

Siemens says 'no link' to Lynas plant
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By Shannon Teoh

KUALA LUMPUR, March 26 — Engineering giant Siemens today moved to distance itself from Lynas Corp's controversial rare earth plant in Kuantan, insisting that plans to partner with the Australian miner to make high-powered magnets are unrelated to the RM2.3 billion refinery.

Siemens Malaysia chief executive Prakash Chandran told radio station BFM today the joint-venture "has not been finalised" and more details will only be known at least three months from now.

"This plant has got no link to the existing Lynas plant in Gebeng. Two totally different things," he told the business station.

Lynas had said in January it has signed a letter of intent with the German powerhouse to embark on a RM500 million joint venture to produce supermagnets for wind turbines, "which logically should be next door" to the refinery.

But Prakash said today the location for such a plant has not been decided as "we are looking at different places in Malaysia."

"When and if we are going ahead with this... the existing Lynas plant... could supply into this plant," he added.

Kuantan MP Fuziah Salleh, who has led protests against the Lynas plant, had said in January the presence of the facility that has raised concerns of radiation pollution would deter investors from Pahang.

The PKR vice president specifically named Siemens as a company that would not set up shop beside a rare earth plant.

But Lynas has said that engineering giants such as Siemens and BASF, the world's largest chemical company, had already signed on to buy rare earth from Lynas, "indirectly confirming that we conform to international environmental standards."

"Because we conform, they can label their products as green products. The fact they want to enter into a contract with us means they have to do a thorough audit to ensure Lynas is a green supplier," he said.

But Prakash, who is also Siemens Malaysia president, said today resistance from local residents, environmentalists and the federal opposition were related to "a plant where we are not involved". He acknowledged, however, that Siemens was doing business with Lynas.

"Any plant will have to follow Siemens' environmental guidelines. This would be a prerequisite and that is a commitment Lynas has given us," he added.

Lynas is anticipating a windfall of RM8 billion a year from 2013 onwards from the rare earth metals that are crucial to the manufacture of high-technology products such as smartphones, hybrid cars and bombs.

The government also expects RM2.3 billion in investment spinoffs from the plant, including the RM300 million already poured into two factories in the Gebeng industrial zone that will produce the hydrochloric and sulphuric acids needed to extract rare earth metals.

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