PRESS CUTTINGS

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Part 1:

METALLIC COMMODITIES

Source : StarBiz
Date : 09 October 2018 (Tuesday)

India's aluminium makers win Japan sales

Market shake-up after US sanctions against Rusal

TOKYO: Indian aluminium makers including Hindalco Industries and Vedanta Ltd are boosting sales to Japan as US sanctions against Russia's Rusal and import tariffs shake up traditional supply routes.

India's product has generally not been regarded as high enough quality by Japan's demanding buyers, who have preferred top-tier producers like Rio Tinto, Alcoa and South32 as well as United Company Rusal.

However, imports of aluminium ingot from India doubled in the first eight months of 2018 from a year ago, Japanese trade data shows, while imports of alloy – which include higher-value products – surged 11-fold off a tiny base.

"Because of the sanctions, consumers would like to ensure some security of supply, so they'd like to prefer multiple suppliers instead of one supplier," Samir Cairae, chief executive of Vedanta's diversified metals business in India, told Reuters.

The increased trade is a blow to Rusal, the world's second biggest aluminium maker, which accounted for about 20% of Japan's imports of both aluminium ingot and alloy in 2017, but which has been hit by US sanctions.

Customers globally have had to scramble to find alternative sources of metal even after the United States eased sanctions restrictions for some customers, and they were likely to permanently diversify supply chains, said a source at a Japanese trading house.

"Many of their customers are reluctant to order the same amount of supplies that they have bought in past years for next year even if the US sanctions are lifted," the trader said.

Japanese trading houses such as Mitsubishi Corp have been aggressively importing supplies from India as well as other countries to help customers diversify supply, trading sources said. Mitsubishi declined to comment.

Products from India are mainly refined ingots rather than value-added products such as billets and slabs, said a second trading house source. Substitute material for Rusal's higher quality products has come from the Middle East and Malaysia.

However, Indian metal was winning growing acceptance and was also being sold at a discount to traditional suppliers.

"Japanese buyers are getting Indian metal for cheap," the source said.

Japan took 59,545 tonnes of aluminium ingot in the eight months to March, double a year ago, while material from Russia fell 21% to 175,694 tonnes, Japanese trade data showed.

Imports of aluminium alloy from India jumped to 3,008 tonnes over the same period, while Russian imports fell 10% to 185,685 tonnes.

The US trade actions – 10% import tariffs on the light metal from March and sanctions against Rusal from April – sent shockwaves through the market, boosting aluminium prices to seven-year highs and pushing up costs to obtain physical metal in the US domestic market.

"Stronger US premiums have become incentives for smelters in Australia, which is exempted from the duties, to ship more products to the United States," said a third trader, who saw Indian products filling the supply gap left by Rusal in Asia.

Vedanta, India's largest producer of aluminium, sees a big opportunity in Asia.

Cairae said the company is focusing on ramping up exports of its value-added products such as billets, which can be used in the transport, construction and packaging industries, and wire rods.

Hindalco did not immediately respond to a request for comment. — Reuters

Playing safe: Making aluminium ingots at the foundry shop of the Rusal Krasnoyarsk aluminium smelter in the Siberian city of Krasnoyarsk. Consumers prefer multiple suppliers to ensure some security of supply. — Reuters

Source : StarBiz
Date : 10 October 2018 (Wednesday)

China ups aluminium exports on trade war

LONDON: Chinese aluminium exports are expected to surge in coming months and next year after Beijing boosted tax rebates as part of a package to soften the impact of a trade war with the US, according to industry consultancy CRU.

High Chinese exports of metals such as aluminium and steel in recent years have spurred criticism by both the United States and Europe, and was one reason for the imposition of tariffs by Washington.

Last month, China increased its rebate on value added tax (VAT) for exports of semi-fabricated aluminium or semis to 16% from 13%, said senior analyst Greg Wittbecker of consultancy CRU.

That will increase exports of both legitimate semis as well as so-called "fake semis", which have been transformed from primary metal just enough to escape China's export tax on unwrought metal and instead qualify for a VAT tax rebate, he added.

"We think exports of semis will rise significantly over the course of the year (2019) and fake semis alone could probably approach 800,000 tonnes," he said at a presentation during industry gathering LME Week. — Reuters

Source : StarBiz **Date : 12 October 2018 (Friday)**

China lithium king tanks in HK debut

HONG KONG: Major global battery raw material supplier Jiangxi Ganfeng Lithium Co sank on its trading debut in Hong Kong as weaker industry sentiment was compounded by renewed turmoil in global markets.

The stock sank as much as 28% after opening at HK$16.50, the lowest end of its offer range. The firm's Shenzhen-listed shares tumbled to their daily limit for a second day, as Chinese commodities and battery stocks in China joined a fresh retreat for equities worldwide.

The MSCI Asia Pacific Index headed for its biggest drop since June 2016.

The Chinese company's listing was already clouded by falling lithium prices and widespread speculation about too much supply ahead.

The steep losses in Hong Kong may not bode well for Livent Inc, a lithium spin-off from chemicals producer and American giant FMC Corp, due to go public today in New York.

"If the external situation was stable, people would probably just dismiss declines in lithium prices," Helen Lau, analyst at Argonaut Securities Asia in Hong Kong, said by phone.

"But everyone is looking at a screen full of red and it's a very, very difficult to ask clients to buy a new stock at this time.

"There is too much uncertainty and risk," Lau added.

Other battery-related companies also joined today the collapse, which took Ganfeng's Shenzhen stock to a 45% loss for this year – Ganfeng's rival Tianqi Lithium Corp, which is also planning a Hong Kong listing, fell 10% to head for its lowest close since early 2017.

Zhejiang Huayou Cobalt Co, the world's top cobalt refiner, fell 9.8% while battery materials supplier Ningbo Shanshan Co slumped to its lowest since last June.

"For now, investors have decided to pause their investments around lithium and cobalt," said Chris Berry, a New York-based analyst at House Mountain Partners LLC and consultant to companies in the sector.

"The Ganfeng IPO is going to raise less money than we thought and Livent is probably going to struggle a little bit just like Ganfeng," Berry said yesterday.

Prices for lithium have declined this year amid concerns over the arrival of new supply and signs of weaker demand in China, falling about 8% in 2018, according to a Benchmark Mineral Intelligence index.

Lithium producers needed to be more conservative in the face of concerns about oversupply, Ganfeng's Vice Chairman Wang Xiaoshen said in an interview on Tuesday.

He delivered a cautious message on growth and said it was time to "fasten seat belts" for lithium producers.

He also acknowledged in the interview that marketing the Hong Kong stock against the background of unstable equities markets and weaker lithium prices had been challenging. — Bloomberg

Source : StarBiz Date : 18 October 2018 (Thursday)

Press Metal buys stake in Japan Alumina for RM739mil

PETALING JAYA: Press Metal Aluminium Holdings Bhd is buying a 50% stake in a company that holds a 10% interest in the Worsley Alumina project, as the local smelter seeks to secure long-term access to the key raw material.

In a filing with Bursa Malaysia, the company said 80%-owned subsidiary, Press Metal Bintulu Sdn Bhd, has proposed to acquire a 50% equity interest in Japan Alumina Associates (Australia) Pty Ltd (JAA) for A$250mil (RM739mil).

JAA holds a 10% participation interest in the Worsley Alumina Unincorporated Joint Venture, which owns and operates the Worsley Alumina Project, one of the world's largest, longest-life and lowest-cost alumina producers.

The proposed acquisition will provide Press Metal the opportunity to access 5% of the annual production of the Worsley Alumina Project, which amounts to 230,000 tonnes of alumina per annum.

The proposed acquisition is expected to be completed by the first quarter of 2019.

The company said it is moving in to mitigate alumina price volatilities by securing the supply of a certain volume of alumina obtained through JAA, instead of third parties.

Source : StarBiz **Date : 19 October 2018 (Friday)**

Press Metal expected to go upstream after stake buy

PETALING JAYA: Press Metal Aluminium Holdings (PMetal) is expected to go upstream via an acquisition of a 50% stake in Japan Alumina Associates (JAA), which in turn holds a 10% participation interest in Worsley Alumina Project (WAP).

This proposed acquisition via its 80%-owned subsidiary, Press Metal Bintulu Sdn Bhd will enable PMetal to access 5% of the annual production of WAP, which amounts to 230,000 tonnes of alumina p.a which is 15% of PMetal's requirement, according to UOB Kay Hian analysts.

The proposed acquisition is expected to be completed by the first quarter of 2019 (Q1'19).

The acquisition is earnings accretive as the price tag of 11x FY18 PE is lower than PMetal's PE.

WAP expects to increase production to four million tonnes in financial year 2019 and 2020 (FY19 and FY20).

"In addition, we note that its operating unit costs hovered between US$200-247 per tonne and the company has guided for US$230 per tonne in FY19," analysts said.

For FY18, WAP charted EBIT of US$491mil and EBITDA of US$684mil on production of 3.8 million tonnes of alumina.

"Assuming a 30% corporate tax rate, bottom-line is estimated at US$343mil.

"Based on USD/AUD rate of 1.40, bottom-line in AUD is approximately A$481mil," analysts said.

Analysts added, "Based on the acquisition price tag for a 5% stake in WAP via JAA, it translates into FY18 PE of 11x and EV/EBITDA of 5.2x."

The announcement stated that the acquisition will be funded via borrowings.

"However, we note PMetal's estimated strong operating cash flow is at an average of RM1.1bil p.a, which gives rise to a possibility of the acquisition being funded via internal funds instead," UOB Kay Hian said.

The research house maintained "hold" and made no changes to their earnings forecast as "PMetal has not locked in bulk of its alumina supply for 2019 yet and current alumina prices are above our assumptions."

The target price of RM4.80 was set based on a 20x 2019F earnings per share (EPS).

The stock closed at RM4.92 with a volume increase of 1.86%.

Source : StarBiz
Date : 31 October 2018 (Wednesday)

Fear is the key

Goldman says gold benefits as stocks slide

SINGAPORE: Goldman Sachs Group Inc says that "fear" has made a comeback and gold is benefitting as stocks slide and investors fret more about the possibility that the US economy may tumble back into recession.

Bullion's recent advance "happened on the back of the market sell-off and spike in volatility", analysts including Mikhail Sprogis and Jeffrey Currie, wrote in a report dated Oct 30.

"In our view, it represents a rebound in fear-related demand for gold with exchange-traded funds beginning to build after several months of declines."

Bullion is heading for the first monthly gain in seven after equities slumped and trade-war concerns festered, hurting the outlook for growth. The US has a greater than 50:50 chance of tipping into a recession in the next two years, according to a model tracked by JPMorgan Chase & Co. The spike in market worries on the possibility of a recession have been the primary reason behind a rebound in gold investment demand, according to Goldman.

"While we think that the US cycle still has room to run it doesn't mean that markets will not worry about it coming to an end," Goldman said, describing US growth as "still strong".

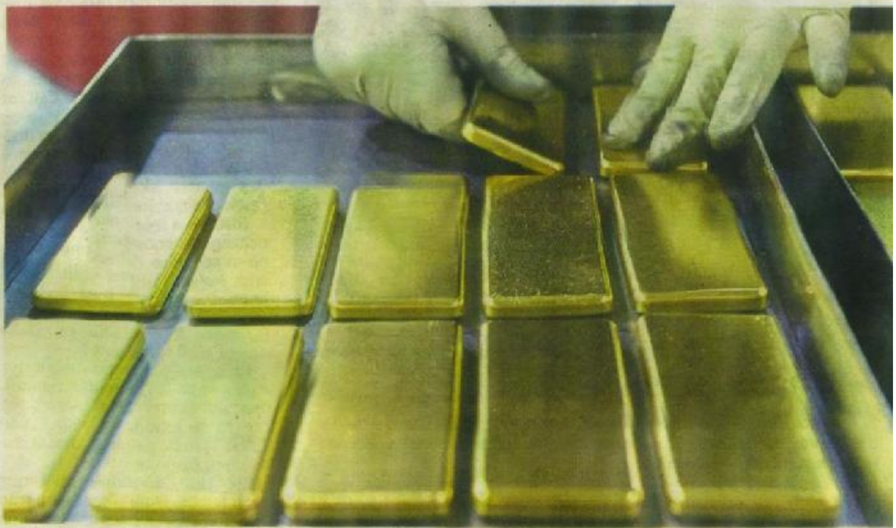
The bank added: "Going forward, we expect market 'fear' of a US recession to strengthen. Recession worries and gold investment may increase further after US growth begins to slow down."

Spot gold traded near US$1,227 an ounce yesterday. While that's up 3.1% in October, the metal has lost ground in 2018 as the Federal Reserve has pressed on with interest rate rises. Goldman described bullion's fundamentals as solid, and kept its three, six and 12-month forecasts at US$1,250, US$1,300 and US$1,350, but sees upside risks once US growth begins to slow.

The bank listed other reasons it was positive on bullion, citing prospects for central bank buying, higher core inflation in the US, and rising emerging market (EM) demand. It cautioned there may be some short-term headwinds related to volatility in EM currencies and the yuan in particular.

The bank's economists forecast a slowdown in US growth next year to 2.6% from 2.9% and a pick-up in core inflation to 2.5%.

"This could make the US economy look increasingly like it is entering late-cycle inflation overshoot and further support gold investment," Goldman said. — Bloomberg



As good as gold: An employee arranges one kg gold bars at the Perth Mint Refinery, operated by Gold Corp, in Australia. Gold bullion is heading for the first monthly gain in seven months after equities slumped amid trade-war concerns. — Bloomberg

Part 2:

ENERGY MINERAL (COAL)

Source : The Star
Date : 02 October 2018 (Tuesday)

Shafie to make a decision on coal mining in Maliau Basin

KOTA KINABALU: A 30-year-old question on whether Sabah should allow coal mining has resurfaced under the new state government.

The question was raised by the late primary industries minister Tun Dr Lim Keng Yaik in the 1990s when he asked the Sabah government whether it wanted to save the monkeys or earn money by allowing mining in the famed Maliau Basin, known internationally as the Lost World.

Successive chief ministers under Parti Bersatu Sabah and Sabah Barisan had resisted moves to mine the coal-rich Maliau Basin.

The question of allowing mining is now again on the lap of Chief Minister Datuk Seri Mohd Shafie Apdal.

Prime Minister Tun Dr Mahathir Mohamad suggested Malaysia ought to mine coal to meet domestic demands.

Both environmentalists and political leaders within the government immediately reacted to it.

Sabah's Tourism, Culture and Environmental Ministry said it was taking steps to declare the area a World Heritage site.

Clearing the air over the controversy, Shafie said they were considering the proposal and fully understood concerns of environmentalists.

He said he was informed that the state's coal reserve was one of the biggest in the country and it was an option which could benefit the state.

"I was made to understand our coal reserve is plentiful, one of the biggest in the country. It is an option if it benefits the state," he said yesterday.

"We have to be mindful of NGOs and environmentalists' views."

He said the state would study Dr Mahathir's suggestion.

"There are many technologies that can reduce environmental impact like the use of solar, hydro and gas. We have a lot of natural gas. We have yet to explore these options to the maximum," he said.

Shafie noted that the Bakun dam in Sarawak had drawn objections but today Sarawakians are enjoying power generation at a rate of 16 sen as compared to 40 sen.

"Whenever people throw ideas at us, we need not immediately reject them but study them thoroughly," he said.

Source : StarBiz
Date : 05 October 2018 (Friday)

China's funding for coal draws scrutiny as climate concern grows

LONDON: China's leading role in financing a wave of new coal plants across Asia is drawing fresh scrutiny as the world's top climate scientists weigh calling for much deeper cuts in emissions.

China, India, Japan and the Philippines rank among the biggest investors in the 1,380 coal plants under construction or development worldwide, according to a study by the German pressure group Urgewald.

The findings add to evidence that Asian companies, often backed by taxpayer money, are stepping up funding for the technology blamed for global warming.

A panel of researchers convened by the United Nations next week will release its recommendations for how to limit temperature increases, detailing how to meet a commitment in the 2015 Paris Agreement where almost 200 countries agreed to slash use of fossil fuel.

"Every coal plant that goes online puts a new stumbling block between us and the Paris goals," said Heffa Schuecking, director of Urgewald.

The report highlights growing scrutiny of the coal industry both by pressure groups and multinational institutions, most of which are working to rein in investment of the most polluting fuels and to promote alternatives.

Research groups like Urgewald along with CDP and Natural Resources Defense Council are gathering data detailing which companies have the most at stake from tighter rules on climate change.

Bank of England governor Mark Carney is leading a Task Force on Climate-Related Financial Disclosures prodding companies themselves to make transparent the risks they face from environmental rules.

Those efforts sprung up alongside work on the Paris climate agreement, a pact in 2015 where governments everywhere for the first time pledged to limit greenhouse gases.

With global carbon emissions from fossil fuels at a record, policymakers are studying how to make quicker reductions and zeroing in on coal as their first target.

Utilities by 2030 would have to consume just a third of the coal they burn now to hold global warming since the start of the industrial era to 1.5 degrees Celsius, according to a draft of a report by the UN's Intergovernmental Panel on Climate Change. That group of hundreds of top researchers is due to release a report on Monday in South Korea calling for a massive reduction in burning coal.

Coal currently feeds about 27% of the world's energy demand. That proportion is likely to drop to about 22% in 2040 as governments move toward cleaner energy policy, according to the International Energy Agency. — Bloomberg

Source : StarBiz
Date : 16 October 2018 (Tuesday)

Indonesia trade balance swings to positive

JAKARTA: Indonesia's trade balance unexpectedly swung back to surplus in September as imports and exports grew much slower than expected, data released by the statistics bureau showed yesterday.

Indonesia, South-East Asia's largest economy, reported a trade surplus of US$230mil for September, compared with a US$500mil deficit expected in a *Reuters* poll.

The country revised its trade deficit in August to US$944mil.

September imports were worth US$14.60bil, up 14.18% from a year earlier. That compared with expectation of a 24.76% increase in the poll. Exports were worth US$14.83bil in September, up 1.70% from a year earlier, compared with the poll forecast of a 7.58% increase.

Exports were supported by coal and crude palm oil. Oil and gas exports, on the other hand, dropped nearly 17% annually in September, said Yunita Rusanti, a senior official at the statistics bureau.

Declining oil and gas exports despite high oil prices should be treated as a warning for policymakers, said Satria Sambijantoro, an economist at Bahana Securities.

Some measures, including higher tariffs, have been imposed to curb unnecessary imports of consumer goods to contain the trade gap and support the rupiah that has lost around 11% of its value to the dollar so far this year. — Reuters

Source : StarBiz **Date : 22 October 2018 (Monday)**

Coal rally a headache for power firms

Price of the commodity has increased while ringgit has weakened

By LEONG HUNG YEE
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PETALING JAYA: Despite some price retracement in the past two months, global coal prices remain high after rallying over 30% from a low of US$92 per tonne in April to US$120 per tonne in July.

Between July and October, the average coal price was US$116.43 per tonne as compared with an average of US$103.42 per tonne between January and June this year.

In July, the Australian thermal coal prices broke through the US$120-per-tonne level for the first time since 2012, driven by strong consumption in Asia.

Spot prices for thermal coal from Australia's Newcastle were quoted at US$112.15 per tonne last Thursday.

The rally in coal prices is proving to be a headache for power-generation companies such as Tenaga Nasional Bhd (TNB) and other independent power producers as coal, which is 100% imported, is the main source of electricity generation in Peninsular Malaysia.

Analysts said the coal price is up one-fifth over the past six months and has not fallen much from the six-year high of almost US$120 per tonne.

In addition, they said coal prices have increased while the ringgit has weakened against the US dollar.

Analysts also believed that if coal prices were to remain strong throughout the remaining months, another surcharge for the next six months of 2019 (January-June) may be imminent, as rebates provided by the government are unsustainable when coal and gas prices continue to escalate.

High costs: TNB Janamanjung Sdn Bhd coal-fired power plants in Manjung. For the second quarter to end-June, TNB's average coal price stood at US$91.1 per tonne.

Coal plays a big role in Malaysia's energy scheme, with some 62% being imported from Indonesia, another 24% from Australia and the remainder from Russia (11%) and South Africa (2%).

Peninsular Malaysia's power generation is highly dependent on fossil fuel with 53% coal, 42% natural gas and 5% hydro, together with other forms of renewable energy.

For the second quarter to end-June, TNB's average coal price stood at US$91.1 per tonne. This was sharply higher than the average price of US$55.7 per tonne in TNB's financial year 2016 (FY16) and US$72.7 per tonne in FY17.

It's not just thermal prices that are strong as global natural gas prices are also on an uptrend, driven by demand in Asia, Europe and the United States.

The regulated gas price for the power sector was RM25.70 per million British thermal unit (mmBtu) in the second half of this year. TNB can purchase 1,000 million standard cu ft per day at this price and buy the rest at market price, at about RM31.63 per mmBtu. In the second quarter to June 30 this year, TNB's fuel cost on coal had gone up to RM2.9bil as compared with RM2.45bil in the first quarter.

The escalating cost of electricity generation has to be adjusted in the form of an imbalanced cost pass-through (ICPT) rate.

In Peninsular Malaysia, the electricity tariff is determined by the government through a globally-accepted framework called incentive-based regulation (IBR).

The IBR provides a mechanism called ICPT which allows adjustment of fuel prices for the electricity sector every six months. Changes in the price of fuel for electricity generation are reflected as a varying rate of a rebate or surcharge.

Part 3:
GENERAL

Source : The Star
Date : 02 October 2018 (Tuesday)

Council: Panel reviewing Lynas must be objective

PETALING JAYA: The composition of the committee set up to review Lynas Corporation's rare earth project in Gebeng, Kuantan, are among factors critical in ensuring the nation's reputation as a stable and open investment destination, says the Malaysia-Australia Business Council (MABC).

"The credibility of the review, which includes the composition of the review team and the terms of reference, is critical to ensure that it does not damage Malaysia's reputation as a stable and open investment destination," the council said in a statement here yesterday.

While the council acknowledged and did not dispute the government's right to conduct a review of the operations, it said the review should be to assess any breaches of licences or for not meeting acceptable international standards.

"In the interests of maintaining investors' confidence, any review into Lynas Malaysia should be public, transparent, objective and evidence-based," the council said.

"The company should be provided with the opportunity to defend publicly its regulatory and environmental record since it commenced operations in 2012."

The statement by MABC follows the council's concerns over recent reports about a review of the operations of Lynas Malaysia, which has been producing high quality rare earth materials in Kuantan under extensive licensing conditions since September 2014.

"Malaysia has long been regarded as an attractive investment destination," it said.

"This is because of the reliable legal framework; predictable economic and political environment; and openness to investment."

MABC noted that Australian businesses had invested almost RM30bil in Malaysia as of end 2017 in several sectors including manufacturing, services, agribusiness, resources and the digital economy.

Last month, the Energy, Science, Technology, Environment and Climate Change Ministry announced that it would be setting up a committee to review Lynas' operations.

Deputy Minister in the Prime Minister's Department Fuziah Salleh was appointed the chairman.

Her appointment to lead the review committee had raised concerns among several parties.

Source : The Star **Date : 03 October 2018 (Wednesday)**

Lynas hopes for fair, transparent review

KUALA LUMPUR: Lynas Malaysia has made a public appeal for a fair, just, objective, scientific and transparent review by the evaluation committee.

In a press conference yesterday, Lynas chief executive officer Amanda Lacaze requested that any review be "procedurally fair, in keeping with the values of the Malaysian government and its people".

"For us, that means a review committee that is independent and public. It has the technical skills to make informed judgments.

"Its scope is defined and communicated, the terms of reference are clear and communicated, and the review committee's enquiries are open and public," she said.

The appeal was also made public through an open letter from Lacaze, published in *The Star* on the same day.

In response, Kuantan MP Fuziah Salleh said the review on the Lynas rare earth refinery would be guided by a framework of sustainable development and investments.

> The committee ... is committed to safety standards and decisions that promote intergenerational justice.
>
> Fuziah Salleh

Fuziah, who is also the Lynas executive review committee chairman, said the Radioactive Waste Management Plan would be the centre of the review "since the radioactive waste is a very pertinent issue to be deliberated by the committee from the perspective of sustainability and sustainable development".

The committee will also look into other safety aspects such as health, social and environmental impacts, while reports from previous committees such as the Parliamentary Select Committee and recommendations by the International Atomic Energy Agency will also be considered.

"The committee emphasises that it is committed to safety standards and decisions that promote intergenerational justice, as well as policies that promote sustainable investments as a future guideline for the government of the day," Fuziah said in a statement.

She said the committee welcomed Lynas' suggestion that the hearing be open to the public and would equally consider the views of the company's stakeholders.

Source : StarBiz
Date : 08 October 2018 (Monday)

Zambia open to dialogue with miners over tax increases

LUSAKA: Zambia's Finance Ministry said that it was open to dialogue with mining companies over the government's plans to increase mining taxes.

Africa's second-largest copper producer said late last month that it would introduce new mining duties and increase royalties to help bring down mounting debt.

Large miners such as First Quantum, Glencore and Vedanta Resources have often criticised the Zambian government over rising costs at their operations.

"We remain open to dialogue with mining companies that are willing to amicably discuss the transition to the new mining tax regime," a Finance Ministry statement quoted minister Margaret Mwanakatwe as saying.

The statement said a tax policy review committee would be appointed to deal with technical issues related to the tax changes and that the ministry had taken note of criticism by Zambia's Chamber of Mines.

The Chamber of Mines said this week that some companies had already scrapped expansion plans over the tax hikes and that the country's copper output could fall.

The tax increases are part of government efforts to trim the fiscal deficit to 6.5% of gross domestic product in 2019 from 7.4% this year.

Mining accounts for more than 70% of Zambia's foreign exchange earnings.

Concerns about Zambia's rising debt, alongside accusations of additional hidden borrowing and government corruption, have spooked investors and Western donors in recent months. — Reuters

Source : The Star
Date : 10 October 2018 (Wednesday)

'Clear air over whether gold mining company using cyanide'

KOTA KINABALU: Environmentalists are asking the state Environmental Protection Department to clear the air whether a gold mining company in Tawau has been allowed to use cyanide and smelting process for gold dore bar production.

A dore bar is a partially refined gold bar which is typically a super high gold content alloy, sometimes actually pure.

According to Lanash Thanda, president of the Sabah Environmental Protection Association (Sepa), there was much concern about whether cyanide had been used in the smelting process.

According to Sepa, there was no mention of such use in the terms of reference for the Special Environmental Impact Assessment (Seia). What was mentioned was only the Knelson and flotation processes.

Knelson is used for the recovery of fine particles of free gold, meaning gold that does not require gold cyanidation for recovery, she said.

The Seia listed the groups of chemical reagents used as collectors, frothers and regulators and gave no indication of dore gold or silver ore processes, she added.

Lanash said that Sepa had requested for specific clarification on why the mining company was allowed to start gold processing, which would likely include the use of cyanide.

She said a news report dated Aug 1 announced that the mining company had yielded first gold dore bar in Tawau.

This raised concerns among the public and environmental groups of the methods used.

Lanash said the use of sodium cyanide requires a Quantitative Risk Assessment.

There must be transparency in the process, she added.

Source : StarBiz
Date : 12 October 2018 (Friday)

August industrial output up 2.2% but below forecast

KUALA LUMPUR: Malaysia's industrial production index (IPI) for August climbed by 2.2% from a year ago, which was slightly below a survey of a 2.3% increase, due to slower manufacturing growth.

The Statistics Department's said the growth in the IPI in August 2018 was supported by an increase in the manufacturing index (4.3%) and electricity (4.0%).

However, its chief statistician Datuk Seri Dr Mohd Uzir Mahidin said the mining index fell 4.6% (July 2018: -5.9%).

> **The mining sector output registered a decline of 4.6% in August 2018 as compared to the same period of the previous year.**
>
> Datuk Seri Dr Mohd Uzir Mahidin

The increase in manufacturing output was driven by major sub-sectors: electrical and electronic equipment products (4.5%); petroleum, chemical, rubber and plastic products (3.5%) and non-metallic mineral products, basic metal and fabricated metal products (4.9%)

Electricity output increased by 4% in August 2018 following an increase of 4.5% in July.

"The mining sector output registered a decline of 4.6% in August 2018 as compared to the same period of the previous year.

"The decline was contributed by the decrease in the natural gas index (-8.0%) and the crude oil index (-0.6%)," he said in a statement yesterday.

Source : StarBiz　　　**Date : 30 October 2018 (Tuesday)**

Mida sees 35% increase in foreign investments in first half of year

KUALA LUMPUR: The Malaysian Investment Development Authority (Mida) recorded a 35.3% increase in foreign investments to RM26.5bil in the first half of this year, mainly in the manufacturing and primary sector.

Mida said in astatement that China was the largest major investor this year as foreign investments increased from RM19.6bil in the previous corresponding period.

Despite rising competition and a challenging external environment, Mida said Malaysia remained a competitive investment location for foreign investors.

Mida said China accounted for RM6.5bil or 43% of the total foreign investments, followed by South Korea (16%), Japan (10%), Singapore (5%) and France (4%).

Notable investments include a new manufacturing project from China for the basic metals industry that involves utilising "blast furnace" technology that not only produces quality end-products at a cheaper cost but can also contribute to a greener steel-making process.

"This project, which offers 98% of its total job opportunities to Malaysians, is expected to reduce imports of intermediate goods and will strengthen the metal and steel industry," Mida added.

It also cited an expansion project by a French industry leader in thiochemicals technologies to produce high value added sulfur derivatives.

The project, which will create an additional 33 job opportunities, is set to support the strong growth of the animal feed, petrochemical and refining markets in the region.

Others include a tier 1 aerospace company from UK that will set up its new aero engine component repair plant in Johor by 2019.

Mida said domestic investments led with RM53.7bil, contributing 67% to the total approved investments in all three sectors.

"The performance of the domestic investments also saw a rise of 10.5% from RM48.6bil in the same period last year," Mida said.

Source : The Star
Date : 31 October 2018 (Wednesday)

Lynas can store by-product at plant only until Feb 15

KUANTAN: Lynas' temporary permission to store one of its by-products at its Gebeng plant is only extended until Feb 15 next year, said the Energy, Science, Technology, Environment and Climate Change Ministry.

The ministry explained that the extension was granted to facilitate the Lynas Advanced Materials Plant (LAMP) executive review committee in carrying out its evaluation of the rare earth materials producer's operation and residue storage.

It said in a statement that the conditional extension took into account the time needed by the review committee to scrutinise in detail and scientifically all information, reports and views of involved parties and to prepare a report and recommendations for the Cabinet.

The extension was also for the Cabinet to consider the committee's recommendations and to make a reasonable and fair decision, it said.

Lynas announced on Monday that it had been granted an extension to store the neutralisation underflow (NUF) by-product on-site at the LAMP.

The company, however, did not specify how long the extension would be.

Lynas previously revealed that its NUF storage permission was set to expire by Oct 31.

The ministry also said that the committee would be holding a public hearing in Kuantan on Nov 11 to get the views of all stakeholders including Lynas Malaysia Sdn Bhd, NGOs, government agencies as well as experts in the fields of environmental management, public health and radioactive safety.

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MINERAL ECONOMICS SECTION

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