

25 AUG 2001  
RUBBER-PORTAL  
RUBBER INDUSTRY TO GO ONLINE

KUALA LUMPUR, Aug 25 (Bernama) -- Palm oil went online recently with e-Pomex, and now it is the rubber industry's turn to catch up with the electronic world with a Malaysian-based rubber portal, "NRExchange.com."

The portal will pave the way for the commodity to go for a global marketplace.

To this effect, Multimedia Development Corporation Sdn Bhd (MDC) today signed two memoranda of understanding (MoU) for mutual cooperation and collaboration with the Malaysian Rubber Board (MRB), Malaysia Rubber Product Manufacturing Association (MRPMA) and Malaysia Rubber Export Promotion Council (MREPC) to set up the portal.

Primary Industries Minister Datuk Seri Dr Lim Keng Yaik, who witnessed the signing, said the move will provide "transparency" for rubber trading.

Electronic trading would eliminate the "whispering system" of natural rubber trading among buyers and sellers, therefore other players, he told a press conference.

"For the last 15 years, we have tried to turn rubber trading into an open transparent business using the rubber futures exchange, but we have never been successful because the traditional way of business way is (done) through the whispering process," he said.

He said that local sellers are protecting their buyers, which are from five or six tyre companies, without acknowledging the fact that buyers "are whispering" or bargaining for better price from rubber producers from neighbouring countries like Thailand and Indonesia.

"Because of this type of whispering system, the rubber producers have totally lost control of the market," he added.

Therefore, he said the transparency of doing business online would provide a clearer picture of trading, where players in the rubber industry can "see the haggling or bargaining openly" on the Internet.

The portal will be launched by Prime Minister Datuk Seri Dr Mahathir Mohamad on Sept 7 at the Multimedia Super Corridor (MSC) - Multimedia Asia Expo at the Putra World Trade Centre (PWTC). The event is held in conjunction with the 5th International Advisory Panel (IAP) Meeting.

Earlier in his speech, Dr Lim said that the portal will enable players in the rubber industry, including small and medium-sized businesses, to communicate not only to their customers, but also their business partners and suppliers.

"Traditional manufacturers and trading firms can move their operations from brick to the click world, bringing together a strategic synergy to further meet the needs of their customers worldwide," he said.

Dr Lim said that once being the number one rubber producer in the world, Malaysia is now ranked fourth.

In 2000, Malaysia's natural rubber production totalled 615,222 metric tonne (mt) down 20 percent from 768,872 mt in 1999, while this year 580,000 mt of natural rubber production is projected with nearly 80 percent produced by smallholders.

Dr Lim urged small and medium industries (SMIs) to take advantage of the grant offered by Small and Medium Industry Development Corporation (SMIDEC) to start e-commerce.

The government has set aside RM10 million for the SMIs to venture into e-commerce.

Meanwhile, MDC executive chairman Tan Sri Dr Othman Yeop Abdullah said

that the rubber portal is a positive step towards making Malaysia as a centre of excellence for the rubber industry and as a trading and knowledge hub.

"Our aim is to increase the value of business through a combination of in-depth industry knowledge and the employment of leading technology, to build relationship with producers, traders, buyers and sellers of the rubber value chain from the upstream to the downstream sector," he said.

NTEExchange.com will also provide a platform for MRB to issue various certificates and licences related to the rubber industry. -- BERNAMA

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