

**Lynas warns on any move to shut rare earths plant**  
**The Malaysian Insider**  
**January 31 , 2012**

MELBOURNE, Jan 31 — Australia's Lynas Corp warned against any move by Malaysia's political opposition to shut the company's US\$200 million (RM630 million) rare earths processing plant, saying today such action would deter other foreign investment in the country.

An opposition member of Parliament for Kuantan, where the controversial plant is being built, yesterday told Reuters the opposition would stop the plant if it won elections expected to be called within months.

Lynas executive chairman Nicholas Curtis (picture) dismissed Kuantan MP Fuziah Salleh'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.

Lynas is awaiting a temporary licence to start operating the rare earths plant and is expected to receive a decision from the Cabinet of Prime Minister Datuk Seri Najib Razak next week, based on whether the plant meets safety standards for handling radioactive material.

"We look forward to hearing the final decision of the government in the very near future," Curtis said, declining to comment on whether any conditions may be attached to the temporary licence.

The plant, which is 91 per cent 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 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. — Reuters

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