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PRESS STATEMENT

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REE MINING IN ULU MUDA POSES A “TRIPLE THREAT”

- **It will cause (1) environmental destruction in a water catchment area, (2) land and water pollution as well as (3) raw water contamination.**
- **Ulu Muda is a NCER water catchment area that serves 4.2 million people in Perlis, Kedah and Penang.**
- **Even China, the leading REE producer in the world, does not mine for REE in water catchment areas.**

PENANG, Wednesday, 16.12.2020: Mining for rare earth elements (REE) in the Ulu Muda water catchment area in Kedah poses a “triple threat” to water supply security in Perlis, Kedah and Penang.

The threats of REE mining in the most important water catchment area in the Northern Corridor Economic Region (NCER) may be summarised as follows:

1. **Environmental destruction:** Mining for RM60 billion worth of REE will inevitably involve large-scale land clearing and tree cutting for the setting up of mining operations in a pristine rainforest environment.
2. **Land and water pollution:** Mining operations to extract and process REE will cause pollution and generate waste that will seep into the soil and nearby ground water.
3. **Raw water contamination:** Mining and extracting REE involves toxic chemicals and metallurgical treatments to separate the REE from excavated soil, including acid baths and leaching ponds. Rainfall may cause toxins and chemicals to be washed into Sungai Muda and its tributaries.

As such, it may be said that REE mining in Ulu Muda represents a more dangerous threat to water supply security in the NCER than logging.

On 15.12.2020, *FMT* reported that the Minister of Environment and Water (KASA) had suggested for Penang to compensate Kedah for its “big sacrifice” to not conduct REE mining in water catchment areas in Kedah.

This is tantamount to asking Penang to pay Kedah for publicising an irrational proposal. There is no “big sacrifice” because REE mining in a water catchment area is NOT justifiable.

The most pertinent point to bear in mind is:

- The 163,000-hectare Greater Ulu Muda Forest Complex is much more than a rainforest habitat for the birds and the bees. It is the primary water catchment area for 3 NCER states.

96% of Kedah’s raw water and 70% of Perlis raw water originates from Ulu Muda. More than 80% of the raw water that PBAPP abstracts from Sungai Muda at the Lahar Tiang Intake in Penang also comes from Ulu Muda.

REE mining poses the triple threat of environmental destruction, land and water pollution, as well as raw water contamination in Ulu Muda, and as such, endangers water supply in Perlis, Kedah and Penang.

Please remember that water supply has a direct bearing on the people’s well-being and health.

Other key points to consider include:

- Even China, the leading REE producer in the world, is NOT mining for REE in a key water catchment area. The 2016 “China Urban Water Blueprint” does not report any case of REE mining in the 135 water catchments for China’s 30 fastest growing cities.
- NO nation in the world, including China, regards REE mining as an “eco-friendly” economic activity.



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- NO one can deny REE mining causes serious soil and water toxicity issues in the production areas.
- INTERNATIONAL online web postings have reported the threats of REE mining to human health, including the threat of cancer.*
- Anyone can view and read about the impact of REE mining ONLINE to understand the destructive consequences of this industry.*

The following extract from an *earth.org* report** outlines the environmental problems associated with REE mining:

"It's challenging to mine and process rare earths without harming the environment. The problems are related to the two primary extraction methods.

The first involves removing the topsoil, transporting it to a leaching pond, and adding chemicals (such as ammonium sulphate and ammonium chloride) to separate out the metals. The chemicals used in this separation process can create air pollution, cause erosion, and leach into groundwater.

The second processing method involves drilling holes into the ground, inserting PVC pipes and rubber hoses and pumping chemicals to flush out earth. The resulting slurry is then pumped into leaching ponds to separate out the rare-earth metal.

This method creates the same problems as with topsoil removal with the addition of the PVC pipes, rubber hoses and other sundry used by mining crews remaining littered in the mines.

Abandoned mines pose ongoing environmental hazards. Remaining chemicals can continue to leach into groundwater.

Mines may also contain pools of wastewater that can potentially pour into local waterways. For example, in its 2016 report, China Water Risk highlighted an abandoned mine in Ganzhou where untreated chemicals flow from leaching ponds when it rains."



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Clearly, REE mining should never be carried out, under any circumstances, in a water catchment area.

Kedah's "RM60 billion REE deal" was a perilous proposal that would have compromised the quantity and quality of raw water from Ulu Muda and endangered the health and well-being of the people.

Every day, raw water originating from Ulu Muda is conventionally treated and supplied to water consumers in Perlis, Kedah and Penang. A total of 4.2 million people use treated water daily for drinking, cooking, washing, bathing and cleaning.

The high-tech manufacturing industry sector in Kedah and Penang uses water originating from Ulu Muda to manufacture world-class products for the global market. Hotels and resorts use it to serve visitors from all over the world. In 2019 alone, Perlis, Kedah and Penang contributed an estimated RM147.8 billion to the national GDP.

There are many good reasons why REE mining cannot be allowed in Ulu Muda. The most important reason is that Malaysia must avoid a disaster that will have dire consequences on the environment, public health and socioeconomic activities in the NCER.

Thank You.

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<https://www.theguardian.com/environment/2012/aug/07/china-rare-earth-village-pollution>

<https://www.latimes.com/world-nation/story/2019-07-28/china-rare-earth-tech-pollution-supply-chain-trade>

https://en.wikipedia.org/wiki/Rare-earth_element

** <https://earth.org/rare-earth-mining-has-devastated-chinas-environment/>

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