

Hartalega To Invest RM7bil In Kedah



Hartalega chief executive officer Kuan Mun Leong (pic) said the project will be done in two phases, with eight plants each. The first production line under Phase One is expected to be operational in 2024.

PUTRAJAYA: Glove maker Hartalega Holdings Bhd aims to bring its production to 143 billion pieces of gloves annually once its new manufacturing facilities are fully operational in 20 years time.

Hartalega has set its sights on Kedah to build 16 new manufacturing facilities over the next two decades, with an investment of RM7bil, and once completed, it is expected to contribute more than 5% of the state's gross domestic product.

The group has inked a sales and purchase agreement with Northern Gateway Free Zone Sdn Bhd for the acquisition of 250 acres of land in Bukit Kayu Hitam as well as an option agreement to purchase another 130 acres at the same location.

The purchase price of the land is RM228.7mil, according to a Bursa Malaysia filing by the glove manufacturer.



The facilities will be located at the Kota Perdana Special Border Economic Zone (SBEZ), an area developed by Northern Gateway Sdn Bhd which is a wholly-owned entity of Minister of Finance Inc.

Hartalega chief executive officer Kuan MunLeong said the project will be done in two phases, with eight plants each. The first production line under Phase One is expected to be operational in 2024.

“We are putting a timeline of 20 years from now but it could be shorter,” he said after the signing ceremony, witnessed by Finance Minister Tengku Datuk Seri Zafrul Tengku Abdul Aziz (pic below) and Kedah Menteri Besar Muhammad Sanusi Md Nor.

Kuan said going beyond Covid-19 pandemic, it is evident that the group’s production capacity must be accelerated with its growth strategy remaining focused on Malaysia, given its comprehensive ecosystem and supply chain for the glove sector.

“This expansion plan will further solidify Malaysia’s positioning as the largest glove manufacturer globally. Moreover, this domestic direct investment will contribute to the nation’s economic growth,” he said.

The facilities in Kota Perdana will house Hartalega’s most advanced production lines, equipped with the latest automation and IoT technologies.

Hartalega is currently the world’s leading nitrile glove manufacturer, producing 43 billion pieces a year.

Kuan said the group’s expansion plan for its facilities in Sepang, Selangor, will increase its capacity to 63 billion pieces of gloves a year when completed.

“The long-term expansion plan in Kedah will add another 80 billion pieces a year, bringing Hartalega’s total capacity to 143 billion pieces of gloves annually once completed,” he added.

Tengku Zafrul said as Malaysia progresses on the road to recovery following the impact of the global pandemic, Hartalega's expansion to Kedah will contribute to the state's economy.

"This project is certain to unlock value not only for Kota Perdana SBEZ but also the entire region via its economic multiplier effect that is expected to trigger more investments coming to this part of Malaysia," he said.

Tengku Zafrul said the Kota Perdana SBEZ is one of initiatives by the Finance Ministry to re-brand the development concept at border town Batu Hitam, where the focus now is on activities from high-value economic sectors.

"The era of globalisation and borderless economy demands for change in the role and function of towns along the country's border to keep up with current changes," he said.

Meanwhile, Sanusi said Kedah has identified several sectors that have the potential to be the "torch bearers" to change the state's economic landscape and boost growth such as e-commerce, food production, research as well as medical -based manufacturing.

He said aside from Kota Perdana, another development taking shape in Bukit Kayu Hitam is Kedah Science and Technology Park, which will be an industrial hub for subsectors in the halal industry, food and cross border logistics.

Source: *The Star* (11 March 2021)

<https://www.thestar.com.my/business/business-news/2021/03/11/hartalega-to-invest-rm7bil-in-kedah>