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High copper prices fuel illegal scrap metal trade



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**PETALING JAYA:** The high value of copper is tempting unscrupulous scrap metal dealers to source for the metal illegally, despite being aware of the strict regulations. A scrap metal dealer who operates in Selangor said the price of copper, especially those used in telecommunication cables, was of high value due to its purity.

He said the current market price of copper is about RM35 per kg, but unscrupulous scrap metal dealers paid less than half that amount if the metal is illegally sourced.

"They will cite the risks of buying stolen copper and bargain for the lowest rate."

"A telco cable of about two

metres and weighing six kg can be sold for about RM100 by the thieves. This is why copper cables are being targeted by thieves and drug addicts," he added.

The dealer, who declined to be identified, said most dealers without the necessary permits may get away buying scrap copper in small quantities, but when it came to cables from public infrastructure, it can land them in big trouble.

"This is a cut-throat business and it is extremely difficult to sustain. Too much questioning, and the seller will go elsewhere and the dealer will lose out. At times, working in cahoots with the authorities also emboldens the crooked dealers," he said.

The dealer said copper from such cables are often taken to isolated areas such as jungles, plan-

tations or river banks where it is set on fire to torch the PVC insulation, before the bare metal is sold to scrap metal yards.

He said the crooked dealers often store such items away from their premises to avoid being caught.

"To conceal the stolen copper, such dealers usually break it down into smaller fragments and combine it with legitimately sourced copper parts."

"In other cases, they smelt it to ingots by themselves or with a smelting company."

"All this is done within a day or two on obtaining the illegal copper to avoid being tracked down."

"The ingots are then sold to spare part manufacturers and industries that extensively use copper at lower than market prices," he added.

Sources said the primary operating licence of recycling centres and scrap metal dealers was issued by the police and governed under the Second-hand Dealers Act 1946, which has strict conditions on what the businesses can buy and store.

A source said to ensure that dealers do not buy stolen goods, the police conduct regular checks at scrap metal outlets.

"Every purchase they make needs to be documented in a log book with full details."

"If they buy items that are government property, it will land them in deep trouble unless it was acquired in an auction or tender process. This has to be proven with relevant documents," he said.

It is learnt that there are three classes of licences: A which allows

dealers with premises to buy recyclable material such as iron or steel, fabrics, wood and paper-based item; B for mobile recyclable items with dealers only permitted to purchase such material and disposing to wholesalers without no storage; and the C licence which permits dealers to purchase copper and tin.

Last month, two police sergeants and three corporals were among 16 people arrested by Selangor police for masterminding the theft of telco cables in the Klang Valley.

Investigations showed that the syndicate was found to have carried out 23 transactions, with scrap yards situated in Semenyih having disposed off stolen copper cables belonging to Telekom Malaysia and TNB worth almost RM700,000 since last year.