

TOP GLOVE SET TO RESUME EXPORTS TO US AS EARLY AS END-SEPTEMBER

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*A general view of the Top Glove factory in Klang November 24, 2020. —
Picture by Yusof Mat Isa*

KUALA LUMPUR, Sept 17: Top Glove Corp Bhd is set to resume its exports to the United States (US) as early as end-September 2021 after US customs authorities lifted a year-long ban imposed on the glove producer for alleged forced labour.

Managing director Datuk Lee Kim Meow said the group is confident of retaining existing customers and also attracting new customers.

“We have goods that are ready. It is just a matter of printing the packaging materials and sending them out (to the customers). We believe that a lot more shipments will happen in the month of October and going fully back to where we were previously will be sometime in December,” he said during a media and analyst briefing on Top Glove’s results for the fourth quarter ended August 31, 2021.

Top Glove’s Malaysian operations have been allowed to resume exporting and selling gloves to the US effective September 10, 2021, indicating that the group has addressed all indicators of forced labour identified at its Malaysian facilities.

The development is expected to boost sales from Top Glove’s Malaysia operations to the US, which accounts for 15 per cent of the group’s total sales.

For the financial year ended August 31, 2021, Top Glove recorded sales revenue of RM16.40 billion, soaring 127 per cent year-on-year from FY2020.

As for the average selling prices (ASPs) for the US market, the group is looking at the US\$40-level, said Lee. “With the current ASPs, they are still higher than the pre-Covid-19 level. We do foresee the price adjustments will be there possibly by 8.0 per cent to 10 per cent monthly. But in our case here with our sales back to the US, that can help to mitigate in terms of price adjustments,” he said.

Executive chairman Tan Sri Lim Wee Chai expects Top Glove ASPs to normalise by January 2022.

“Moving forward, the (price) of raw materials could be advantages to us. Nitrile (prices) could be coming down as well,” he added. — *Bernama*