

Malaysia: Rubber sector set to get a boost

IN THE PIPELINE: Government will set up several facilities through rubber board to improve production quality.

MALAYSIA'S rubber sector is to get a boost with the setting up of several facilities by the government to improve production quality.

Deputy Prime Minister Tan Sri Muhyiddin Yassin said the government through Malaysia Rubber Board had in its pipeline to set up these facilities.

“These facilities would include a testing facility to ensure highest grade and quality latex are sufficiently produced for rubber manufacturers in Malaysia.

“The existence and operations of these facilities will create a more conducive environment and opportunities for the business community in the rubber industry to generate investments and re-investments,” Muhyiddin said at the launch of 6th International Rubber Glove Conference Exhibition 2012, started yesterday to Thursday.

Muhyiddin said the approved investments in the rubber products amounted to RM629.5 million, of which 74.4 per cent was in the rubber glove sector last year.

Domestic investment amounted to RM538.3 million (85.5 per cent), while foreign investments totalled RM91.2 million (15.5 per cent).

The rubber gloves industry, he added, could avail themselves of the support provided by the government, including double tax deduction for approved research and development expenses and tax exemption on selected raw materials, machinery, equipment and spare parts to further attract foreign and domestic investments.

Muhyiddin said Malaysia would further bank on the success and encouraging performance of the rubber glove industry.

“In fact, it was extrapolate that the gross national income of Malaysia contributed by the rubber sector in the 2020 would raise to RM52.9 billion, out of which 56.7 per cent (RM30 billion) would be contributed from the glove industry alone.”

Muhyiddin was upbeat to see Malaysia continued to be the world’s largest producer of rubber gloves.

Malaysia export earnings from rubber gloves last year amounted to RM9.89 billion, an increase of 10.9 per cent, compared to RM8.92 billion in 2010.

On challenges faced by the rubber sector, Muhyiddin said players must continue to move with time and technology to stay competitive.

To sustain business competitiveness, in the face of stiff competition, he added, producers and exporters had no options but to keep abreast of various latest developments on regulations and legislation at the federal, state or municipal levels of importing countries, particularly those of developed nations.

“This would surely have market access impact on exports of rubber products, namely rubber gloves,” he said.