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Rio Tinto threatens to exit Madagascar after CEO is trapped by protesters

UK mining giant Rio Tinto has threatened to abandon Madagascar after hundreds of protesters trapped 200 staff including the country's chief executive in a mining compound.



The protesters also demand Rio Tinto employ more locals Photo: Reuters

10:14PM GMT 11 Jan 2013

Local inhabitants armed with spears and slingshots have been protesting since Wednesday against the low prices the company paid to buy their land and the employment policy at its mineral sands operation near Fort-Dauphin at the island's south-east tip.

They blocked workers of Rio Tinto QIT Madagascar Minerals (QMM) inside the site, and though some were evacuated on Thursday, chief executive Nyfanja Rakotomalala is still trapped inside with 178 others, according to company spokesman Brechard Luc Loyola.

"If the blockage persists, QMM will be in the obligation to stop all its activities," the company said in a statement Friday.

The land dispute has raged since the Anglo-Australian resources giant set up shop in the Indian Ocean island state.

"Four hundred hectares of land were sold to build QMM's mine in 2006. The plots went for between 100 and 6,000 Malagazy ariary (£0.02 and £1.65) per square kilometre to different owners," said the area chief for Anosy, Guillaume Venance.

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"The first sellers now demand at least 3,000 ariary per square metre," he told AFP.

A court dismissed the dispute six months ago.

"They had to lay their complaints at the time of the sale. The law only allows a review six months after the deal," Loyola told AFP.

The firm is avoiding further evacuations to avoid confrontations.

The protesters also demand the company employ more locals.

QMM mines ilmenite, a mineral used in hi-tech components. The Malagasy government retains 20pc of the project, which started production in 2009.

Fort Dauphin has 70m tonnes of ilmenite deposits, around 10pc of the global market, which the company plans to exploit for up to 25 years.

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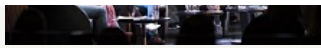


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