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*Abstracts of Papers*

## Keynote Paper 1

**Minerals in the national economy of Malaysia: Non-metallics the emerging sector**

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Much has been said about the poor health of the Malaysian minerals industry, the fall in mineral production both in terms of tonnage and value, decrease in mineral exports, decline in mineral sector employment and, above all, the drastic drop in the non-fuel mineral sector contribution to the GDP. However, a closer look at available mineral statistics show that much of the perception has been based on a misconception of what the minerals industry is. Malaysian economists commonly evaluate the non-fuel minerals industry's performance mainly on metallic mineral production without giving much consideration for the non-metallics and the contributions from mineral-based downstream value-added activities. The non-metallic mineral sector has, in recent years, expanded significantly and if its contribution, both in terms of raw material production and output of value added products, was to be taken into consideration, the scenario and prospect of the minerals industry, or more specifically the non-metallic sector, look quite promising.

Statistics compiled by the Geological Survey Department (GSD) show that the total value of mineral production has actually been increasing, from RM1,550 million in 1991 to RM1,649 million in 1993. Although metallic mineral production decreased from RM654 million in 1991 to RM452 million in 1993, this was adequately compensated by a corresponding increase in non-metallic mineral production from RM890 million in 1991 to RM1,171 million in 1993.

Most of the non-metallic minerals produced are consumed locally and therefore their contributions are not reflected in the export performance. Minerals constitute a significant proportion of the raw materials required for value-added manufacturing such as in the ceramic, glass and cement industries. The export of Non-Metallic Mineral Products (NMMP) has been experiencing positive growth annually, from RM369 million in 1988 to RM847 million in 1993. Preliminary statistics indicate that the 1994 export will further increase to RM960 million. Likewise, the intangible contribution of rock materials towards the construction of buildings and infrastructure has not been given appropriate recognition, particularly towards GDP compilation. Many of these inputs are not considered by economists as contributions from the minerals industry. The misleading perception about the poor health of the Malaysian minerals industry, therefore, arises as a result of the lack of understanding of what the minerals industry encompasses, and consequently incomplete data capture, rather than as a result of the actual performance of the industry itself.

The emergence of the non-metallic industrial mineral sector can, to a large extent, be attributed to the implementation of the Industrial Master Plan and also GSD's mineral diversification programme which gives high priority to the search for minerals other than tin, particularly non-metallic industrial minerals. The results of GSD's exploration programme show that the country is well endowed with ball clay, kaolin, silica sand, limestone, sand and gravel, and rocks suitable for the production of aggregate and dimension stone.

The rapid infrastructural and building development and the expansion of the manufacturing sector have created the demand for rock and mineral raw materials for construction and value-added manufacturing such as in the ceramic, glass and cement industries. With this known availability of abundant resource and optimistic projected demand, the non-metallic industrial mineral sector looks set to be the prime mover for the Malaysian minerals industry in the future.