

# Rubber industry will flourish with tyre manufacturing plant



**MoU SIGNING CEREMONY ... Tangau and Junz witnessing the exchange of documents between representatives of UMS and Hoyu at the ceremony.**

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**KOTA KINABALU:** The rubber industry in Sabah is set to flourish when a local company starts to produce tyres locally by 2020.

Deputy Chief Minister, Datuk Seri Madius Tangau said that the company, Hoyu Recycling and Retreading Sdn Bhd will start by retreading used tyres in January next year but the operation will be conducted in China, before opening a tyre manufacturing plant at KKIP in 2020.

Once up and running, Tangau who is also Trade and Industry Minister said that the plant will be procuring rubber from the Sabah Rubber Industry Board (LIGS) at around 10 tonnes per month.

He said this when met at the MoU signing ceremony between Hoyu Recycling and Retreading Sdn Bhd and Universiti Malaysia Sabah (UMS) Faculty of Engineering at Wisma Innoprise here yesterday.

According to Tangau, the MoU will see research and development for the company to be conducted by UMS for five years.

“This is a good development because the entrepreneurs are locals and they are working together with UMS for their research and development (R&D) works which will also benefit the students who are studying rubber related programmes.

“This is also a positive development for the rubber industry in the state. Hopefully they can open up a manufacturing plant in Sabah in 2020, which we will assist,” he said.

Meanwhile, Agriculture and Food Industry Minister, Datuk Junz Wong who also attended the event said that having a tyre manufacturing industry in Sabah will safeguard the interests of rubber smallholders.

“This is good news because we have been working hard to raise the rubber price in Sabah. As for now, the Primary Industry Ministry has agreed to set the rubber price at RM2.50 per kilogramme.

“But for Sabah there is an even better news because we are giving subsidy to rubber tappers, and the price should be reaching RM2.80 per kilogramme from next year onwards,” he said.