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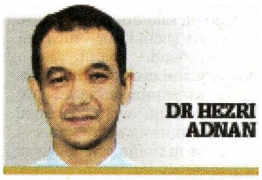
Oil palm trees at Felda Bukit Goh in Pahang stand in a sea of red after a heavy rain on Jan 22. Each time there is heavy rain, not only the roads and rivers turn red, even the sea near Kuantan Port is stained red from bauxite dust.

Managing the bauxite boom

***THREAT TO HUMAN SECURITY:** Malaysia needs a new framework for the governance of extractive industries*



THE advent of military aviation during the 20th century saw aluminium being treated as a strategic material by the major powers in the international system. At the beginning of the World War One, the French government shut down its exports of bauxite ore, the raw material for aluminium. This move led Italy to limit its bauxite exports in the quest for self-sufficiency. Britain also took steps to consolidate bauxite resources from its colonies.

Production of aluminium then rose dramatically during the post war years for civilian usage. Every new car now contains at least 160kg of aluminium. Every new house uses aluminium, as does every marine vessel and railcar. Its lightweight and corrosion resistant features make aluminium desirable for use in the transportation and construction sectors. In today's environmentally conscious world, the less the vehicle weighs, the less fuel is consumed and the less harmful emissions are released into the atmosphere.

As a result of this burgeoning demand, many resource rich areas were brought into production. The current global production of bauxite is 211 million tonnes annually with Australia, Brazil, China, Guinea and India as the main producers. For aluminium end product, China produces nearly half of global output followed by Russia, Canada, Australia and the United States.

China's main bauxite supplies come from Indonesia, Australia and India. In 2014, Indonesia banned the export of bauxite and nickel in an effort to ramp up domestic smelting by compelling investments in higher value processing facilities. This decision came out of the realisation that the country was

selling off resources on the cheap. As a result China suffered insufficient bauxite supply to meet its aluminium production demand.

One of the unexpected producers' to step into the breach is Malaysia. China's imports from Malaysia surged from just 208,770 tonnes in 2013 to 962,799 tonnes in 2014. The figures from the Chinese Customs agency on the other hand recorded a higher import volume of 3.3 million tonnes. The momentum is still building with shipments from Malaysia to China recording an unprecedented volume of 4.6 million tonnes from January to April 2015.

In the past bauxite was mainly mined from the deposit in pengerang, Johor on a small scale. Currently, a full blown mining operation is going on in Bukit Goh near Gebeng, Kuantan with all the crushers and excavators running 24 hours a day, seven days a week. The haul trucks then carry the bauxite ore to the Kuantan Port for storage before delivery to China.

The picture is not all rosy. Each time there is heavy rain, not only the roads and rivers turn red, even the sea near the Kuantan Port was stained red from bauxite dust.

The Pahang menteri besar said "mining activities have been polluting the villages, dirtying the road, including affecting major companies operating in Gebeng Port".

The local communities complained of worsening cases of asthma and skin inflammation due to bauxite dust.

In the mining business, the speed of operation is everything. The aim is to extract bauxite ore as much as possible when the price is high. With hundreds of bauxite trucks on the road, Kuantan motorists are also facing safety hazards with increasing frequency of road accidents. Between April 2 and May 23, the Pahang authorities inspected 43,278 bauxite lorries – an average of 816 a day – using the roads in Kuantan. As a result of this integrated operation 1,134 trucks were confiscated and miners and contractors were issued compound fines totalling RM2.1 million.

Indeed each step in the processing of aluminium is associated with environmental costs. In order to produce 1 tonne of aluminium, 4 to 5 tonnes of bauxite had to be extracted. The mining process generates 10 tonnes of waste rock and 3 tonnes of toxic red mud.

While bauxite no longer invites inter-state security or strategic interventions, its pollution invariably poses human security challenges at the local level.

What we see in Kuantan is a threat to the latter arising from a short-term natural resource boom. Most Malaysians have forgotten the ugly social and environmental costs associated with the mining industry after most of the accessible tin deposits were exhausted in the 1980s

Today the spatial and demographic contexts have· changed. Since most land above mineral deposits is now surrounded by cities and human settlements, the prospect of revitalising the sunset industry inevitably invites conflict.

Indonesia's tactical move to reserve its valuable mineral resources for domestic industry is worth emulating.

More so the ultimate challenge of the twenty-first century is the global competition for the world's last resources. But if Malaysia is still keen to sell off its bounty in return for quick cash, the authorities must place substantial effort to prevent the adverse impacts from mining activities.

The way forward is to revamp the country's legal and institutional framework for the governance of extractive industries. This reform requires a genuine cooperation between the federal and state governments.

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