

TOP GLOVE'S GLOVE PRICES TO STAY RANGEBOUND IN NEAR TERM

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TOP Glove Corp Bhd expects the average selling prices (ASPs) of gloves to stay rangebound amid a persistent challenging business environment.

Group ED Lim Cheong Guan said this was also due to the lower glove price adjustment of 3% compared to the previous year as well as the reduced number of glove supplies.

"I think there might be some adjustment downwards for the ASPs going forward, but I believe it will be more stable and it will gradually move towards the demand-supply situation," Lim said at the Top Glove virtual results briefing for the third quarter of 2022, yesterday.

For the upcoming quarter, Top Glove, however, sees the possibility for the ASPs of gloves to drop below the pre-pandemic level of US\$21 (RM92.25) per thousand pieces.

As of May, nitrile glove pricing was US\$24 per thousand pieces, while powdered gloves and powder-free gloves were US\$21 and US\$26, respectively.

Consequently, the world's largest glove manufacturer said that the margin trend is currently close to the bottom. However, the group is optimistic about the upcoming demand and supply.

Despite the ASPs situation, Top Glove has no intention to increase the glove prices, which might be done by other glovemakers in the upcoming month.

Top Glove executive chairman Tan Sri Dr Lim Wee Chai said it is not easy to increase the price now as the glove factories in China and Thailand are very aggressive in producing gloves.

“I believe that the ASPs could be stabilised if the production capacity of gloves is reduced,” he said.

Moving to the group’s financial year 2023, the group said it has budgeted about RM0.1 million of capital expenditure to focus on the group’s in-house supply of gloves, including the gamma sterilisation plant to cater for the demands.

The Malaysian Reserve