

TOP GLOVE SHARES JUMP AFTER US LIFTS IMPORT BAN OVER ALLEGED FORCED LABOUR

10 September 2021 / 12:09



Top Glove said its disposable gloves would be admissible at all US ports of entry as of Sept 10. PHOTO: REUTERS

KUALA LUMPUR (REUTERS): Malaysia's Top Glove Corp said on Friday (Sept 10) it has been allowed to resume sales to the United States, after Customs authorities lifted a year-long ban imposed for alleged forced labour found at the world's largest medical glove maker.

The US Customs and Border Protection (CBP) had banned gloves made by Top Glove in July 2020, saying it had found abuses of migrant workers.

In its latest statement, Top Glove said its disposable gloves would be admissible at all US ports as of Sept 10.

Its Kuala Lumpur shares, which have plunged about 40 per cent since the ban, jumped as much as 10 per cent on Friday, before closing 0.9 per cent higher.

In Singapore, the counter surged as much as 10 cents, or 7.9 per cent, to \$1.22. It pared those gains to close up 0.9 per cent at \$1.13.

The company cited a CBP notice filed to the US Federal Register, saying the Customs agency had determined upon additional information that Top Glove's products were no longer being produced by forced labour.

The notice is available on the Federal Register website. The CBP was not available for comment outside US business hours.

Top Glove has taken a hit to its reputation and business from the ban, which came at a time when it was making record profits as the Covid-19 pandemic boosted demand for its gloves.

Its glove production in Malaysia has dropped and a plan for a US\$1 billion (S\$1.34 billion) Hong Kong listing has been delayed since the ban.

The North American market accounts for 22 per cent of Top Glove's total sales volume, according to most recent data.

The CBP had prohibited imports of Top Glove products, citing evidence of forced labour practices at the company, including debt bondage, excessive overtime, abusive working and living conditions, and retention of identity documents.

While Top Glove said in April it had resolved all forced labour indicators, US Customs had two of the company's shipments seized in May.

Rights activist Andy Hall, who had urged the CBP to investigate Top Glove, said he welcomed the decision to lift the ban “in the light of the considerable improvements in foreign workers' living and working conditions” at Top Glove.

Top Glove has upgraded hostel facilities for its migrant workers, who account for a majority of its factory workforce, and promised to compensate them for the fee they paid to employment agents in their home countries.

The fees result in debt bondage, labour activists say.

Rivals Hartalega Holdings and Kossan Rubber have also since said they would pay back the fees.

Two other Malaysian firms have also been hit with US bans in the last year - Sime Darby Plantation and FGV Holdings. The palm oil producers have both appointed auditors to evaluate their practices and said they would engage with CBP to address the concerns raised.

- With additional information from The Straits Times