

STRETCH

A quarterly publication of the
Malaysian Rubber Export Promotion Council

Fourth Quarter 2012 : PP15077/05/2013 (033020)

Volume 6

Signing of MEMORANDUM OF ARRANGEMENT 暨 谅解备忘录签署仪式

Between

Malaysian Rubber Export Promotion Council

And

China - Asean Business Council

Peninsula Hotel
北京王府半岛酒店



Seminar on "MANAGING INFECTION CONTROL —SELECTING THE RIGHT GLOVES"

“医院感染控制管理研讨会
—选择正确的手套”

Waldorf Astoria Hotel, Shanghai
上海华尔道夫酒店



MREPC MISSION TO CHINA





CEO of MREPC, Dato' Teo Suat Cheng

MREPC incentives are designed to encourage Malaysian rubber product manufacturers and exporters to increase market promotion activities, develop promotional materials, improve product quality and enhance export capability, with the overall objective of increasing exports of Malaysian rubber products. Each year, MREPC has introduced new incentives or revised existing incentives, taking into consideration feedback from exporters and changing market conditions. Generally, the more popular incentives are streamlined and fine-tuned to make them more attractive to applicants and new incentives are introduced in response to needs expressed by exporters and to address export market issues that have become significant.

This year, MREPC has revised the two most popular incentives, SBIM 1 (Participation in MREPC-led trade fairs) and SBIM 2 (Participation in trade fairs on their own). The revised incentives allow participating companies to claim fixed amounts for participation in trade fairs in specific regions. The amounts specified are adequate for the region concerned and generally equivalent to what companies could claim under SBIM 1 or SBIM 2 previously.

With fixed amounts specified for each region, companies know how much they can claim and are able to plan and budget their market promotion more effectively. The application process has also been simplified, with documentation required for proof of participation and not for costs incurred. These changes are applicable for participation in MREPC-led trade fairs and exhibitions as well as for market promotion events where the company participates on its own.

Two other MREPC incentives have also been fine-tuned, SBIM 10, for website development and SBIM 11, for audit costs of attaining management system certification.

Three new incentives have been introduced, to provide matching grants to rubber product companies to enhance quality and export capability. SBIM 14 is for organizing or participating in workshops, seminars and training in Malaysia, up to a maximum of RM5,000 per company, SBIM 15 is for testing of rubber compounds at accredited laboratories, and SBIM 16 is for purchase of essential testing equipment. These incentives, particularly SBIM 15 and SBIM 16, are targeted at helping SMEs improve consistency in terms of output quality.

Malaysian rubber product exporters are encouraged to visit the MREPC website and obtain details regarding the incentives offered. Feedback on the incentives and other MREPC programs and activities are always welcome and will help MREPC play a more effective role in promoting Malaysian rubber products.

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MREPC Mission to China

23 – 28 November 2012



The MREPC Trade and Market Promotion Mission to China on medical gloves and other rubber medical devices drew participation from eight Malaysian rubber medical device manufacturers. Led by the CEO of MREPC, Dato' Teo Suat Cheng, the mission included seminars and business matching sessions in Beijing and Shanghai, and a visit to a glove manufacturing facility in China.

The Minister for Plantation Industries and Commodities at the Signing of the MOA between MREPC and CABC

In Beijing, the Hon. Minister for Plantation Industries and Commodities, Tan Sri Bernard Dompok, officiated the MREPC seminar on “Managing Infection Control – Selecting the Right Glove”. The seminar, which attracted a sizeable audience of healthcare professionals, regulators and officials from Chinese government agencies as well as commercial representatives, provided relevant and useful information on medical gloves to participants.

The Hon. Minister also witnessed the signing of a Memorandum of Arrangement between MREPC and the Chinese Secretariat of China-ASEAN Business Council (CABC). This Memorandum promotes cooperation between the two organizations with a common objective of enhancing trade in rubber and rubber products between Malaysia and China and facilitating interaction between Malaysian and Chinese businesses.

The Malaysian delegation visited Beijing Rui Jin Latex Products Limited, a glove manufacturing facility.

In Shanghai, a similar seminar was held outlining the importance of glove quality for infection control in healthcare settings. The seminar drew an audience of medical professionals and officials from relevant agencies, as well as distributors and importers.

The response from distributors, traders and healthcare professionals to the events organised by MREPC during the Trade Mission was encouraging and augurs well for continued growth in trade and increased interaction between Malaysia and China.



Participants at the glove seminar in Beijing

THE MARKET FOR RUBBER MEDICAL DEVICES IN TURKEY

The Turkish Healthcare Sector

Turkey's healthcare industry is expanding rapidly, although its healthcare spending was considered low by the World Health Organization (WHO), at USD678 per capita in 2010. Government spending has increased in recent years, especially for the development of healthcare centres for the provision of healthcare services to its citizens. Since 1st October 2010, all Turkish residents are required to enroll in the General Health Insurance Scheme (GHIS). Up to the end of 2012, the scheme has provided healthcare coverage to more than 96% of the population. Enrolment in the GHIS is mandatory with the same benefits provided to all citizens.

Healthcare spending in Turkey is expected to increase further from 6.7% of its GDP in 2010 to 7.2% in 2015, driven by increasing affluence and demand for better healthcare as the population ages.

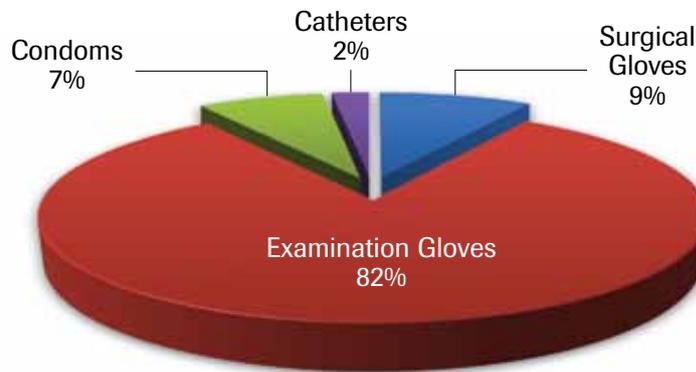
Turkey: Socio-economic and healthcare indicators		
Socio-economic indicators	2007	2011
GDP at current prices, USD billion	647.2	775.0
Population, million	70.0	73.6
GDP per capita, USD	9,246	10,524
Life expectancy at birth, years	73	74
% of population aged 65 years and above	6	6
Healthcare indicators	2006	2010
Total healthcare spending, USD billion	30.8	49.0
Total healthcare spending as % of GDP	5.8	6.7
Healthcare spending per capita, USD	441	678
No. of hospital beds	174,000	195,000
No. of healthcare professionals	331,000	431,000

Source: World Bank, Turkstat, MOH

Market Size and Growth for Rubber Medical Devices

The total market size for rubber medical devices in Turkey, including rubber examination and surgical gloves, condoms and catheters, was valued at USD106.4 million in 2011, with an impressive CAGR of 24.1% from USD44.9 million in 2007. The market is estimated to further expand to USD114.4 million in 2012.

Breakdown of the Market for Rubber Medical Devices in Turkey, 2011



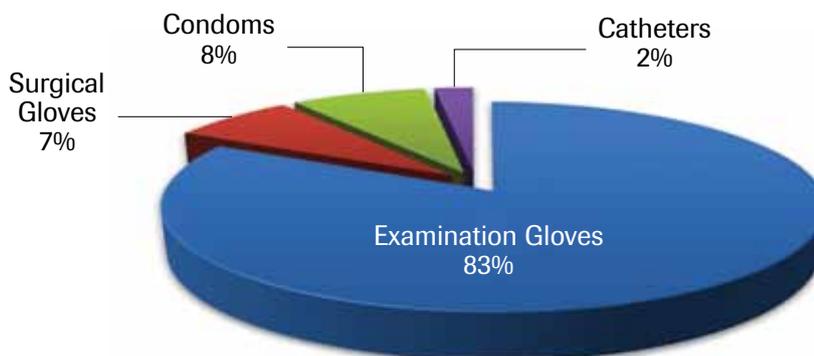
A limited and decreasing quantity of surgical gloves are produced in Turkey while all examination gloves, condoms and catheters are imported as there are no manufacturing facilities for these products in the country. In addition to importing for domestic consumption, Turkey also imports rubber medical products for re-export. Rubber medical devices such as surgical and examination gloves, catheters and condoms are exported to countries in the European region.

Supply of Rubber Medical Devices

The rubber medical devices market in Turkey is dependent on imports. Imports increased by more than two-fold over the last five years, from USD43.3 million in 2007 to USD108.7 million in 2011. Examination gloves made up the largest portion of imports, accounting for 82.6% (USD89.8 million) of the total import value in 2011. Surgical gloves, catheters and condoms accounted for 17.4% of the total import value of all rubber medical devices entering Turkey. Rubber medical gloves were largely sourced from Malaysia, China and Thailand while catheters and condoms were sourced mainly from Thailand and Malaysia.

Distributors of rubber medical devices in Turkey are primarily located in the three most populous and economically advanced cities, namely Istanbul, Ankara and Izmir.

Turkey's Imports of Rubber Medical Devices, 2011



The regulations governing the import and sale of medical devices in Turkey are generally in line with the EU requirements. Almost all medical devices entering the Turkish market are required to be CE marked, except for custom-made medical devices intended for clinical investigations. Exporters and local distributors are also required to comply with general standards such as ISO 9001 or their equivalents.

Market Outlook

The market for rubber medical devices in Turkey is expected to remain positive and is projected to grow by a CAGR of 9.2% from USD114.4 million to USD149.5 million for the period 2012 – 2015. Imports of rubber medical devices into the country are also expected to increase, reaching an estimation of USD157.7 million in 2015. Specifically, demand for examination gloves, surgical gloves and condoms is expected to increase and register positive growth during the period up to 2015.

THE MARKET FOR MEDICAL GLOVES IN SOUTHEAST ASIA

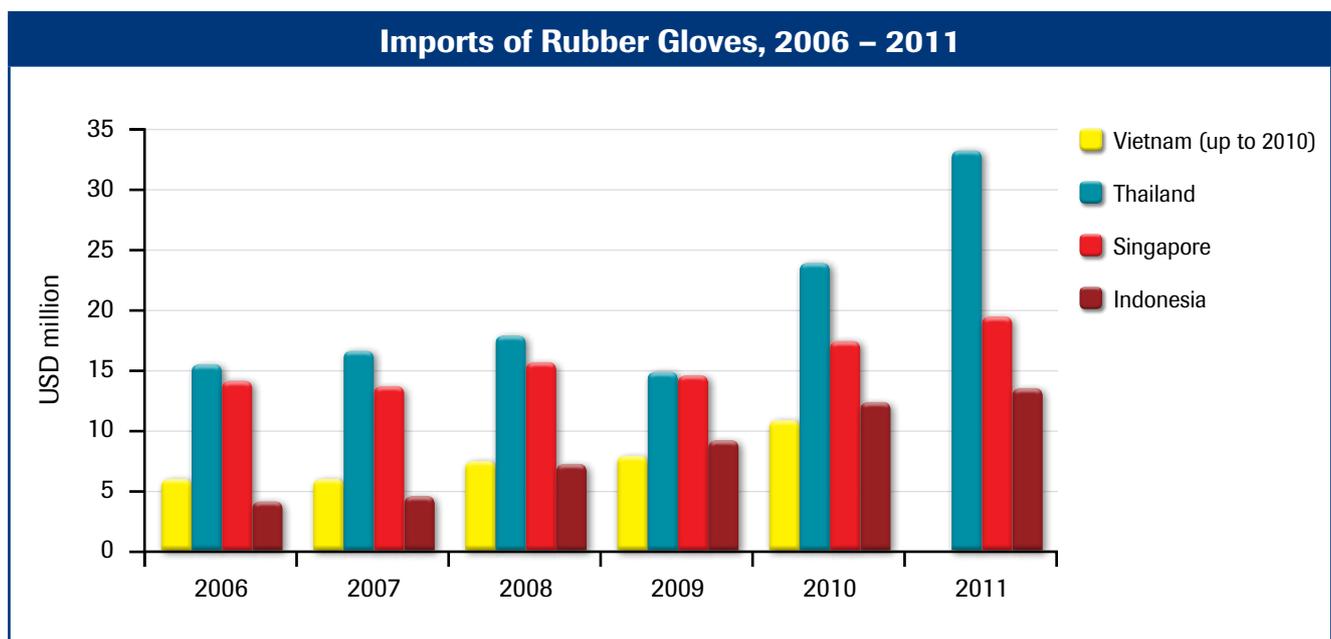
Indonesia, Singapore, Thailand and Vietnam (ASEAN-4) have a combined population of 400 million and constitute a sizeable market for medical consumables, including rubber gloves. Average incomes in the region are expected to rise, particularly in Indonesia, Thailand, and Vietnam, in line with the projected economic growth of between 4.8% and 6.7% (2012 – 2016).

South-East Asia – Market Indicators, 2012				
	Indonesia	Singapore	Thailand	Vietnam
Healthcare spending, Total USD billion	24.7	10.9	12.2	9.9
Healthcare spending, USD/head	99	2,024	177	110
Healthcare spending, % GDP	2.8	4.0	3.3	7.0
Life expectancy, years	71.6	83.8	73.8	72.4
Doctors per '000 people	0.3	1.6	0.3	0.6
No. of hospitals	1,511	30	1,286	1,069
Hospital beds per '000 people	0.6	2.5	2.1	1.7

Source: EIU, National statistics

Demand for medical gloves in all the four countries comes mainly from hospitals. In 2011, the total market size (estimated domestic consumption) for medical gloves for these ASEAN countries was in the range of 1,450 – 1,700 million pairs. Latex gloves dominated the medical glove market in all the four countries. Indonesia is the largest market for the gloves, accounting for 41.2% of total market size, followed by Thailand (29.4%), Vietnam (23.5%) and Singapore (5.9%).

Indonesia, Thailand and Vietnam are net exporters of gloves. Singapore, which does not manufacture gloves, re-exports a portion of the gloves it imports. Singapore also imports a significant amount of non-medical rubber gloves for the industrial and services sector. Total imports of medical gloves by the four countries amounted to 1.66 billion pieces in 2011, of which 256 million pieces were surgical gloves and 1.4 billion pieces were other gloves, primarily examination gloves. Total value of imports of all rubber gloves for the four countries is in excess of USD 77.22 million. Imports of gloves into these countries have been growing since 2006. Malaysia is currently the leading exporter of medical gloves to all four countries.



Indonesia

Latex gloves account for about 80% of the total quantity of medical gloves used. The market for examination gloves, which makes up approximately 73% of the total market, is dominated by a local brand, Sensi. Imports of rubber gloves into Indonesia improved significantly to reach USD13.5 million in 2011, a CAGR of 28% for the period 2006 – 2011. Malaysia was the biggest exporter of medical gloves to Indonesia with 63% of total imports of such gloves, followed by China (13%) and South Korea (4%). Malaysian-made gloves are well accepted by the public healthcare sector in Indonesia. However, the market is price sensitive and often the brand is not an important purchase consideration. The private hospital sector has a preference for quality and is generally willing to pay more for quality gloves.

Per capita consumption of medical gloves in Indonesia is very low at about 1.3 pairs. Glove consumption is expected to grow rapidly in line with the steps being taken to improve healthcare standards generally, and more specifically as a result of the push for government hospitals to achieve The Joint Commission International certification. Increasing numbers of public health centres known as ‘Puskesmas’ being set up outside Jakarta are expected to increase the size of the medical glove market, as will improvements in patient care at public and private health institutions.

Singapore

Singapore imported USD19.5 million worth of rubber gloves in 2011, an increase from USD14.3 million in 2006. Exports from Singapore accounted for nearly 30% of its imports in 2011. Malaysia remained the leading exporter of rubber gloves to Singapore, accounting for 69% of imports. China and Thailand were the other major exporters with 11% and 10% of total imports of rubber gloves into Singapore, respectively.

The market for medical gloves in Singapore is small but very competitive because of limited barriers to entry for new players. The country is not a glove producing country but bulk purchases by tender by the major hospital clusters places undue emphasis on the lowest cost. It should be noted that there is growing preference for nitrile gloves vis-à-vis latex. Although nitrile gloves are more expensive, the difference in price between nitrile and natural rubber latex gloves is decreasing. The price of nitrile gloves is also more stable. At present, nitrile gloves account for around a third of the total medical glove market.

Despite being an affluent and mature market, growth prospects for medical gloves in Singapore are strong given the high rate of inward migration and the new “Healthcare 2020” plan unveiled in 2012 that would see an increase in the number of hospital beds in the country.

Thailand

Thailand has a large manufacturing base for rubber gloves with the bulk of production exported globally. The local market is well served by local brands. An estimated 63.5% of medical gloves used in Thailand are under the Sempermed brands produced by Siam Sempermed.

The private healthcare sector generally has a preference for powder-free latex examination gloves. Consumptions of these gloves as well as nitrile gloves are expected to increase in line with the growing private sector presence in the healthcare industry.

Thailand’s imports of rubber gloves grew by a healthy CAGR of 16.8% from USD15.3 million in 2006 to USD33.3 million in 2011. Malaysian-made gloves have a strong presence in the import market as exports from Malaysia constituted about 80% of the total imports. Thailand’s growing medical tourism industry coupled with government plans to increase healthcare capacity to overcome shortage of hospital beds is expected to contribute to the positive outlook for medical glove consumption in the country.

Vietnam

Approximately 94% of hospitals beds in Vietnam are in the public sector. The private healthcare sector is small in comparison, with a limited number of hospitals concentrated in large cities such as Ho Chi Minh City and Hanoi. The country has a relatively small medical glove market with estimated consumption of 175 million pairs in 2011. Almost 100% of the gloves consumed were made of natural rubber latex. The public sector has preference for domestically produced gloves. The price and quality differences between imported and locally manufactured gloves are not significant. Sometimes prices of local gloves may even be higher than gloves imported from Malaysia due to latex price differences and the economies of scale of Malaysian manufacturers.

In 2011, Vietnam imported USD11 million worth of rubber gloves, with glove imports increasing at a CAGR of 15.6% from 2006. Malaysia was the largest exporter of the gloves to Vietnam with 78% share of the total imports of gloves into the country, followed by Indonesia (16%) share and Thailand (3%). As the consumption of gloves in the country is currently low at 1.9 pairs per person, demand is expected to increase further given the on-going expansion in the private healthcare sector. The prospects for tighter regulations on the purchase of medical gloves will help to generate demand for better quality gloves, and increase opportunities for glove exporters.



Tun Dr Lim Keng Yaik passed away on 22 December 2012, aged 73 years. He was appointed Minister of Primary Industries in 1986 (later Minister for Plantation Industries and Commodities) and served in the position until 2004, when he was appointed Minister of Energy, Water and Communications until his retirement.

During his 18 years tenure as Minister for Primary Industries, Malaysian commodities and commodity products saw rapid development and considerable increase in market share, particularly for value-added products. He recognised the need for focused market promotion for commodity products and established market promotion councils for this purpose.

MREPC was set up during Tun Dr Lim's watch as Minister and he led the Council's first marketing missions. The senior members of the rubber industry will remember the late Tun Dr. Lim as a forceful and eloquent speaker who took up the cause of a fair and equitable price for rubber smallholders and played a prominent role in the setting up of the ITRC (International Tripartite Rubber Council) among leading natural rubber producing countries. He was also an untiring advocate for Malaysian rubber gloves and other rubber products.

The Board and management of MREPC offer our sincere condolences to Toh Puan Wong Yoon Chuan and the family of the late Tun Dr. Lim Keng Yaik.



Tan Sri Dato' Wong Kum Choon, PSM, DPMP, JSM, KMN passed away on 13 November 2012, aged 75 years. Tan Sri Dato' Wong Kum Choon was CEO of MREPC from its inception in October 1999 to September 2005. Prior to that, he served with distinction as the Secretary General of the Ministry of Plantation Industries and Commodities (then known as the Ministry of Primary Industries) and in various senior positions in the government.

As the first CEO of MREPC, Tan Sri Wong was instrumental in shaping the early structure and policies of the organisation and setting the directions the Council would take in promoting Malaysian rubber products in world markets.

Tan Sri Wong is remembered with respect and admiration by the colleagues who served with him as well as by industry members who have had the privilege of interacting with him.

The Board and management of MREPC offer our heartfelt condolences to Puan Sri Nancy Kim Wong and family.

In this issue of STRETCH we continue looking at some of the multinationals that are playing a role in the Malaysian rubber product industry. The foreign companies that have ventured to invest their funds, contribute their expertise and share their technology have generally seen their investments prosper and their Malaysian partners become significant contributors to their product range and revenues. These Malaysian entities today manufacture and market a wide range of products, not only for Malaysia and the ASEAN region but for world markets. Some well known brands that are familiar to users all over the world are manufactured in Malaysia and give credence to Malaysia's reputation for quality rubber products.

Beiersdorf AG Medical-Latex (DUA) Sdn Bhd



The Medical-Latex (DUA) plant at Senai, Johor

Medical-Latex (DUA) Sdn Bhd is a manufacturer of condoms located in Senai, Johor. The first company, Medical-Latex Sdn Bhd, was set up to manufacture foley catheters but shut down operations after a few years. The second plant was set up in 1987 to manufacture gloves but the company switched to condoms soon after, with new equipment acquired from Germany. Today, Medical-Latex (DUA) is focused on manufacturing quality condoms, primarily for export.

The company is wholly owned by Beiersdorf AG, a German multinational involved in the manufacture and marketing of wide range of skin care products.

Medical-Latex is an integral part of the community where it is located, playing its role as a responsible employer while actively supporting local charities and providing educational and advisory services on-line.

The Beiersdorf regional office in Shanghai, represented by the Vice-President Supply Chain for Asia, Dr. Hans Henry Wendt, has overall responsibility for Medical-Latex, in terms of policy and investment returns. The management and operations of the company is in the hands of Malaysians, headed by the Senior Director of Operations, Tharampal Singh.

The company is committed to promoting its products in local and international markets as Malaysian products. To this end, they have come up with the ESP brand identity, not only for condoms, but also for a range of personal hygiene products. With emphasis on providing quality products, Medical-Latex (DUA) has been growing consistently over the past 3 years.

The Medical-Latex manufacturing plant, with 5 dipping lines, has the capacity to produce 175 million condoms a year, as well as some medical probe covers and other similar products. Sitting on a six acre site, with almost 70,000 sq ft of built up area, production can be expanded significantly at the same site.



Vice-President of Beiersdorf AG, Dr Hans Henry Wendt, with Mr Tharampal Singh at the 25th Anniversary celebrations of Medical-Latex

From their current production, around 50% is channelled to Beiersdorf, to be sold under well known brands such as Duo and Harmony, particularly in Europe and in other markets where the multinational has a strong presence. The proportion of output sold directly by Medical-Latex in Malaysia and in international markets under the ESP brand is currently around 25%, and growing. The remaining 25% is manufactured for third party distributors. Total sales were about RM25 million for 2012, and have been growing at between 8 – 10% per year for the last 3 years.

The ESP brand, launched in 2007, is a priority area for the company. A website has been developed to promote the brand and provide sexual health information to target groups. The management team is actively promoting the brand at trade shows and various other events and has engaged a public relations agency to assist in this effort. The brand is being marketed in Malaysia and the ASEAN region, as well as in the Middle East, South Africa and Australia. Other markets such as China and India are being explored and steps taken to obtain the necessary brand registration

The marketing team is well supported by a product and process development department that has consistently come up with new products in response to market feedback and customer requests. Although the company is presently manufacturing only natural rubber latex condoms, research is being carried out on other materials in line with market trends. The company has obtained an international patent for condom design. It has upgraded processes and put in place an advanced waste water treatment plant. Plans to further automate testing (electronic testing) and packaging have been formulated and will be implemented in the near future.

With 150 employees, most of whom are local, Medical-Latex prides itself on being a caring employer and provides a good working environment. The company has adopted the minimum wage stipulated by the government and additionally provides meal allowances for workers. Family members of employees who face health or educational difficulties are also assisted by the company.

Medical-Latex (DUA) has made a niche for itself in the condom industry in Malaysia and in the community where it is located. Recently, at its 25th Anniversary celebrations, the company reaffirmed its commitment to the community by making significant contributions to various charitable organizations. As the company's marketing and expansion plans come to fruition, the benefits will continue to accrue to its workers, the community and of course, the parent company, Beiersdorf AG.



A condom dipping line at Medical-Latex

Marutech Elastomer Industries (Malaysia) Sdn Bhd



The Marutech Elastomer Industries Plant at Bandar Sultan Suleiman, Port Klang

Marutech Elastomer Industries Sdn Bhd was incorporated in September 1994, with three shareholders, Zebcycle Group (51%), Proton (25%) and Marugo Rubber of Japan (24%). Zebcycle is owned by Mr. J.B. Lee, a Malaysian entrepreneur. A manufacturing plant was constructed at the Bandar Sultan Suleiman Industrial Area in Port Klang and equipped with a full range of German and Japanese machinery for production of rubber parts for automobiles. All the engineers and technical staff who were taken on at the new factory were sent to Marugo Industries in Japan for two to six months training on how to manufacture anti-vibration and noise reduction automotive parts.

On 15 May 1996, the plant began operations, initially just manufacturing 22 parts for Proton. Since then, the plant has expanded significantly, with new

equipment and a lab for testing finished products as well as raw materials and compounds. Today, Marutech manufactures close to 200 parts, mostly rubber to metal bonded parts for automobiles and technical rubber products for engineering industries. These include engine mountings, Macpherson struts and various types of insulators, dynamic dampers, air intake hoses, grommets and bushes.



Main products

Raw materials are sourced mostly from local suppliers, with the metal parts supplied by a sister company in the Zebcycle Group. Product development is most often from designs and specifications provided by buyers, within-house testing done to ensure that prototypes meet the set requirements. The company has the capability and experience to formulate rubber compounds to meet performance specifications and the means to test the compounds to ensure that requirements are met.

With a turnover of RM35 million, and about 120 employees, Marutech supplies Malaysian automotive manufacturers Proton and Perodua, and also provides parts to OEM component assemblers such as Kayaba, JTEKS, and ZF Steering. About 15% of production is exported, mostly to countries in the region, including Thailand and Indonesia.

Although Marugo of Japan only owns 25% of Marutech, the Japanese influence is evident in the management structure of the company as well as its operations. The Business Development and Operations Manager, Mr. Y K Ooi, has responsibility for the day-to-day management of the company, supported by Mr. J L Mohan, who is responsible for plant operations. Dr. Teo Sen Chong, serves as Advisor to Marutech, providing guidance on product development and planning for future development.

Lean manufacturing, with minimum wastage of resources and materials is the norm and the manufacturing process is documented on at every stage. The company has won a number of awards, including for Best Supplier Performance from KYB-UMW for 2010 and 2011 and,



Rubber compounding at Marutech

most recently in November 2012, Best Overall QCD Performance Vendor from Perodua. Marutech obtained the ISO/TS 16949 TUV Nord Certification in 2004 and in June last year, the ISO 14001 KIWA certification.

Experienced and well-trained technical staff, R & D capability and a wide range of modern equipment give Marutech an edge in a competitive environment that holds potential for growth. There are also synergies in being part of the Zebcycle Group, in being able to source inputs and to utilize resources from other companies within the group. With a reputation for manufacturing quality products and experience in supplying rubber parts directly to automobile manufacturers and to distributors of well known brands, Marutech is poised to expand, within Malaysia as well as into regional markets.



Inside the Marutech plant



MREPC participated in the 2012 World AIDS Day activities, organised by the Malaysian AIDS Council (MAC) and the University of Malaya Medical Society (UMMed Soc). World AIDS Day, which marks the fight against HIV/AIDS is held on 1st December each year. The theme for this year's events was 'Erase. Rise Up. Getting to Zero'. In Malaysia, various activities marking World AIDS Day were held at Berjaya Times Square, in Kuala Lumpur



The VIPs and celebrities at the 2012 World Aids Day function

In support of MAC's ongoing activities related to AIDS prevention, education and care, MREPC donated 22 units of Aerofoam Formula-Reinforced latex mattresses and 50 units of latex pillows for their shelter care programme. MREPC also presented 3000 pieces of female condoms to MAC for their outreach program on behalf of The Female Health Condoms (M) Sdn Bhd.

The event received wide coverage from all media as it showcased numerous celebrities who lent their famous names as Malaysian AIDS Councils' ambassadors in promoting HIV/AIDS awareness campaigns.

Malaysia's Exports and Imports of Rubber Products (RM'000)

	Exports		Imports	
	2012	2011	2012	2011
January	1,059,666	1,072,198	307,774	291,462
February	1,150,189	978,449	310,867	246,124
March	1,268,148	1,304,658	360,001	332,316
April	1,197,895	1,209,301	336,176	299,670
May	1,203,809	1,124,551	371,152	326,888
June	1,299,381	1,198,878	371,060	348,908
July	1,255,491	1,256,276	395,728	337,991
August	1,192,991	1,227,400	415,548	346,738
September	1,232,431	1,149,731	422,648	325,907
January–September	10,860,001	10,521,442	3,290,954	2,856,004
% Change (January–September) 2012/2011	3.2		15.2	

Source: Department of Statistics, Malaysia

Major Destinations for Malaysia's Rubber Product Exports (RM'000)

Country	January–September 2012	January–September 2011	% Change	% Share (2012)
USA	2,972,104	2,708,591	10	27.37
EU-27	2,629,698	2,770,525	-5	24.21
ASEAN	1,049,175	1,053,548	0	9.66
Japan	601,428	599,177	0	5.54
China, P.R.	419,038	410,898	2	3.86
Brazil	409,234	425,269	-4	3.77
Australia	347,538	338,122	3	3.20
Canada	200,926	174,070	15	1.85
Turkey	183,061	187,310	-2	1.69
South Korea	162,090	181,651	-11	1.49
Hong Kong	145,589	160,846	-9	1.34
UAE	107,294	86,413	24	0.99
Subtotal	9,227,175	9,096,420	1.4	85.0
World Total	10,860,001	10,521,442	3.2	100

Source: Department of Statistics, Malaysia

Public Health 2012, Kiev, Ukraine

23 – 26 October 2012

The 21st International Medical Exhibition, Public Health 2012, was held at the International Exhibition Centre, Kiev, Ukraine from 23rd to 26th October 2012. MREPC participated in this event together with 8 Malaysian rubber medical device manufactures who exhibited surgical and examination gloves as well as other rubber medical products.

The Malaysian Pavilion received an award from the organizers for the best “Organization of the National Group Stand”, for the layout and design of the MREPC stand at the exhibition. In addition to participating in the exhibition, business meetings were held with buyers who had been contacted prior to the exhibition. A talk on “Medical Gloves: What You Need to Know” was presented by a MREPC representative. His Excellency Dr Chuah Teong Ban, the Malaysian Ambassador to Ukraine and MATRADE officers attended the talk and visited MREPC pavilion.



An overview of the prize winning stand design



Participants at the talk on Medical Gloves



The MREPC stand at MEDICA 2012

MEDICA 2012, Messe Dusseldorf, Germany

14 – 17 Nov 2012

MREPC participated for the eighth time in MEDICA, the world’s largest medical exhibition and conference, organized annually in Düsseldorf, Germany. With an increased booth size (36sqm), located at hall 7, MREPC exhibited rubber medical devices including latex surgical and examination gloves, nitrile examination gloves, rubber catheters, condoms, exercise bands etc. MREPC received over 250 visitors who had enquiries regarding a wide range of rubber medical devices. Most of the visitors were distributors to hospitals and healthcare clinics. The increased booth size, new location and booth design received positive remarks from visitors and industry members.

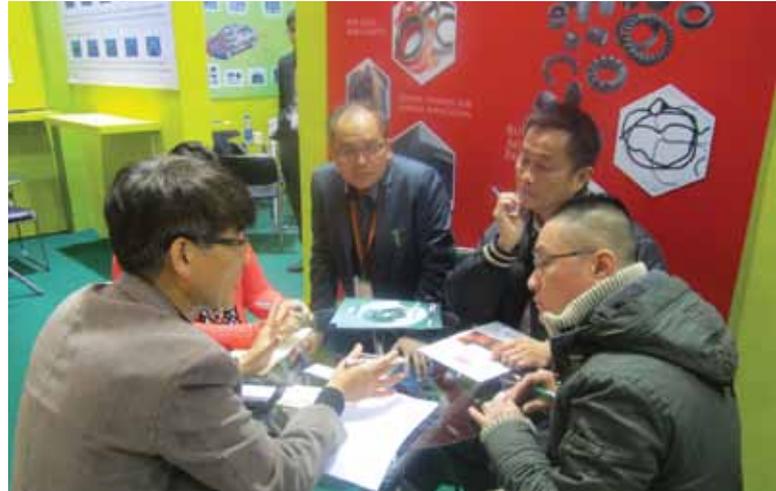
Automechanika Shanghai 2012

11 – 14 December 2012

MREPC participated in Automechanika Shanghai 2012, from 11th to 14th December 2012, the second largest show for automotive products after Automechanika Frankfurt. The event was held at the Shanghai New International Expo Centre and covered the whole automobile industry chain including Original Equipment (OE) and aftermarket, as well as three main industry sectors: Parts & Components, Repair & Maintenance and Accessories & Tuning.

The show attracted a total of 4,109 exhibitors from 37 countries and 70,000 visitors from more than 130 countries. Thirty fringe programs covering various issues in the automobile industry were also organized in conjunction with the exhibition.

MREPC led a team of 8 Malaysian rubber product manufacturers to Automechanika Shanghai. Enquiries were received for automotive rubber parts such as engine mountings, bushings, dust covers, hoses, seals and wiper blades, from prospective Chinese buyers, as well as from other countries such as South Korea, Egypt and South Africa.



Discussions with prospective buyers at Automechanika Shanghai



MREPC staff attending to a visitor at INTRADE 2012

International Trade Malaysia (INTRADE 2012), Kuala Lumpur

27 – 29 November 2012

MREPC participated at INTRADE 2012 (International Trade Malaysia) which was held at the MATRADE Exhibition & Convention Centre, Kuala Lumpur from 27 – 29 November 2012. A wide-range of rubber products including medical products, automotive parts and industrial rubber goods were exhibited.

MREPC also participated in concurrent events organized by MATRADE, including the Incoming Buying Mission (IBM) and the Trade Forum. At the IBM, MREPC representatives had the opportunity to meet international buyers from Brazil, Ukraine Japan, Poland, Netherlands, Philippines, Belgium and Algeria who were interested in a range of rubber products, including medical gloves and industrial products such as hoses. MREPC serviced their enquiries and provided them with the contacts that they sought. MREPC also organized a business matching session at the MREPC stand between an Iranian company and Malaysian rubber product manufacturers.

Understanding the Requirements and Processes of Laboratory Accreditation

23 October 2012

The seminar on Understanding the Requirements and Processes of Laboratory Accreditation, held on 23 October 2012 was conducted by Mr Roslan bin Alias, a Senior Principal Assistant Director of Accreditation in the Department of Standards Malaysia. The objectives of the technical seminar were to provide participants with an understanding of laboratory accreditation processes, an in-depth knowledge of ISO/IEC 17025 management and technical requirements and an effective process for its implementation.

The program attracted a total of 25 participants from 13 companies.



The trainer Mr. Roslan Alias making his presentation

Market Updates:

Developments and Challenges for the Rubber Product Industry in the United States and China

22 October 2012

The speakers for the briefing were Dr Esah Yip, Director of MREPC's US Office and Mr Sam Goh Hun Seng, the MREPC representative in China. Dr Esah's topic was 'An Update on US - Malaysia Trade in Rubber Products and MREPC's Promotional Efforts' and Mr Sam Goh made a presentation on 'Market Potential - Issues and Challenges for Medical Gloves and Dry Rubber Products in China'. A total of 32 participants from 17 companies attended the seminar.



Dr. Esah Yip making her presentation

In her presentation, Dr. Esah Yip noted that Malaysia's total export of rubber products to the United States were valued at RM3.72 billion in 2011, an increase of almost 4% from 2010. Latex products, including medical gloves, latex threads, condoms, and catheters, made up the bulk of rubber product exports to the US. She highlighted the increasing importance of nitrile gloves in the US market and some of the issues and challenges faced by NR latex gloves.

In the presentation on the market for rubber products in China, Mr Sam Goh Hun Seng discussed the significant increase in exports of rubber products from Malaysia to China between 2008 and 2011 (96%). However, exports to China in 2011, valued at RM544.3 million, were only marginally higher than in 2010 (3.8%). Latex goods, mainly medical gloves comprised the bulk of Malaysian exports of rubber goods to this growing market.

Market Updates:

World Trade in Rubber Gloves and Medical Gloves in Southeast Asia

20 November 2012

The market updates were presented by Ms Yap Siew Hong, MREPC Director of Corporate Planning & Research (CPR) and Mr Izwan Zarik Mohammad Sapari, Deputy Director of CPR. Twenty participants from 12 companies attended the seminar.



Mr. Izwan Zarik addressing the participants

Ms Yap's presentation, on World Trade in HS 4015: Articles of Apparel and Clothing Accessories of Rubber including Gloves provided an overview of the trade in products under HS 4015, focusing on rubber gloves, with data from 2005 to 2011. It was noted that factors affecting world demand for rubber medical devices positively were economic growth and increase in personal incomes, demographic changes, and developments in the healthcare industry.

Mr. Izwan Zarik's presentation on Medical Gloves in South-East Asia examined the demographic and economic changes taking place in the ASEAN region, with specific reference to Indonesia, Thailand, Vietnam and Singapore, and the impact of these changes on the market for rubber medical gloves in these countries. The current market size, growth drivers, trade in rubber medical gloves and market characteristics for each country were discussed. Malaysian made gloves are reputed to be affordable and of high quality, and the major Malaysian brands are among the most popular and recognized in the region.

MREPC 2013 NEW INCENTIVES

Three new incentives have been introduced in 2013. These incentives are targeted at SMEs and designed to improve product quality and enhance export capability for smaller Malaysian rubber product companies.

<p>New</p> <p>Participation in Seminar / Workshop / Training in Malaysia</p> <p>50% of participation fee and/or organization cost for seminar / workshop / training held in Malaysia up to a maximum claim of RM5,000 per company per year.</p> <p>SBIM 14</p>	<p>New</p> <p>Compound Testing</p> <p>50% of testing cost for dry rubber and latex compounds, subject to a maximum claim of RM5,000 per company per year.</p> <p>The testing laboratories must be accredited to ISO 17025.</p> <p>SBIM 15</p>	<p>New</p> <p>Purchase of Essential Testing Equipment</p> <p>A one-time matching grant for small and medium rubber product enterprises for first time purchase of eligible testing equipment subject to a maximum of RM20,000 per company.</p> <p>SBIM 16</p>
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MREPC Scholarship Awards Programme 2012

The MREPC Scholarship Awards Programme has the long term objective of attracting the best young Malaysians to the rubber product industry. The Programme, which entered its third year of implementation in 2012, was carried out in two phases, the first phase in June and the second in November 2012.

In the first phase of the MREPC Scholarship Awards 2012, nineteen candidates were selected and offered scholarships to pursue courses in chemical engineering, mechanical engineering, business economics and accounting. Ten candidates accepted the offer, 7 of whom were undergraduates from private universities and 3 from public universities.



Scholarship Award recipients with the CEO of MREPC and industry members in July 2012

The Scholarship Awards were presented to the successful candidates by Dato' Teo Suat Cheng, CEO of MREPC, at a high tea reception in July 2012. Five rubber product companies, Hartalega, Top Glove, Karex Industries, G.B. Industries and Associated First Rubber accepted co-sponsorship of selected recipients. This requires the selected awardees to serve with the respective co-sponsoring company upon successful completion of their degree course.

An online application portal to facilitate the Scholarship application process and expedite the short listing of candidates for interview was introduced in October 2012, in time for the second phase of the 2012 Awards. Almost 400 applications were received within two months. After the selection and offer process, 21 undergraduates accepted the MREPC Scholarships, 13 from public institutions and 7 from private universities.



Promoting the MREPC Scholarship awards at Monash University Open Day

In November 2012, MREPC introduced the selected candidates to members of the rubber product industry at a high tea reception. Six rubber product companies, Supermax, Top Glove, Careplus, Innolates, Associated First Rubber and Pong Codan accepted co-sponsorship of 8 scholarship awardees.



November 2012 Scholarship Award recipients with CEO MREPC and industry members