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Rubber glove makers hope to get bigger reinvestment allowance

KUALA LUMPUR: The Malaysian Rubber Glove Manufacturers Association (Margma) hopes the government will continue to support the rubber glove industry by extending and expanding the reinvestment allowance for industry players in Budget 2017.

Margma president Denis Low Jau Foo said the move would be especially timely and helpful as most industry players are moving rapidly into third generation automation and robotics to remain cost competitive and efficient as the industry matures.

Margma has for many years lobbied for tax breaks and reinvestment allowance on behalf of its members in its quest to automate and modernise plants.

“Large industry players like Top Glove, Supermax, Kossan, Hartalega, YTY & WRP invest heavily in R&D (research and development) to meet global quality and production expectations. Up to 6,728 gloves are used every second. It is estimated that global demand for gloves will reach 212.2 billion this year and Malaysia is expected to produce 133.6 billion gloves to meet world demand,” Low said in a statement.

Automation has been key in accelerating production and facilitating the expansion and technological advancement of the rubber glove industry. Today, the industry only requires 3.7 workers to produce 1 million pieces of gloves against 9.8 workers in 2009.

“The industry is aiming to cut it to just

two workers per million pieces with the modernisation and automation processes along with incentives as provided in the reinvestment allowance. We have become more efficient through investment in new and automated machinery, which is usually home-grown technology, and this has greatly reduced our need for foreign labour,” he added.

Low said the top three challenges faced by the rubber glove industry include energy, manpower and water supply. He hoped the government would relax restrictions and move quickly on applications and approvals for foreign workers as the manufacturing industry still requires foreign labour in jobs and functions that locals do not prefer to do.

“The industry is employing many Malaysians in supervisory, middle and senior management, but we still need foreign workers in factory production lines and other trade-related work to support the supervisors and management,” Low said.

In 2015, 65,000 workers were employed in the rubber glove industry, of which 42,000 were foreign workers.

The Malaysian rubber glove industry contributes 1.13% to the nation's gross domestic product. Export revenue from the industry in 2016 is projected to be RM14.3 billion. As the leading supplier of medical examination and surgical gloves, Malaysia claims 63% of the world market share compared with Thailand (21%), China (5%) and Indonesia (3%).

