

# SG4 keen on rare earth mining

Dr M: We believe it's a source of wealth and all four states will receive equal revenue

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**BANGI:** Rare earth elements (REE) are among the focus sectors for the four Perikatan Nasional-governed states, which have banded together under the State Government 4 (SG4).

Former prime minister and SG4 adviser Tun Dr Mahathir Mohamad said the investment company is pursuing both domestic and foreign direct investments, with a focus on sectors like REE.

"We believe REE is a source of wealth. Not all four states have REE, but regardless, all four states will get an equal share," he said after his speech at the SG4 Summit yesterday.

Dr Mahathir said the SG4, comprising Kedah, Terengganu, Kelantan and Perlis, aims to ensure financial stability across the states and is not meant to undermine the authority of the Federal Government.

"A few months ago, we established a special purpose vehicle company where its shares are owned equally by all four states, meaning each state will own 25% of the company," he said.

"We want to make sure all four states receive equal revenue so that none will be left behind.

"We are not undermining or



**Working together:** (From left) Takiyuddin, Kelantan MB Mohd Nassuruddin Daud, Ahmad Samsuri, Dr Mahathir, Abdul Hadi, Kedah MB Datuk Seri Muhammad Sanusi Md Nor and Perlis MB Mohd Shukri Ramli attending the SG4 Summit in Bangi. — LOW BOON TAT/The Star

opposing the Federal Government. We are creating this because these four states are not getting their fair share of the wealth," said Dr Mahathir.

Also present were PAS president Tan Sri Abdul Hadi Awang and secretary-general Datuk Seri Takiyuddin Hassan.

Takiyuddin outlined SG4's investment strategy, which targets five clusters: infrastructure and logistics; trade, investment, and industry; agriculture and food security; education and

human capital; and new revenue streams.

"Each cluster will be chaired by one exco member from each state. We have started receiving new investments, but these are still being finalised," Takiyuddin said.

In a separate press conference later, Terengganu Menteri Besar Datuk Seri Dr Ahmad Samsuri Mokhtar said SG4 is exploring the downstream processing of REE as a potential revenue source.

He highlighted the significant

revenue potential from refining raw REE into their pure forms, such as cadmium.

"REE in their unprocessed state has minimal value. However, when processed into advanced, pure forms like cadmium, their value increases exponentially, sometimes by hundreds or even a thousand times. Thus, prioritising the processing of these elements is a logical step for us," he said.

Samsuri added that the plan could greatly benefit industries utilising these processed materi-

als, such as those producing super magnets and electric vehicles.

He emphasised the advantage of downstream companies setting up factories in areas where these raw materials are sourced.

"This would enhance the overall value chain," he said.

Samsuri also claimed that both government-linked companies and foreign investors have expressed interest in REE-related investments, though these discussions remain at an early stage, involving exploration licences and resource verification.

"The data provided by the Minerals and Geoscience Department is broad. As we explore specific areas, say, the first 10ha, we must first confirm whether those areas contain the necessary resources," he said.

According to Samsuri, several countries, including South Korea, Japan, and China, have shown interest in investing across various sectors such as heavy industries, agriculture, and agro-industry, but stopped short of disclosing specific investment figures.