

## **MALAYSIA: Supermax foresees strong demand for rubber gloves**

**Source: Daily "The Star", Kuala Lumpur; 27 Aug 2010**

Supermax Corp. Bhd executive chairman and group managing director Datuk Seri Stanley Thai said the weak economy in the US and Europe had not dampened demand and consumption of rubber gloves much as they were a necessity in the healthcare industry.

As such, the company sees continued demand growth as well as consistency in consumption going forward.

"We are still be able to meet our profit after tax guidance of RM168 million for the entire year. We anticipate that new orders will be coming back strongly for the second half of the year after the summer holidays," he told reporters during a media teleconference.

Thai reckons that the industry will still grow about 10% annually, although it has not been as strong compared with demand during the H1N1 outbreak period last year.

"Global demand and consumption have been growing at between 8% to 10% per annum and this trend is expected to continue going forward. Several reasons supporting this trend include the passing into law of the US Healthcare Reform Bill and the recently unveiled healthcare reform plans by China," he said.

Thai acknowledged that headwinds like high latex prices and a weak US dollar would inflict temporary effects on the industry, but said Supermax had an effective pricing mechanism to manage fluctuations in costs and the foreign exchange rate.

On capacity expansion, he revealed that the "phase 1 of our Glove City Project is expected to be completed by the second half of next year and we expect installed capacity to increase to 21.7 billion gloves upon the completion of phase 1, from about 15.5 billion currently," he said.

On the potential impact on production costs if the fuel subsidy was removed by the Government, Thai said he hoped the Government would be consistent to their policies and clearly defined how the fuel pricing mechanism was going to be going forward.

*(Syed Rashid Ali, Karachi, Pakistan)*

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