



Thursday, Feb. 22, 2007

How to Strip-Mine Shangri-La

By Austin Ramzy/Hong Kong

For a country that's been on a costly and sometimes controversial search for raw materials abroad, it must have been a relief. Last week China issued a report outlining the discovery of large mineral deposits that could significantly reduce its economy's growing dependence on imports. The finds "will fundamentally alleviate the serious bottleneck and big restrictions our country faces with regard to mineral resources," said Meng Xianlai, director of the China Geological Survey.

But the news wasn't without a catch. The potential reserves, with an estimated value of \$128 billion, are spread over more than 600 sites on the Tibetan plateau, a remote and environmentally fragile area more than twice the size of Texas. The region is also politically sensitive. China invaded Tibet in 1950, and its leader, the Dalai Lama, later fled to exile in India. The Tibetan government in exile, which is based in the north Indian town of Dharamsala, has long accused Beijing of exploiting their homeland, a concern that has only been amplified by the new discoveries.

For China's economic planners, the mineral finds come at a critical time. Over the past several years Chinese businesses have scoured the globe to acquire the raw materials demanded by the country's red-hot economy. They've faced steep price rises, more than 160% in the price of iron ore since 2004. The potential reserves in Tibet could help with that. They include 1 billion tons of rich iron ore, 40 million tons of copper and 40 million tons of lead. "Just going by the reports I've seen and accepting them at face value, the size of these finds is enormous," says Alan Heap, Citigroup's managing director for global commodity analysis. "For copper, zinc and lead these reserves would double the size of Chinese reserves."

While that's good news for China's economy, environmentalists are worried. The Tibet plateau, known as the Roof of the World, is an average of 15,000 feet above sea level and is home to rare snow leopards and Tibetan antelope. Much of it is largely untouched. "At that high altitude, the ecosystem is very fragile. Once you damage it will takes decades to recover," says Wen Bo, China program director for Pacific Environment, a San Francisco-based NGO. "Already the plateau is facing serious problems. If you're going to mine it's not going to get better. My position is they should not mine at all."

In the past, the remoteness of the area made the finds a moot point. But last year China completed its first rail link to Tibet. The \$3.7 billion railway, the world's highest, crosses a 16,500-foot pass and has pressurized cars so that passengers can withstand the altitude. The route also makes moving raw materials

from the province, which once would have had to be done by truck over high mountain roads, potentially affordable. "The railway has given this economic reality," says a mining lawyer who asked not to be named. "I mean, they can actually access these places."

When the rail project was launched in 2001, the Tibetan government-in-exile called it "a disaster for the Tibetan people," and warned that it would attract huge numbers of ethnic Chinese to the province and upset fragile ecosystems. In a 2003 white paper Chinese officials denounced those concerns as the work of the "Dalai [Lama] clique and the international anti-China forces" who ignore "the progress in the ecological improvement and environmental protection work in Tibet." The paper argued that economic development was necessary to protect the province's environment. But officials in Dharamsala argue that average Tibetans are unlikely to benefit. "Development projects must ensure the real benefits go to the Tibetan people themselves and not undermine Tibet's fragile ecology," says Thubten Samphel, a spokesman for the exiled Tibetan government. "We have the same concerns with these discoveries of iron, copper, lead and zinc." But for Beijing, feeding China's hungry economy is clearly worry number one.

 [Click to Print](#)

Find this article at:

<http://www.time.com/time/world/article/0,8599,1592687,00.html>
