Brazil: The feat and failure of Carajá copper

At the beginning of the year 2003, a ton of copper cost 1,800 dollars. At the beginning of this year the price rose to approximately US$ 3,600, double its value twelve months before. The deficit in supply was over 500 thousand tons. The scenario, completely different from that predominating over the past few years, could not have been more auspicious for the launching of operations in the largest copper mine ever to exist in Brazil. Even before the official opening, scheduled to take place at the end of the month in the presence of President Lula, the Sossego mine in Canaã dos Carajas in the State of Para, is already selling copper.

The Vale do Rio Doce Company (CVRD) the owner of the copper deposits (one of the five it owns in Serra dos Carajas), made its first shipment of beneficiated copper at the beginning of the month from the Port of Itaqui in the State of Maranhão. Sixteen thousand five hundred tons of beneficiated copper were shipped for the German Norddeutsche company. In this way, although it has not stopped importing, Brazil has become an exporter of copper. Although it was a historic feat, it went by very discretely. Within three years, with the launching of the other projects in Carajas, Brazil will have become one of the main producers and exporters of copper worldwide.

The feat of producing and selling copper accomplished by CVRD, even before the launching of the enterprise, was tarnished by another fact: the verification that the company had committed the first environmental crime in the area. On 26 May, IBAMA (the Brazilian Institute for the Environment and Renewable Natural Resources) verified that a great quantity of waste, produced during ore dressing, had been dumped in the area of the Carajas Natural Forest. The waste, untreated to reduce its aggressive composition, will contaminate the soil, which in turn has not had any treatment to make it impermeable.

Once the ecological aggression had been characterized, the company was fined two million reales (US$ 700,000) a sanction made more serious by the fact that CVRD had not complied with the conditions established by IBAMA when it granted authorization for the deforestation of the area to be used by mining. To start off with, CVRD representatives even attempted to contest the sanction, but the company ended up by recognizing its error and decided not to appeal against the IBAMA decision.

The company admitted that it had underestimated the volume of waste from dressing the mineral, which was in excess of the limit foreseen. However, it alleged that the area of contaminated forest was included in the area for deforestation IBAMA had authorized in 2002, but that had not been completely felled (leaving it to be felled this year as the first authorization had expired).

This allegation does not reduce the degree of aggression: less impact was caused by an error in estimating the area of deforestation effectively necessary for the project’s activities; but CVRD caused much more damage when it made an error in its waste forecast. Furthermore, it did not comply with the commitments established in the first authorization for deforestation (which will probably require a second authorization, at another instance).

This double error, with positive (involuntary) effects or negative (voluntary) effects reveals a worrying degree of imprecision and lack of expertise in the company's operation, caused perhaps by their haste in starting the undertaking to benefit from the excellent market conditions, which will result in earlier returns on the US$423 investments made in Sossego.

Whether the accident was a misfortune or an unforeseen event, or whether CVRD decided to take the risk on the basis of its trade commitments, that perhaps compensate the fine several times over, is something that requires clarification. Furthermore, the fine can be transformed by means of a document adjusting behaviour, in an agreement for investing the money in works and services of interest to IBAMA or Government action in the sector. In addition to sanctioning the company, IBAMA must carry out a meticulous reconstruction of the episode to make sure it is not repeated. Lack of action, connivance or a limited examination may be interpreted as complicity with the most aggressive mining activity to have been implanted so far in the Amazon, the beneficiation of copper, as serious or more serious as gold mining.

The gravity of this situation is not expressed in the "note of clarification" that CVRD disseminated four days after the fine was announced. Concealing more that it revealed, the note was limited to stating that the waste had reached an area, which although not yet deforested, is "part of the dam's useful area," and that "therefore, no environmental damage was done to the region." It added that the company was "carrying out a new topographic survey that will serve as a basis for renewal of the deforestation permit."

The evaluation of whether there was environmental damage or not is the next step regarding a fact that has already been characterized – that of an environmental offence. It may so happen that the inspections will reach the same conclusion as CVRD, that the area contaminated by the waste has to be deforested because it is needed for mining. But until then, the unquestionable fact is that the company mistook the volume of waste and dumped it in a site that was not legally authorized for this purpose.

Perhaps in the future another finding will be reached: that the National Forest of Carajas is irreconcilable with the economic use that was given to it. The forest was created as an emergency (and opportunity) belt to protect Carajas against invaders, who deforested nearly all the areas surrounding the mineral province – the largest one in the world. Now the invention may turn against the inventor: will the national forest as a conservation unit always be threatened by copper mining, by an originating lack of suitability? This is the question that needs answering and preferably as urgently as possible.

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