

For Immediate Release

Rubber Export Records Superior Performance for the Half Year of 2021

The Malaysian rubber industry extended its exceptional performance with exports growing by 150.0% to RM44.43 billion in the first half of the year, from RM17.77 billion in the same corresponding period of 2020. The downstream rubber products exports, making up the bulk 89.7% of the total rubber industry exports, increased by 180.2% driven by strong performance in the latex goods in particular gloves products.

Rubber gloves resumed its exponential growth amid Covid-19 pandemic

Latex goods such as rubber gloves, latex threads, and condoms recorded an increase of 200.1% attributable to the Covid-19 pandemic. In the first half of 2021, latex goods accounted for 93.9% of the exports of rubber products while dry rubber products accounted for the remaining 6.1%. Gloves products remained the largest export income cherner for the rubber industry. Comprising mainly medical gloves, the gloves subsector expanded to more than three-folds or by 210.2% to RM36.54 billion in the first half of 2021.

Continued rebound in the dry rubber products sector in 2021

From a contraction in the first half of last year due to the Covid-19 pandemic, the dry rubber products sector has rebounded with an outstanding growth of 38.2% to RM2.41 billion in the first half of 2021 from RM1.75 billion in the first half of 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, rose by 43.2% to RM0.84 billion in the first half of 2021 from RM0.58 billion in the first half of 2020. Meanwhile, total exports of industrial rubber goods which comprises products for the automotive, mining and construction sectors improved by 44.2% to RM0.61 billion in the first half of 2021.

Strong rubber gloves performance to maintain despite global vaccination

Demand for rubber gloves is projected to remain strong. Threat of the Covid-19 virus remains prevalent with emergence of new variant whilst effect from vaccination programmes on sustaining low cases remain inconclusive even in the advanced countries in the Europe. 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.

MRC Remains Resolute in Delivering Growth Strategies

As the COVID-19 pandemic situation continues, MRC remains resolute to support the Malaysian Government and the rubber industry as a whole whilst remaining cautiously optimistic. This has kept MRC on its toes and is currently looking to future-proof its strategies by pursuing innovation with continuous emphasis on efficiency.

Nurul Islam shares "As MRC navigates the challenges and uncertainties posed by the ongoing Covid-19 pandemic, we will continue to intensify efforts to strengthen our resiliency. We also strive to deliver better services while doing it more efficiently than before. With the implementation of digital transformation, we are on this exciting journey to reshape strategies and deliver these impactful benefits to the Malaysian rubber industry players while advancing together to ensure a sustainable future for all."

Recently, MRC has initiated the Malaysian Rubber Products Virtual Showcase (MaRViS) to further facilitate online business engagements between international buyers and Malaysian rubber product manufacturers. The MaRViS platform is anticipated to elevate the trade and experience to new heights for international buyers around the world to connect with Malaysian rubber product manufacturers without any geographical boundaries.

This virtual platform will be able to provide a more holistic online experience for international buyers on available Malaysian rubber products through virtual exhibition, live chat and online business matching. Important events such as the e-Global Sourcing Mission (e-GSM) and online seminar are also part of the key events that will be held exclusively through the MaRViS platform.

By utilising MaRViS, international buyers will be able to identify and get more information on key rubber products that are produced by Malaysian manufacturers, i.e. precured treads, engineered rubber products for construction, railway, mining and marine, latex foam and mattresses, rubber medical devices such as medical gloves, condoms and rubber catheters, rubber gloves, rubber automotive components, and green rubber.

The first phase of MaRViS is anticipated to go live in September 2021 and the official launch of the online platform is expected to take place in January 2022.

MRC has also setup a commercialization unit entrusted to facilitate commercialisation and investment through continued market penetration, which also includes providing researcher/investor care as well as organising industry dialogues.

"MRC fully supports the strategic commercial and investment initiatives envisaged by Ministry of Plantation Industries and Commodities (MPIC) Minister, Dato' Dr Mohd Khairuddin Aman Razali, by setting up a commercialisation unit that will focus in providing expert advisory and drafting specialised initiatives to promote commercialisation and investment activities in the Malaysian rubber sector," Nurul Islam says.

The commercialisation unit, he adds, is tasked with identifying innovations with commercial potential and prospective investors for the innovations. “With this new initiative by MRC that is soon to be embarked, we hope that it helps to create more value to the industry by projecting more market opportunities through commercialisation and investment of the new and enhanced downstream rubber products and upstream/midstream equipment or technologies.”

Meanwhile, MRC, Malaysian Palm Oil Council (MPOC) and Malaysian Timber Council (MTC) have commenced preparations to set up the Malaysian Agricommodities Regional Office in Jeddah, Saudi Arabia. The establishment of the office would help to increase the export value of the rubber industry and will also help pave the way for the rubber products industry to penetrate new markets in the Middle East.

Nurul Islam adds “Middle East companies could take this opportunity to collaborate with Malaysian manufacturers who have rightful experience in the formulation and production of rubber products.”

“In this period of uncertainty, MRC aims to sustain the momentum in the execution of our strategies with the objective to future-proof the Malaysian rubber industry.” expresses Nurul Islam.

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

Malaysia's Exports of Rubber and Rubber Products in 1H, 2021

Rubber & Rubber Products	Jan-Jun 2020 (RM Million)	Jan-Jun 2021 (RM Million)	%change(2021/20)
Rubber	3,543.2	4,563.4	28.8%
Rubber Products	14,229.5	39,865.7	180.2%
TOTAL	17,772.7	44,429.1	150.0%

Malaysia's Exports of Rubber Products by Sector in 1H, 2021

Rubber Products	Jan-Jun 2020 (RM Million)	Jan-Jun 2021 (RM Million)	%share(2021)	%change(2021/20)
Latex Goods	12,480.7	37,449.7	93.9%	200.1%
- Rubber Gloves	11,781.4	36,542.0	91.7%	210.2%
- Other latex products	699.3	907.6	2.3%	29.8%
Tyres	583.5	835.7	2.1%	43.2%
General Rubber Goods	541.2	684.0	1.7%	26.4%
Industrial Rubber Goods	425.7	613.9	1.5%	44.2%
Footwear	195.2	279.6	0.7%	43.2%
Inner Tubes	3.2	2.9	0.01%	-11.1%
TOTAL	14,229.5	39,865.7	100.0%	180.2%