

TOP GLOVE TO BOOST NITRILE GLOVES OUTPUT

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Balance mix: Top Glove is targeting for its nitrile and natural rubber gloves ratio to be 50:50 in the next three to five years in line with global demand.

PETALING JAYA: The world's largest glove maker Top Glove Corp Bhd plans to boost its nitrile gloves production capacity as the outlook for the segment looks promising.

Brushing aside concerns that there would be a glut in the segment as many players were seen to build more plants to cater for it, the company said that based on the product mix by glove volume from March 1 till May 31, nitrile still topped the list, claiming 30% global demand.

This is 6% higher compared with the same period, a year ago.

Volume from powder-free latex, powdered latex, surgical and vinyl gloves had dropped compared with a year ago.

“We expect the demand for nitrile gloves to increase in the next few years with our ongoing expansion plans.

“But this doesn’t mean that we will be slowing down the production of natural rubber gloves as many countries are still happy with it and it’s their bread and butter,” Top Glove chairman Tan Sri Lim Wee Chai said at a conference call on the company’s third quarter results yesterday.

Top Glove is targeting for its nitrile and natural rubber gloves ratio to be 50:50 in the next three to five years in line with global demand.

Lim said its advantage was the capacity to take orders, backed by faster, more efficient and technologically advanced production lines.

While the company has given more emphasis on automation, Lim said expansion plans for its factories in Port Dickson, Klang and in Thailand catering for nitrile gloves were in progress. The new plants were scheduled for completion in 2016.

Lim explained that the delay in completing the Port Dickson plant was because it had changed the production line design to move into automation.

“Whereas the delay in commissioning our lines in Selangor was due to water issue and delay in development order,” he added.

For the third quarter ended May 31, 2015, Top Glove’s net profit rose 75% to RM72.27mil from RM42.37mil on the back of a revenue that climbed 15.2% to RM661.19mil from RM574mil a year ago.

This translated to earnings per share of 11.70 sen from 6.83 sen previously.

Lim said the better performance was due to higher sales volume from robust demand for both nitrile and rubber gloves.

Aside from the stronger US dollar, better margins due to advanced and efficient operations also pitched in the good results.

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