



RUBBER PRODUCTS INDUSTRY



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Rubber Products Industry

STRATEGIES AND POLICIES

TARGETS

1.01 During the IMP3 period, it is projected that:

- new investments in the industry will total RM12.9 billion, or RM862 million per annum; and
- export earnings will amount to RM23.6 billion by 2020 (Table 1.1).

TABLE 1.1

PROJECTIONS FOR THE RUBBER PRODUCTS INDUSTRY

	2006-2010	2011-2015	2016-2020	2006-2020	2006-2020
	(RM billion)				Average Annual Growth (%)
Investments	3.8	4.3	4.9	12.9	3.5
Investments per year	0.7	0.9	1.0	0.9	n.a. ¹
Exports (end period)	13.1	17.8	23.6	23.6	7.6

Note: ¹ Not applicable

Source: Ministry of International Trade and Industry

STRATEGIC THRUSTS

1.02 Six strategic thrusts have been set to achieve the targets for the industry:

- (1) strengthening and enhancing Malaysia's position as the leading producer and exporter of latex products. This will involve, among others, building and safeguarding Malaysia's image as a supplier of quality and reliable rubber products;

- (2) expanding the export market for Malaysian rubber products;
- (3) encouraging outward investments for low value-added rubber products to countries with lower costs of production and availability of natural rubber;
- (4) diversifying the product range by developing the industrial and general rubber products sub-sector;
- (5) developing Malaysia as a regional centre for the testing and certification of rubber products; and
- (6) upgrading the existing technology, especially in process automation, and improving the skills of the workforce.

(1) ENHANCING MALAYSIA'S POSITION AS THE LEADING PRODUCER OF LATEX PRODUCTS

1.03 Efforts will be undertaken to intensify the promotion of Malaysian brand names and expand the market for latex products. The Government will undertake greater promotion of SMG, to make it recognised and accepted internationally. At the same time, more companies will be encouraged to obtain the certification under SMG to ensure the quality and reliability of their products.

(2) EXPANDING THE EXPORT MARKETS

1.04 Greater coordinated and comprehensive trade promotion activities will be undertaken among relevant Government agencies, involving Malaysia External Trade Development Corporation (MATRADE), Ministry of Plantation Industries and Commodities, Malaysian Rubber Board and Malaysian Rubber Export Promotion Council. Greater participation in international exhibitions, either in Malaysia or overseas, will be organised by MATRADE. New markets, such as Latin America, Africa, and West and Central Asia, provide substantial export potential for the industry. Automotive, petroleum, construction, marine transportation and power supply industries offer vast end-use potential for Malaysian rubber products.

(3) ENCOURAGING OUTWARD INVESTMENTS

1.05 Efforts will be undertaken by Malaysian Industrial Development Authority (MIDA) to further promote and support outward investments in the industry. Strategic outward investments will be encouraged in activities which complement the operations of existing companies in Malaysia, especially within the other ASEAN countries, which have raw materials and lower costs of production.

(4) DIVERSIFYING THE PRODUCT RANGE

1.06 R&D activities will be intensified to ensure Malaysian latex products meet international standards in health and safety. In addition, there will be greater focus on R&D in advanced manufacturing technologies and higher value-added products, such as:

- bridge and seismic bearings;
- engine mountings and marine fenders;
- advanced, nano and smart materials; and
- environment friendly rubber products.

1.07 There are strong linkages between the rubber products industry and industries in plastics, metals, chemicals, packaging materials, machinery and equipment, moulds and dies, automotive products and construction. To enhance the linkages, support industries, such as rubber chemicals, tools and dies, and packaging, will be further developed. The setting up of a production facility for ethylene propylene rubber and ethylene propylene diene rubber will be promoted to enable Malaysia to produce high value-added and advanced products.

(5) REGIONAL CENTRE FOR TESTING AND CERTIFICATION

1.08 To strengthen the support services for the industry, Malaysia will develop a regional and global centre for the testing and certification of rubber products, especially for use within ASEAN. Testing facilities of the Malaysian Rubber Board will be upgraded.

(6) UPGRADING TECHNOLOGY AND IMPROVING SKILLS

1.09 A pool of experts in rubber technologies, advanced materials, moulds and dies, and nanotechnologies will be created to meet market and R&D demands. Greater collaborations will be encouraged among institutions of higher learning, research institutes and the private sector to develop the required expertise. There is a need to extend R&D activities into further downstream and new products. In this respect, training in polymer technology will be enhanced. This will facilitate the industry in acquiring the required skills to cater for the development of new materials and products, for example, high precision products, and research into the linkages of polymers and metals.