

Lynas warns against moves to shut down plant
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Reuters

Australia's Lynas Corp warned against any move by the opposition to shut the company's RM2.5 billion rare earths processing plant, saying that such action would deter other foreign investment in the country.

NONEFuziah Salleh, PKR MP for Kuantan, where the controversial plant is being built, on Monday told Reuters the opposition would stop the plant if it won elections expected to be called within months.

Lynas executive chairperson Nicholas Curtis dismissed Fuziah's view as only one view within what would make up the political coalition against the government and said the main opposition PAS party supported the Lynas plant.

"She is the only person who has come out and said that the opposition would potentially revoke (a licence). I do not consider the words of a known opponent to carry necessarily the PAS party position at all," Curtis said, adding that he did not believe her view represented the PKR party's policy either.

"It would certainly not be stable for foreign direct investment in Malaysia were that situation to occur," he told analysts and reporters on a conference call.

Gov't gives green light

Lynas has yesterday obtained a temporary licence to start operating the rare earths plant.

NONEThe plant, which is 91 percent complete and on track to be able to start producing in the June quarter, will process rare earths from Lynas's Mount Weld mine in Australia.

The operation is key to breaking China's grip on the supply of rare earths metals, crucial in high-tech and green products ranging from smartphones to hybrid cars.

Curtis (right) said quotas imposed by China on rare earths exports as it deals with environmental problems at some domestic operations were likely to constrain supply for some time.

"We do expect that prices will continue to reflect a structural deficit in the market for a period of time to come," Curtis said.

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