

Company Name : Wasco Greenergy Berhad

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Muda Paper Remains Bullish on Malaysia Biomass Energy Market



As Malaysia prepares to introduce carbon pricing and strengthen its net-zero commitments, manufacturers across the country are justifiably reassessing how they generate renewable energy for their operations.

For Muda Paper Mills Sdn Bhd (MPM), one of Malaysia's major industrial paper producers, the shift away from fossil fuel-fired steam generation has become a strategic necessity rather than solely an environmental gesture.

With production activities relying heavily on steam, fuel requirements form a significant part of direct emissions.

Thus, with the rising compliance expectations and progressively clearer indication of future carbon costs, staying with fossil fuel is no longer in alignment with MPM's long-term operational resilience and overall business sustainability.

Furthermore, fossil fuel price fluctuations, increasingly detailed ESG audits from international customers and the tightening of global supply-chain reporting standards have collectively contributed to the acceleration of the company's evaluation of alternative energy sources. The goal was straightforward: implement a solution that ensured steam reliability, controlled costs and supported emission reductions.

Evaluating a Practical Alternative

MPM eventually identified biomass-based steam generation as a viable replacement for its fossil fuel-fired system. Malaysia's abundant supply of agricultural residues, particularly from the palm oil industry, offers a stable local fuel option capable of delivering meaningful emissions reductions without compromising operational performance. To execute the transition, the company partnered with Wasco Greenergy, a local engineering solutions provider, which designed a biomass system tailored to MPM's specific load profile and mill configuration.

Within the first operational cycle, the company recorded a reduction of more than 20 per cent in direct (Scope 1) emissions. These measurable improvements supported MPM's sustainability commitments and reinforced customer confidence.

The performance of the first system led the company to replicate the same biomass boiler system with increased capacity at their other paper mill facility.

Improving System Visibility and Stability

Beyond fuel switching, Muda Paper is also strengthening system oversight to ensure long-term performance. The company is in collaboration with Wasco Greenergy to enhance monitoring and optimisation of its biomass operations, including the use of performance data to support reliability and maintenance planning.

Operational Lessons for Malaysian Industry

MPM's transition offers several insights for manufacturers navigating similar decisions.

As expressed by Muda, cleaner energy systems can be equally cost-effective when properly engineered, and the assumption that renewable-based systems inevitably raise operating costs does not always hold true. Additionally, customer expectations around emissions data, sustainability reporting and supply-chain transparency are evolving rapidly, making early action an advantage rather than a burden.

The company also stressed the importance of technical depth in any transition. Biomass systems demand careful design, fuel quality management and ongoing operational discipline. Selecting experienced partners is critically to ensure reliability and reduces long-term risk.

As global markets move toward carbon-indexed supply chains, companies with high-emission processes will face increasing pressure and taking action now gives manufacturers more flexibility as these changes take shape.

A Broader Opportunity for the Sector

MPM believes that renewable energy systems represent one of Malaysia's most practical pathways for reducing industrial emissions. Many local industries, ranging from paper and packaging to food production and building materials, rely heavily on steam and heat, making renewable energy a critical component of the nation's decarbonisation challenge.

The transition away from fossil fuel was ultimately about ensuring long-term sustainability. In the long run, the transition is expected to strengthen the competitiveness and preparedness for a future where emissions will inevitably carry clearer financial implications.

The company expects more manufacturers to explore similar solutions as market demands evolve and operational benefits become more evident.

In the end, reducing emissions is not only an environmental responsibility. It is a strategic driver of sustainable business growth.