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MSC: Full smelting operations at Pulau Indah plant to start soon

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KUALA LUMPUR (Feb 7): Tin miner and metal producer Malaysia Smelting Corporation Bhd's (MSC) relocation to its new smelting facility in Pulau Indah, Port Klang is progressing well and full smelting operations are expected to commence in the near term.

Group chief executive officer Datuk Dr Patrick Yong said the company's move to the new plant was necessary to establish a solid foundation for growth, as it was facing an increasingly challenging operating landscape including uncertain macroeconomic conditions and volatile tin price movements.

"The technology upgrade will significantly enhance the group's extractive yields, in a more cost-efficient and environmentally-friendly manner. The new plant uses natural gas as fuel and follows a more comprehensive single-stage continuous smelting process, leading to a minimisation in MSC's carbon footprint," he said in a statement today.

Even with the Pulau Indah facility in full operations, the company's plant in Butterworth will still be in service to ensure problem-free production, he added.

"Our priority is peace of mind for our customers at the expense of cost duplication, until smooth operations are achieved."

The Pulau Indah plant will employ cutting edge top submerged lance (TSL) technology to reduce costs and over-reliance on intensive labour, MSC said, adding the overall process efficiency will also be achieved with the TSL single-stage smelting, compared to the dated reverbatory furnaces currently employed in Butterworth.

It will be utilising renewable energy with its installed rooftop solar panels and will be tapping waste heat from the furnaces, recycling energy from operating thermal wastage, in line with the group's aim to become a more sustainable tin player.

Furthermore, the new set-up at the Pulau Indah plant enables a scale-up in production capacity by 50% from 40,000 tonnes per year currently.



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“As we commence operations at Pulau Indah and eventually phase out production at Butterworth, we anticipate a gradual improvement in our financial performance,” Yong said.

Following the migration, the company will be well-positioned to benefit from the rising demand for tin with lower operational costs.

“We will continuously review our strategies to ensure that the group stays resilient against external headwinds, and explore new areas of growth with the aim of further establishing the company as a leading integrated tin player,” he said.

The impending move to Pulau Indah will also involve an internal restructuring exercise affecting some 550 employees at the Butterworth smelter.

While MSC provides employees the opportunity to relocate from Butterworth to Pulau Indah and upskill their capabilities to operate more advanced technologies, there will be a reduction in manpower as the new modern plant requires less workers.

Hence, MSC will be undertaking a voluntary separation scheme (VSS) which allows employees to opt out, while receiving a fair and equitable compensation package governed by the Employment Act 1955, and guided by the company’s employee handbook and collective agreement.

“As a responsible employer, MSC is committed to carrying out this restructuring exercise in a fair and sensitive manner. Official notification has been given to all affected employees to prepare them for this transition.

“We are also planning to organise a townhall session to provide a platform to address employee concerns,” Yong said.



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