

## **Kedah Rubber City (KRC) to Become Regional Rubber Powerhouse**

*IMT-GT Workshop Explores Challenges and Opportunities in the Regional Rubber Industry*

### Highlights

- Stakeholders exploring the possibility of establishing a subregional business collaboration in the rubber products manufacturing sector
- World natural rubber production marked at 903,000 tonnes, whilst world demand recorded at 1.129 million tonnes during April 2021 on a year-to-year basis.

**Putrajaya, 13 July 2021** – Kedah Rubber City (KRC) is the crown jewel of Malaysia's rubber sector attracting investors from all over the world as well as bolstering economic activities of businesses and providing jobs for thousands of Malaysians.

Under the umbrella grouping called the IMT-GT or the Indonesia, Malaysia, Thailand-Growth Triangle, KRC aims to accelerate the development of the Malaysian rubber industry to be the regional high-value rubber industrial hub for ASEAN by 2036 by capitalizing on the abundance of natural rubber in this region and focusing on downstream rubber activities.

Themed, 'Explore Challenges and Opportunities of the Regional Rubber Industry', the IMT-GT Workshop is organised by the Centre for IMT-GT Subregional Cooperation (CIMT) and co-hosted with NCIA as the Chairman of the Project Implementation Team (PIT) for IMT-GT Rubber Cities (RC).

Northern Corridor Investment Authority (NCIA) Chief Executive, Datuk Seri Jebasingam Issace John said that stakeholders in this workshop are exploring the possibility of establishing a subregional business collaboration in the rubber product manufacturing sector to promote balanced growth of the rubber industry. To this end, KRC will complement the development of a comprehensive rubber ecosystem in the IMT-GT region.

KRC, a national strategic project and the first dedicated Rubber Industrial Park in Malaysia spanning 1,240 acres is ready to receive private investors to set up factories, offices, and warehouses; create employment opportunities; and improving skills of the local workforce to meet the demands of the industry activities.

As announced recently by the Honourable Prime Minister of Malaysia, YAB Tan Sri Dato' Haji Muhyiddin bin Haji Mohd Yassin at the NCER Investment Commitment Event 2021 (NICE 2021), two pioneer investors have committed to inject RM1.55 billion into KRC. Infrastructure development for KRC is progressing ahead of schedule and construction of investor's operations are slated to begin operations in the fourth quarter of 2021.

As the global leader in rubber production with a strong technological background in rubber products manufacturing, KRC will develop a complete ecosystem including Research and Development (R&D) for the rubber industry in the Northern Corridor Economic Region (NCER) and stimulate socio-economic development as a new growth node in the border region driven by the business sector with facilitation by the government.

Linking the region's major rubber producers in the IMT-GT, KRC and other rubber cities will need to strengthen the value chain across the upstream, midstream, and downstream segments to enable local small and medium-sized enterprises (SMEs) to be more competitive and sustainable.

In his opening remarks, Dato' Ahmad Zamri bin Khairuddin, Director of Regional Development Division, Economic Planning Unit (EPU) of the Prime Minister's Department, Malaysia said that this can be achieved through policies and strategic direction by the collaboration between governments and businesses within the platform of IMT-GT to ease market access to products and services from the rubber cities for investors (such as ease of border trade, tax incentives, and logistics).

"It is with this objective that the Project Implementation Team (PIT) has initiated the desired collaboration at sub-regional level. This converging collaboration will allow IMT-GT Rubber Cities to optimise our resources to address issues are cross-cutting in nature," he added.

KRC and the establishment of Indonesia Rubber Corridor in Sei Mangke and Tanjung Api-Api and Thai Rubber City development concept would complement each other and support the economic as well as infrastructure development within IMT-GT and ASEAN member countries.

The proposed initiative is envisioned to support the increase in domestic consumption of rubber in IMT-GT which will, in turn, benefit the rubber smallholders who play a major role in supplying the raw materials that will ultimately contribute to the stabilization of rubber price and improve the overall economy of the subregion.

KRC and member rubber cities shall always have a role to play in fulfilling the global demand for rubber products; however, the role is bigger now during this pandemic period with smallholders, microenterprises and SMEs striving to survive the economic impact. NCIA shall continue to work with governments and businesses through the IMT-GT platform to ensure a holistic and mutually beneficial outcome for the sustainable future,” concluded Datuk Seri Issace.

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**NOTE TO EDITORS:**

**About NCIA**

The Northern Corridor Implementation Authority (NCIA) is a regional development authority responsible for establishing directions, devising policies and strategies related to the socioeconomic development of the Northern Corridor Economic Region (NCER). Incorporated in June 2008 under the Northern Corridor Implementation Authority Act 2008 (Act 687), NCER encompasses the four northern states of Kedah, Penang, Perak and Perlis in Peninsular Malaysia. NCIA’s Chief Executive is Datuk Seri Jebasingam Issace John.

NCIA drives the growth of NCER towards becoming an excellent economic region while catalysing and implementing high value-added development programmes in six (6) economic clusters: Manufacturing, Agribusiness, Petrochemical, Mining, Green Economy and Services (Inc. Tourism; Logistics and Connectivity; and Digital Economy).

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