

Company Name : Wasco Greenergy Berhad

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Muda Paper sees continued potential in biomass energy market



KUALA LUMPUR: Reducing reliance on fossil fuel-fired steam generation has become a strategic business consideration rather than a purely environmental one, Muda Paper Mills Sdn Bhd said.

Muda Paper, one of the country's largest industrial paper producers, noted that steam is central to paper production, making fuel use a major contributor to the company's direct emissions.

With regulatory expectations rising and future carbon costs becoming clearer, continued dependence on fossil fuels would weaken its long-term operational resilience.

Volatile fuel prices, more rigorous ESG audits from international customers and tightening global supply-chain disclosure requirements further accelerated the company's review of alternative energy options.

After evaluating several pathways, Muda Paper has chosen biomass-based steam generation as a practical replacement.

"Malaysia's abundant supply of agricultural residues, especially from the palm oil industry offer a stable, local fuel option that could deliver meaningful emissions reductions without compromising operational performance," it said.

The company works with Wasco Greenergy to design a biomass system suited to its operational requirements.

Within the first year of operation, Muda Paper recorded a reduction of more than 20 per cent in Scope 1 emissions.

Encouraged by the performance and reliability of the system, the company later installed a similar, higher-capacity biomass boiler at another mill.

Beyond fuel switching, Muda Paper is working to improve system visibility and stability.

Enhanced monitoring and performance data are being used to support maintenance planning and operational optimisation, it noted.

"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."

It added that biomass systems require careful design, fuel quality management and experienced partners to ensure long-term reliability and manage risk.

Looking ahead, the company believes biomass and other renewable energy solutions represent a practical route for reducing industrial emissions in Malaysia, particularly for sectors reliant on steam and heat.

As global supply chains increasingly factor in carbon intensity, Muda Paper expects more manufacturers to pursue similar transitions as both regulatory and commercial pressures intensify.