

Metal thieves hurt LatAm economies

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SANTO DOMINGO, Dominican Republic --
Copper exports have surged in this Caribbean nation with no active copper mines - thanks to thieves who plunder power and telephone lines.

Scrap metal thieves also thrive in Brazil, where vandals sawed off the arms of a bronze statue of soccer legend Pele last month. In Jamaica, bandits ripped up tracks and cables from an old Kingston railway station.

Even the U.S. has not escaped. In Fort Wayne, Ind., thousands of dollars worth of copper gutters were stripped from a church in the middle of the night last month.

Theft of scrap metal has increased sharply in recent years as prices have risen. Copper is the most tempting target because it brings the most cash per pound. The vandalism can spell disaster for countries with struggling economies, especially when it damages already shaky electrical sectors.

In the Dominican Republic, thievery has accounted for much of the 288 tons of copper exported this year. Much of that scrap copper makes its way to China, which imported 460,000 tons in the first two months of 2007 alone to feed its booming economy.

"Globalization has created a climate in which these types of activities are going to flourish," said Cuauhtemoc Calderon Villareal, an economist with the Colegio de la Frontera Norte in Tijuana, Mexico.

World copper prices reached a record \$4.16 a pound in May 2005 and have mostly stayed above \$3. That has meant a bonanza for owners of copper mines in Chile, Bolivia, Peru and Mexico. It has also driven copper exploration in areas such as the central mountains of the Dominican Republic.

But the side-effect of thievery has devastated the island's already crippled electrical sector. Hospitals depend on shaky generators and schools refuse donated computers because there is often not enough electricity to run them. The country already loses about half the power it generates to infrastructure damage and customers who do not pay.

When thieves in Santo Domingo cut 1,000 feet of copper wire in May, it knocked out power to a huge swath of the capital for two hours - including a hospital, naval base and downtown hotel.

"The wire thieves are increasing the number of blackouts," said Pedro Pena Rubio, commercial director of the Dominican state-run electric company. "They need to abandon this practice immediately."

Governments have tried to respond.

Haiti, the hemisphere's poorest country, runs television ads imploring people to "stop cutting down wires." In May, the South American nation of Guyana banned exports of scrap metal altogether to close the market for thieves who have taken the wiring out of traffic lights in the capital and towns along the Atlantic coast.

The Dominican Republic has set up an investigative task force and is requiring exporters to prove they obtained their copper scrap legally. Copper exports have fallen by almost 20 percent since that requirement took effect in April, customs officials say.

But a probe of the 11 companies that have exported more than \$1.8 million worth of copper scrap from the country since January 2006 has yet to produce any indictments.

People in Santo Domingo describe seeing neighbors walking down the street with reams of stolen copper wire wrapped around their shoulders. Some barter the scavenged wires for food or drugs, while others sell them to scrap companies.

"They do it right during the day," said 18-year-old Noemi Ramirez, who works in an ice cream shop that depends on a diesel generator to get through daily blackouts. "They don't care."