

PRESS CUTTINGS

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**'Bauxite mining
go-ahead
depends
on EIA report'**

KUANTAN: The future of bauxite mining activities in Felda Bukit Goh and Felda Bukit Kuantan here will depend on the Environmental Impact Assessment (EIA) report by the

Sand in the rice bowl

Massive sand mining in Cambodia has enlarged Singapore but damaged the environment and fishermen's livelihoods.

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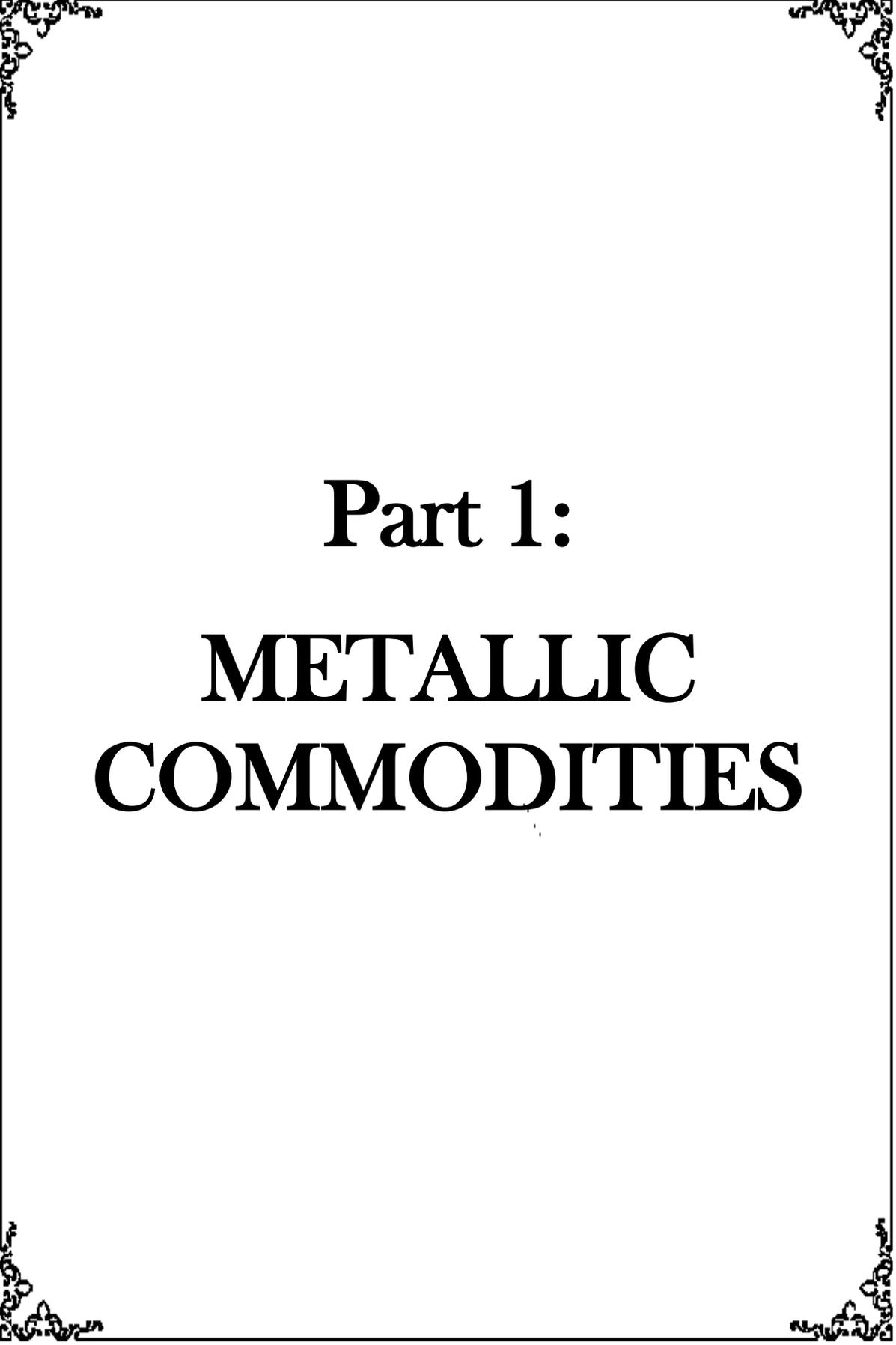
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Part 1:

**METALLIC
COMMODITIES**



Tit for tat: A file picture showing a Chinese worker going about his chores at a steel mill in Hefei, China. China says it reserves the right to retaliate if US imposes tariffs on steel and aluminium products. — AFP

China says it may hit back if US imposes tariffs on steel

SHANGHAI: China said proposed US tariffs on imported steel and aluminium products are groundless and that it reserves the right to retaliate if they are imposed.

The US recommendations, unveiled by the Commerce Department on Friday, aren't consistent with the facts, Wang Hejun, chief of the trade remedy and investigation bureau at China's Ministry of Commerce, said in a statement posted on its website.

Commerce Secretary Wilbur Ross said the US may impose quotas on imports of aluminium and steel, including a tariff of at least 24% on steel imports from all countries.

While it's the strongest indication yet that President Donald Trump's administration is ready to take action on its protectionist agenda, Ross said "it wouldn't surprise us" if the measures were challenged.

The US already has excessive protections on domestic iron and steel products, according to Wang.

"If the final decision impacts China's interests, China will certainly take necessary measures to protect its own rights," Wang said.

American steel companies and steelworker unions have been pushing Trump to follow through on his promise to protect the industry.

China's trade partners have complained for years that its industry unfairly benefits from state subsidies, and dumps its products at below-market prices. While China only accounts for about 1% of US steel imports, it could challenge US action at the World Trade Organization, a process that could take years.

China has long been at the epicentre of global over-production of steel. But the trade dynamics are shifting as aluminium exports take centre stage.

In January, China boosted its shipments of the lightweight metal for a third month, as domestic supplies spill overseas, while steel cargoes shrank to the lowest in nearly five years as strong domestic growth mops up production and environmental curbs trim capacity.

South Korea's trade ministry issued a statement saying it will reach out to the US before America makes a final decision on tariffs. — Bloomberg

Nippon Steel worries about US trade action

Yen's recent surge may hurt customers such as carmakers

TOKYO: Nippon Steel & Sumitomo Metal Corp, Japan's biggest steelmaker, is worried that potential US trade action to cut steel imports could flood Asia with products and that the yen's recent surge may hurt customers such as carmakers.

US President Donald Trump said early last week he was considering a range of options – including tariffs and quotas – to address steel and aluminium imports he said were unfairly hurting US producers.

In the latest step, the US Commerce Department last Friday recommended that Trump impose steep curbs on steel and aluminium imports from China and other countries, ranging from global and country-specific tariffs to broad import quotas.

"If any measure comes, it will loosen steel markets, sending supplies back to Asia as there is nowhere else for them to go," Toshiharu Sakae, Nippon Steel's executive vice-president, told *Reuters* in an interview.

"That would be negative for us," he said.

Nippon Steel's rival JFE Holdings Inc voiced similar fears about possible US trade actions last week. "Any US action may trigger retaliation by other countries. What is most troublesome is to see the world heading towards protectionism," JFE president Eiji Hayashida said.

Sakae said Japan's steel industry would ask Tokyo to let Washington know that "we oppose such steps as we support free trade."

Yasuji Komiyama, director of the metal industries division of Japan's Ministry of Economy, Trade and Industry, yesterday declined to comment on the US Commerce Department's proposal, saying a US final decision has not been reached.

"As we have repeatedly said before, Japan believes any steel and aluminium imports by the US from Japan do not pose any threat to the US national security," he said.

Japanese steelmakers are enjoying the best market conditions in at least three years. Steel prices have risen on increased production by automakers, while construction is in full

swing for Tokyo's 2020 Olympics.

Nippon Steel early this month reported a 108% jump in April-December recurring profit, led by healthy demand and higher prices for steel products.

But the yen's surge posed a fresh risk, Sakae said. The yen rose to a 15-month high against the US dollar last week amid concerns that the United States might pursue a weak dollar strategy and that Trump's tax cuts and fiscal spending may stoke inflation and erode greenback value.

Direct impact from the stronger yen on Nippon Steel's earnings would be limited as damage on its exports could be offset by lower import costs for raw materials, Sakae said. "But we can't ignore it because our main customers are exporters such as automakers and construction machinery makers," he said.

"The strong yen would hurt their exports, sales and profits, which would also make them tougher negotiators on steel prices." — *Reuters*

China steel mills seen stepping up output

Resumption will be gradual as provinces step back from curbs

SINGAPORE: Steelmakers in China are about to get back to business full-time. When unprecedented winter supply curbs lapse in the coming weeks, BHP Billiton Ltd forecasts mills in the top producer will step up output, boosting run rates through the second quarter to make up for curtailments.

The resumption will be gradual as provinces step back from curbs designed to fight air pollution, according to chief commercial officer Arnoud Balhuizen, who presented the outlook from the world's largest miner for commodities including iron ore and steel. At present, the restrictions are set to ease from mid-March.

"Our base case is that the winter restrictions expire in staggered fashion across localities, with the blast furnace fleet expected to return to the high utilisation rates that prevailed prior to the winter curtailments sometime in the June quarter," Balhuizen said in online comments that accompanied earnings this week.

"This is required due to the gap in construction steel supply left by the permanent closure of induction furnaces."

Miners and investors are tracking China's

efforts to rein in steel overcapacity by closing some plants, and at the same time tackle smog by ordering winter supply cuts.

The two-pronged campaign has supported product prices, and stoked demand for higher-grade iron ore, benefiting miners including BHP, Rio Tinto Group and Vale SA.

While BHP expects higher-grade ore to remain sought after, average prices may drop, according to Balhuizen, who said China's demand growth may fall this year given a slowdown in housing and autos.

"While it will be challenging to maintain the same average prices as those achieved in the half year just concluded, we are optimistic that the 62% index price can be relatively resilient," Balhuizen said.

That's the benchmark grade of the commodity, which has seen prices for 58% content fall, while the more efficient 65% grade has been in demand.

The impact of China's winter campaign has been evident in recent production statistics. Mills in China produced less crude steel in November and December than in the same months in 2016.

Asia's top economy is by far the biggest

player in the global market, accounting for half of worldwide supply.

"We estimate that 80% is the long-run equilibrium crude-steel capacity rate, consistent with the stated objectives in the industry Five-Year Plan," Balhuizen said, referring to the nation's 2016-2020 road map.

"That compares to slightly less than 70% at the cycle trough and upward of 85% at the height of disruptions."

Spot ore with 62% content was at US\$78.43 a dry tonne on Wednesday, after averaging US\$68.39 in the second half of last year, according to Metal Bulletin Ltd.

The discount on 58% content ore has widened to more than 40% from less than 15% in 2016. As mainland markets reopened yesterday after a week-long break, iron ore futures in Dalian fell 0.6%.

Steel prices are expected to keep rising even after China lifts the winter output restrictions on production next month, Japan's Tokyo Steel Manufacturing Co forecast earlier this week. The outlook from managing director Kiyoshi Imamura cited strong local demand for infrastructure and manufacturing. — Bloomberg

'Bauxite mining go-ahead depends on EIA report'

KUANTAN: The future of bauxite mining activities in Felda Bukit Goh and Felda Bukit Kuantan here will depend on the Environmental Impact Assessment (EIA) report by the relevant authority appointed by Perbadanan Kemajuan Negeri Pahang (PKNP), says Sungai Lembing assemblyman Datuk Md Sohaimi Mohamed Shah.

He said as long as the outcome was not satisfactory, the Federal Government's moratorium period on bauxite mining would not be lifted.

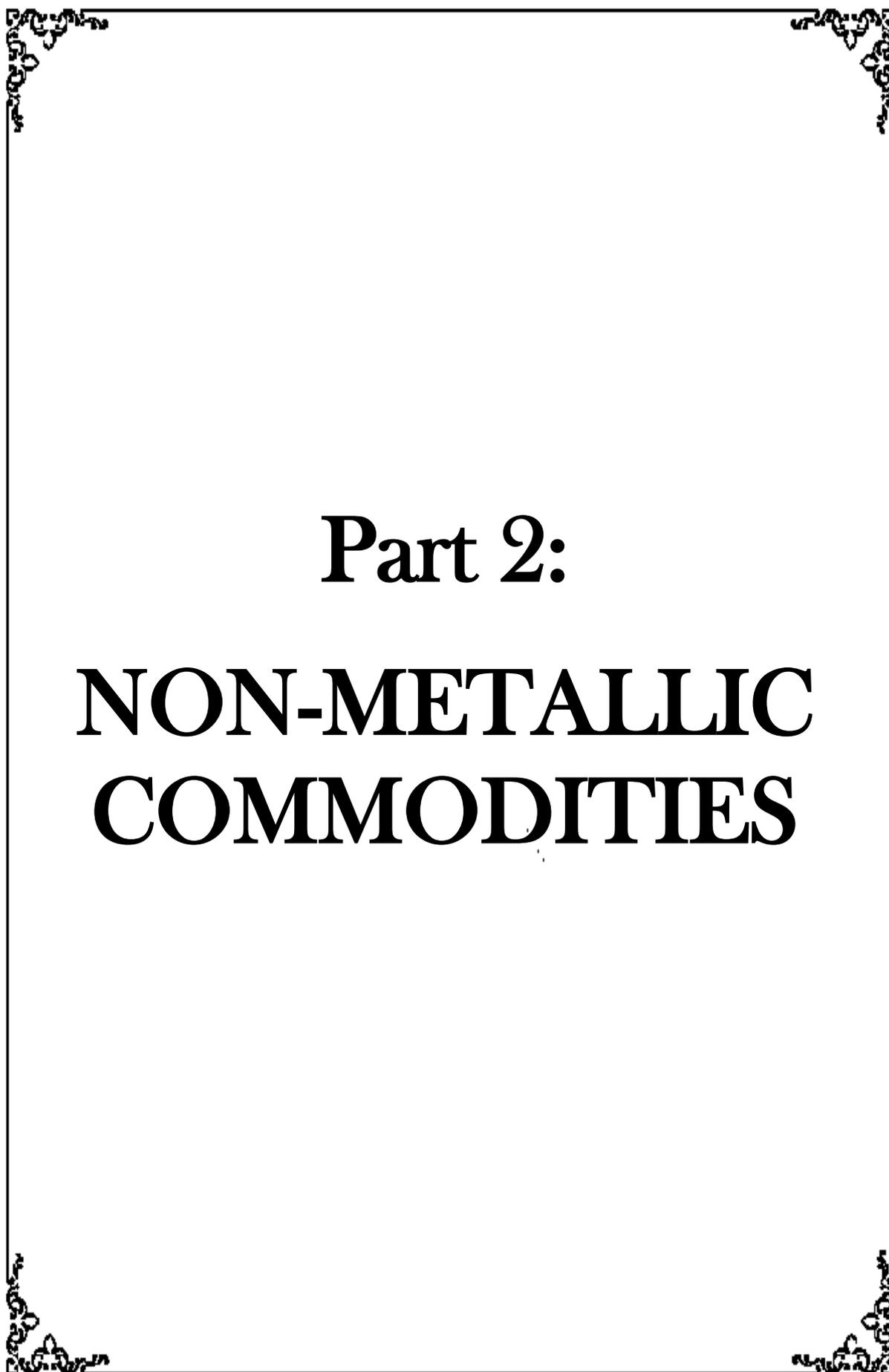
He said PKNP carried out an assessment via an authorised consultant three months ago and the report is expected to be ready by August this year.

Md Sohaimi said the report will have suggestions on the standard operating procedure.

It will also include the weight and condition of the vehicles, its standard of operations from the site to the port, its cleanliness, its routes and many other requirements.

"The details of the report and its procedures are to be followed by the operators at all time. If they fail to comply, stern action will be taken according to the law.

"Action will also be taken against company owners for their negligence," Md Sohaimi said after chairing a dialogue session with the settlers here yesterday.



Part 2:

**NON-METALLIC
COMMODITIES**

Source : Star2
Date : 20 Februari 2018 (Tuesday)

SAND dredging and exporting is serious business in Cambodia, and most of it has gone to enlarge Singapore.

But Cambodia had banned all sand exports as dredging has had a serious impact on coastal ecosystems and surrounding land said the country's Ministry of Mines and Energy.

However, when two environment activists filmed suspected illegal sand exporting activities, they were sentenced to a year in jail.

The court in south-western Koh Kong province sentenced Dem Kundy, 21, and Hun Vannak, 35, members of the conservation group Mother Nature, their defence lawyer, Sam Chamroeun, said.

"They are innocent all along," he said of the two activists. Rights group Amnesty International considers the pair prisoners of conscience.

Kundy and Vannak were arrested on Sept 12 last year and convicted of "violation of privacy" when they filmed vessels suspected of illegally carrying sand for export.

Cambodia banned all sand exports last July, officially ending the sale of sand to the wealthy city state of Singapore which has for years used it to reclaim land along its coasts.

Sceptical about whether the ban was being properly enforced, Mother Nature and other groups pressed the government to stop the trade, saying the digging and dredging of sand has had a serious impact on coastal ecosystems and surrounding land.

According to Mother Nature, the Cambodian government falsely claims that Koh Kong's coastal estuaries naturally carry "too much sand", and as such need dredging and deepening so that they can be "more navigable for local boats", and to reduce riverbank erosion and floods in the area."

Fish losing homes

However, they say local fishing communities' livelihoods have been ravaged by the sand mining.

A report in *Mongabay* recalled: "Now when we go fishing we don't even catch one kilo. Before there was a lot more," Ken Yut Theary, a woman living in Koh Sralav village on the banks of the Koh Kong estuary.

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Sand in the rice bowl

Massive sand mining in Cambodia has enlarged Singapore but damaged the environment and fishermen's livelihoods.

"Due to the fishery collapse a lot of the girls in the village have no choice but to go and work in factories in the special economic zone," she said, referring to the new factory development between Koh Kong city and the Thai border.

Domestic rights group Licadho said there was insufficient evidence to convict the two journalists.

"It's shocking that the two Mother Nature youths were convicted by the court for only trying to protect and preserve natural resources for the current and future generations in Cambodia," its director, Naly Pilorge, told Reuters.

Cambodia expelled Spanish national and co-founder of Mother Nature, Alejandro Gonzalez-Davidson, in February 2015.

"This NGO caused all kinds of trouble," Prime Minister Hun Sen, who has been in power for over 30 years, was quoted as saying in *The Khmer Times*. He said Mother Nature had long undermined his plans to improve electricity supplies in Cambodia, where daily blackouts are common, via hydroelectric and nuclear power projects.



Sand dredging in Koh Kong, Cambodia. Despite an official ban, activists say companies still dredge sand to sell using a loophole that allows for deepening of certain waterways. — undark.org

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Evading taxes?

Before the “permanent ban” in July 2017, there had been a “temporary ban” in November 2016 yet groups had complained that sand was still being exported.

Singapore was Cambodia’s top market for sand until 2017 when the temporary ban came into force, and had exported some 16 million tonnes of sand since 2007.

Yet, UN trade data released last year showed that Singapore had imported far more sand (72 million tonnes of sand, worth more than US\$740 million (RM2.88bil) from Cambodia since 2007.

The *Phnom Penh Post* also reported in Jan 2017 that Cambodia had exported more than 108,000 tonnes of sand between 2013 and

2015, according to Indian customs data, contradicting Cambodian customs data that show no sand being sent there at all.

Mother Nature claims that tax evasion may be involved as official government documents show that the vast majority of the sand exported was “missing” from Cambodian government data on exports but still appeared on import data in Singapore, India and the UN.

Al Jazeera (<https://tinyurl.com/AJsand>) added that this means not only are local Cambodians suffering from the ecological impact of extensive sand mining, the country may not be getting the full benefits of tax collection on sand exports. – Agencies



Massive sand dredging in Cambodia has affected the livelihoods of fishermen. — Oxfam

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