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Malaysia reawakens its 'sunset industry'

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THE announcement that 10 dormant gravel pump mines in Perak and Selangor, each with an annual capacity of 200-300 tonnes of tin-in-concentrates, are to be reopened is the first positive encouragement for an industry once the most dominant in the world.

The cumulative output from the revived mines, put at 2,000-3,000 tpa, could eliminate Malaysia's dependence on tin imports and save valuable foreign exchange.

Since 1996, Malaysia has been a net importer after being, for much of this century, the world's leading tin exporter.

The periodic calls by some political leaders for Malaysia to abandon its domestic mining sector, written off as a "sunset industry", have now been turned on their head.

Malaysia's tin reserves are the third largest in the world and, according to studies by the Malaysian Geological Survey Department and US Geological Survey, a substantial amount could be economically exploited.

Earlier this year, at the Malaysian Chamber of Mines' seminar on "The revitalisation of the Malaysian tin industry", the Chamber's president, Sukor Shahar, backed Prime Minister Dr Mahathir's call for a return to basics.

As always, market returns will dictate the strength of any revival in the domestic mining industry, but revitalising a once core industry would contribute towards reducing the current account deficit and make important savings on foreign exchange.

Malaysia's annual tin consumption, which totalled 3,143 tonnes at the outset of this decade, had more than doubled by 1997 to 6,586 tonnes and the drive towards industrialisation under "Vision 2020" will fuel increasing domestic demand.

"Without any appreciable increase in domestic tin ore production", Sukor told the Chamber of Mines' seminar, "Malaysia will have to continue to import the raw tin ore resulting in heavy foreign exchange outflow."

The revivalist tone of Malaysia's tin industry leaders fully vindicates the decision taken by Sia Hok Kiang in 1989 to exercise a 15-year option on the Sungei Lembing mine in Pahang, the world's most developed underground tin mine and for many years Malaysia's single most productive mine.

Flying in the face of the pessimistic view that tin was a sunset industry, Sia is now gearing up activity at Sungei Lembing with a view to a 1,000 tpm operation early in 1999 which, if achieved, would make the mine not only by far the largest in Malaysia but one of the world's biggest single sources of the metal, on a par with Indonesia's Koba Tin. Proved and probable reserves have been established at Sungei Lembing of 757,000 tonnes grading 1.34 per cent or 7,200 tonnes metal.

Four separate mining areas of 283.50ha have been identified for contracting out to interested parties, each capable of supporting a 200 tpm open pit operation, complementing selective mining of exposed high-grade lodes under a major open pit programme to produce 200 tpm.

Sungei Lembing is now on course to resume its place as one of the world's major tin mines and surpass Malaysia's current largest and oldest operating mine, Rahman Hydraulic, as the country's largest producer.

The heyday of the Malaysian tin mining industry has long since passed but the reawakening of interest in a much rundown industry is a welcome

rebuttal for the Jeremiahs who wrote off tin mining as a sunset industry.
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