

## Kossan to increase output by 20pc

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GLOVE maker Kossan Rubber Industries Bhd (7153) will **ramp up 2010 production by 20 per cent to 10.8 billion pieces to meet strong demand** this year, a top executive said yesterday.

Managing director Lee Kuang Sia said the firm, which focuses on selling high-end surgical gloves to medical firms in the US, Europe and Japan, has received orders to last the first half of this year as countries boost healthcare expenditure to guard against the influenza A (H1N1) pandemic.

"We want to grow and meet that extra demand but it has to be done in a sustainable manner," Lim said in an interview yesterday.

"Usually we will spend RM60 million to boost production but this time there will be a focus on automating the process," he said at the company headquarters in Klang, Selangor.

**Malaysia is the largest exporter and producer of medical rubber gloves, supplying 65 per cent of the world's natural rubber gloves and half of the world's synthetic, nitrile gloves.**

Shares of Kossan jumped 6.5 per cent to a record high of RM6.88.

The shares have doubled in the past year, but have lagged behind a sixfold jump in rival Supermax and a more than 100 per cent rise in Top Glove.

"Investors have become increasingly confident that the glove-making industry is recession proof," Ikmal Hafizi, an analyst covering rubber glove firms with TA Securities, said.

"We could easily see valuations of 8 times price to earnings again (for many glove makers)."

Kossan will report higher net profits for year ending December 31 2009 compared to 2008, Lim said.

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