

**STATUS OF PULP AND PAPER INDUSTRY IN  
MALAYSIA**

**SHAHAFINI BINTI SAIDI**

**DIPLOMA IN WOOD INDUSTRIES  
UNIVERSITI TEKNOLOGI MARA**

**2000**

## TABLE OF CONTENT

	page
<b>DEDICATION.....</b>	iii
<b>ACKNOWLEDGEMENT.....</b>	v
<b>LIST OF TABLE.....</b>	vi
<b>ABSTRACT.....</b>	vii
<b>ABSTRAK.....</b>	viii
<b>CHAPTER</b>	
<b>1. INTRODUCTION.....</b>	1
<b>2. PAPER INDUSTRY IN MALAYSIA.....</b>	3
<b>3. RAW MATERIAL REQUIREMENTS OF PULP AND PAPER INDUSTRY.....</b>	5
3.1 Wood Pulp.....	5
3.2 Waste/Recycle Paper.....	6
3.3 Bamboo Pulp.....	6
<b>4. PRODUCTION CAPACITY OF PAPER MILLS.....</b>	7
<b>5. PAPER AND PAPERBOARD PERFORMANCE.....</b>	8
5.1 Newsprint.....	8
5.2 Writing and Printing Paper.....	8
5.3 Toilet/Facial tissue Papers.....	9
5.4 Kraft/Corrugating medium Papers.....	9
5.5 Cigarette Papers.....	9
5.6 Joss Papers.....	9
<b>6. DEMAND AND CONSUMPTION.....</b>	10
<b>7. PROSPECT OF THE PRESENT INDUSTRY.....</b>	13
<b>8. GLOBAL MARKET FOR PULP AND PAPER PRODUCT.....</b>	14
8.1 Pricing.....	14
8.2 Paper Market Trends.....	15
8.3 Competition in the Paper Industry.....	16
<b>9. CONCLUSION.....</b>	17
<b>10. REFERENCEC.....</b>	18
<b>11. APPENDICES.....</b>	19
<b>12. VITA.....</b>	25

## **ACKNOWLEDGEMENT**

First and foremost my prayer and glory be to Allah S.W.T. The most merciful, for given me the strength and ability towards the completion of my final project paper entitle Status of Pulp and Paper Industry in Malaysia. I also to thank for my beloved friends for their continuous support.

I would also to offer my special thanks to my advisor for this final project, En. Amran bin for helping me at every phase of the study, who are so generous in leading me their helping hands and showing me the correct ways of performing my final project. I would like to express my most sincere thanks to him.

I also to extent my appellation to those who are involved either directly or indirectly in completing this project. I believe, without their helps I would not be able to complete this final project.

## **CHAPTER ONE**

### **INTRODUCTION**

Pulp and paper product is very important to the world population. There fore many pulp and paper industry was build to fulfill the increase demand. Among the countries which has large pulp and paper industry are USA, Japan, China, Canada, Germany and Finland.

The paper and paperboard industry has played an important role in the context of Malaysia' economic development and growth. This is particularly exhibited by the increasing demand for packaging grades of paper products, (Kevin, 1994). Among developing countries, Malaysia is considered to have one of the highest standard of living with and advanced level of economic development is reflected in a high per capita consumption of paper and paperboard. Each year Malaysia's import of this essential commodity is rising, (Peh et al., 1986).

Pulp and paper products industry in Malaysia continues to play and important role in Malaysia economic growth and development. The industry has been recognized as a vital sector to the Malaysian government. The emphasis is to produce locally and minimize imports.

Malaysia pulp and paper industry currently consists of nineteen operating pulp and paper mills. Sixteen of these mills located in Peninsular Malaysia with five located in Kedah and Penang. There are eight paper mills in the central region, two in Perak, three in Selangor and another three in Pahang and in the southern region, two paper mills are located in Johore and one in Melaka. However in East Malaysia, there are

three paper mills, two situated in Kuching, Sarawak and other is situated in Sipitang, Sabah, (Anonymous, 1999).

Compared with other countries, Malaysian paper mills are considerably smaller in size and capacity. Seven of the mills are producing less than 10,000 metric tones per annum in the year 1998, between 11,000 to 80,000 metric tones are producing with eight mills and four mills produces between 100,000 to 300,000 metric tones per annum capacity. Malaysia total consumption in the year 1998 is around 1.5 million metric tones, (Anonymous, 1996).

Malaysia has immense opportunity to increases its pulp and paper production. The Pulp and paper product is worth RM 2.4 billion annually. Malaysia could also take advantage of the needs of the region which remains a net importer of pulp and paper. Malaysia is becoming an exporter of office paper, soft packaging and white paper board, (Anonymous, 1997).

The types of pulp and paper product in the world as printing, writing, wrapping sanitary, wrapping, corrugating medium, boxboard, sack kraft, liner board, newsprint, abaca pulp, ground wood paper, book paper, fine paper, tissue paper construction paper, container board, bending board, building board and many more, (Anonymous , 1994). The types of pulp and paper product in Malaysia available are newsprint, writing, printing, toilet/facial tissue, karft/corrugating medium, industrial paper, cigarette and joss paper. (Peh , 1986).

This paper tries to project the future of pulp and paper industry in Malaysia it also compares the pulp and paper industry demand and production from 1991 to 1999. Hopefully with the information given the pulp and paper industry will be able to benefit.