

# PM: Lynas can continue operations

TOKYO: Malaysia will allow Australian rare earths producer Lynas Corp to keep operating a processing plant in the country, says Tun Dr Mahathir Mohamad.

The comments by the Prime Minister removed any uncertainty that had been hanging over the future of Lynas' US\$800mil (RM3.35ML) plant after Malaysia halted the process for renewing its licence because of waste disposal concerns.

Lynas is the only significant producer of rare earths outside of China, the name for a group of 17 metals used in batteries, computers, televisions and smartphones.

Their importance to global supply chains was underlined this week after China - the world's biggest producer - threatened to use the metals as a bargaining chip in its trade war with the United States.

"We think well have to renew the licence.

We do not want to lose such a large investment," Dr Mahathir told reporters here.

The premier is on a three-day working visit to Japan to attend a business conference.

Shares in the Australian company surged to the highest in more than five years yesterday after Chinese newspapers, including the official *People's Daily*, reported that China was ready to use rare earths to strike back in the trade war.

China supplied 80% of the rare earths, imported by the US from 2014 to 2017.

Data from the US Geological Survey showed China accounted for 81% of the world's rare earths production.

The Lynas processing plant in Malaysia refines ore from a rare earths mine in western Australia.

Last week, Lynas unveiled detailed expansion spending plans of A\$500mil (RM1.4bil)

designed to boost production and placate Malaysian regulators' concerns about the waste disposal at its plant.

The plan hinges on Lynas receiving its Malaysian license renewal in September and comes after the company in March rebuffed a A\$1.1bil (RM3.19bil) takeover offer from Australian conglomerate Wesfarmers Ltd.

Last December, Malaysia said Lynas must remove its waste stockpiles before the licence could be renewed.

But Lynas has maintained that it would not lie possible for it to remove the waste within such a short time frame. — Reuters

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