

SABAH'S COPPER MINING INDUSTRY

Development And Performance Of

Mamut Copper Mining Sdn Bhd

Thomas Mangalai

PERPUSTAKAAN UNIVERSITI MALAYA

A Dissertation submitted to the Faculty Of Economics and
Administration, University Of Malaya, In partial fulfilment
of the requirements for the Degree Of Master Of Economics

1996



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ACKNOWLEDGEMENT

I would like to record my appreciation to a number of people whom I owe in one way or another in the course of having this dissertation materialise. To my thesis supervisor, Associate Professor Dr Rugayah Mohamed. I am thankful for providing me the guidance, suggestions, reading materials as well as correcting the drafts despite her tight schedules. Without her assistance this dissertation would not have been completed in time.

I am grateful to Mr Yong Fook Shin, the Mine Manager of the Mamut Copper Mining, for granting me study leave to pursue my study for the degree of Master Of Economics at the University Of Malaya and for his permission in allowing me access to the company's information.

I would like to extend my sincere thanks to the University Of Malaya for granting me the Research Fellowship to finance my two-year studies, without which this dissertation would not have been possible.

Last, but not least, I thank my wife for her assistance in sourcing materials for this dissertation. To my wife Minah, my son Glen and daughter Pinky, I appreciate their encouragement and patience in bearing with my absence throughout the tenure of my study.

ABSTRACT

This study provides a comprehensive analysis on the economic performance of Sabah's Mamut Copper Mining, the only copper mine in Malaysia. The Mamut Copper Mining has been producing copper concentrates since 1975 and it has contributed about 25 per cent of Malaysia's total mineral exports revenue. In 1991, copper concentrates ranked eighth among Sabah's major exports and has paid RM17 million in royalty to the state government. Mamut Copper Mining will continue to benefit Sabah's economy if it can sustain its performance.

The primary focus of this study is to examine the productivity, production trends, cost-efficiency and profitability from 1981 to 1994. We attempt to estimate the labour, capital, and total factor productivity. MCM's cost performance is examined by looking at the average unit cost of production. The profitability is examined by analysing the profit trends from 1981 to 1994.

The general finding of the study shows MCM's unfavourable performance in the productivity, cost and profitability between 1981 and 1987. Its performance, however, improved at the end of 1980s and early 1990s due to the appropriate effort taken by the management in restructuring MCM's organisation into a more effective one

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