

## INTRODUCTION

Historical Background

Iron-ore has been mined in small quantities in Malaya for many centuries.<sup>1</sup> However, the first mine was only opened in 1921 at Sri Medan, Johore. In that year, 74,250 tons was produced.<sup>2</sup> Between 1921 and the outbreak of the Second World War, iron mining in Malaya was entirely in the hands of the Japanese. They carried out prospecting and mining in the states of Trengganu, Johore, Kelantan, and Pahang. All iron-ore produced during this period was exported to Japan. Iron mining during these pre-war days did not interest the Chinese or Europeans because of the overwhelming importance of tin.<sup>3</sup> Thus, in those early years, iron mining was entirely a Japanese monopoly.

Between 1921 and 1940, iron-ore production increased from around 74,000 to almost 2,000,000 tons.<sup>4</sup> In 1941, production fell mainly as a result of anti-Japanese feeling among Chinese iron-ore mining labour and partly because of the high tin price which cost much Chinese labour to move from iron mining to tin mining. Between the war years 1942 to 1945 production almost ceased completely.

After the war all Japanese iron mining properties were confiscated. In 1947 production started once more. The output in that year was 888 tons which was all consumed domestically.

The war ended Japanese monopoly of iron-ore production in Malaya. Since then the mines are European and locally owned.

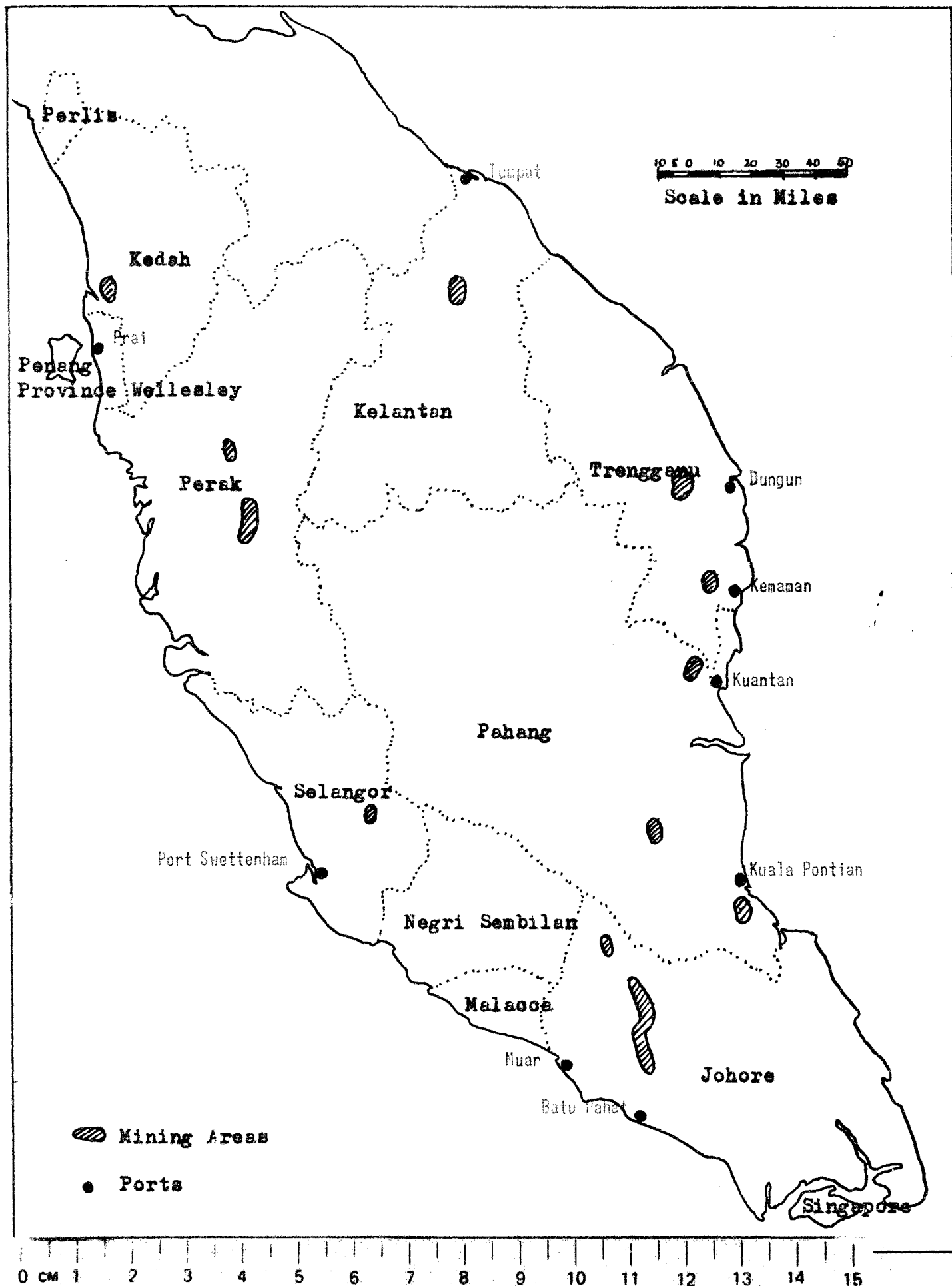
<sup>1</sup> See Federation of Malaya, Official Year Book, 1962. Government Printer, page 4.

<sup>2</sup> The producing company was the Ishihara Sangyo Koshi Ltd.

<sup>3</sup> Tin has been mined on a large scale since the 19th Century and it was more profitable when compared to iron.

<sup>4</sup> There was a general increase in production in these years. Except during 1931-1933 and 1937, there had been an annual increase.

DISTRIBUTION OF IRON MINING AREAS AND MAIN PORTS OF EXPORT



For several years after the war the only iron mining company was a European company, the Eastern Mining and Metals Co., Ltd., which started at Dungun in 1949. Local interest in iron mining after the war began only in 1953 with the formation of the Malaya Mining Co.Ltd.It started mining in Perak.

Inspite of the difficulties in the rehabilitation of the industry after the war, as old machinery had to be used, production rose quickly soon after mining was resumed in 1949. By 1952, production had exceeded 1,000,000 tons. In 1963, Malaya produced 7,264,543 tons and exported 6,581,771 tons. Nearly all of this was shipped to Japan, the largest single buyer of our iron-ore since production began at Sri Medan.

### Geographical Distribution

Iron-ore is widely distributed in Malaya but mining is concentrated in seven states (Diagram I).

In Trengganu, the most productive iron mining state, iron-ore is mined at Bukit Besi and at Machang Setahun. Iron-ore mining is located at Bukit Ibam, Pontian and Bukit Bangkong in Pahang. In Perak, the majority of mines are distributed around the Gunung Rapat area although at Telok Garen, Gunung Idong and Gunung Panjang iron mines are also found. Mining is carried out in the districts of Sungai Batu and Semeling in Kedah. In Johore, the mines are located around the areas of Sungai Tui, Bukit Lop, Jorak, Sri Medan, Buloh Kesap and Susor Ratan. Temangan is the only area where iron-ore is mined in Kelantan. Recently in May, 1962, Selangor also started to produce iron-ore.

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<sup>5</sup>The areas mentioned are areas in operation on January, 1964.