

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