Center for International Legal Studies, said the big powers, such as the United States, should be prevented from getting involved in the South China Sea disputes and these should be solved by the claimant countries.

"China has very long tradition of peaceful settlements of international disputes and we could like to learn from China," said Schrijver, who is professor of peace, human rights and sea dispute settlement. "Maybe I am the only one born in the sea level today and the sea is so important

for us and you have to cooperate with your neighbors."

Abraham Sofaer, senior fellow at the Stanford University Hoover Institution in the US, said arbitration, raised by the Philippines but refused by China, has brought a lot of difficulties and anxiety, which were not good for any parties.

"We (The US) should be more responsible in talking to our ally and get back to the status quo and get this dispute resolved in a peaceful way," Sofaer said, adding that the dispute between China and the Philippines had let him know the limits of international laws.

Sofaer said the public in the United States could not easily access balanced reporting from the media, as they intended to play up conflict. "It is happening every day in the South China Sea dispute, which has been reported as a negative, counterproductive, aggressive action from China," Sofaer said, adding that it was misleading.

Sofaer suggested the related parties should learn from the wisdom of late leader Deng Xiaoping's in calling for assuming sovereignty and setting issue aside to pursue the joint development. "We should pursue such call," said Sofaer.

"And the US should convince its ally to curb the harm its litigation has caused by finding a way to restore the status quo with China at a bargaining table," he said. "And I believe it will withdraw the appeal to the arbitral tribunal because the judgments of tribunal could not be enforced finally."

Voices of China's scholars

Hu Dekun, Dean at Wuhan University's China Institute of Boundary and Ocean Studies, said China can offer mountains of documents, records and historic heritages to prove that since ancient times, Chinese people had discovered and used the South China Sea islands and reefs.

"Our ancestors have been fishing and trading on the regions and successively, China has owned the sovereignty and has been exercising jurisdiction over the South China Sea islands," Hu said.

Despite the Philippines and the Vietnamese occupying some islands in the South China Sea, China has refrained from raising disputes. "But in the recent years since the United States has returned to the region, the Philippines has begun to claim the sovereignty of the islands, which are owned by China and this is the very nature of the dispute," Hu said.

But Liu Huawen, assistant director at the Institute of International Law of the Chinese Academy of Social Sciences, said China had enough legitimate rights under international law to refuse to accept the arbitration, which was unilaterally initiated by the Philippines.

The tribunal has no jurisdiction over the Philippines' territorial claims to several islands or rocks, because in ratifying the UNCLOS in 2006, China had the right to opt out of various clauses. It did so for compulsory arbitration of maritime boundary delimitation and historical rights by the tribunal.

"So I think any verdict from the tribunal is invalid and the Philippines should come to negotiation table with China to solve the dispute and the US should stop from help escalating intentions in the region right now," Liu said, from *China Daily* reports

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Top China envoy visits Hanoi amid sea row

HANOI—China's top diplomat arrived in Vietnam on Monday for a scheduled meeting to strengthen historically close relations, at a time when ties are strained by squabbles over the South China Sea.

The trip by State Councilor Yang Jiechi, who outranks the foreign minister, comes amid a Chinese public relations blitz to try to discredit a looming verdict by an international tribunal that could aggravate tensions if it undermines Beijing's vast

claims to waters extending far into Southeast Asia.

Yang was due to cochair a "steering committee" that aims to strengthen ties and ward off disputes. He will make courtesy calls on the Vietnamese leadership later on Monday.

"We're glad to realize that the two nations' relationship over the time continues its positive development, despite some existing problems that need to be solved," Vietnam's Foreign Minister and Deputy Prime Minister Pham Binh Minh said after greeting Yang.

China has claimed at least 47 countries have offered support for its refusal to recognize a high-profile case brought by the Philippines in 2013 to the Permanent Court of Arbitration in the Hague.

A senior US official last week voiced scepticism about that claim.

Chinese diplomats have written editorials in regional newspapers denouncing the Philippine case, which seeks clarification of parts of United Nations maritime law and is seen as a bold challenge, with scope for repercussions.

Tran Cong Truc, former head of the government's border committee, said Yang may try to lobby Vietnamese leadership on the issue but that Vietnam's stance on opposing Chinese

claims will not change.

Pham told Yang that bilateral relations would continue a positive trend despite challenges such as territorial disputes in the South China Sea.

Experts say it is unlikely Yang would seek a sympathetic ear from Vietnam, which has trust issues with China and has recently grown closer to the Philippines.

Though Hanoi is not part of the Hague case, it stands to benefit from a positive ruling for Manila and has echoed its opposition to Beijing's fortification of artificial islands, the conduct of its Coast Guard and perceived intrusions into Vietnam's exclusive economic zone.

Ha Hoang Hop, a Vietnamese academic who has advised the

government, said there was "no hidden agenda" behind Yang's visit and there were no compromises to be made over the South China Sea.

The Hague ruling is expected in the coming months and there are concerns in the United States about how China could react should the verdict not work in its favor.

Reuters



VIETNAM'S Foreign Minister and Deputy Prime Minister Pham Binh Minh (right) welcomes China's State Councilor Yang Jiechi to Hanoi.

REUTERS

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Yasay asks int'l community to help enforce UN ruling

By Estrella Torres

INCOMING Foreign Secretary Perfecto Yasay Jr. has called on the international community to "get their act together" to enforce a United Nations arbitration court's decision that will likely negate China's territorial

claims and occupation of reefs and shoals in the South China Sea.

Yasay told reporters over the weekend that he was hopeful that neighboring naval powers like Japan would stand by the Philippines in enforcing the ruling.

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Yasay asks int'l community to help enforce UN ruling

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The Permanent Court of Arbitration in The Hague is expected to issue a decision on July 7 on the Philippines' complaint questioning China's nine-dash line that encloses practically the entire sea.

Beijing claims 90 percent of the 3.5-million-square-kilometer South China Sea, including waters within the 370-km exclusive economic zones of its small neighbors, including the Philippines.

China remains firm that it will not abide by the UN court's decision as it is not a party to the arbitration case.

Besides the Philippines and

China, claimants in the South China Sea include Vietnam, Brunei, Malaysia and Taiwan.

Freedom of navigation

But to be able to convince China to follow the arbitration ruling, Yasay said, "it's very important that the international community who is concerned in ensuring the freedom of navigation in the contested area, and the overflight in that area as well and the maritime security over the sea, to get together...."

A united stand, he said, would "make the Chinese even understand that it is for their benefit to resolve the conflict in this area peacefully. that there is



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more for the Chinese to lose if they will take aggressive action and use force than if they will pursue the resolution of this dispute through peaceful means."

"That is the principle that we

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should be guided," Yasay said.

Last week, Supreme Court Senior Associate Justice Antonio Carpio said the Philippines had the support of naval powers, such as the United States, France, Japan, Australia and the European Union in enforcing the rule of law in the sea dispute.

China has long intensified campaign to support its position on its historical claims in the South China Sea.

Rule of law

"Even if China has said that it will not respect the decision, we would like to hope that the international community will be with us together in urging Chi-

na to respect the decision and to respect the rule of law as well," Yasay said.

He said the court's ruling would not only benefit the Philippines but also the international community since it would ensure peace and stability in the disputed waters.

"The outcome of the decision of the United Nations Convention on the Law of the Sea (Unclos) court is not so much only pertaining to the Philippines' interest and to the Philippines' exclusive economic zone in the disputed area, but most importantly, this is a matter of international concern," Yasay said.

The Philippines is also pre-

pared to accept defeat in some of the 15 points it raised in its complaint, he said.

"Whatever the decision will be, we will respect it. If it is in favor with China, we will respect it. If it is in favor with the Philippines, we will respect it," he said.

Yasay said the Philippines was still hoping that "China will respect it because we both are committed to the rule of law and we all are signatories to Unclos."

The dispute, he said, "is a matter of concern to those who fly the West Philippine Sea or South China Sea in pursuing trade with the countries in that area."

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Fishermen won't join sea militia

By Allan Macatuno
Inquirer Central Luzon

SUBIC, Zambales—Fishermen in this coastal town are rejecting the idea of being deputized to form a National Task Force for the West Philippine Sea, saying it is the government's responsibility to protect them from China's intrusion.

Fisherman Reynaldo Bico, 48, who has frequented the disputed Scarborough Shoal with his crew, said the Philippine Navy and the Philippine Coast Guard (PCG) must instead take the role of securing the country's territorial waters to spare the fisherfolk from China's aggression.

The shoal, also called Panatag Shoal or Bajo de Masinloc, is well within the Philippines' 370-km exclusive economic zone (EEZ). It is part of the South China Sea that Manila calls West Philippine Sea.

"We're out in the sea to make a living and not to patrol our territorial waters," Bico told the INQUIRER on Monday.

Bico, captain of the fishing boat Anna Marie, said the task force had not consulted them about the plan but he was certain other local fishermen would turn it down.

"We are not capable of fighting off the Chinese coast guards. We're not trained to do that and that's not our job," he said.

Bico is one of the Filipino fishermen who complained about aggressive action from the Chinese patrols, which included ramming their boats.

Lt. Gen. Romeo Tanalago, chief of the Northern Luzon Command, announced at a press briefing in Tarlac province on June 24 that the newly created national task force would put the fishermen from Zambales on the front lines as the Philippines asserts its rights over the contested shoal.

The plan comes days before the United Nations issues its ruling on the Philippine maritime row with China.

China seized the Scarborough Shoal in 2012 after a two-

month standoff with the Navy and PCG. It has since added the shoal to a string of reefs it is developing into artificial islands.

China has been asserting its claims over almost all of the South China Sea. The Philippines filed a complaint against China in the UN Permanent Court of Arbitration in The Hague in 2013.

"We should be able to take actions in order to protect our fisherfolk," Tanalago said.

He said the lack of vessels had been hampering the Navy and the Coast Guard to patrol around the shoal. "We don't have the appropriate vessels to continuously monitor the area," he said.

Tanalago, who also heads the task force's Area Task Force-North, said the fishermen would not be armed. "The main stakeholders here are the fisherfolk. We should be able to organize and mobilize them so that they could exercise their rights," he said.

Jim Amora, 42, another fisherman from this town, said the government's plan to train them as maritime militia would put their lives in peril.

"We understand the concern of our military but we can't afford to take on the roles that some of our government agencies should be doing," Amora said.

Even without being prodded by the government, Filipino fishermen have been coordinating and relaying information to Navy and Coast Guard authorities as they face the Chinese coast guards around the shoal, he said.

"We're worried that China will turn more aggressive if they see us as maritime patrols. We would be better off as ordinary fishermen," he said.