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Market products carrying our own brands: PM

PRIME Minister Datuk Seri Dr Mahathir Mohamad yesterday called on the local natural rubber (NR) sector to start thinking of inventing, designing and producing Malaysian-brand products.

He said the locals are still producing a lot of semi-processed NR products to be supplied to international distributors who own popular international brands.

The end-products are accepted as those manufactured by the foreigners and most of the time, they earn more because their respective brands are placed on these items, he added.

"On the contrary, we produce the high quality rubber, but getting a lower profit.

"It is time for us to invent, design and produce the end-products that carry our own brands.

"There is no reason why we cannot market products carrying our brands if the quality is the same and their prices are competitive," he said when opening the Malaysian International Rubber Products Exhibition Centre at Sungai Buloh, Selangor yesterday.

Dr Mahathir said eventually, the Malaysian rubber-based products will be accepted and the Malaysian brands will fetch similar premiums as those earned by foreign brands.

If the country can succeed in marketing its Standard Malaysian Rubber as a high quality raw material, Dr Mahathir said there is no reason why Malaysian rubber products could not garner similar response.

To promote the manufacturing of high technology rubber products, he said the increase in domestic use of such products is important.

He cited the manufacturing of several components of Proton and Perodua's cars as one of the achievements in the area, where the Rubber Research Institute of Malaysia (RRIM) has played a significant role.

Nonetheless, the use of local rubber products is still not encouraging in several of the existing major projects, he added.

"This is maybe because consultants, architects and engineers are not getting the proper exposure.

"As such, I hope, for major projects which are in the pipeline, those who are involved, including policy makers, are made aware of products we produce," he added.

Dr Mahathir also said the Government has identified the NR-based sector as one of the industry clusters that can be further developed under the Second Industrial Master Plan (1996-2005).

One of the approaches under the Plan is to expand the variety of NR-products so that the sector is not too dependent on the dipped latex sub-sector.

"While supporting this sector which has achieved its maturity stage, we need to expand the growth of other sectors such as general rubber goods (GRG) and industrial rubber goods (IRG)," Dr Mahathir said.

Malaysia imports some RM600 million worth of rubber products, of which RM300 is GRG and RM100 million is IRG.

Dr Mahathir said under the IMP2, the Government will promote growth in the GRG and IRG sectors.

He added that of late, the Government has amended its policy so that the NR industry is more suitable with the country's industrialisation process.

Towards this end, the Government has merged the Malaysian Rubber

Research and Development Board, Malaysian Rubber Exchange and Licensing Board and RRIM into a single body known as the Malaysian Rubber Board.

Dr Mahathir said continuous efforts must be taken to diversify the NR's manufacturing industry to further strengthen its position.

The export of rubber-based products in terms of value had outpaced the export value of NR raw material since 1992, except in 1995 when the prices of NR were too high. The value of exports of NR products has increased significantly from some RM390 million in 1986 to RM4.2 billion last year.

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