

Philippines Beefs Security after Rebels Raid Mines

OLIVER TEVES, Associated Press



MANILA, Philippines (AP) — Philippine President Benigno Aquino III ordered security for mining companies beefed up Tuesday after raids by communist rebels shut down operations of the country's largest nickel producer and sent its stock plummeting.

More than 200 rebels disarmed guards, briefly held company staff, torched company offices and equipment and ambushed a convoy led by a police general responding to Monday's attacks on three mines run by Nickel Asia Corp. and Platinum Group Metals Corp. in southern Surigao del Norte province.

Following the president's instructions, Interior Secretary Jesse Robredo said additional troops and government-armed civilian militiamen will be sent to improve security for mining operators in remote areas.

The government assured the business community the attacks were an "isolated case."

"There is a very large investment there but it appears we are spread too thin. We will make sure that we will beef up security," Robredo told The Associated Press.

The attacks, some of the biggest raids in years by the communist rebels, dealt a blow to the mining industry just as the government was trying to woo investors to

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increase revenues and spending on social services.

Abject poverty, with one of every three Filipinos eking a living on \$1 a day, has allowed the Marxist insurgency, one of Asia's longest, to survive beyond the Cold War. The rebels accuse mining operators of destroying the environment and exploiting workers.

Shares of Nickel Asia Corp. dropped by 13 percent in early trading Tuesday on the Philippine Stock Exchange after the mine operator suspended activities because of the attack. The stock ended the day down 2.55 percent.

Emmanuel Samson, Nickel Asia's senior vice president and chief finance officer, said it was the first time rebels targeted the company.

He told ABS-CBN television it was too early to give an estimate of the damage. He noted the company can use two other mines to cover for the shipments that were affected by the attack.

The Philippines is the world's fifth most mineralized country, with large reserves of minerals, including gold, copper and nickel. But extraction and production has been slow, hampered by bureaucracy and red tape and a concerted campaign by environment activists against mining.

Last year, investments reached \$956 million. Environment Secretary Ramon Paje said last month that mining was forecast to grow 17 percent this year, with investments reaching \$18 billion by 2016.

The rebel New People's Army, listed as a terrorist group by Washington, has repeatedly threatened to attack mining companies, accusing them of exploiting the Southeast Asian nation's resources and labor force.

The military has said rebel attacks on mining firms are part of long-standing extortion attempts.

Rebel spokesman Jorge Madlos threatened more attacks if mining companies ignored their concerns. He said that prior to Monday's attacks, the guerrillas wrote letters and sought meetings with mining company officials but were ignored.

"If they still won't reform and continue to ignore us, there will be bigger attacks," Madlos told the AP by telephone. "They know now that we can do this."

He said the rebels "admonished" company management during the raid. He said those held for about five hours included some Japanese, Chinese and American managers.

He noted that the rebel movement was not totally against mining operations.

"If they want to return, we are open to discussion on this matter, as long as they adhere to revolutionary policies," he said.

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Associated Press writers Jim Gomez and Teresa Cerojano contributed to this report.

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