MRPMA ~ Future Directions

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Global Scenario

Rubber Products Manufacturing Industry in Malaysia

About MRPMA
Changes in Rubber Downstream Industry in Asia

• China is world’s largest consumer of natural rubber and synthetic rubber
Changes in Rubber Downstream Industry in Asia

- Malaysia is world largest consumer of latex concentrate
- Malaysia is world largest supplier of nitrile latex
- Malaysia is world’s largest producer and exporter of medical gloves and condoms
Changes in Rubber Downstream Industry in Asia

- Thailand is world largest supplier of natural rubber
- Thailand has overtaken Malaysia in export revenue of rubber products
Malaysia Export of Rubber Products (RM million)

Source: MRB, Dept of Statistics
Malaysia’s Exports of Rubber Products by Product Sector 2012

Source: MRB
Malaysia Import of Rubber Products (RM million)

Source: MRB, Dept of Statistics
### Distributions of Malaysian Rubber Product Companies by Product Sector

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<td><strong>Total</strong></td>
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<td><strong>369</strong></td>
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Distributions of Malaysian Rubber Product Companies by Product Sector
Challenges and Issues faced in Malaysia.

- Poor uptake of technologies due to high capital investments
- Facing stiff competition from FDI and imported products
- Rising material and fuel costs
- No recognised brand name for IRG & GRG
- SMIs have constraints on: funding, R&D, capacity, product range, market intelligence.
- Labour shortage
- Delays in loan & tax exemption applications
- Inconsistent quality: Not able to meet some international standards

Ong Eng Long: MREPC performance and activities 2000-2004
MREPC’s survey of SME rubber product manufacturers (2006)

- Difficult to obtain government tax and non-tax incentives
- Difficult to find and identify potential buyers in a target country
- Difficult to obtain information about overseas markets
- Difficult to obtain grants from government and export financing facilities from the local financial institutions
- Difficult to meet the required product standards of customers
ETP for the Rubber Industry
ETP for the Rubber Sector

2009

- Upstream developments: 18.5 Bil

Growth of existing downstream products: 6.35 Bil

New downstream products: 1.3 Bil

Basecase increase: 6.0 Bil

2020 GNI: 52.9 Bil

GNI increase: 34.4 Bil
Project 1: Stabilising the Rubber Area and Improving Yield
Project 2: Accelerating Growth of Downstream Products

• Grow Standard Malaysian Rubber (SMR) and latex product revenues by 7 percent over the next 10 years by increasing latex concentrate production to reach 300,000 tonnes per year by 2020.

• Grow tyre revenues by 10 percent over the next 10 years
Project 2: Accelerating Growth of Downstream Products

- Grow other product revenues by 6 percent over the next 10 years through:
- Increasing production of specialty rubber and value-added products to 300,000 tonnes;
- Reducing processing cost by 30 percent
- Increasing global market share of all types of rubber gloves by 10 percent annually; and
- Increasing local worker participation by 5 percent per year.
Project 3: Introducing New Rubber Products

• Generate new revenues at a growth rate of 7 percent per year through the introduction of new products,

• i.e. diversify and expand dry rubber products to increase export revenue to RM5 billion by 2020.
Associations related to rubber industry in Malaysia

- Malaysian Rubber Producers Council
- NASH
- Malaysian SMR Rubber Processors Association,
- Malaysian Concentrate Latex Processors Association
- Federation of Rubber Trade Associations of Malaysia
Associations related to rubber industry in Malaysia

• Malaysian Rubber Products Manufacturers’ Association

• Malaysian Rubber Gloves Manufacturers Association

• Association of Malaysian Medical Industries (AMMI)
The Malaysian Rubber Products Manufacturers’ Association (MRPMA)

- First established as the Malayan Rubber Goods Manufacturers’ Association on 7 March 1952

- Renamed Malaysian Rubber Products Manufacturers’ Association in August 1977
OBJECTIVES

• Encourage co-operation among manufacturers of all kinds of rubber products, protect their interests, promote their welfare.
• Provide the means of formulating, influencing and carrying out policy in regard to industrial, economic, fiscal, commercial and technical issues.
OBJECTIVES (contd)

• Disseminate market intelligence and information to member-companies.
• Organize inward and outward sales and business missions and participate in overseas trade fairs.
• Organize management and other relevant seminars for the industry.
OBJECTIVES (contd)

• Liaise with similar associations in other countries and participate in regional and international fora.

• Encourage and promote any activity relating to education, training, study or research of any kind to further the interest of the industry.
ACTIVITIES

• National Representation
• Training Programmes
• Trade Promotions
• Information
• Trade Enquiries
• Business Contacts
• Regional Representation
SCOPE

• To bring about a common understanding and unity of all rubber product manufacturers through regular interaction, consultation and sharing.

• To work to improve the quality, image and competitiveness of rubber products through standards, R&D projects, promotion and marketing efforts.
SCOPE (contd)

- To represent member-companies on their interests and grievances through representation, intervention and advocacy.
- To keep member-companies informed and updated on technological advancement, regulatory affairs, market developments, etc through seminars, workshops, seminars, exhibitions, publications, etc.
PAST INVOLVEMENT & ACHIEVEMENTS

• Involved in formulation of Malaysia’s Industrial Master Plan (IMP).
• Involved in discussion with MRB to solve the double cess problem whereby the 14 rubber compounders were given exemption from paying double cess for masterbatch and compound.
PAST INVOLVEMENT & ACHIEVEMENTS (contd)

• Involved in discussions with MRB on the requirement for licences and certificates for exporters of rubber compound and masterbatch.
• Involved in DOE / MRB / Industry Tripartite Meetings to resolve the latex sludge disposal problem.
• Working with MRB / DOE on odour monitoring.
PAST INVOLVEMENT & ACHIEVEMENTS (contd)

• Involved in DOE Environment Quality Council to discuss on future regulations on environmental issues.

• Involved in discussions with various Ministries and Government Agencies on foreign workers issue.

• Involved in annual dialogue with MITI to resolve issues affecting the industry.
PAST INVOLVEMENT & ACHIEVEMENTS (contd)

• Involved in providing skill training for rubber and plastic industry for human resource development under the Human Resource Ministry. Formulated the “Guidelines on Training of Skilled In-house Workers”.

• Other regular meetings with Ministries and Government Agencies to iron out issues or problems faced by the industry.
Challenges faced by the Rubber-based manufacturing industry (2005)

• Widening of rubber product range
• Enhancing technological and production capability of rubber product manufacturers
• Marketing strategy

Ong Eng Long, Prospects and directions on exports of Malaysian rubber products, MRPMA Directory 2005
Challenges faced by the Rubber-based manufacturing industry (2005)

**Widening of rubber product range**

- Medical gloves to gloves for PPE e.g. electrician gloves, chemical resistant gloves etc.
- From urology catheters to coronary catheters
- High-end foam mattresses
- Industrial Rubber Products for automotive and infrastructure usage

*Ong Eng Long, Prospects and directions on exports of Malaysian rubber products, MRPMA Directory 2005*
Challenges faced by the Rubber-based manufacturing industry (2005)

Enhancing technological and production capability of rubber product manufacturers

- Usage of new materials
- R & D and Innovation
- Human resource development
- Automation

Ong Eng Long, Prospects and directions on exports of Malaysian rubber products, MRPMA Directory 2005
Challenges faced by the Rubber-based manufacturing industry (2005)

**Marketing strategy**

- Import substitution
- Trade fair and Exhibition
- QMS and Quality assurance of products
- ICT and e-bidding and e-marketing
- New market ASEAN market after AFTA
- Forming strategic partner with Thailand and China to move into the Asean and China market

_Ong Eng Long, Prospects and directions on exports of Malaysian rubber products, MRPMA Directory 2005_
Current and Future Plans

• Identify and overcoming issues affecting members of MRPMA
• Formation of Product groups for networking and discussion of issues faced by respective sectors
  1. Condoms
  2. Rubber Components for automotive sector
  3. Retread tyres
Current and Future Plans

• Establish formal linkages with national and related to rubber industry e.g.
  • Institute of Quality Malaysia
  • Tyre Retreading Manufacturers Associations of Malaysia
  • MPC
  • Malaysian Automotive Association
  • FMM
Current and Future Plans

• Establish formal linkages with international associations related to rubber industry e.g.

  • China Rubber Industry Association CRIA
  • All India Rubber Industry Association (AIRIA)
Current and Future Plans

• Regional seminars/workshops
• Cyber Outreach
• Memberships Drive
MEMBERSHIP

ORDINARY Member
Malaysian manufacturer of all kinds of rubber products.

ASSOCIATE Member
Any business directly related to the rubber product industry.
MEMBERSHIP (contd)

Annual Subscription:

**Ordinary Members**
For companies with paid-up capital:
- Up to RM1.0 million: RM1,000
- RM1.0 million to RM10.0 million: RM2,000
- Above RM10.0 million: RM3,000

**Associate Members**: RM2,000

**Entrance Fee**: A one-time payment of RM200 for both Ordinary and Associate Members
WHAT DO MEMBERS GET?

- Representation to various Ministries and Government Agencies, on issues affecting the industry
- Regular feedbacks on news and Hot issues affecting the industry will be flashed out to members
- Participating in peer groups activities
- Training in Quality Management Systems and technical courses
- Outreach to other national and international associations
- Linkages with Rubber Products Manufacturers’ Associations in other countries
WHAT DO MEMBERS GET? (contd)

• Listing in the biennial “Industry & Export Directory”
• Discount in advertising in the “Industry & Export Directory” and Annual Report.
• Discount in participating at conferences organised or supported by MRPMA
• Listing in MRPMA website
• Web-linked advertisement
• Link of trade enquiries
Thank You