

PRESS CUTTINGS

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26,000 new hotspots on watch list

Soil movement may have caused sinkholes

MINERAL ECONOMICS SECTION
DEPARTMENT OF MINERAL AND GEOSCIENCE
MALAYSIA

Ibu Pejabat, Aras 9, Menara PjH
No.2, Jalan Tun Abdul Razak, Presint 2
62100 Putrajaya

COMPILED BY:
NUR SARAH OTHMAN
Geoscience Officer

MOHD ZAM BIN AMIN
Geoscience Assistant

HEAD OF UNIT/SECTION:
HANIZA BINTI ZAKRI
Principal Assistant Director
(International Trade)

AZEMI BIN HJ EKI
Director (Mineral Economics)



Tel : +603 – 8871 6000
Fax : +603 – 8871 6145
+603 – 8871 6148
Website : www.jmg.gov.my

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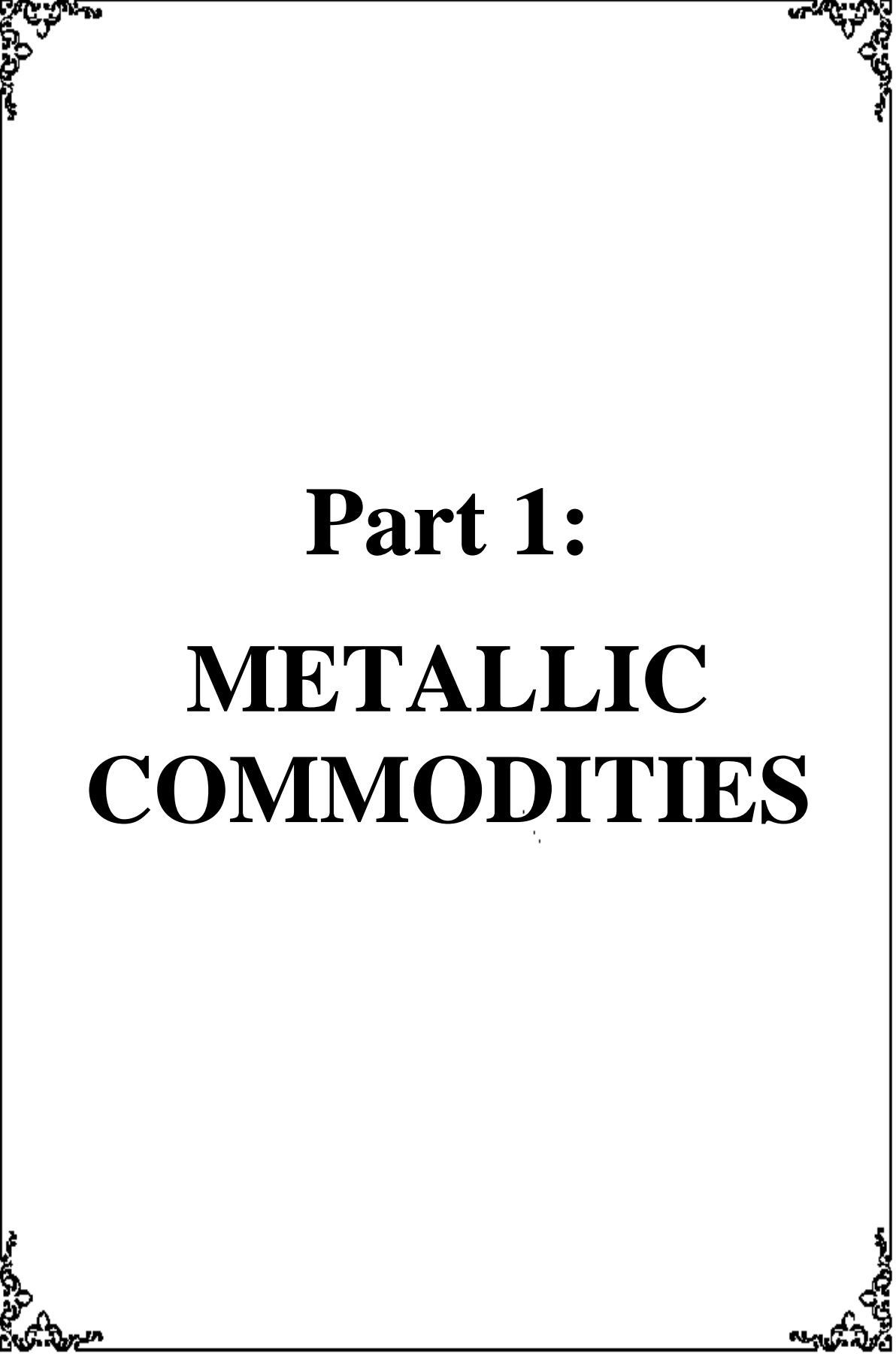
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Part 1:

**METALLIC
COMMODITIES**

Danske pitches gold to rich Russians

MOSCOW: At the height of the Danske Bank A/S dirty-money scandal, the lender started offering gold bars to wealthy clients to help them keep their fortunes hidden, according to documents seen by *Bloomberg*.

The bank's Estonian branch, which was already wiring billions of client dollars to offshore accounts, told a select group of customers, mostly from Russia, that they could now also convert their money into gold bars and coins, according to the documents, which date back to the middle of 2012.

Aside from offering a hedge against risk, Danske pitched gold as a way for clients to achieve "anonymity," according to the documents. It also said that using gold ensured "portability" of assets, according to an internal presentation dated June 2012.

A spokesman for Danske Bank declined to comment. In Danske's September 2018 tell-all report on its non-resident unit, the bank listed the services it provided to clients. Aside from payments, these includ-

ed setting up foreign-exchange lines, as well as bond and securities trading. The bank didn't list the sale of gold bars.

Danske Bank, which is being investigated across Europe and in the US after failing to screen about US\$220bil that gushed through its non-resident unit in Estonia from 2007 to 2015, has now shuttered the operations at the heart of the scandal. That's after local authorities kicked Danske out, as the scope of the affair became clear.

Gold plays a special role in the historic ties between Russia and Estonia, which gained independence after WWI only to be swallowed up by the Soviet Union in 1940. A century ago, communists fresh from the Russian revolution used Estonia as a bridge to channel vast quantities of gold taken from the murdered family of Czar Nicholas II into the West.

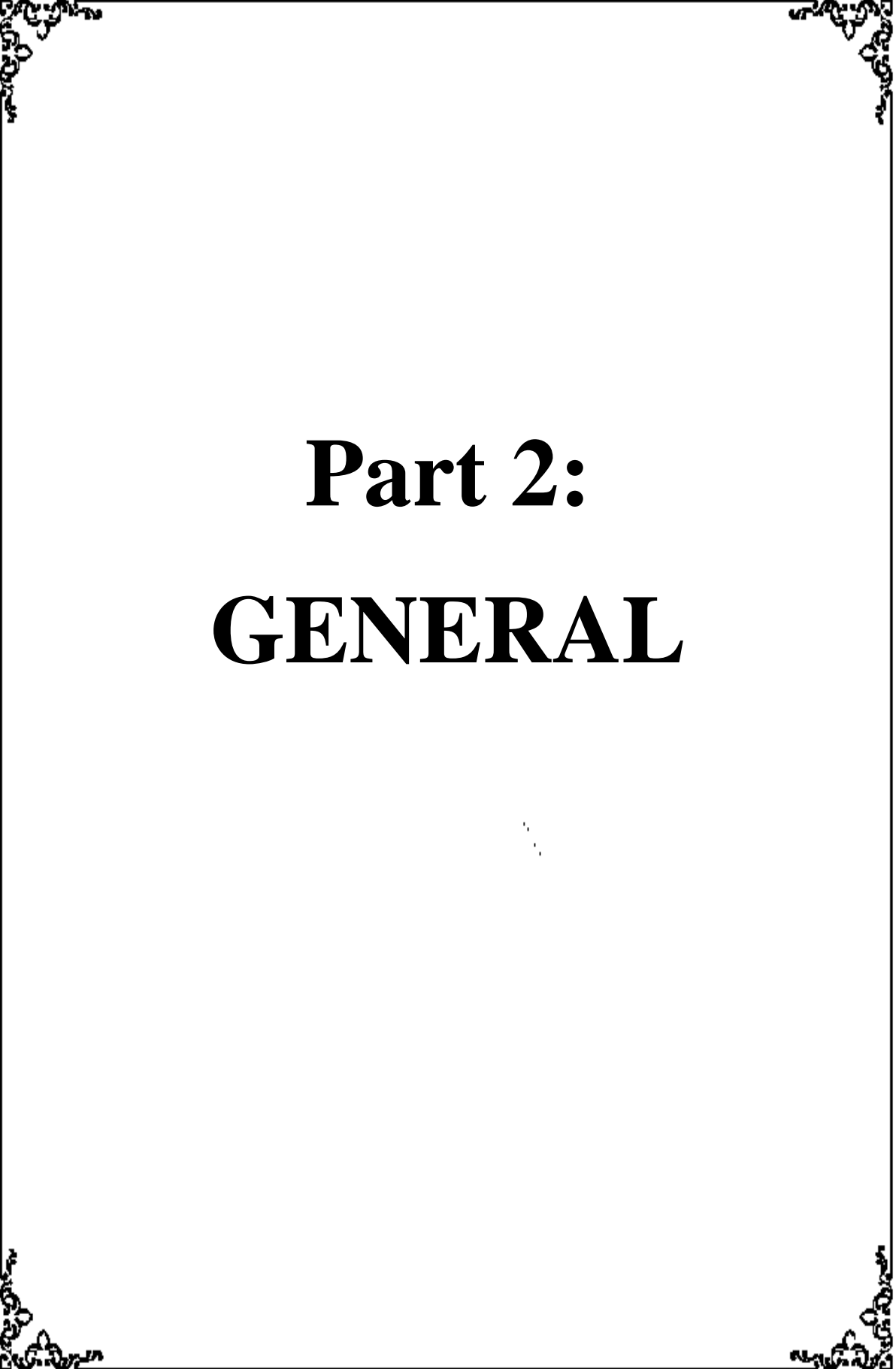
In the early 1920s, about 700 tonnes of Czarist coins dodged a western blockade by passing through Tallinn with the knowledge

of the country's leaders, before heading for Scandinavia and the UK. Today's Russian elite may have used the same path.

It's not known how much gold Danske managed to sell while the now defunct Estonian unit was still running. But according to an internal email seen by *Bloomberg*, at least some clients used the service. Local private banking clients were also offered the service.

For gold bars weighing 250g or more, clients at Danske's non-resident unit could obtain the precious metal without a sealed pack or paper certificates. Anti-money laundering approval was needed before customers could collect the gold, but such approvals weren't necessary if the gold was kept in long-term storage, according to the documents.

One Danske Bank presentation seen by *Bloomberg* and dated June 2012, when gold was trading close to an all-time high, told prospective clients that "the product is not being advertised publicly or in the media."
— Bloomberg



Part 2:

GENERAL

Reports by ZAKIAH KOYA, RENA LIM, CLARISSA CHUNG and LIEW JIA XIAN

26,000 new hotspots on watch list

Ministry to closely monitor landslide areas during this rainy season

PETALING JAYA: Malaysia added a whopping 26,000 hotspots nationwide on landslide watch, on top of the 16,454 existing ones that are closely monitored, especially during this year-end rainy season.

Some RM300mil will also be pumped in to strengthen landslide prevention works. Malaysia is among the top 10 countries in the world with the highest number of landslides in the past decade.

The Works Ministry, apart from monitoring the 26,000 hotspots, will also be carrying out landslide prevention work on slopes along 236 federal and 129 state roads for this year, said slope engineering branch director Zulkifly A. Ghani.

The Slope Engineering Branch, which is under the Public Works Department (JKR), did not provide the breakdown of where the 26,000 hotspots were situated.

Zulkifly explained that the monitoring and landslide prevention work on slopes not only happens seasonally but throughout the year.

"Among the measures being

undertaken include evaluation, danger and risk mapping, and setting up of an early warning, real-time system for landslides.

"The prevention works also included fortifying high-risk slopes along federal roads.

"For slopes along federal reserve and state roads, monitoring is being carried out by the district JKR via the visual method, such as site visits and inspections," said Zulkifly.

The data collected will then be categorised according to a hazard score. Along federal roads, 946 of the 16,454 slopes in Peninsular Malaysia were classified as "very high hazard" while 1,551 others were "high hazard" based on data from 2010.

"The record has been updated this year, that is why we got the additional 26,000 new hotspots, which was identified using the latest technology of Light Detection and Ranging drones.

"Meanwhile, the Early Warning System (EWS) is being developed. The EWS is being developed using monitoring techniques such as rain

gauge, robotic total stations as well as the Global Navigation Satellite System," he said.

"The equipment will continuously monitor any slope movement and the data transmitted to a server for analysis and displayed on a special website.

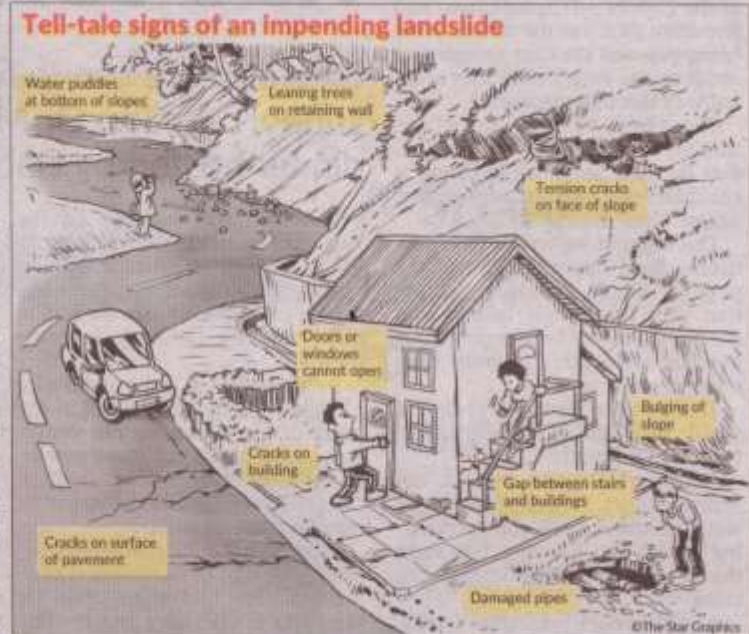
"Should the movement reach the danger limit, it will send a message to the officer via SMS and the officer will then take further action. A total of 48 rain gauges were installed at risky slopes," added Zulkifly.

"The real-time warning limit is displayed on a special early warning website for landslides."

Currently, the sharing of assessment information and slope hazard mapping data is limited to government agencies only.

PWD stated that there is a site where the public can view and check the status of slopes at <http://jkrcerun.scadatron.net>.

"However, the site is currently under maintenance and can only be accessed after five days," said a JKR officer.



Emergency teams on high alert

GEORGE TOWN: Emergency support teams in Penang are fully prepared to handle landslides and flash floods during the current spell of wet weather.

At Penang Hill in Ayer Itam, members of the Penang Hill Maintenance and Landscape Unit are carrying out routine checks daily.

Penang Hill Corporation general manager Datuk Cheok Lay Leng said 24 staff members were tasked to monitor areas prone to landslides on the hill each day.

"Ever since the storm in November 2017, we have been on full alert whenever there is heavy rain or wind, and are preparing our teams.

"Every day, our teams will go around the hills to monitor the hotspots for landslides. And if they come across situations such as clogged drains or fallen tree branches, they would attend to them immediately," he said.

Cheok said the teams were geared to tackle situations arising from these wet monsoon season.

Local residents who join their maintenance operations occasionally are also on full alert.

"Some of the residents here volunteered to join us when we clean areas and drains of fallen branches, leaves and debris," he said.

"We are all extra cautious, especially this rainy season as clogged drains could easily cause soil erosion.

"When drains are clogged, water would overflow and splash onto the slopes, which is very damaging and would lead to soil erosion, so we pay extra attention to these things even though they may seem minor," he added.

Meanwhile, state environment committee chairman Phee Boon Poh said the state depended on officers on the ground and cooperation from all teams.

"But in terms of logistics and planning, we are ready," he said.

State public works, utilities and flood mitigation committee chairman Zairil Khir Johari said in the meantime, the state was not aware of any major landslides.

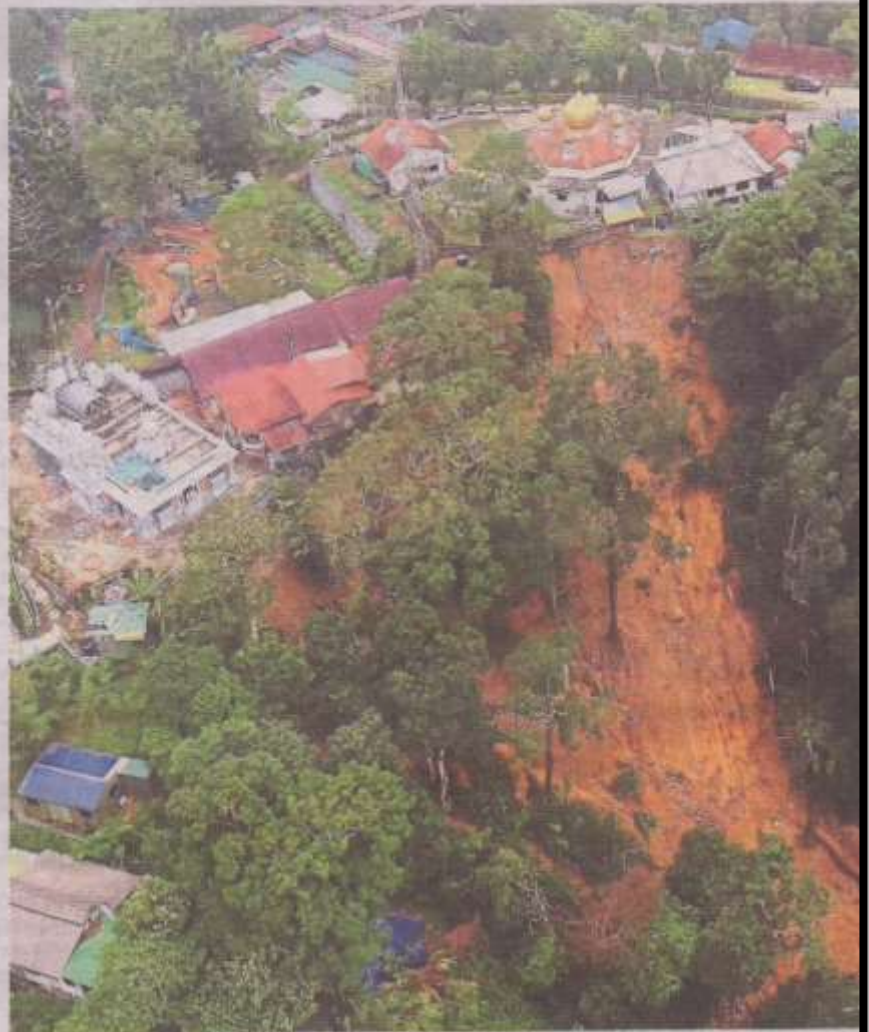
"If there are any reported, we will mobilise the teams," he said.

On Nov 4, 2017, Penang was hit by a series of floods that caused landslides and uprooted over 100 trees. Roads were closed down and there was damage to homes, vehicles, public property and infrastructures.

The disaster, touted as the worst in 30 years, claimed seven lives and forced over 3,500 people to be evacuated as the state was inundated by up to 4m of water after the 18-hour storm.

At Penang Hill, it was reported that over 300 landslides occurred in 2017.

Meanwhile, Penang Island City Council



Precarious situation: A huge landslide seen on Bukit Bendera in Penang that was one of the landslides that hit the state in 2017.

(MBPP) has clarified that the works being carried out along steep slopes in Mount Erskine opposite Mont Residence Apartments here were for a connecting road.

In a statement, the MBPP said the works included slope stabilisation and a proposed road that would pass through land belonging to the state government.

"The construction work by the developer is to mitigate the traffic impact due to the new development and to ease traffic at the Persiaran Halia area.

"It is expected to be completed by mid-

2020," it said.

"The road construction project site will pass through the contour area of 76.2m and on a gradient of above 25° gradient.

"The state policy under the Penang Structure Plan has classified the project as a special project," the statement said, adding that geotechnical engineers were responsible to supervise and monitor the work at all times.

The MBPP was responding to concern raised by Sahabat Alam Malaysia and nearby residents on the earthworks and hill-cutting along steep slopes at Mount Erskine.

A country notoriously prone to landslides

PETALING JAYA: The collapse of Highland Towers in Ulu Klang, Selangor in December 1993 is one of the most tragic in the country's history of landslides.

The landslide was triggered by heavy monsoon rain and aggravated by land clearing, improper drainage of water and a poorly constructed retaining wall.

A total of 48 people were killed when the 13-storey condominium gave way.

Landslides also occurred in the same area, near Bukit Antarabangsa, in May 1999 and December 2008.

The country is notoriously prone to landslides. In 2011, it was estimated that Malaysia experienced an average of about 100 landslides annually.

Some landslides go unnoticed but some resulted in blocked roads, expensive repairs of slopes and mass deaths.

The most tragic landslide was on Dec 26, 1996, when debris flow caused by tropical storm Gregg wiped out several villages in Keningau, Sabah, killing 302 persons.

Another landslide happened in Hulu Langat, Selangor in May 2011 which killed 16 people, many of whom were children.

Rapid development work and construction activities had been a major contributing factor to the landslides.

Penang saw tragic landslides at Bukit Kukus in October last year which killed nine construction workers, and in Tanjung Bungah in 2017 which claimed the lives of 11 people.

The Tanjung Bungah landslide resulted in a court case which ended with the construction project's consultant engineer and firm fined RM40,000 each.

A landslide that caused massive traffic congestion occurred near Bukit Lanjan in December 2003. Although no fatalities were recorded, the rockfall at the New Klang Valley Expressway caused the expressway to be closed for six months.

The Public Works Department's Slope Engineering Branch was set up in 2004, shortly after the incident.

However, landslides still continue to plague the nation to this day.

Only last week, a landslide took place at Jalan Genting-Amber Court in Genting Highlands. No casualties were reported.

Some 200 tourists had to be evacuated.

'Sinkholes more likely to appear during rainy season'

PETALING JAYA: A geotechnical engineering expert said sinkholes more commonly appear in roads in the country during the rainy season.

Prof Dr Fauziah Ahmad of Universiti Sains Malaysia said rainwater could lead to soil movement that causes sinkholes to form.

"Rain is a triggering factor as the water flow can be very strong and dynamic," she said, adding that it is important to be extra cautious during the monsoon period.

Sinkholes, she said, appear when there is a cavity below the ground that causes the soil to suddenly give way.

"When there are strong vibrations or movement on top and there is a cavity below the ground, the sand or soil could erode little by little, and then it will abruptly collapse," she added.

Prof Fauziah said sinkholes could happen because compaction of the road was not done properly.

"Also, former mining land is especially susceptible to sinkholes," she added.

She said sinkholes regularly occur in other countries as well, giving an example of how a massive sinkhole, spanning five lanes on the road, appeared in Fukuoka, Japan in 2016.

Construction companies, she added, must be thorough and diligent in carrying out the site inspection before building roads.

"Only then will they know and understand what the soil condition is like beneath the planned development site.

"Once they know that the land was previously used for mining and where the cavities beneath the surface are, then proper precautionary measures can be taken," she said.

She said this was especially important as soil conditions might even differ every 100m.

A Public Works Department spokesperson said the sinkholes could be caused by water not flowing through the correct channels.

Among the other factors include soil movement, broken utility lines under the road surface or unstable pavement foundations.

The spokesperson said that for new roads, the department has determined that locations to install utility lines must be out of the right-of-way.

Soil movement may have caused sinkholes

KUALA LUMPUR: Soil movement or high water pressure may have led to the bursting of pipes that caused the recent series of sinkholes in the city.

Pengurusan Air Selangor Sdn Bhd (Air Selangor) has begun investigating the three sinkhole incidents that occurred in less than 48 hours and has so far identified several likely factors.

"One of them is the movement of soil caused by vibrations or hard pounding. This is usually the case when the pipes are near construction sites or are just beneath the road surface," said corporate communications head Abdul Halem Mat Som in a statement yesterday.

"Soil movement can also happen when it rains. The flow of rainwater erodes the soil holding the pipes in place and they break," he added.

"Pipes can also burst if they cannot handle high water pressure, especially in the case of old asbestos cement pipes."

He confirmed that there were no injuries from the incidents and that repair works at the affected areas were completed yesterday.

The three sinkholes were in Jalan Maharajalela, Jalan Pinang and Jalan Dewan Bahasa, which are all within the city centre.

They were caused by damage to the pipes that are part of Air Selangor's water distribution system.

Air Selangor, Abdul Halem said, had also taken measures to avoid such incidents in the future.

"For Jalan Maharajalela, Air Selangor will carry out redistribution of water pressure until it reaches an optimal level," he said.

This was done, he added, by

installing an endcap on the pipe at the side of the road and carrying out tapping relocation for 10 premises receiving water from the affected pipeline.

"For Jalan Pinang and Jalan Dewan Bahasa, Air Selangor has installed a pressure logger to analyse the pressure profile and stabilise the water supply system in the area," he said.

He added that Air Selangor also carried out valve control and pressure monitoring measures.

Pointing out that the asbestos cement pipes in front of Dewan Bahasa dan Pustaka were more than 30 years old, Air Selangor said its long-term plan was to replace ageing pipes.

"Air Selangor has identified 438km of asbestos cement pipes to be replaced, and to date, 365.16km

of the pipes have been replaced," he said.

Abdul Halem said Air Selangor and Kuala Lumpur City Hall were discussing the issue of compensation for the damage of vehicles.

The National Water Services Commission (SPAN) said it had instructed Air Selangor to monitor other high-risk areas that are prone to sinkholes.

"This is to avoid the same incident from occurring again, especially during the rainy season which is expected to last until February next year," it said in a statement yesterday.

SPAN noted that investigations by Air Selangor showed that the three sinkhole incidents could be due to the use of old asbestos cement pipes and soil movement due to vibration and rainwater.

Delving into the problem

DBKL to study mapping system covering KL's underground utility lines

KUALA LUMPUR: A hole in one is a rare achievement in golf, but what do you call it when three sinkholes appear in the city within three days? Surely something is up. Or rather, something down below needs to be looked into.

This is what Kuala Lumpur City Hall (DBKL) is pushing for.

It plans to call for an inter-agency study on a mapping system covering the city's underground utility lines in light of recent sinkholes.

City mayor Datuk Nor Hisham Ahmad Dahlan said the study, to be spearheaded by DBKL, would hopefully result in a comprehensive map of the cables, pipes and other systems that lie beneath the city.

"At the moment, Kuala Lumpur does not have a proper underground mapping system, so it is hard to predict when these pipes could burst and cause such an incident.

"The study will also look into the appearance of these sinkholes resulting from burst water pipes recently," he said.

He added that the exercise would involve the Mineral and Geoscience Department and utility companies.

"We need to determine the cause of these burst pipes and sinkholes, whether it is from overdevelopment or even heavy usage," he said, adding that the study would start next month.

Over three consecutive days, three sinkholes appeared in Kuala



Work in progress: Syabas personnel repairing the burst underground pipe along Jalan Dewan Bahasa in Kuala Lumpur.

Lumpur roads, which were said to have been caused by damaged underground water pipes.

The first was in Jalan Maharajalela on Nov 24, followed by the other two in Jalan Pinang and Jalan Dewan Bahasa.

But this problem of sinkholes caused by burst pipes has been reported elsewhere in Malaysia too, such as at a roundabout near Donggongon, Penampang, Sabah, on July 25; at Jalan Universiti in Petaling Jaya on Oct 2; and at the junction of Persiaran Bandar Utama and First Avenue, also in PJ, on Oct 18.

The managing director of an insurance agency, who only wants to be identified as Ng, said vehicle owners were generally entitled to make insurance claims in cases when their vehicles were damaged when driven into sinkholes.

"As long as they have a first-party policy, the policyholder should be able to claim but this will affect his or her no-claim discount (NCD).

"However, if they only hold a third-party insurance, then they will not be able to claim at all from their insurer," she said.

Thomas Philip Advocates &

Solicitors partner Alliff Benjamin Suhaimi said there were a few things to take into consideration when determining liability.

"First, we have to determine the party that owns or is responsible to maintain the road. It may be a government body or a private concessionaire.

"If there are third parties tasked with maintaining the road, they too may be held liable.

"Ultimately, it is for the court to decide on liability and any apportionment of the same based on evidence," he said.

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