

Fuziah says Lynas plant will scare off other investors
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KUALA LUMPUR, Jan 31 — Kuantan MP Fuziah Salleh has hit back at Lynas Corp, insisting that the presence of the Australian miner's RM2.5 billion rare earth plant would deter investors from Pahang.

Earlier today, Lynas executive chairman Nicholas Curtis warned against any move by Pakatan Rakyat (PR) to shut the company's refinery, which has raised fears of radiation pollution, saying such action would deter foreign investors.

Fuziah, who has led protests by locals and environmentalists against the plant, said yesterday the federal opposition would shut down the plant if it won a general election that must be called by May next year.

"Would any foreign investor want to site their operations right beside a rare earth plant? Would companies like Siemens want to set up near Lynas?"

"This is not a strategic investment in terms of risk versus benefit. We don't need rare earth to be high-tech. Germany doesn't have rare earth," she told The Malaysian Insider.

However, Lynas has claimed that it has signed agreements to supply BASF and Siemens with rare earth, crucial in high-tech applications like magnets for wind turbines and hybrid cars.

In response, Fuziah dismissed the notion that the supply contracts meant either BASF or Siemens would set up shop in the vicinity of the refinery.

She also refuted Curtis' statement that her stand was only one view within the opposition coalition and that PAS was supportive of the project.

"(PAS spiritual leader) Datuk Nik Abdul Aziz Nik Mat has said if you want to close down Lynas, vote for Pakatan. (Opposition Leader) Datuk Seri Anwar Ibrahim has also said the same.

"I am not just anybody. I am PKR vice president and a member of the Pakatan leadership council," she said.

The Australian miner said last week it expects the start of operations to be delayed to the second quarter from the first quarter of this year.

The plant was due to start operations in September last year but Putrajaya bowed to public pressure last April after sustained opposition from local residents and environmentalists and put the project on ice pending the review by the International Atomic Energy Agency (IAEA).

In July 2011, the government agency adopted 11 recommendations set out by the review of

the refinery and said it would not allow Lynas to begin operations or import rare earth ore until all conditions, which include a comprehensive, long-term and detailed plan for managing radioactive waste, are met.

However, AELB has said Lynas Corp failed to meet any of the conditions in its first proposals.

Lynas's local subsidiary has insisted that it can begin operations within six weeks of being given the go-ahead for the plant, which it hopes will provide a windfall of RM8 billion annually from 2013.

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