

STRETCH

A quarterly publication of the
Malaysian Rubber Export Promotion Council

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Excellent
Minerals
Solutions



MULTINATIONALS IN THE MALAYSIAN RUBBER PRODUCT INDUSTRY



MÖLNLYCKE
HEALTH CARE



GUMMI METALL TECHNIK (M) SDN. BHD.



相模ゴム工業株式会社



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CEO of MREPC, Dato' Teo Suat Cheng

The rubber product industry in Malaysia is an attractive proposition for foreign investors looking to source products for specific industry sectors as well as for portfolio investors interested in sectors relatively unaffected by economic downturns. Since the 1800's, the rubber industry has drawn investment from multinationals and regional players, both in the upstream sector as well as in the manufacture and export of a wide range of products. Although in its early years, the industry was characterized by export of raw rubber, today the value of exports of a wide variety of rubber products has exceeded the export of the raw material. This has been made possible with continued industry expansion, with investments from abroad and within Malaysia.

The long history of the rubber product industry here gives Malaysia an edge in terms of the trained manpower available and the support institutions and industries that are in place. Many universities and colleges offer courses in disciplines related to rubber technology, and there are also training institutions that provide certificate and diploma level courses that are relevant. Research and development support is provided by the Malaysian Rubber Board in Malaysia and the Tun Abdul Razak Research Centre in the UK. Testing facilities are also offered by private

laboratories. Other support services such as mould making, compounding, packaging, shipping and transport are readily available. Political and economic stability, reliable public services and utilities, business friendly government policies and effective financial institutions complement the specific advantages enjoyed by the rubber product sector. The incentives and services provided by MREPC are, of course, also available to foreign rubber product companies located in Malaysia.

Currently there are over fifty major rubber product companies in Malaysia that are wholly or largely financed by foreign funds, in addition to foreign funds that have invested in Malaysian listed companies. Foreign direct investments (FDI) often bring specific advantages to the recipient company, such as access to markets, new technology, improved management, increased efficiencies in sourcing and complementary products that add to profitability.

There are specific sectors where investments into rubber products in Malaysia appear poised to see growth in the near future. The ongoing review of the National Automotive Policy and the expected emphasis on export of motor vehicles and component parts will provide an impetus to the auto parts industry domestically.

A much larger market than Malaysia is accessible to foreign companies that locate here with the Free Trade Agreements (FTA) that Malaysia has in place with some important markets (India, China, and ASEAN among others). Liberalization of investment policies and foreign ownership restrictions also make Malaysia attractive as an investment destination.

MREPC can provide useful information to multinationals and foreign companies with interest in rubber products, and facilitate contact with partners in Malaysia.

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IN CONJUNCTION WITH WORLD POPULATION DAY 2012



Hon Minister, Tan Sri Bernard Dompok, and Tan Sri Dato' Hajjah Napsiah Omar with participating condom manufacturers

As part of its contribution towards improving healthcare in Malaysia and enhancing public-private sector linkages, MREPC initiated and facilitated “One Million Actions in Conjunction with World Population Day 2012” a joint event with the National Population and Family Development Board (Lembaga Penduduk dan Pembangunan Keluarga Negara – LPPKN). This event saw Malaysian condom manufacturers contributing one million condoms to LPPKN to mark World Population Day 2012 on behalf of the condom manufacturers.

The Chairman of MREPC, Datuk Billy Abit Joo, handed over a token representing the one million condoms to Tan Sri Dato' Hajjah Napsiah Omar, Chairman of LPPKN, witnessed by the Hon Minister for Plantation Industries and Commodities, Tan Sri Bernard Dompok on 10 July 2012.

World Population Day is observed on July 11 every year under the auspices of the United Nations Population Fund (UNFPA). Each year various events are held around the world to raise awareness of population issues and to highlight efforts to promote universal access to reproductive health services.

Seven condom manufacturers participated in the “One Million Actions” event, with contributions valued at an estimated RM1 million. They were Karex Industries Sdn Bhd, Medical Latex (DUA) Sdn Bhd, NuLatex Sdn Bhd, SSN Medical Products Sdn Bhd, Pleasure Latex Products Sdn Bhd, Takaso Rubber Products Sdn Bhd and The Female Health Company (M) Sdn Bhd.



YB Datuk Billy Abit Joo presenting a token hamper to Y. Bhg Tan Sri Dato' Hajjah Napsiah Omar, witnessed by YB Tan Sri Bernard Dompok and Datin Paduka Nurmala Abd Rahim

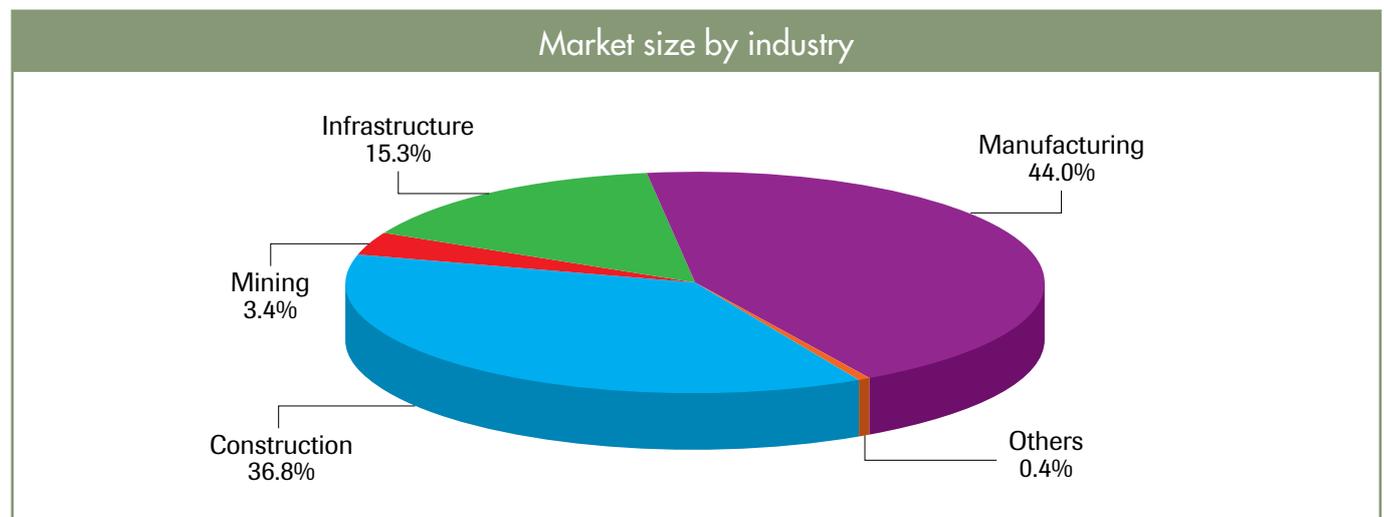
The Market for Industrial Rubber Products in India

The Indian economy has been expanding rapidly in recent years. Even with a modest deceleration in 2008 and 2009 as the global economy weakened, India recorded advances in real GDP of nearly 8% annually from 2001 to 2011. Through 2016, India's real GDP is projected to increase by 7.5% per year, a weaker pace than during 2006 – 2011, but comfortably higher than the regional average.

The market for industrial rubber products, excluding automotive parts, in India, measuring domestic consumption, was estimated at USD560 million for the fiscal year ending March 2012 (FY 2012). The demand for rubber products comes mainly from the manufacturing, construction, infrastructure, mining and the oil and gas sectors.

Key sectors of demand for industrial rubber products

The manufacturing sector is the largest consumer of industrial rubber products in India. Major manufacturing industries include chemicals, textiles, steel, processed foods, and consumer appliances. For FY 2012, utilisation of rubber products by the sector was valued at USD248 million, accounting for 44% of the total market. Rubber products are used in the sector as parts for machinery and equipment such as pumps, motors, gearboxes, compressors and turbines and as conveyor belts, hoses, etc for the manufacturing process.



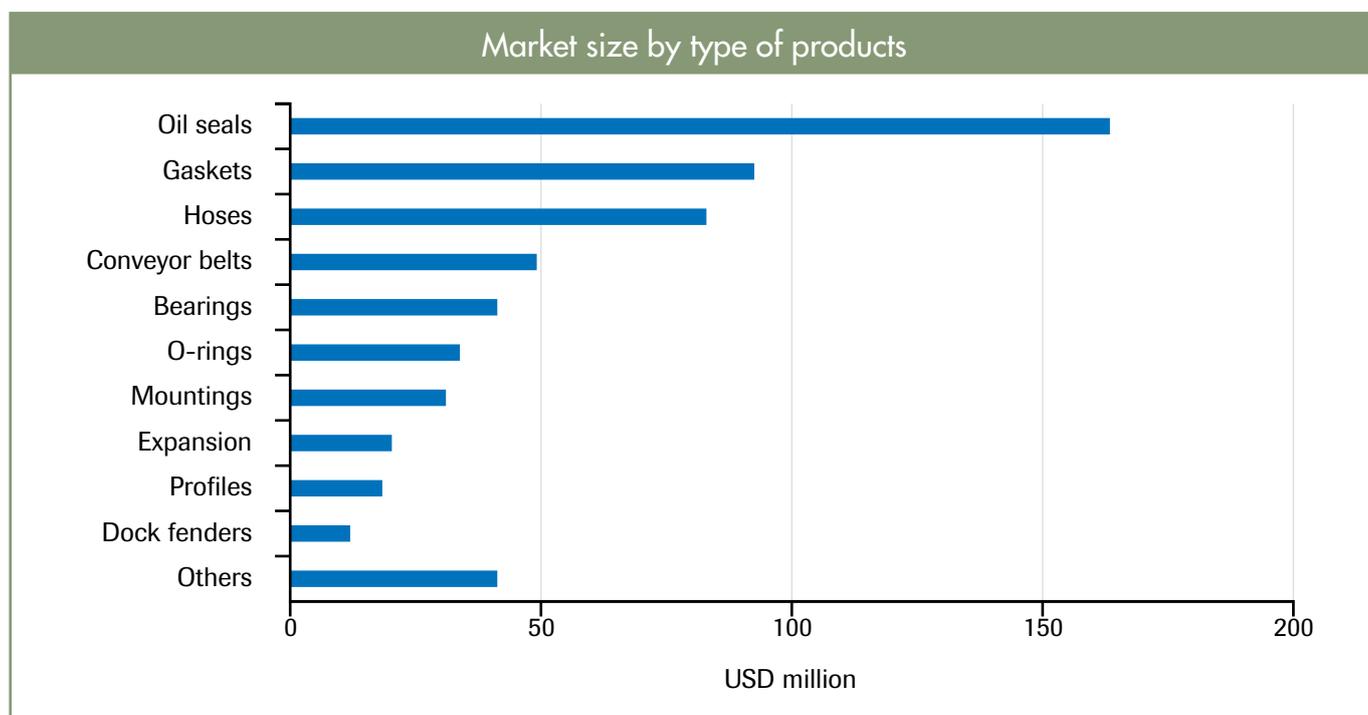
The construction sector accounted for nearly 37% of the total market for industrial rubber products. Rubber products in this sector are used in earth moving and material handling equipment and cranes as well as road building and concrete mixing and dispensing equipment. The sector is largely supplied by global OEMs with manufacturing presence in India. The global economic crisis in 2008-09 pushed demand for imported used machinery and equipment in India, and consequently, the expansion of the aftermarket for rubber replacement parts.

The improvement of physical infrastructure and urban facilities by the government of India as well as increasing foreign and private investments in recent years have all contributed to the growth of the infrastructure sector in India by 5% to 6.6%. For FY 2012, it was estimated that the infrastructure sector accounted for 15.3% of the total demand for industrial rubber products in India.

The mining sector is another important contributor to the demand for rubber products, as India is rich with mineral resources such as coal, iron ore, limestone and zinc. Growth in mineral production in the country is supported by strong FDI inflows into the sector.

Demand and supply of rubber products

Oil seals, gaskets and hoses are the three most important industrial rubber products in India by sales value (Figure 2). The construction sector has high demand for oil seals and hoses, while gaskets are largely used in the manufacturing sector as parts for machinery and equipment. Approximately 85% of the total demand for these three key rubber products comes from the aftermarket. Meanwhile, bearings, expansion joints, profiles and dock fenders are consumed largely in the infrastructure sector specifically for roads, urban transit, railways, airports and shipping ports projects across India.



Local products dominate the market for industrial rubber goods in India. For FY 2012, India produced an estimated USD505 million worth of industrial rubber products. Approximately 19.6% of the production was exported. Key suppliers of the products in India include foreign multinationals (MNCs) such as Gates, Parker Hannifin, Fenner Dunlop and Johnson Industries as well as local companies such as Fenner India, Super Seal, Rane Elastomers, TVS Rubber, Banco India and Sanfield. Indian manufacturers produce a wide range of industrial rubber products, although products with a lower added value account for a disproportionate share of total production. Investments by foreign MNCs have helped increase the level of expertise in the domestic industry.

In comparison, imports were valued at USD153 million or accounted for approximately 27% of the total market for industrial rubber products. Major imports were hydraulic hoses and beltings for construction and mining as well as rubber parts for compressors, gearboxes and turbines such as o-rings, oil-seals, diaphragms, and bushings.

Imports of industrial rubber products into India have increased steadily over the period 2007 – 2011, registering a healthy CAGR of 17%. The main source country for imports was China which contributed about 15% of the total imports in 2011. This was followed by Japan with 14% share, Germany (13%) and the US (10%). Although Malaysia's share of imports of industrial rubber products into India was slightly less than 2%, it showed a strong CAGR of 23% between 2007 and 2011.

Market Outlook

The projected moderate growth of the economy of India is largely based on internal factors such as inflationary pressures, depreciation of the rupee and volatility in oil and commodity prices, as well as softening external demand. Nevertheless, the economic slowdown will be cushioned by strong domestic demand and pick-up in total investments in key sectors stimulated by the government's 12th Five Year Plan (2012-2017). Demand for industrial rubber products in India is projected to grow by a CAGR of 11% to reach USD850 million in 2016. Manufacturing along with construction will be the key sectors driving the expected increase in demand.

The Market for Rubber Automotive Parts in Turkey

Turkey has enjoyed continuous economic growth after the macroeconomic and structural reforms which took place in 2001. Since then, the economy has become increasingly diversified and export-oriented with a continuing influx of foreign direct investments. With a GDP of USD778 billion in 2011, Turkey's economy is expected to grow at a rate of 5% in 2012 and a projected CAGR of 8.5% for the period 2013 – 2015 despite the Euro zone crisis. The automotive sector is expected to be a major contributor to economic growth.

Strategically located at the intersection of Europe, Central Asia and the Middle East, Turkey has a fairly large domestic market with a population of approximately 74.7 million people. The country is divided into seven regions, Marmara, Aegean, the Black Sea, Central Anatolia, Mediterranean, South Anatolia and Eastern Anatolia. The capital city of Ankara is located within Central Anatolia, while the most-populated city, Istanbul, is located in the Marmara region.

The Turkish automotive industry

Turkey is the seventh largest automotive producer in Europe and ranks 17th in the world. Turkey is the largest manufacturer of buses and the third largest manufacturer of light commercial vehicles in Europe. In 2011, approximately 1.2 million vehicles were manufactured in Turkey, an increase of 8.6% from the previous year. Motorcars comprised approximately 54% and commercial vehicles, 46% of the total production.

Turkey: Production and sales of automobiles (in million units), 2007 – 2011

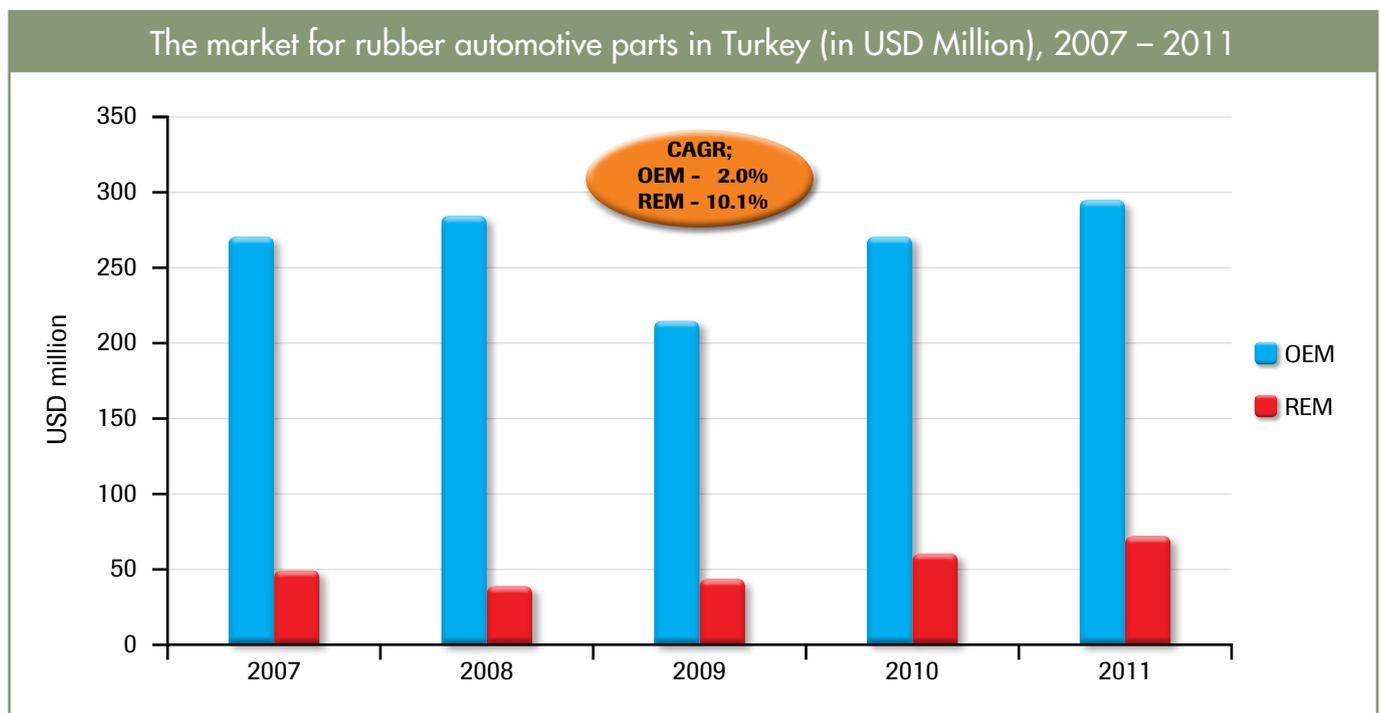
Year	2007	2008	2009	2010	2011	CAGR (%)
Production	1.10	1.15	0.87	1.09	1.19	2.0
Sales	0.60	0.50	0.54	0.77	0.89	10.1

Global automakers including Fiat, Renault, Hyundai, Toyota, Honda and Ford have their manufacturing presence in Turkey, primarily in the Marmara region, which accounts for 95% of the country's total vehicle production. Turkey exports about 67% of its total vehicle production to Europe, mainly to France, Italy, Germany, the United Kingdom and the Russian Federation.

Motor vehicle sales in Turkey exceeded 887,000 units in 2011, the highest in five years (2007 – 2011). Annual sales were not affected by the crisis in Europe and grew between 2008 and 2011. Approximately 59% of the vehicles sold in the country were imported, mainly from European countries, while the remaining 41% were locally manufactured. Car ownership is relatively low as two thirds of the population still do not have cars, and the demand for motor vehicles is expected to grow.

The rubber automotive parts sector

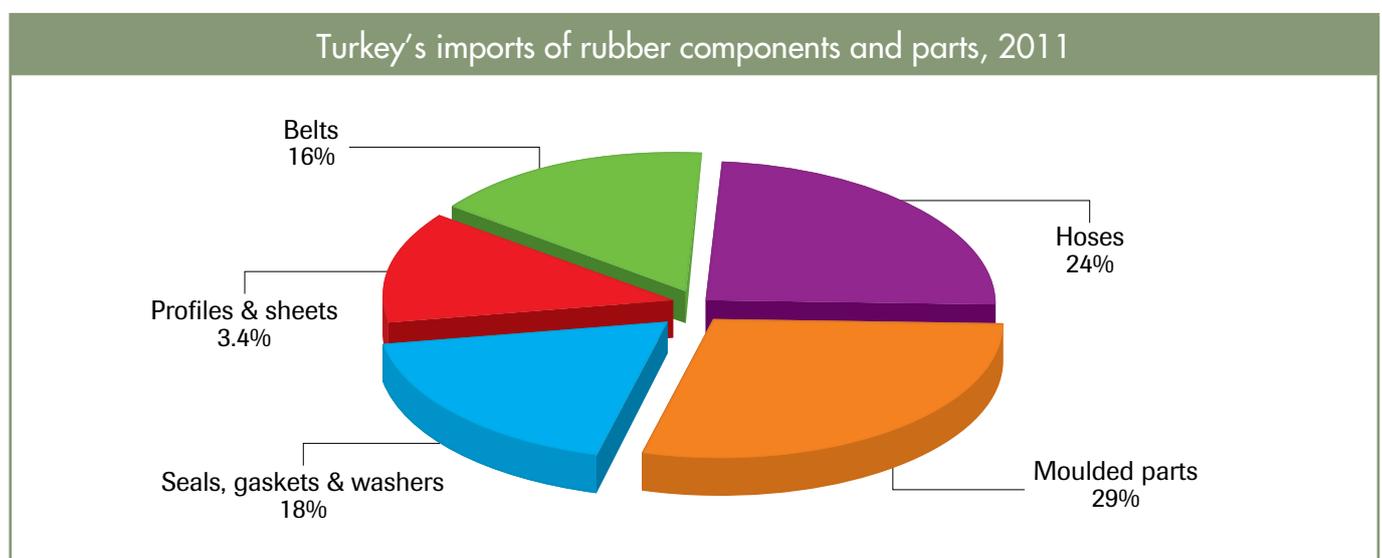
The domestic market for rubber automotive parts in Turkey was valued at USD370.6 million in 2011. The OEM segment made up about 80% (USD296.6 million) of the total while the remaining 20% (USD74.0 million) came from the REM segment. Approximately 59% of all rubber automotive parts used in the country (or USD219.4 million) were produced locally while the remaining 41% were imported. At present, the supply of imported products is largely dominated by European suppliers.



Turkey has about 200 rubber components and parts manufacturers, but only 21 of them supply solely to the automotive sector; the rest also supply parts to other industries. Most rubber automotive parts manufacturers are centrally located in the Marmara region close to the automobile manufacturers, specifically in Istanbul, Bursa, Izmit (Koceali) and Izmir, allowing for more cost-efficient delivery. Generally, ISO 9001, ISO14001 and the ISO/TS 16949 are the accepted standards and certifications required for the OEM segment of the market in Turkey.

Turkey's trade in rubber components and parts

The rubber components and parts industry (including non-automotive) in Turkey is predominantly an export-oriented sector with total exports of USD1.0 billion, almost double its imports of USD578.9 million in 2011. Nevertheless, imports of rubber components and parts into Turkey increased by a CAGR of nearly 8% for the period 2007 – 2011. Moulded rubber products are the most imported parts entering the Turkish market, accounting for 29% of the country's total imports. These parts are mainly sourced from European countries including Italy, Germany and France. Malaysia's exports of rubber components and parts to Turkey currently accounts for less than 1% of Turkish imports.



Opportunities for Malaysian exporters

The overall market outlook for the rubber automotive parts market in Turkey is positive as it is projected to expand by a positive CAGR of 3.7% from USD384.0 million to USD429.3 million for the period 2012 – 2015. The OEM market for rubber automotive parts is expected to grow by 2.0% while the REM market is projected to expand by 9.9% for the same period.

Moulded rubber parts such as rubber mats, scratch protection parts, engine mountings, drive shaft boots, shock absorber bushes and gear box mountings as well as radiator hoses, fuel hoses and belts will have high demand. Manufacturers who are able to provide quality parts that are in compliance with the European standards and at highly competitive prices may consider exporting to the market. Furthermore, with the FTA between Turkey and Malaysia that is scheduled to conclude by the end of 2012, manufacturers will have a better platform to promote and export Malaysian-made rubber automotive parts to the Turkish market. Malaysian manufacturers could also consider using Turkey as a re-export gateway to the European market as about 34% of the rubber components and parts imported into Turkey were subsequently re-exported to other countries, mainly to Europe.

NEW INCENTIVES

New

Participation in Seminar / Workshop / Training in Malaysia

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.

SBIM 14

New

Compound Testing

50% of testing cost for dry rubber and latex compounds, subject to a maximum claim of RM5,000 per company per year.

The testing laboratories must be accredited to ISO 17025.

SBIM 15

New

Purchase of Essential Testing Equipment

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.

SBIM 16

REVISED INCENTIVES

Incentives for participation in international trade fairs under SBIM1 (MREPC-led) and SBIM2 (on company's own initiatives) have been revised to a pre-determined grant which shall cover expenses related to booth, airfare, accommodation, promotion, interpreter and forwarding charges. The grant amount will vary by the region where the event is held.

Revised Package

SBIM 1 (MREPC-led)

Region	Grant Amount
North America / Latin America / Canada	RM25,000
Europe/ Middle East / Central Asia	RM20,000
Africa	RM18,000
Asia / Oceania	RM15,000
South East Asia (ASEAN)	RM12,000
For all MREPC-led international trade fairs	

Revised Package

SBIM 2 (Company initiative)

Region	Grant Amount
North America / Latin America / Canada	RM25,000
Europe/ Middle East / Central Asia	RM20,000
Africa	RM18,000
Asia / Oceania	RM15,000
South East Asia (ASEAN)	RM12,000
Up to a maximum of RM100,000 for not more than 8 exhibitions per company per year.	

The revised SBIM1 and SBIM2 incentives are attractive in terms of amounts that may be claimed. The grants for participation in trade shows, with amounts specified for each region, allow companies to better plan their participation in exhibitions and to use the incentives more effectively. With this revision the application process has been simplified and only the following documents are required:

- Airfare (original invoice, receipt & boarding pass) - SBIM1 & SBIM2
- Colour photographs of company's exhibition booth (with visible booth no, fascia board & staff on duty) - SBIM1 & SBIM2
- Original invoice & receipt for Booth - SBIM 2
- Exhibitor's Directory - SBIM2

SBIM 10

50% of **first time website development cost or one time upgrading cost** (for companies with existing websites), subject to maximum claim of RM5,000 per company. (Increased from 50% of first time website development cost only, subject to a maximum of RM3,000)

SBIM 11

50% of audit cost for attaining management system certification, excluding consultation and training costs, for a company previously not certified, subject to a maximum claim of RM20,000 per company per certification for the following certifications:

- ISO14001 (Environmental);
- ISO/TS16949 (Automotive Parts);
- ISO 50001 (Energy) **NEW**
- ISO13485 (Medical Devices);
- ISO 9001 (Quality) **NEW**
- OHSAS 18000 (Occupational Health & Safety) **NEW**

For more information, please visit our website at www.mrepc.com/incentives or call us at 03-27805888.

INVESTING FOR THE FUTURE

Foreign investment in the rubber product industry in Malaysia has been an important catalyst for the development of the industry. Not only have the investments spurred growth in the sector but they have brought in new technology, access to markets and in some instances, improved management. Multinationals and foreign investors looking for proximity to a source of quality natural rubber, the support services needed for a thriving rubber products industry and a workforce with experience and knowledge of rubber technology have found Malaysia to be a logical location.

Over the years, Malaysia has attracted foreign investment into the manufacturing of rubber products for the medical, electrical and electronic, automotive and other sectors. Rubber product companies, as well as component suppliers for a variety of industries from all over the world have come to Malaysia to expand their existing operations or to set up new ventures. Some have set up greenfield ventures, others have acquired existing businesses or partnered Malaysian companies to meet customer needs and grow their businesses.

In this and forthcoming issues of Stretch, we will meet with foreign rubber product companies located in Malaysia to see how they are faring and better understand the issues they face.

WEIR MINERALS LINATEX MALAYSIA

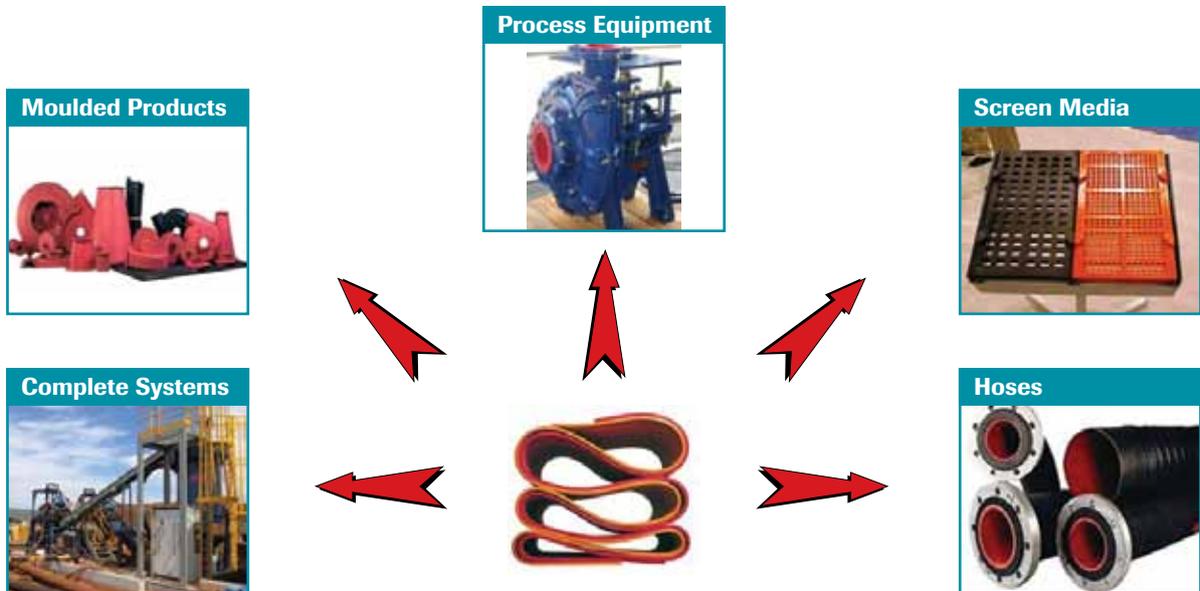
In 1923, a planter named Bernard Wilkinson invented an abrasion resistant protective lining from latex (Linatex) using a unique “liquid phase compounding” process. Linatex retained all the natural properties of rubber and had many applications in the mining industry as well as in the manufacture of a variety of products for other sectors. Three years later, The Wilkinson Process Co was formed and set up the first Linatex plant on the outskirts of Kuala Lumpur, supplying to the booming tin industry. In 1930, Linatex set up a marketing network covering Canada, South Africa, the United Kingdom and the United States.



An overview of the Linatex plant in Batu Caves, Selangor

Through the second half of the twentieth century, Linatex expanded, with improved processes and increased range of products, as well as with the acquisition of distributors around the world. In the 1980's, a range of conventionally compounded products and moulded parts was developed to complement Linatex. A new factory was custom built at a 20 acre site at Batu Caves, just outside the Kuala Lumpur city limits, where Linatex is presently located.

Linatex Product Range



The 1990's saw Linatex expand its product range to include a wide variety of processing equipment, taking advantage of the unique properties of Linatex to develop more rubber lining options to meet client requirements. A moulding and parts fabrication division was established to meet growing demand. The 1990's also saw Linatex obtain ISO 9002 for certification of rubber sheet products, ISO9001:1994 certification for moulded products and ISO9002:1992 certification for equipment products. New manufacturing sites were established in Santiago, Chile and Wuxi, China in 2006. To further complement the range of products offered, a screen media company in the US, Durex Products, was purchased in 2007.

Ownership of Linatex had been in the UK, with Harrisons & Crosfield (later known as Elementis PLC), for most of its early history but in 2005, Navis Capital, a private equity company based in Malaysia, acquired Linatex, and moved its headquarters back to Malaysia. Under Navis Capital, Linatex went through a phase of restructuring and expansion and developed a global manufacturing and marketing footprint.



Linatex red liners being cut to required thickness

In 2010, Linatex was acquired by Weir Group PLC, a UK based company, with headquarters in Glasgow, Scotland. Linatex is now a part of Weir Minerals, one of the three main divisions of the group. The Malaysian operations are now an integral part of the global manufacturing and marketing activities of Weir Minerals, with Malaysia being designated the Design Centre of Origin for rubber for the group. Linatex marketing and manufacturing operations in other locations have also become fully integrated into the Weir Group.

With a workforce of 350 people and a turnover of about RM150 million annually, Weir Minerals Linatex supplies its famous red rubber liners for a variety of applications and also manufactures hoses, flotation cells, valves, slurry pumps, cyclones and separators, screening equipment and screens, conveyor accessories.



A pump ready for shipment

In addition, the company provides a range of custom lining, fabrication and moulding services. Products such as membranes for dewatering, road sweeper components and target backing curtains are also manufactured for non-mining applications.

The Research and Technology Division of Linatex in Malaysia undertakes technical research and product development activities for rubber products and ensures that testing is done to meet stringent quality requirements.



Mr. Jon Woollins, MD of Weir Minerals Linatex, with Mr. PK Chan, Head of Research and Technology Division

Jon Woollins, the Managing Director of Linatex acknowledges that there have been significant synergies from the inclusion of Linatex into Weir Minerals, with a wider range of applications available for their products and an enlarged customer base. He has been with Linatex for six years and sees the company set to grow, with access to the resources and marketing network of the Weir Group. The work culture, with focus on lean manufacturing and emphasis on safety, workplace cleanliness and minimum wastage, is a matter of pride to employees and managers alike. The clean and relatively pleasant work

environment and good facilities for workers has helped Linatex to retain experienced staff, although recruitment of shop floor workers remains an issue.

On Malaysia, Mr Woollins was positive. Aside from the perspective of history, with the shared experience and knowledge of Linatex products and processes, Malaysia is ideally located close to sources of natural rubber latex. Good research contacts at The Malaysian Rubber Board and Tun Abdul Razak Research Centre and the availability of trained and experienced staff made it possible to establish an effective research and development facility for rubber products. He felt that Malaysia has the potential to become a talent pool for rubber technology. Stability and a good legal system were other considerations that make Malaysia an attractive destination for investment in rubber product manufacturing.

The acquisition of Linatex by the Weir Group and consequent inclusion into Weir minerals has brought overall synergistic benefits in terms of a more comprehensive range of solutions offered to customers and access to a larger customer base. At Linatex there is greater focus on manufacturing, research and product development, enabling new products to be offered and process improvements to be implemented. For the future, Weir Minerals Linatex Malaysia can be expected to continue to grow and contribute positively to the development of the rubber product industry in Malaysia.



Gummi Metall Technik (M) Sdn Bhd in Kuala Kangsar

GUMMI METALL TECHNIK (M) SDN BHD

During the 1970's, when Malaysia was actively promoting manufacturing industries that added value to commodities such as rubber, an investment mission to Germany attracted the attention of Gummi Metall Technik (GMT) and its CEO Gerhard Engstler. In 1979, a new company Rubber Metall Technik (M) Sdn Bhd was incorporated with 49% shares owned by GMT and 51% by the Perak State Economic Development Corporation. In 1980, a new manufacturing plant was set up on a 5-acre site in Kuala Kangsar, drawing on the expertise of the German partners. The partnership sought to leverage on the availability of rubber (at relatively low prices at that time), a skilled workforce and access to good roads and ports, to supply to a growing regional market.



En Wan Abdul Shukor Wan Omar, Production Manager, Mr K Sivanjothi, Research and Development Manager, GMT Malaysia Sdn Bhd

Initially the focus was on manufacturing a range of rubber products for the automotive, construction and engineering sectors. Early milestones for the company included supplying rubber bearings for the first Penang Bridge and for the Bangkok Expressway. By 2000, the company was also manufacturing rubber parts for railways, including anti-vibration parts for the rolling stock and pads for railway tracks.

To play a more effective role in determining the direction the company should take, the products to be manufactured and the markets to be serviced, in 2007 the German partners made a bid for 100% ownership of Rubber Metall Technik (M) Sdn Bhd. The bid was accepted and with full ownership, the company was fully integrated into GMT's worldwide operations.

The company became Gummi Metall Technik (M) Sdn Bhd, with a Malaysian management team reporting directly to GMT in Germany.

The Senior Manager, En Wan Abdul Shukor Wan Omar, Production Manager, Mr K Sivanjothi, Research and Development Manager, Dr S Pushpalatha, and Sales and Marketing Manager, Mr Lee Chee Heng, oversee the day-to-day operations of GMT Malaysia and make decisions related to purchasing, product pricing and marketing and selection of product mix. Representatives from GMT GmbH, the parent company, visit Malaysia each year to give general direction to local operations and to consider new investment. There is constant interaction on technical aspects and to identify new opportunities in international markets.

Today, GMT Malaysia is strong in rubber parts for the railway industry and engineering products, especially rubber-to-metal bonded anti-vibration products. Rail pads, anti-vibration products, bridge bearings, rubber pads for tank treads, and engineering products for a variety of uses and industries are among the products manufactured at the plant. About 30% to 40% of total sales comprise rubber compounds and master

batches for the parent company, as GMT Malaysia provides a significant portion of all rubber compounds used by GMT worldwide.

In 2011, total sales were about RM28 million, and this is expected to increase to RM30 million in 2012. GMT Malaysia has a work force of 170, 85% of whom are local. The plant has 33 compression and injection presses, a small tooling section which is in the process of being expanded and a well equipped laboratory with qualified staff.

The management is optimistic of the company's prospects. En Wan Abdul Shukor viewed support from Germany as the key to growth, with investment, transfer of technology, research and development support and a positive outlook as the main ingredients.

GMT Malaysia is focussed on addressing the needs of a fast growing ASEAN market, and is poised to expand their product range to supply new products to traditional markets as well as to new sectors, such as the marine and aerospace industries.

Some products from GMT (Malaysia) Sdn Bhd



Ball joints



Conical springs

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
January–June	7,179,088	6,888,035	2,057,030	1,845,368
% Change (January–June) 2012/2011	4.2		11.5	

Source: Department of Statistics, Malaysia

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

Country	January–June 2012	January–June 2011	% Change	% Share (2012)
USA	1,910,675	1,726,850	11	26.61
EU-27	1,769,878	1,860,818	-5	24.65
ASEAN	724,984	701,320	3	10.10
Japan	394,284	394,994	0	5.49
China, P.R.	277,383	264,271	5	3.86
Brazil	270,572	275,873	-2	3.77
Australia	224,760	214,295	5	3.13
Canada	131,536	105,907	24	1.83
Turkey	119,566	131,097	-9	1.67
South Korea	108,558	127,117	-15	1.51
Hong Kong	91,487	108,858	-16	1.27
UAE	70,049	60,555	16	0.98
Subtotal	6,093,732	5,971,955	2.0	84.9
World Total	7,179,088	6,888,035	4.2	100

Source: Department of Statistics, Malaysia

6th International Rubber Glove Conference & Exhibition (IRGCE), Kuala Lumpur Convention Centre

4 – 6 September 2012



YAB Tan Sri Dato' Hj. Muhyiddin Yassin at the MREPC booth at the 6th IRGCE

The 6th International Rubber Glove Conference and Exhibition (IRGCE) 2012, themed ‘Innovation for Sustainability’, was held at the Kuala Lumpur Convention Centre, 4 – 6 September 2012. Organised by the Malaysian Rubber Glove Manufacturers Association, the exhibition attracted 71 exhibitors and over 500 visitors, mostly delegates who participated at the conference.

MREPC’s promotional booth at IRGCE 2012 drew 48 visitors from 20 countries, mostly from Malaysia, China, Singapore and India. Malaysia’s Deputy Prime Minister YAB Tan Sri Dato’ Hj. Muhyiddin Yassin also visited MREPC’s booth after officiating the conference and exhibition.

Automechanika Frankfurt

11 – 16 September 2012



Tan Sri Bernard Dompok at the Malaysian rubber products pavilion at Automechanika Frankfurt

Automechanika Frankfurt 2012, organized by Messe Frankfurt GmbH, is the world’s leading trade fair for the automotive original equipment and aftermarket industry. This 6 day event, held at the Frankfurt Exhibition Centre, Germany, highlighted innovations and solutions in parts, systems, tuning, workshop equipment, bodywork & paintwork, car wash, IT & management and other products and services related to the automobile industry.

For the first time at this exhibition, MREPC participated with an open booth concept with 6 manufacturers participating under one roof, exhibiting a wide range of automotive parts and components. The Minister for Plantation Industries and Commodities, Tan Sri Bernard Dompok and the Chairman of MREPC, Datuk Billy Abit Joo, visited the Malaysian pavilion at Automechanika Frankfurt and met with Malaysian rubber automotive product manufacturers.

FIME, Miami, Florida

8 – 10 August 2012

FIME 2012, the premier international medical industry trade show for North, South and Central America was held in Miami, Florida 8 – 10 August 2012. About 750 exhibitors showcased a wide range of products and services at the show and drew close to 44,400 visitors mainly from the United States and South and Central America. MREPC participated at FIME 2012, together with three glove manufacturers and a condom manufacturer.

A seminar was held by MREPC at the show, with Dr. Esah Yip giving a presentation entitled “Today’s Medical Gloves and Condoms: What You Need to Know”. The seminar updated participants on the latest development in gloves and the availability of Malaysian quality products to meet the needs of a diverse market.



Dr. Esah Yip taking questions at the Seminar

Expomedical 2012, Buenos Aires, Argentina

26 – 28 September 2012

MREPC participated at ExpoMedical 2012, 26 – 28 September 2012 at Centro Costa Salguero, Buenos Aires, Argentina, with six rubber product manufacturers and suppliers in a Malaysian pavilion. There were a total of 193 stands at ExpoMedical 2012, with exhibitors from Argentina, Belgium, Brazil, China, Chile, Germany, Malaysia, Taiwan and USA.

The show attracted more than 15,000 visitors, mainly from Argentina and other South American countries including Uruguay, Brazil, Paraguay, Chile, Venezuela and Bolivia.

A presentation by MREPC, titled “Medical Gloves: What You Need to Know”, held on the second day of the exhibition, was well attended, with participation from 30 representatives from various healthcare institutions, hospitals and companies.

Among the visitors to the Malaysian pavilion was the Malaysia Ambassador to Argentina, His Excellency Dato’ Zulkifli bin Yaakob.



Visitors to a booth at the Malaysian pavilion

PROJECT MANAGEMENT PRINCIPLES AND PRACTICES

13 September 2012



Participants at the Project Management Seminar

A seminar on Project Management Principles and Practices, conducted by Tuan Haji Johari Haji Jemain, a Senior Principal Assistant Director of Project Management Centre in Institute Tadbiran Awam Negara (INTAN) was held at the MREPC Multipurpose Hall on 13 September 2012 for Malaysian rubber product manufacturers, exporters and traders.

With 16 participants from 8 companies, the seminar was highly interactive. Specific topics, including the Roles and Responsibilities of a Project Manager and Project Monitoring and Evaluation were presented with examples followed by discussion. Concepts such as Logical Framework Matrix and Results Management were explained. The importance of work ethics, social responsibility and professionalism in a working PM system was stressed. Participants benefitted from the interaction among themselves and with Tuan Haji Johari, an experienced and knowledgeable presenter.

ISO 50001:2011 – ENERGY MANAGEMENT SYSTEMS

4 July 2012



Mr. Mohd Iskandar Majidi interacting with participants at the seminar

The ISO 50001:2011 Energy Management Systems seminar was held on 4 July 2012 at the MREPC Multipurpose Hall with the objective of providing Malaysian rubber product manufacturers and exporters with an introduction to Energy Management Systems (EMS) and an overview of energy efficiency and performance.

Fourteen participants from 8 companies attended the seminar, which was conducted by Mr Mohd Iskandar Majidi, the consultant appointed by SIRIM on energy management and energy audit in the industrial and building sectors.

The key features of ISO50001 were presented, with emphasis on its simplicity. The flexibility of the EMS process, the key concepts for its implementation, how to fully utilise available resources and the changes to be made to the company for successful implementation were other topics that were discussed.

Bologna, Italy

Bologna, the capital city of Emilia-Romagna (a region in northern Italy) is known for its university, the oldest in the Western world, for its lively student population, exquisite food, typical brick terracotta-roofed architecture and porticos, and its theatre and nightlife.

Italians consider Bologna the second most beautiful city after Venice, and certainly it has one of the largest and best preserved historic centers among Italian cities. Its architecture is noted for its terracotta reds, burnt oranges, and warm yellows, hence the name of 'Bologna la rossa' (Bologna the red). The town center is well preserved and characterized by miles of attractive covered walkways, known as "porticos".

We managed to explore the historical city and tasted some of the local Bolognese cuisine when we were in Bologna for the Exposanita International Healthcare exhibition in May 2012. We stayed at the Unaway Hotel Bologna Fiera, just 2km away from Bologna city centre. It was convenient to move around Bologna using public transport.

The first place we visited was Piazza Maggiore at the centre of Bologna, and an obvious starting point for sightseeing. Walking to Piazza Maggiore, the condom vending machines that were placed along the streets near the city centre caught my eye. These machines are part of efforts to reduce the relatively high HIV prevalence in the region and because there is reluctance to buy condoms from pharmacies and shops in a primarily Catholic country.

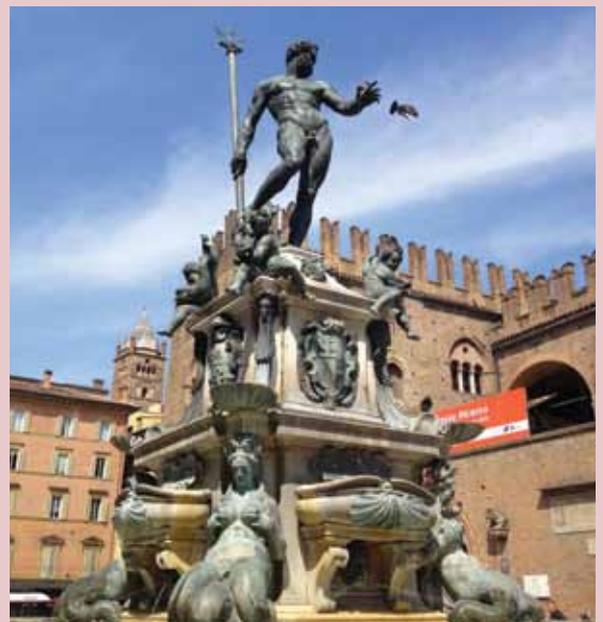
At Piazza Maggiore, we were welcomed by the Fountain of Neptune (Fontana di Nettuno), built in 1566 to celebrate the appointment of Giovanni Angelo di Medici as Pope Pious IV. The fountain in Bologna's main square with four lactating nereids (female spirits of sea waters) around the base and the alpha-male Neptune dominates the square.



Porticos of Bologna



A condom vending machine



Fontana di Nettuno at Piazza Maggiore



Affogatto al Caffè and Gelato Venchi –
Delicious Italian desserts



Pizza Margherita and seafood pasta

Piazza Maggiore is surrounded by the most important buildings of the medieval city. The oldest is Palazzo del Podestà, with two roads that cross under the Voltone Podesta. Here too is the Tower dell'Arengo, with a bell that was used to summon the people for extraordinary events. At the Palazzo del Podestà, we took a break at a coffee shop facing the main square and tried a local Italian espresso-based dessert, Affogatto al Caffè.

After enjoying the delicious coffee we walked to the Asinelli and the Garisenda Towers at the east side of the city. Along the way, we stopped and tasted another Italian dessert, Gelato (Italian soft ice cream). Italians claim they have the best Gelato in the world. Indeed, the gelato we tried was delicious, soft and sweet and full of flavor.

The curious feature of the Asinelli and the Garisenda Tower is that they are both leaning, but in opposite directions. Both towers were built in the 11th century. We climbed the 498 steps of the Asinelli Tower to reach the top, and from the top we could see almost the whole city of Bologna.

For a perfect end to our walk around Bologna city centre, we had dinner at an Italian restaurant. We enjoyed our pizza margherita, seafood pizza and seafood pasta.

Bologna is a truly stunning city with its well preserved architecture. Though we did not have time to see all the sights of this beautiful city, I took home with me some exquisite memories of a culture and a civilization steeped in history.



The Asinelli and Garisenda Towers

