

TOP GLOVE TO DIVERSIFY INTO CONDOM MANUFACTURING; TO PENETRATE MARKET IN 2018

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As the world's biggest glove maker, Top Glove is currently churning out 40 billion pieces of gloves per year and exporting to 195 countries all over the world. Pix by Rosdan Wahid

SHAH ALAM: Top Glove Corp Bhd, which has a tight grip on the world's medical gloves market, wants to penetrate the lucrative global condoms trade.

As the world's biggest glove maker, Top Glove is currently churning out 40 billion pieces of gloves per year and exporting to 195 countries all over the world.

Executive chairman Tan Sri Lim Wee Chai said the move towards condoms is part of Top Glove's initiative to rise up the rubber value chain.

“We already have a tight grip on the medical gloves market. One in four gloves used all over the world is made by us. ”(Condom manufacturing is) a good business to go into, because in terms of price-to-earnings

valuations, it's quite high.

The profit margin is much higher than glove manufacturing," Lim said.

He was speaking with reporters and stock analysts today at the company's third quarter results briefing for this year.

Lim said Top Glove intends to build the condom-manufacturing factory on a five acre site in Klang, Selangor.

"We'll start off by contract manufacturing the condoms. Later on, we will launch our own brand," he said.

Lim added that the initial RM30 million investment will be for building the plant and acquiring machinery.

"We're currently sourcing for the condom machinery. We plan for around 20 lines that will churn out one billion pieces annually. Hopefully, the plant can be up and running by mid-2018," he said.

When asked if the diversification will lead to the grabbing of market share from Karex Bhd, Lim smiled and replied: "The world's condom demand is growing every year. There's room for healthy competition."

Karex is the world's biggest condom producer, churning out five billion pieces per year and commanding a 15 per cent share of the global market.

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