

**Opening Speech by
YB Dato' Jacob Dungau Sagan
Deputy Minister of International Trade and Industry**

**Guest-of-Honour at the Opening Ceremony of M-PLAS 2011
5th International Plastics and Rubber Trade Fair for Malaysia**

**on Wednesday, 9 November 2011 at 10.00am
Kuala Lumpur Convention Centre, Malaysia**

Mr. Lim Kok Boon
President
Malaysian Plastics Manufacturers Association

Mr. Callum Chen
Honorary President
Malaysian Plastics Manufacturers Association

Mr. Kong Ping Yee
Executive Director
Malaysian Rubber Products Manufacturers' Association

Ms. Low Yoke Kiew
Director of Marketing & Development Division
Malaysian Rubber Export Promotion Council

Mr. Gernot Ringling,
Managing Director
Messe Düsseldorf Asia

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

Distinguished Guests,

Ladies and Gentlemen.

1. It is my pleasure 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 2011.
2. I wish to extend a warm welcome to all participating companies from some 20 countries, including exhibitors from the national groups and pavilions such as Austria, China, Italy, Malaysia and Singapore who are here to showcase the latest technology in plastics and rubber processing.
3. The contributions of the plastics and rubber industries to the Malaysian economy are truly significant. In fact, the plastics and plastic products industry has become one of the most dynamic growth sectors in Malaysia's manufacturing industry, with over 1,550 manufacturers

employing some 99,100 people. The Malaysian plastics industry has developed into a highly diversified sector producing an array of products including automotive components, electrical and electronic parts, and components for the telecommunications industry, construction materials, household goods and other various plastic materials.

4. The Malaysian plastics industry has been rated as among the most competitive in Asia. Malaysia is currently a net exporter of plastic products. The total export of plastic products amounted to RM16.1 billion in 2010, an increase of 19.8 per cent compared with 2009. The main products exported were containers of plastics, plates, films, sheets, foils, strips and other articles of plastics.

Ladies and Gentlemen.

5. Globalisation poses both challenges and opportunities simultaneously for Malaysian plastic manufacturers. It is vital that Malaysian manufacturers improve technologies, enhance skills and penetrate new markets in developed and developing economies in order to stay competitive.
6. 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 marginalised. In order to stimulate new demands and realize economic growth, product innovation is crucial.
7. It is forecasted that the use of plastics to replace metal parts in car production will increasingly be on the rise. Trends driving the use of plastics in the automotive industry include cost and weight reduction, production efficiency, better structural functions, noise reduction and aesthetics. Plastics will also be used to create advanced composites for the aerospace, aviation and military industries. Advanced polymer composites and engineering plastics will be deployed in aircraft owing to plastics' excellent qualities such as stiffness, dimensional stability and comparatively lighter weight vis-à-vis other materials.
8. As for the rubber industry, it is performing very well too. Over the years, the Malaysian rubber industry has evolved from being an important component in the agricultural sector into a force to be reckoned with in the manufacturing sector of the Malaysian economy. Today, Malaysia is a global player in the export of quality and competitively-priced rubber as well as rubber products in the international market. Malaysia is the world's third largest producer and exporter of natural rubber, fifth largest consumer of natural rubber in the world and the world's largest consumer of latex concentrate. In the rubber products sector, Malaysia is a leading producer and supplier of medical rubber gloves, catheters and latex threads and cords.
9. The Malaysian rubber products industry is made up of more than 500 manufacturers producing latex products, from tyres and tyre-related products, to industrial and general rubber products. The industry contributed RM12.8 billion to the country's export earnings in 2010, and rubber products accounted for 2 per cent of Malaysia's total exports.

Ladies and Gentlemen.

10. Small and medium industries assume an important role in the growth of the industry. However, there is a need for more efforts to facilitate the smaller manufacturers that currently face stiff competition and higher operational costs given the volatile latex prices over the past couple of years. Focusing on innovation and initiative to produce high value added products would help Malaysian companies to stand strong in the global arena.
11. To be more competitive, we must 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.
12. The gradual shift of economic power from west to east, with the continuing rise of China, and India, presents a different set of opportunities. The plastics and rubber industries must therefore gear themselves to look for innovative solutions and seize opportunities wherever they present themselves in the new global economic order.
13. M-PLAS 2011 underlines the importance of Malaysia as a key plastics and rubber manufacturing destination, and a global player for the plastics and rubber sectors in the region and an ideal venue for venturing into Malaysia and its neighbouring countries. M-PLAS 2011 is well-timed and well-positioned as it provides industries insight into the latest innovations, technologies and the global trends currently available on plastic and rubber machinery, equipment, products and services.

Ladies and Gentlemen.

14. I encourage the plastics and rubber manufacturing companies to take this opportunity to learn more about the latest technology and processing solutions at M-PLAS 2011 in order to move up the value chain for the industry. I am confident the next four days will be a rewarding and inspiring time for all of you.
15. At this juncture, I would also like to take this opportunity to thank the Malaysia External Trade Development Corporation (MATRADE), Malaysian Plastics Manufacturers Association (MPMA), Malaysian Rubber Export Promotion Council (MREPC), and Malaysian Rubber Products Manufacturers' Association (MRPMA) for the support given in making M-PLAS possible. I hope as a key partner in M-PLAS, they will continue to provide the conduit that brings international technological developments, equipment and services into closer contact with the plastics and rubber industries in Malaysia.
16. Ladies and gentlemen, on this note, I would like to officially declare open M-PLAS 2011 – the 5th International Plastics and Rubber Trade Fair for Malaysia.

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