

Malaysia's bauxite exports rise despite mining ban

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KUALA LUMPUR, July 6 — A year and a half after banning bauxite mining to force miners to meet environmental standards, Malaysia's exports to main customer China are again growing, raising public anger over illegal mining.

Residents and politicians in the east coast bauxite mining region are calling for a total export ban of the aluminium raw material, but industry figures and analysts say shipments are likely to continue.

Malaysia halted bauxite mining in January last year, but allowed exports to continue to deplete vast stockpiles at ports where run-off after monsoon rains had polluted waters and led to a public outcry.

But 18 months later, the stockpiles are the same size as they were at the start of the ban, even as Malaysia has exported more than 9 million tonnes of bauxite to China, according to Chinese import data.

“For the last six months, we've received reports from residents about the presence of fresh excavations... That is why the volumes of the stockpiles do not go down,” said Fuziah Salleh, the member of parliament for Kuantan.

“We will still be contaminated with the dust and erosion of stockpiles into the water.”

Malaysia was briefly the largest bauxite supplier to top buyer China, with shipments peaking at nearly 3.5 million tonnes a month at the end of 2015 as miners rushed to fill a supply gap after neighbouring Indonesia banned ore exports.

But largely unregulated miners failed to secure stockpiles of bauxite and run-off from monsoon rains turned rivers and coastal seas red, contaminating water sources and leading to the mining ban in January last year.

Exports to China fell to a low of 165,587 tonnes last December, but have since steadily climbed to hit 719,614 tonnes in May.

Mining activity and truck deliveries of bauxite to port have ramped up since October, according to Ibrahim, a 50-year-old resident of Kuantan, the capital of Pahang state where the bauxite is largely mined.

“The bauxite goes out at irregular hours, from day to night. There are no fewer than 200 truck delivery trips a day from the mining sites to the port. How can the stockpiles go down like that?” he said to Reuters over the phone.

Industry figures and analysts say the mining ban has not been effective, and expect mining to continue as long as there is demand from China.

“China imports 60-70 million tonnes of bauxite a year to meet domestic demand. Mining margins are still there so people will continue to mine illegally,” said a manager at a bauxite mining company, who declined to be identified as he was not authorised to speak to media.

Malaysia last week extended the mining moratorium for another six months to the end of the year, its sixth such extension.

Natural resources and environment minister Datuk Wan Junaidi Tuanku Jaafar, who noted the stockpiles had not diminished, said the government would consider stricter enforcement, including 24 hour surveillance, but declined to comment directly on calls for a total export ban.

“I’m concerned only on the environmental impact of the mining activities, and to ultimately stop it will impact the economy of the state,” he told Reuters. “To stop bauxite mining means to jeopardise the state economy and thousands of people involved in the industry.” – Reuters

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