

# Russian group in talks with PH for nickel plant

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**Russian company VI Holding Group is now in talks with Philippine Mining Development Corp. (PMDC) for the possibility of setting up a nickel processing plant here in the Philippines, a development that may actually receive a positive feedback from the government as the government is pushing towards industrialization of the mining industry.**

The Philippines is currently the world's top supplier of nickel ore, while it remains to be one of the major producers of copper and gold. Despite this, the sector's contribution to the economy still stands at less than 1 percent.

Last week, Environment Chief Roy Cimatu said that a "Russian company" has approached the government for its plan to set up a nickel processing plant here.

In an email exchange, Vi Holding confirmed that it is the company Cimatu was referring to.

"Vi Holding is interested to discuss potential opportunities for mutual cooperation with nickel producers operating in Philippines in order to develop nickel mining and processing projects, including constructing of mining and metallurgical complexes in Philippines based on Vi Holding Technology," Vi Holding Group told Business Bulletin.

**"During our visit to Philippines in September, we met with several local major market players including Philippine Mining Development Corporation (PMDC). We're also open for discussions with the other nickel producers of Philippines," the company added.**

**PMDC is a wholly-owned and controlled government corporation formerly known as Natural Resources Mining Development Corporation.**

**The Mineral Reservation projects currently handled by the PMDC are the Diwalwal Gold Mining and Dinagat Chromite-Nickel Mining projects.**

**The firm's board of directors is composed of chairman and chief executive officer Alberto Sipaco Jr., Finance Undersecretary Bayani Agabin, Energy Under Donato Marcos, Development Bank of the Philippines director Maria Lourdes S. Laurel Avanceña Arcenas, Philippine National Oil Company board member Bruce Concepcion, among others.**

VI Holding is in the process of conducting "meetings and negotiations" with local producers and the government about the facility.

"The project is only at initial stage. We have to do a lot of work, including meetings and negotiations with local producers and authorities, technical, legal and financial study. Also we have to agree with local partners and authorities the terms and conditions of possible cooperation. Only after that we can talk about the concrete project timetable," the company said.

When asked about how much investment the company is willing to pour in for its Philippine expansion, VI Holding only said “the volume of investments depends on concrete parameters of the nickel projects to be discussed and agreed with Philippines companies and authorities.”

“It’s important to note that Vi Holding Technology allows to significantly reduce capital investments and production costs,” the firm said.

According to the Russian firm, it will utilize a unique technology of processing nickel-bearing (limonite) ore to produce high-grade FeNi with high Ni content, which it has developed itself and already patented.

This technology makes it possible to quickly and efficiently build mining and metallurgical complexes comprising independent power supply facilities, which use locally produced coal located close to the ore fields, significantly reducing capital investments and production costs.

This process technology is currently implemented on industrial scale at a specially constructed pilot plant in the Orenburg region in Russia.

It was on the day when he was confirmed by the Commission on Appointments (CA) when Cimatu first mentioned about VI Holding’s plan to expand here.

Cimatu said the foreign firm’s entry in the Philippines will help add value to the country’s mineral resources. At present, there are only two mineral processing plants in the country.

“This is a welcomed development. But it will take several years before they can finish their plants. So in the meantime, we have to export raw minerals at a lower price,” Cimatu said.

Right now, the country has one of the most untapped mineral resources, projected to have a value of over \$1 trillion.

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*[Link : https://business.mb.com.ph/2017/10/08/russian-group-in-talks-with-ph-for-nickel-plant/](https://business.mb.com.ph/2017/10/08/russian-group-in-talks-with-ph-for-nickel-plant/)*