

Lynas denies being 'chased away' from previous sites
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By Shannon Teoh

KUANTAN, April 19 — Lynas Corp denied today ever failing to meet safety standards despite the Gebeng industrial zone being the fourth proposed site for its controversial rare earth plant that is two weeks from completion.

The Australian miner told a media briefing here that it ditched earlier plans to set up the refinery in Perth, Australia and China due to business considerations and left Kemaman, Terengganu after delays to land approval despite meeting requirements set out by local regulators.

"Lynas was never chased out from Terengganu due to environmental reasons. We couldn't wait as our customers were waiting and our customers' customers were waiting," said Datuk Mashal Ahmad, managing director for its local operations, adding that it has already filled its order book for the next 10 years.

He added the Sydney-based firm had not avoided strict regulations in Australia as it had already gained a licence "for the exact same plant" in Perth in 2004 but came to Malaysia as materials, skills and infrastructure needed for the refinery were cheaper and more readily available here.

He explained that the proposed plant in Meenar Industrial Park, which is in the same Australian state as its Mount Weld mine, would incur much higher expenses as water and electricity costs RM6 per cubic metre and 96 sen per kilowatt-hour as compared to 84 and 23 sen respectively here.

"In China, we already hired five employees until the government changed the rules and said we cannot export without prior approval. In any industry, nobody wants to invest when you're not in control," he said, referring to plans that had looked concrete up to 2005.

Lynas has faced fierce protests from local residents and opposition politicians who say that the RM2.5 billion plant will cause radiation pollution despite the Sydney-based firm insisting it has met and exceeded local and international safety standards.

They have continuously questioned why Lynas did not set up its refinery in Australia and or Terengganu, claiming it was due to the company's failure to meet safety, especially radiation standards.

But the company, which has projected a windfall of RM8 billion annually from the highly sought-after mineral, insists it has met and exceeded local and international safety standards.

It also says its residue has only "very low level radiation" and can be reprocessed into non-hazardous material for road building.

Local regulators Atomic Energy Licensing Board (AELB) had said in January it would approve a TOL subject to added conditions including identifying a suitable long-term waste disposal site.

Lynas had said last month that identifying this site "is a work in progress."

IT also said prior to AELB's decision that a PDF will only be needed in a "worst-case scenario" where it is unable to reprocess the waste into a commercial product.

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