

TOP GLOVE SETS EYES ON BOLSTERING ITS WORLD LEADING POSITION

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KUALA LUMPUR (Dec 31): Top Glove Corp Bhd aims to cement its position as the world's leading glove manufacturer, as well as aspires to become a Fortune Global 500 company by 2030.

In response to questions from Bursa Digital Research on Dec 24, Top Glove said it intends to strengthen its leading position via a comprehensive strategy focused on five aspects.

The group said the five aspects are enhancing production capacity to meet global demand, expanding its presence in key strategic markets, technological improvement to drive product innovation and production efficiency, undertaking mergers and acquisitions, as well as broadening its product portfolio to adjacent and other non-glove products.

It noted that it plans to do this while maintaining focus on creating long-term value for its stakeholders in a responsible and sustainable way.

Top Glove said it aims to continue expanding its global market share via an incremental increase in its production capacity from 2022 to 2025.

“As at the date of publication (Dec 24), we have planned a capacity increase of 11% in 2022, 23% in 2023, 18% in 2024, and 24% in 2025.

“In addition, we will also continue to invest in research and development (R&D) to improve our production process to remain competitive in the long run,” it added.

Additionally, the glove manufacturer also said it aims to expand upstream as well, as it plans to build an NBR latex processing plant with a 200,000-tonne capacity, which is expected to be completed by the end of 2024.

“We are also planning to build our own surgical gloves gamma sterilisation plant which is expected to be completed by the third quarter (3Q) of 2023 and targets to provide sterilisation service to one billion pieces of surgical gloves per annum,” Top Glove added.

Rubber glove raw material costs to normalise

Top Glove noted that it expects prices for one of the primary raw materials of its products — nitrile latex — to normalise in line with normalising rubber glove demand.

“In view of normalising glove demand, we believe that the price for nitrile latex will follow suit, as more supply for Butadiene comes online, coupled with lower demand from downstream production,” it said.

Meanwhile, the prices of natural rubber latex — the other primary raw material of rubber gloves — have already normalised, according to the group.

“On the other hand, the price for natural rubber latex concentrate has normalised after winter season ended,” it said.

At noon, Top Glove fell 2.87% or seven sen to RM2.37, valuing it at RM19.45 billion.