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## **Malaysia's Rubber Industry Recorded Strong Export Performance in Quarter 1, 2021**

The Malaysian rubber industry continued its upward trajectory with exports increasing by 169.6% to RM21,841.2 million for the period from January to March 2021, from RM8,101.6 million in the corresponding period of 2020. The downstream rubber products industry which formed 89.5% of the total exports of the rubber industry or valued at RM19,539.7 million increased 213.8% driven by strong increase in the latex goods sector.

### **Rubber gloves continued its stellar performance amid the Covid-19 pandemic**

Latex goods such as rubber gloves, latex threads, and condoms recorded a total increase of 250.6% due to the ongoing COVID-19 pandemic. In the first quarter of 2021, latex goods accounted for 93.7% of total exports of rubber products while dry rubber products accounted for the remaining 6.3%. The gloves subsector remained the largest export revenue generator for the rubber industry. Made up mainly by the medical gloves, the gloves subsector increased nearly four folds or 265.7% to hit RM17,863.8 million in the first three months of 2021.

### **Dry rubber products sector recorded improved results in 2021**

After a decline in the first quarter last year due to the Covid-19 pandemic, the dry rubber products sector bounced back to record a double-digit growth of 22.1% to reach RM1,225.0 million in 2021 from RM1,002.9 million in 2020. The dry rubber products sector includes tyres, industrial rubber goods, general rubber goods, and footwear.

Tyres, the largest exports within the dry rubber products sector recorded RM431.5 million in the first quarter this year with an increase of 24.6% comparing to RM346.2 million in the first quarter of 2020. Meanwhile, total exports of industrial rubber goods which comprises products for the automotive, mining and construction sectors improved by 29.2% to RM306.3 million in 2021.

### **Expectations remain high in the rubber glove industry despite global vaccine development**

Post-pandemic demand for rubber gloves will continue to be optimistic – indeed bigger compared to pre-COVID times. The Malaysian Rubber Council (MRC) estimates the global demand for rubber gloves in volume terms to maintain a double-digit growth of between 12% and 15% in 2021. The global per capita consumption of rubber gloves is expected to increase to 25 pairs in 2021 driven by higher usage of gloves in major Malaysia's export markets such as US and Europe as well as large emerging markets particularly in the Asian region. The country's rubber glove industry will maintain its positive momentum and exports are expected to reach a new high for the full year of 2021.

## **Moving up the Global Value Chain**

Encik Nurul Islam Mohammed Yusoff, Chief Executive Officer of Malaysian Rubber Council (MRC) highlighted that “Current initiatives are geared towards creating value for the Malaysia’s rubber industry to ensure it remains resilient, agile, competitive and sustainable. The intended outcome is to elevate the industry up towards the global value chain in ensuring optimising potentials while enhancing the rubber industry to address bottlenecks and governance and reputational challenges.”

In support of the Ministry of Plantation Industries and Commodities’ strategy for the agri commodity sector on building up the local SME capacity and capability, Malaysian Rubber Council (MRC) through one of its programmes, will be identify and nurture SME companies especially from the dry rubber sector towards exploring the international markets. Four (4) key areas under the programme namely funding & grants; technical support, training & development; export marketing; and branding; would be tailored to the needs and potential of the selected companies.

Encik Nurul Islam added “The rubber industry needs to move up the global value chain. Rubber companies must explore ways for their products to be associated with bigger cause or purpose and ultimately gain international recognition.”

International Development Organizations (IDOs) partnerships programme will enable the industry to raise their competency to reach for the larger untapped markets and contribute to the global wellbeing.

MRC will continue to play its role in its steering efforts that will enhance the competitiveness, capability and resiliency of the overall Malaysian rubber industry. Most importantly, we aspire to nurture a sustainable ecosystem in Malaysia where our players are able to prosper whilst remaining competitive in the face of global challenges.

Encik Nurul Islam Mohammed Yusoff  
Chief Executive Officer, Malaysian Rubber Council (MRC)

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