Table of Content

1. Introduction to MARGMA
2. The Big Picture
3. Malaysian Rubber Gloves Manufacturing
4. Rubber Gloves Categories
5. Technological Development
6. Social Compliance Standards
7. Future Growth Drivers & Sustainability of Expansion
8. Current Issues & Challenges
Malaysian Rubber Glove Manufacturers Association

Introduction to MARGMA
Roles of MARGMA

- Liaison / Lobby with Ministries / Agencies
- Think tank on current issues facing the industry
- Services for Members
- Monitor and review various Standards
MARGMA Membership
as at December of 2012 to 2019
We have 57 Ordinary Members (77 if including subsidiaries of our members)

Our Ordinary Members comprise of *bona fide* rubber glove manufacturers in Malaysia. Here are most of our ordinary members:

Last REVISED on 10 July 2020
We have 170 Associate Members

Our Associate Members comprise of companies associated with the rubber glove manufacturing industry. Here are some of our members:

- Services & Software
  - KEMTECH SPECIALTY SDN BHD
  - SANCTUARY HEALTH
  - SATRA
  - STERIS CTC
  - STERIS
  - STERIS
  - TRY TECHNOLOGY

- Other latex Products
  - Alpha Nanotech Sdn Bhd
  - SANCTUARY HEALTH
  - DNP
  - HEALTH
  - CREATIVE CONTRACT (MO) SDN. BHD.

- Lubricants
  - LUXCHEM
  - Poly-Era Chemicals
  - KEMTECH SPECIALTY SDN BHD
  - SUKA
  - ADIKEM
  - WWRC

- Industrial Equipment & Machinery
  - HL Advance Technologies (M) Sdn Bhd
  - Esmart
  - CONTROL INSTRUMENTS (M) SDN. BHD. (A Member of the PMP@ Group)
  - MULTIVAC
  - OPTIMA
  - CeramTec
  - NTN

- Raw Materials - Latex
  - BST
  - © R
  - TAT WIN
  - ZEON
  - CENTRO TRADE

- Glove Traders / Buyers / Importers / Overseas Manufacturers
  - DPL
  - HALYARD
  - ANELX
  - ANELX
  - Hungray
  - BUDESAIL

- Packaging
  - MIDAS
  - INTCO
  - LALAN
  - TIP
Malaysian Rubber Glove Manufacturers Association

The Big Picture
Projection for 2020

Estimated Global Demand: 330,000,000,000 (330 billion gloves)
(10,500 gloves used every second)

Expected annual growth: 20%

Projected Export Revenue: RM21.8 bil or USD5.1bil
(Revised on 4 June 2020)
(60 to 67% of World Market Share)

With impact of COVID-19 Epidemic.

Last REVISED on 4 June 2020
Global Market Share
(estimation for year 2020)

Global Demand estimated at 330 billion gloves for 2020

67%

Estimated 220 billion gloves will be produced by Malaysia

18%

10%

3%

Thailand

China

Indonesia

There are more than 150 rubber glove manufacturers worldwide.

(Estimated market share.)

Last REVISED on 4 June 2020
Malaysian Rubber Glove Manufacturers Association

Malaysian Rubber Gloves Manufacturing
Top 10 & Listed Rubber Glove Manufacturers in Malaysia by Installed Production Capacity (2019)

Publicly Listed
- Ansell
- Hartalega
- Kossan
- Riverstone
- Supermax Corporation Berhad
- Top Glove

Privately Own
- Latexx Partners Berhad
- Smart Glove
- WRP
- YTY
Installed Rubber Glove Production Capacity (2019)

- Privately-Owned: 25%
- Publicly-Listed: 75%

Installed Production Capacity of Publicly-Listed and Non-listed Glove Manufacturers Companies in Malaysia

- Total Factories: 127
- Installed Production Lines: 2,086
- Installed Production Capacity: 278 bil
  (Utilization rate at 75% and above)

No of Ordinary Members: 57
Rubber Gloves Export from Malaysia (1991 to 2028)

- **Early Years 1 – Pioneer**
  - The start of the industry supported by AIDS Scare.
  - More than 600 licenses were issued by MITI.
  - More than 300 factories were established.

- **Early Years 2 – Survival**
  - Overcrowded market place coupled with Asian Financial Crisis led to closing down of many factories.

- **Growth 1 – Production Capacity**
  - Rapid Growth supported by Reinvestment Allowance and public-listing of rubber glove manufacturers.

- **Growth 2 – Product Innovation & Production Technology**
  - New phase of growth to be supported by intensive R&D and product innovation.

Reinvestment Allowance required to further drive rapid growth in the Malaysian Rubber Glove Industry.

10% y-o-y growth
## Malaysia’s Total Glove Exports (Jan – Mar 2019 & 2020)

<table>
<thead>
<tr>
<th>Malaysia’s Export To the World</th>
<th>Value (RM Million)</th>
<th>Value Change</th>
<th>Value (USD Million)</th>
<th>Quantity (Million Pairs)</th>
<th>Quantity Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Jan - Mar)</td>
<td>2019</td>
<td>2020</td>
<td>% Change</td>
<td>2019</td>
<td>2020</td>
</tr>
<tr>
<td>Natural Rubber Gloves</td>
<td>1,472</td>
<td>1,756</td>
<td>+ 19.30%</td>
<td>345</td>
<td>411</td>
</tr>
<tr>
<td>Synthetic Rubber Gloves</td>
<td>2,728</td>
<td>3,128</td>
<td>+ 14.70%</td>
<td>638</td>
<td>732</td>
</tr>
<tr>
<td>TOTAL</td>
<td>4,200</td>
<td>4,884</td>
<td>+ 16.30%</td>
<td>983</td>
<td>1,143</td>
</tr>
</tbody>
</table>

Source: Provisional data from MREPC, 12 June 2020

Note: The quantity of gloves estimated may reach as high as 27.5 bil pairs or 55 bil gloves if a lighter average weight per glove is used to convert total weight of gloves exported to pieces of gloves. The lightest medical gloves is 3.0 grams while the heaviest medical gloves can reach 4.5 grams.
# Malaysia’s Top 5 Export Markets in Q1 2020
(USA, Germany, Japan, China & UK)

<table>
<thead>
<tr>
<th>Period</th>
<th>Jan – Mar 2020</th>
<th>Jan – Mar 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total export Value (RM mil)</td>
<td>4,884</td>
<td>100%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Country</th>
<th>Jan – Mar 2020</th>
<th>%</th>
<th>Jan – Mar 2019</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>USA</td>
<td>1,773</td>
<td>36.3%</td>
<td>1,434</td>
<td>34.1%</td>
</tr>
<tr>
<td>Germany</td>
<td>311</td>
<td>6.4%</td>
<td>272</td>
<td>6.5%</td>
</tr>
<tr>
<td>Japan</td>
<td>296</td>
<td>6.1%</td>
<td>289</td>
<td>6.9%</td>
</tr>
<tr>
<td>China</td>
<td>293</td>
<td>6.0%</td>
<td>114</td>
<td>2.7%</td>
</tr>
<tr>
<td>UK</td>
<td>170</td>
<td>3.5%</td>
<td>177</td>
<td>4.2%</td>
</tr>
</tbody>
</table>

Source: Provisional data from MREPC, 12 June 2020
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Rubber Gloves Categories
Categorize by Applications

Rubber Gloves

Medical
- Examination
- Surgical
- High Risks
- Radiation
- Chemotherapy

Non-Medical
- Food Processing
- Industrial
- Cleanroom
- Tattoo
- Household
- Electrician

> 85%
> 75%
Categorize by Materials

Rubber Gloves

Natural
- Hevea Brasiliensis
- Guayule
- Kazakh Dandelion
- Eucommia ulmoides (杜仲)

Synthetic
- Nitrile (NBR)
- Cast Polyethylene (CPE)
- Vinyl (PVC)
- Neoprene
- Polyisoprene
- Polyurethane

...and other plant sources of rubber.
Categorize by Processes

- Rubber Gloves
  - Powdered
  - Powder-Free
    - Chlorinated
    - Polymer-coated
  - Multiple-Dipping
    - Moisturizer coated
    - Aloe vera coated
  - Blended
    - Anti-microbial
  - Length

> 80%
Volatility of Latex Price

First NBR gloves were made in mid 1990s.

NBR gloves became technically and commercially feasible in late 2000s.

NBR gloves conquered 50% of market share by mid 2010s.

Two-thirds of the gloves made are NBR gloves by 2020.

Prices of NR and NBR Latex (Jan 2000 to Jun 2020)
Average Selling Price of Rubber Gloves

USD 45.60 per carton of 1,000 gloves in 2011.
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Technological Development
Increased Productivity in Gloves Manufacturing

Modernization and automation lead to quantum leaps in productivity in some of the MOST ADVANCED factories.

Number of Workers to Produce 1 million Gloves

Source: Malaysian Rubber Glove Manufacturers Association (MARGMA)
**Advancement in Glove Production Technology**

- **1988**: Imported lines from Taiwan produce about 3,000 gloves/hour
- **1992**: Malaysian Built Lines produce 6,000 gloves/hour
- **2002**: Major Innovation using double formers resulting in production of 20,000 gloves/hour
- **2007**: Further improvement resulting in 30,000 gloves/hour
- **2010**: Improved speed to 36,000 gloves/hour
- **2013**: Achieved breakthrough speed between 42,000 and 45,000 gloves/hour
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Social Compliance Standards
Multiple Social Compliance Standards
Improving Social Compliance in the Rubber Glove Industry

MARGMA called for Extra-ordinary General Meeting on 9 November 2019 and passed the following resolutions:

1) Members to adopt **Code of Conduct on Social Compliance** (developed by MREPC).

2) Members to join **SEDEX** and participate in the **SMETA Audit Programme** for social compliance within 12 months.

3) Members to adopt **Zero Cost Policy** for the recruitment of foreign workers with immediate effect.
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Future Growth Drivers and Sustainability of Expansion
The Future for Rubber Gloves

Drivers for Future Growth

Growing Demand
Wider Applications
Advanced Automation
Enhanced Productivity
Drivers for Growth

North America
- Regulatory Requirements
- Healthcare Awareness

Europe
- Regulatory Requirements
- Healthcare Awareness
- Aging Population

Russia
- Regulatory Requirements
- Healthcare Awareness
- Population Growth

Asia
- Regulatory Requirements
- Healthcare Awareness
- Growing Affluence
- Population Growth

Africa
- Regulatory Requirements
- Healthcare Awareness
- Population Growth

South America
- Regulatory Requirements
- Healthcare Awareness
- Population Growth

Oceania
- Regulatory Requirements
- Healthcare Awareness
Epidemic and Pandemic

The current Malaysian Rubber Glove Industry was driven by the emergence of HIV in 1986. Every subsequent epidemic and pandemic pushes the awareness on the importance of rubber gloves further up and increases in tandem the usage of gloves as well.

- Human Immunodeficiency Virus (HIV) https://time.com/
- Nipah Virus (NiV) http://revistabionatura.com/
- Severe Acute Respiratory Syndrome (SARS) Virus https://www.calwater.com/
- Ebola Virus https://www.cdc.gov/
- Middle East Respiratory Syndrome (MERS) Virus https://www.turbosquid.com/
Ever Increasing Applications for Rubber Gloves

- Medical & Dental
- Pharmaceutical & Laboratory
- Food Industry – Processing & Service
- Electronics – Clean Room
- Industrial – Janitorial/Mechanical
- Tattooing procedures
- Household
- Specialized medical applications

Original and major market segment
Support from Suppliers and Service Providers

The support from our suppliers and service providers are essential for the continuous growth and success of the Rubber Glove Industry.

Photo credit: http://maxpixel.freegreatpicture.com/
R&D on Glove Properties

- **Properties of Gloves**
  - Anti-allergy
  - Donnability
  - Anti-microbial gloves
  - Healthcare Associated Infection (HAI)

- Lowering healthcare associated infection (HAI) for medical glove users.
  - Sweat
  - Touch
  - Breakage / pin-hole

- Appropriate blends or layering to enhance permeation, penetration and breakthrough properties with regards to chemicals and cytotoxin drugs

- Coatings to enhance NR contact properties (lignin filled composite)

- Allergy Type I - addition of anti-allergic component
- Allergy Type IV Allergy Free gloves
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Current Issues and Challenges
Challenges in the Rubber Glove Industry

MARGMA is working with the Government to push for further automation to overcome labour shortage.

Manpower
Energy
Latex Supply
Water Supply

are always the challenges for the industry.
Our Current Challenges

The Industry is constantly engaging the Government to manage the challenges. The industry has the expertise and is experienced enough to overcome such challenges.

Last REVISED on 30 June 2020
**Additional Manpower Required**

We estimate that to meet the *increased* global demand, we need to hire an additional 25,000 workers *urgently* as summarised below:

<table>
<thead>
<tr>
<th>Nationality</th>
<th>Estimated Current Manpower</th>
<th>%</th>
<th>Additional Manpower</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Malaysians</td>
<td>28,000</td>
<td>39%</td>
<td>10,000</td>
<td>40%</td>
</tr>
<tr>
<td>Foreigners</td>
<td>43,800</td>
<td>61%</td>
<td>15,000</td>
<td>60%</td>
</tr>
<tr>
<td>Total</td>
<td>71,800</td>
<td>100%</td>
<td>25,000</td>
<td>100%</td>
</tr>
</tbody>
</table>

*Estimated in June 2020*

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**Automation of all segments of the production cycle will further erode the dependence on manual labour.**

19 Feb 2016 : Freeze on all FW Intake  
Suspension to remain in place while Government review 2-tier levy programme and Rehiring programme.

22 June 2020 : Freeze on all FW Intake  
No foreign workers intake until end of 2020 as announced by MoHR Minister.
Energy Cost

Gas prices ought to come down in 2021 due to much lower international gas prices.
World’s **LARGEST** Rubber Glove Conference & Exhibition at the Kuala Lumpur Convention Centre

The 10th IRGCE will be held from 11th to 13th of August 2021 at Kuala Lumpur Convention Centre.
Thank you!

Malaysian Rubber Glove Manufacturers Association

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