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For Environmental Justice

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Press Release

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SAM CAUTIONS AGAINST PROMOTING RARE EARTH INDUSTRY

Sahabat Alam Malaysia (SAM) is gravely concerned over the announcement by Kedah Menteri Besar, Muhammad Sanusi Md Nor, yesterday that the state has entered an agreement with a Kuala Lumpur-based joint venture company to explore rare earth elements (REE). According to media reports, the MB has claimed that the REE was not radioactive and was found in Sik, Ulu Muda and Baling in Kedah.

Similar claims were made last year by the former Minister of Water, Land and Natural Resources (KATS) over a deal between a China company and the Perak state government for the exploration of rare earth minerals. The Perak venture involved the state government and a Chinese company, Chinalco GXNF Rare Earth Development to undertake the exploration of rare-earth minerals.

The Ministry in response to SAM then had claimed that the Chinese expertise in identifying the potential of rare-earth sources in Perak, especially that in ion-adsorption clay, did not contain thorium or uranium as by-product wastes.

SAM believes that the Kedah venture could be similar to that being undertaken in Perak and we call on the MB to confirm this and as to whether the venture involves the same Chinese company.

Our concerns are not allayed by the Kedah MB or the federal government that the venture does not involve radioactive elements.

SAM's preliminary research on China's experience shows that there are very serious environmental damage and human-health costs related to the mining and leaching of ion- adsorption rare-earth clay resources.

A 2013 study¹ by six Chinese university academics on the consequences in Southern China of the ion-absorption rare-earth industry reveals devastating environmental effects in the region. The study, '*China's ion-adsorption rare-earth resources, mining consequences and preservation*' has many alarming findings.

It said that the Chinese central government in June 2011, enforced a ban on surface mining and tank/heap leaching while implementing in-situ leaching for ion-adsorption rare earths.

According to the study, “**surface/mountaintop mining** for ion-adsorption rare earth ores has become the dominant driver of land-use change and degradation in southern China, causing permanent loss of ecosystem, severe soil erosion, air pollution, biodiversity loss and human health problem”. **The study estimates that the costs of this mining are more than the benefits, even before taking into account the human health and environmental costs.**

The study further states that while **the in-situ leaching technology** is advantageous in terms of surface vegetation clearing and soil excavation, however, “the enforcement of in-situ leaching to tackle environmental problems associated with rare earth mining and extraction remains highly contentious.”

According to the study, “The **practice of in-situ leaching** has also revealed serious environmental problems including underground water contamination, mine collapses and landslides...More than 100 landslides reported in the Ganzhou region were attributed to in-situ mining and leaching practices, at significant human costs and losses...The reclamation of finished in-situ leaching mines ...could be more costly than that of surface mining/heap leaching mines.”

These findings on both categories of activity (surface/mountaintop mining, and in-situ leaching) are indeed alarming. **The central question remains: Why embark on an exploration to identify rare-earth minerals in the first place, if the mining and processing of the minerals are so extremely environmentally damaging, with also serious human and public health costs?**

SAM makes the following call on the authorities:

> Firstly, in the interest of transparency, we call on the Kedah state government to make public and disclose the deal and the company involved in the venture. The public has a right to know what the company is tasked to do and where the exploratory activities will take place and what environmental and social safeguards are in place.

REE exploration is not without environmental and social impacts, especially when the elements are found in environmentally sensitive areas like forest reserves or where local communities reside.

> Secondly, we call on the Ministry of Energy and Natural Resources (KETSA) to make public the government’s policy on the development of the rare-earths industry, and seek public consultations prior to allowing states to embark on such ventures, not only in Kedah and Perak but anywhere else in the country.

Both the federal and state governments should not be blinded by promises of billions and trillions of ringgit in relation to the rare-earth industry, which has to be viewed as a dirty and toxic industry, similar to what we now know of the plastic and tobacco industries.

We have to find alternatives to rare-earths given their damaging nature.

Malaysia must get its priorities right and put the environment at the centre, and not continue to plunder and damage our natural resources, in the name of generating economic wealth. Clearly, we are not learning from lessons of the past on what it takes to be truly sustainable, but instead are leaving a toxic legacy for generations to come.

**Meenakshi Raman,
President
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¹ <https://www.sciencedirect.com/science/article/pii/S2211464513000316>

