

# **A Brief on the Malaysian Plastics Manufacturers Association (MPMA) and the Malaysian Plastics Industry**

June 2018

## **About MPMA**

MPMA is the **official voice** of the Malaysian plastics industry, representing its members and the industry in Government interaction, **spearheading** the plastics industry's growth.

MPMA's current emphasis is to provide the **platform** for training of members to upgrade the technological level of the plastics industry, in particular, **on Industry 4.0**. In all aspects of its activities, MPMA places special attention to its **social responsibility** towards the **environment, safety and health** aspects of the community.

## About MPMA

- Established in 1967 (51st Anniversary)
- Representing 60% of plastics manufacturers accounting for 80% of the country's total production of plastic products
- About 750 members across Peninsular and East Malaysia.



## About MPMA

- Actively participates in the Asean Federation of Plastic Industries (AFPI).
- Secretariat of the Asia Plastics Forum (APF) comprising 12 country members.
- Actively participates in the Global Plastics Alliance Meetings held annually.



# Characteristics of the Malaysian Plastics Industry



## MPMA's Projects

Malaysian Plastics Design Centre



# Key Data for the Malaysian Plastics Industry

	2013	2014	2015	2016	2017
Malaysia's gross domestic product (GDP) growth	4.7%	6.0%	5.0%	4.2%	5.9%
Number of plastics manufacturers	1,350	1,300	1,300	1,300	1,300
Employment	76,000	82,000	80,000	79,000	84,000
<b>Turnover</b>	RM17.94b (+4.5%)	RM19.46b (+7.3%)	*RM24.77b (+27.3%)	*RM27.32b (+10.3%)	RM29.80b (+9.1%)
Export	RM10.69b (+6.4%)	RM11.94b (+11.5%)	RM12.96b (+8.5%)	RM13.11b (+1.2%)	RM14.58b (+11.2%)
<b>% of export against turnover</b>	60%	62%	52%	48%	49%
Resin consumption	2.10m MT (+3%)	2.15m MT (+2.5%)	2.22m MT (+3%)	2.26m MT (+2%)	2.35m MT (+5%)
Per capita consumption of resin	71kg	71kg	72kg	72kg	73kg

\*Note: Revised basis of data compilation by the DOS



# Plastics Packaging

- Largest market segment of the plastics industry.
- Critical support for the food and beverages, chemicals, lubricant oils, cooking oils, detergents, fertilisers & rice sectors, etc.
- Flexible packaging (consumer and industrial applications):
  - Films - stretch, wrappings and multi-layer packages.
  - Bags – carrier (shopping) bags, re-usable bags, degradable bags, woven bags, etc.
- Rigid packaging: bottles and containers for various industrial applications.
- Good barrier properties and chemical resistance.



## Important supporting industry to the electrical and electronics sector

- Malaysia – a major manufacturing hub for electrical and electronics products by MNCs mainly from Japan and USA.
- Plastics industry – providing crucial support in terms of quality parts and components and JIT delivery.
- Major products: parts and components for TV, air-cond and office equipment, high precision engineering parts.
- Versatile in design, easy to produce in mass quantity, light weight and cost effective.



## **Important supporting industry to the automotive sector**

- National car production: approx. 650,000 units per annum, 3<sup>rd</sup> largest in South East Asia, after Thailand (2 million) and Indonesia (1.1 million).
- Plastic parts are replacing more metal parts to achieve better fuel efficiency.
- Major products: bumpers, dashboards, door frames and handles, lamp covers, etc.
- Versatile in design and effective for car weight reduction.

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## **Household Products**

- High quality, high premium
- Mainly for exports

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# Plastics in building and construction

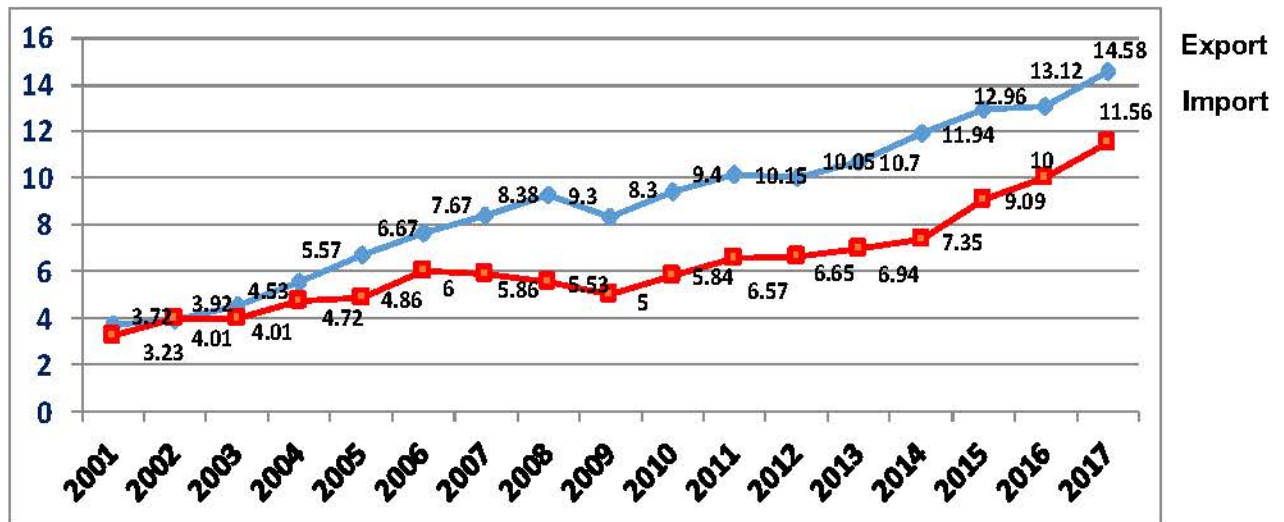
- Pipes and fittings for water supply, sewerage and drainage systems.
- Water tanks, baths, flushing cisterns and sanitary wares.
- Insulation panels, transparent sheets.
- Light weight, easy installation.

## Plastics Exports

- Export grew between 10%-15% over the last 10 years.
- Major source of revenue for finished plastic products.
- Share of exports against sales turnover increased from about 40% in the late 1990s to 50% in recent years.
- Major export markets: EU, USA, Singapore, Australia and Japan.

# Exports and Imports of Plastic Products (2001-2017)

RM billion

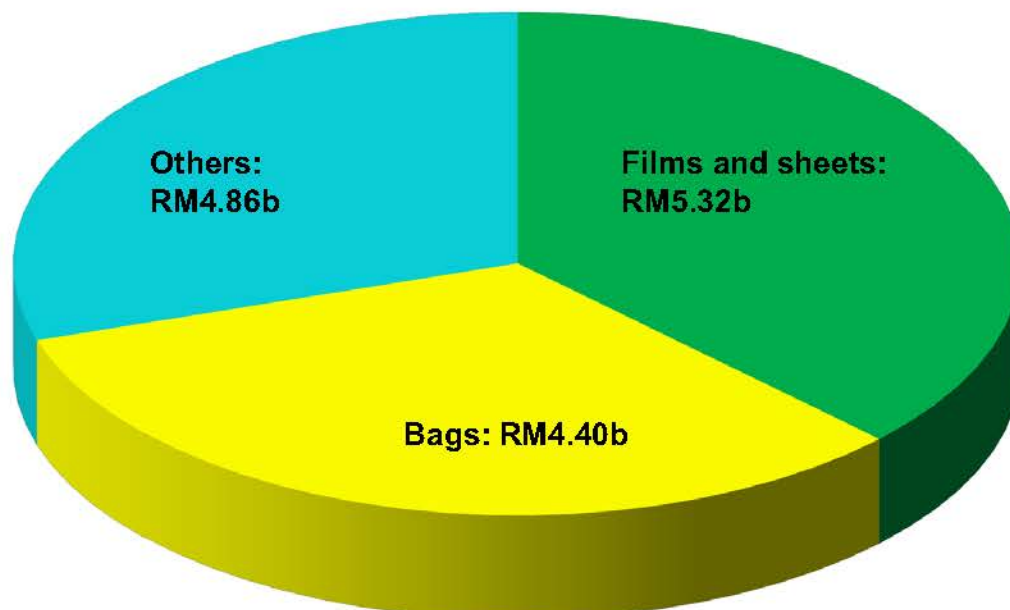


Source: Department of Statistics

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## Main Exports of Plastic Products

Exports 2017: RM14.58b





## Way forward for future growth

- Move up the value chain by investing in people, machines and technology.
- This will lead to:
  - Increase in productivity (lowering unit costs).
  - Reducing the dependence on workers, particularly foreign workers.
  - Products with CONSISTENT quality.

## Way forward for future growth

- Throughout the years, MPMA has been emphasizing and allocating resources to the training and skills upgrading of our members:



**MALAYSIAN PLASTICS  
INDUSTRY ROADMAP (2015 REVISION)  
2016 - 2025**

To transform the plastics industry into a world-class industry by 2025 through value creation, sustainable and progressive development

Education & Training	Market Expansion	Manufacturing Technology	Innovation & R&D	Sustainability
Upskill Workforce	Continue to Achieve Export Growth	Pursue State-of-the-art Processing Technologies  Achieve World-class Quality & Productivity	Cultivate Innovation  Pursue High Value-added Products	Promote Sustainable Practices



## **MPMA-Talent Development Programme (MPMA-TDP)**

- 2012: RM3 million grant from EPU
- Objective: to create a pool of knowledge-based technicians/engineers to drive product innovation and transform SMEs from OEM to ODM, and eventually to OBM.
  - Original target: to train 220 skilled workers
  - Results: successfully trained 384 workers



RM3.0m from  
Economic  
Planning Unit,  
Prime Minister's  
Department

Train-the-  
Trainers  
Certification for  
18 Trainers

Advanced &  
Expert Scientific  
Moulding  
Certification for  
384 Trainees

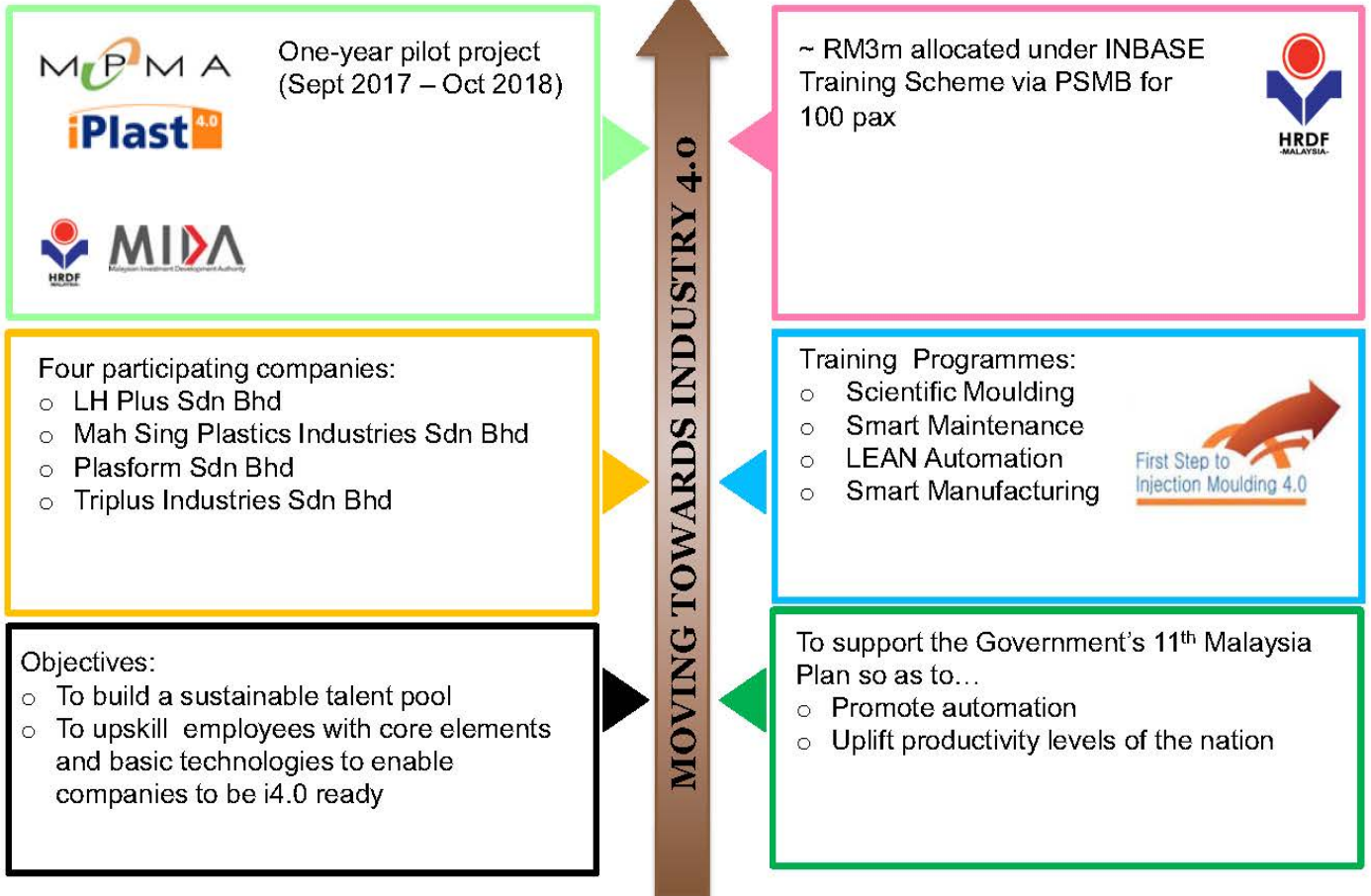


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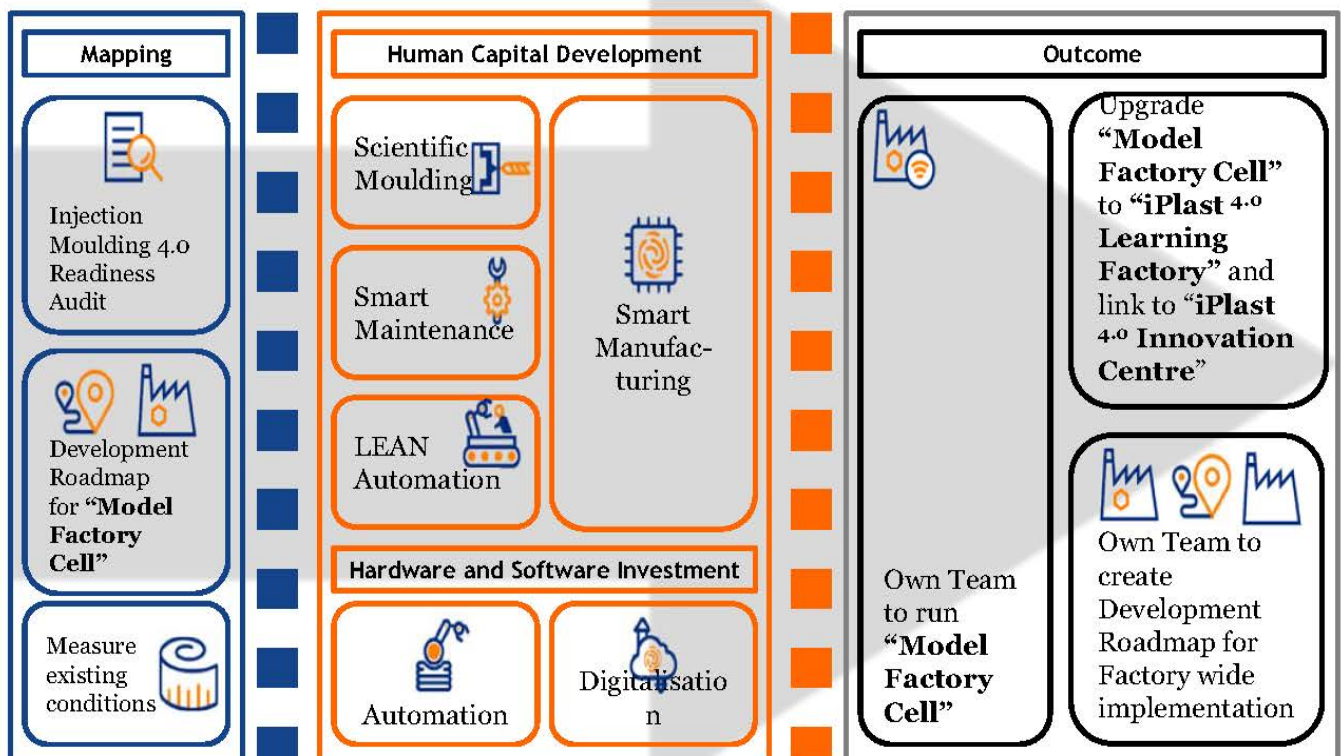
## US-based Training System



# First Step to Injection Moulding 4.0



# First Step to Injection Moulding 4.0





## FSIM4.0 - German-based Training System



## Outlook after the General Election (GE) 14 on 9 May 2018

### A New Era for the Policies, Politics and Direction of the Country

- After 61 years of rule by the previous government, the general public and business sectors including MPMA have high expectations that the new Government would bring about changes on many policies that would augur well for the general public as well as the business sectors.
- MPMA is hopeful that during the policy formation process, views from all the stakeholders would be given due consideration to ensure that the policies are business friendly and transparent.

# Outlook after the General Election (GE) 14 on 9 May 2018

- MPMA is also confident that the new government would effectively implement the promises outlined in its manifesto which, amongst others, stated that it would:
  - *Spur investment and simplify business processes and trade*
  - *Introduce a tax system that is people-friendly and entrepreneur-friendly*
  - *Implement the National Integrity Plan and eliminate corruptions*



## Thank you

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