

**SPEECH BY  
Y.B. DATO' JACOB DUNGAU SAGAN DEPUTY MINISTER OF  
INTERNATIONAL TRADE AND INDUSTRY  
AT THE OPENING CEREMONY OF M-PLAS 2009,  
THE 4<sup>TH</sup> INTERNATIONAL PLASTICS AND RUBBER TRADE FAIR  
WEDNESDAY, 4<sup>TH</sup> NOVEMBER 2009 ,  
KUALA LUMPUR CONVENTION CENTRE**

Mr. Lim Kok Boon,  
President of Malaysian Plastics Manufacturers Association;

Mr. Gernot Ringling,  
Managing Director of Messe Dusseldorf Asia;

Tan Sri-Tan Sri, Dato', Dato',

Distinguished Guests;  
Ladies and Gentlemen,

1. It is an honour to be here this morning to address this gathering of leading business people from the plastics and rubber industry in conjunction with the opening of M-PLAS 2009. First of all, I would like to convey the apologies of YB Dato' Mustapa Mohamad, who unable to with you this morning due to a prior engagement.

2. I wish to extend a warm welcome to the participating companies from 20 countries, including exhibitors from Austria, India, Italy and Singapore who are here to showcase the latest technology in plastics and rubber processing.

3. I would like to take this opportunity to thank the Malaysian Plastics Manufacturers Association (MPMA) for the support given to make M-PLAS 2009 possible. I hope MPMA, as a key partner in M-PLAS will continue to provide the conduit for collaboration to share and exchange information regarding the plastics and rubber industry.

Ladies and Gentlemen,

4. The plastics industry has strong inter-linkages with other industries, such as the electronics, automotive, food and beverages sector. For example, the growth of the plastic packaging sector is fuelled by plastic's numerous inherent advantages compared to the other materials. It is relatively lower cost, light weight, design flexibility, shatter resistance, strength and the preferred choice of material for these industries.

5. In 2008, sales of the plastics industry in Malaysia registered a growth of 5.2 per cent, valued at RM16.3 billion, compared to RM15.4 billion in 2007. Total trade of Malaysia's manufactures of plastics increased by 1.0 per cent to RM20.4 billion compared with RM20.2 billion in 2007. Exports increased by 4.6 per cent to RM9.9 billion compared with RM9.5 in 2007. Meanwhile, imports decreased by 2.4 per cent to 10.4 billion from RM10.6 billion in 2007.

6. The major uses of plastic products as at August 2009 were: Packaging sector- (45%), Electrical and Electronics/Automotive- (35%) and Consumer/industrial products (16%) and others (4%)-medical devices.

Ladies and Gentlemen,

7. The plastics industry is constantly undergoing transformation and innovation in the manufacturing and market processes, products as well as customer services. The plastics manufacturers must therefore keep abreast with the latest developments and innovations; adapt to changes and initiate and spearhead the innovation and creativity through collaborative efforts.

8. The Malaysian plastics manufacturers in the global market are also being challenged by competition from newly-emerging economies. The plastics industry must strive for global competitiveness so as to avoid being marginalized. In order to stimulate new demands and realize economic growth, product innovation is vital.

9. In line with the Malaysian Government's efforts to move the industry up the value chain, a total of 60 projects with investments of RM635.8 million were approved in 2008. Projects approved included: the manufacture plastic injection moulded components and sub-assemblies for the E&E industry, manufacture of plastic bags and films and polymeric calcium carbonate master batches, used in the formulation of raw materials in various applications, for example, fillers, and the manufacture of fibreglass reinforced polyester (FRP) sectional panels and manufacture plasticised polyvinylchloride (UPVC) roofing sheets.

Ladies and Gentlemen,

10. I am also happy to note that despite the threatening global economic scenario which we are currently facing, the rubber products industry is still performing well. Last year, the rubber products industry contributed RM10.5 billion to the country's export earning compared with RM10.1 billion in 2007. Until June, Malaysia exported RM5.1 billion of rubber products, largely contributed by latex products (80 per cent of the total value), catheters and latex thread.

11. Presently, there are more than 500 companies in operation, employing over 68,000 persons. Small and medium industries assume an important role in the growth of the industry. Although the rubber products industry has not been affected much from the global crisis, there is a need for more efforts to facilitate the smaller manufacturers that currently facing stiff competition and higher operational costs given the volatile latex prices over the past two years. Focus on innovation and initiative to produce high value added products could help Malaysian companies to stand strong in the global arena.

12. In the last decades, companies in Malaysia have become too dependent on cheap and low-skilled foreign labours, particularly in the manufacturing and services sectors. This trend is not to be prolonged if the industry wants to stay relevant and to meet the challenges of a competitive and innovative world. To be more competitive, we have to encourage more Malaysian companies to adopt new ideas, technologies and know-how and to look at new ways of doing things and to reinvent their business models.

Ladies and Gentlemen,

13. Malaysia also competing with other ASEAN members for the same market and producing almost identical plastic and rubber products. The M-PLAS exhibition is

therefore timely, in that, it provides industries an insight into the latest innovations, technologies and the global trends currently available on plastic and rubber machinery, equipment, products and services that is needed for industries to move to a higher level. I hope the plastics and rubber manufacturing companies will take this opportunity to learn more about the latest technology and processing solutions in order to move up the value chain for the industry. I wish M-PLAS will achieve a great success.

14. With this note, on behalf of the Minister of International Trade and Industry, I declare the M-PLAS 2009 is officially opened. Thank you.