

# Thriving in the shadows

Illegal operators are giving the scrap metal and recycling industry a bad name. The problem persists despite laws to protect the industry. In a two-part series, BĀVANI M and JAYAGANDI JAYARAJ report on the severity of the issue in Klang Valley. *Star 14/6/12 Ms 2.*



**Lucrative business:** A recycling centre in Sungai Besi is filled to the brim.

**A**UTHORITIES have confessed that it is a challenge to curb illegal metal trade syndicates and it is hurting legal operators.

The scrap metal and recycling industry is a multi-million ringgit green industry, that to a large extent keeps waste management in the city sustainable.

Rubbish such as plastic, paper and glass are recycled to be processed into other usable items, while junk such as old radios, fridges, lamps and electronics are dismantled and each part, depending on its

material, are also sold to be processed into something else.

However, the nature of the industry, with the money that it offers, also invites the wrong kind of attention, giving it a bad name.

Pothole covers and utility company wires are just some examples of materials that can earn unscrupulous people a fast buck.

With that, there are many shady individuals who operate in organised groups, stealing these items for money.

Although the Kuala Lumpur City

Hall's (DBKL) by-laws prohibits scrap metal dealers from purchasing these items, business transactions still take place as there are many players in this field, who also operate illegally without licences or permits.

In the past three years, the city lost thousands of MS grating covers to metal thieves, incurring losses amounting to millions.

According to a City Hall spokesman, despite installing anti-theft gadgets, the thieves use oxy-cutters to remove the covers.

A TNB spokesman reported that although cable theft was seasonal, especially when metal prices were high, it had caused the company losses in the millions annually.

Among the items that are frequently stolen are cables, copper, neutral busbars, low voltage boards, transformers and transmission tower bracing and joint plates.

"For our financial year 2010, around 14,000 cases were reported followed by 10,000 cases in 2011

**> SEE NEXT PAGE**

# Legal second-hand business under a tree

BUYING second-hand items and re-selling them is all that Tan Ah Hin has done his entire life.

The 66-year-old got into the business following the footsteps of his father.

"I have been doing this since I was 16 years old. My father was doing some buying and re-selling and that is how I picked up the trade," said Tan, who operates from a shack in Jalan Emas in Sungai Besi, Kuala Lumpur.

The shack, which stands under a tree, has a cupboard on one side, filled with second-hand goods such as handbags, footwear, clothes, empty cans, bottles and electrical items.

"I just stay put here all day. Usually, people will come here to sell me old things that they don't want anymore.

"I buy and sell. Sometimes I also have those collecting the city's garbage over and they sell me things they have collected," he said.

Tan said there was a market for used items especially clothes and shoes among migrant workers.

During the interview, a brown pair of men's shoes, were laid out to dry in the sun.

The wheels of a car near it, went over the pair while the driver reversed.

"That pair can sell for RM5. Most of the things I get here, I sell them to traders at the antique market in Jalan Petaling," he explained.

Tan added that the profit from his business differed from day to day. In general, he makes about RM100 a day.

"Business is naturally bad on rainy days," said the man who lives in Jalan Kelang Lama, Kuala Lumpur.

To onlookers, the shabby shack may look illegal but the friendly old man proudly rolled out a photocopy of a business permit issued by the police.

The annual licence which Tan renews for RM48 in compliance with the Second-Hand Traders Act 1946, allows him to buy and sell bottles, gunny sacks, canvas, boxes, wooden boxes and empty tins.

It also allows him to deal with scrap metals, which are not copper, brass, zinc and tin blocks.

"Usually I don't buy scrap metals. I prefer to keep it to non-metal items," he said.



**Diligent:** Tan buys and sells second-hand items at this spot daily.



**Labour intensive:** When old items are dumped at scrap metal and recycling centres, workers have to separate them accordingly to be sold.

ster 14/6/12 ms 3.



**Sad example:** This exposed manhole in Jalan Jalil, Bukit Jalil has its cover stolen and poses a danger to road users.

# Companies suffer millions in losses due to metal theft

and 5,000 for the 2012 (TNB's financial year ends on Aug 31).

Malaysian Indian Metal Traders and Recyclers Association (Mimta) Datuk P. Krishnamurthi said there were about 900 registered business operators in the association but there were also many illegal ones.

"The association's job is take care of the legal business operators and we leave the rest to the relevant enforcement authorities to handle.

"Having said that, there are many illegal ones mushrooming in the city. We make sure that our members do not buy items such as pothole covers and utility company materials, which are brought to us.

"Some years ago, DBKL had a meeting with us and a few utility providers to enlighten us on the illegal items which include drain covers, copper wiring and so on," he said.

Elaborating on the green side of the industry, Krishnamurthi said it was sad that the green nature of the

## Top selling metal items

					
Material	Copper	Steel	Aluminium	Iron Bar	Brass
Price per kg (RM)	21	5	4	1	4

industry was often tarnished by irresponsible actions by some, resulting in a negative public perception on scrap metal dealers.

The industry processes about 800 tonnes of recyclable materials on a daily basis in the Klang Valley.

"We basically keep the city in check and balance as we process all the rubbish. If nobody wants to be in this industry, can you imagine the kind of rubbish and pollution that everyone has to endure?"

"We make the world a better place by doing our bit and it is unfair to be perceived in a negative light," explained Krishnamurthi, whose business includes plastic material

recycling.

A source, who declined to be named, said the biggest challenge in the industry was the growing number of illegal operators as they not only gave the industry a bad name but also in a way, encouraged theft of public properties.

The person also attributed the lack of police invention to the increase in illegal operators.

"The police and other relevant authorities should also monitor and check on the illegal operators.

"Sometimes when we lodge a complaint to the police, they go to the illegal premises to check. However, the police occasionally



**Missing:** Illegal scrap metal collectors often steal grilles in public areas.

releases details about the informants.

"This angers the illegal operators and they come back harassing us."

Another operator Dātuk Aida Jamal said there were enough laws to oversee the industry and what it needed was better enforcement.

"I have not faced any harassments or problems. If everyone stick by the

laws, there will be no problems at all because there are ample regulation governing us," she added.



Part Two tomorrow:  
**Confession of an  
illegal metal trader**