



► ILO Brief

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Mapping the rubber supply chain in Malaysia

Key points

- Malaysia's rubber industry is a key pillar of the economy, representing 2 per cent of total exports and generating annual revenues of more than USD 5 billion (~RM 24.47 billion).
- The sector comprises upstream, midstream and downstream manufacturing segments and both natural and synthetic rubber production. Key rubber products include rubber gloves, tyres, condoms and catheters.
- The sector employs at least half a million smallholder farmers and at least 66,000 in rubber glove manufacturing (the largest downstream manufacturing segment).
- Decent work deficits persist across the supply chain, including recruitment-related forced labour risks, excessive working hours and OSH hazards, with migrant workers particularly exposed.
- The sector also faces low wages, weak worker representation and ineffective grievance mechanisms. These shortcomings are attracting greater scrutiny as Human Rights Due Diligence (HRDD) moves up corporate and regulatory agendas.

1. The industry at a glance

Rubber is a key pillar of the Malaysian economy and a major export earner. An important part of a wider industrial ecosystem, the sector spans upstream natural rubber cultivation and tapping, midstream primary processing, and a globally significant downstream manufacturing segment.

Rubber exports account for 2 per cent of Malaysia's total, worth around RM 24.47 billion (USD 5 billion) per year. Particularly dominant in this mix are rubber gloves (with Malaysia supplying 60 per cent of global demand¹) as well as other health and medical products such as catheters and condoms.²

In 2025, Malaysia produced 483,100 tonnes of natural rubber, almost 90 per cent of which came from smallholder farmers.³ Of the more than half a million smallholders nationwide, 42 per cent are women and 73 per cent are found in just five states: Sarawak, Kelantan, Sabah, Kedah and Pahang (see below).⁴

A further 66,739 people are employed in rubber glove manufacturing, around 60 per cent of whom are migrants.⁵ There are also 125 glove and catheter manufacturers and 185 firms supplying rubber for the automotive, electronics and machinery sectors.⁶

1. Addressing, preventing and eliminating forced labour in the rubber industry in Malaysia: A practical guide for Malaysian employers, Malaysia: International Labour Office, 2022..

2. [Department of Statistics Malaysia](#)

3. [MRC Rubber Industry - Malaysia's Production](#)

4. [Rubber Smallholders Census 2023 - Official Portal RISDA](#)

5. Decent work challenges and opportunities in Malaysia's rubber glove supply chain, Malaysia: International Labour Office, 2023.

6. [Revitalising Malaysia's Rubber Industry - MIDA](#) | [Malaysian Investment Development Authority](#)

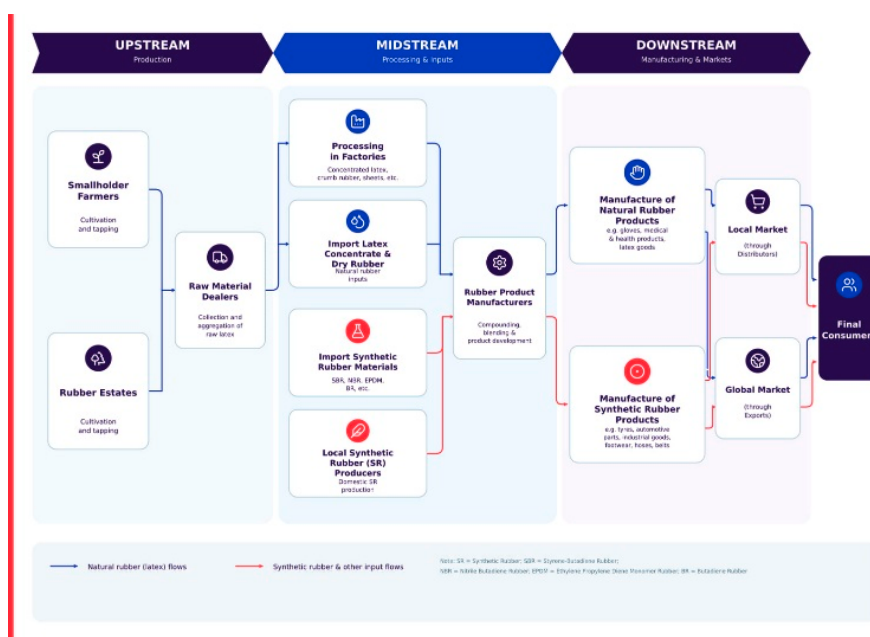
NUMBER OF RUBBER SMALLHOLDERS IN MALAYSIA



2. Supply chain structure

Rubber production in Malaysia involves upstream rubber plantation, midstream processing (i.e. processing natural rubber into latex concentrate and dry or solid rubber), and downstream manufacturing, often for export.⁷ Smallholder farmers primarily produce cup lumps -which constitute more than 90 per cent of Malaysian rubber production- while the midstream segment processes those cup lumps into Standard Malaysian Rubber (a quality standard certified by the Malaysian Rubber Board) and liquid latex into latex concentrate for rubber glove manufacturing.⁸

Malaysia's rubber export market is highly concentrated: the glove industry -for example- is dominated by four large producers, which together hold almost 40 per cent of global glove production capacity.⁹



7. Addressing, preventing and eliminating forced labour in the rubber industry in Malaysia: A practical guide for Malaysian employers, Malaysia. International Labour Office, 2022.

8. Decent work challenges and opportunities in Malaysia's rubber glove supply chain, Malaysia: International Labour Office, 2023.

9. SME Bank, Industry Focus: Rubber Products, February 2024, pp. 5–6.

3. Export profile and Japan linkages

Malaysia's exports of rubber products reached RM 21.9 billion in 2025 (approximately USD 5.1 billion), with latex goods comprising 73 per cent of the total.¹⁰ Rubber gloves are Malaysia's main rubber product export, accounting for 66 per cent of the total exports of rubber products in 2026.¹¹

In 2024, Japan was Malaysia's third largest export market for rubber products, after United States and China¹² with rubber gloves comprising 79.4 per cent of the total exports.¹³ It remains one of Malaysia's top export destinations, with strong export figures in early 2026 in particular (overtaking China in terms of total value).¹⁴ Major Japanese multinationals also have a longstanding presence in the sector, including in tyre and glove manufacturing.

4. Decent work challenges & opportunities¹⁵

Low wages. Low remuneration is particularly acute in upstream segments of the rubber supply chain, with three-quarters of smallholders earning RM 2,560 (~USD 650) or less per month.¹⁶ Amid these challenges, many rubber cultivators plant other crops as a means of additional income generation, often supported by government loans, subsidies and other assistance.¹⁷

Forced labour risks. Reports of forced labour in Malaysia's rubber sector led U.S. Customs and Border Protection to issue Withhold Release Orders against six rubber glove manufacturers between 2019 and 2022.¹⁸ While the last of these restrictions was lifted in October 2024,¹⁹ concerns about the treatment of migrant workers remain, with further similar allegations surfacing again in 2025.²⁰

Recruitment practices.²¹ High recruitment (and related) costs are a common feature of migration to Malaysia, leaving many migrant workers saddled with high levels of debt. This is also exacerbated by deceptive recruitment practices (whereby workers face a different job or conditions to that which they were promised) and a lack of employer due diligence over recruitment agencies. SMEs in particular often rely on recruitment agencies to



Fresh latex dripping from a tapped rubber tree into a collection cup;
© Storyblocks.

help them navigate the complex process of hiring migrant workers.

Occupational safety and health.²² Rubber processing and product manufacturing often entails significant OSH hazards, including dangerous and moving machinery, corrosive chemicals, fumes, rubber dust, noise and high temperatures. Further upstream, smallholders face a different array of hazards linked to -among others- sharp tools, wild animals and exposure to chemicals and pesticides.

Freedom of association and collective bargaining. Trade union presence in the sector is uneven and broadly reflects the wider national pattern of low union density and fragmented worker representation. Whilst the predominance of smallholders and informal work arrangements make organizing particularly difficult in upstream rubber production, barriers also exist in downstream formal segments. Migrants face particular gaps in union representation: only 19 of 762 registered national unions had migrants among their membership, with total membership (of migrants) standing at fewer than 30,000.²³

10. *ibid*

11. [MRC Rubber Industry - Malaysia's Export](#)

12. [Malaysia's rubber & rubber products exports to breach RM30bil by year-end: MRC](#)

13. [Laman Web Rasmi KPK - EKSPOR 2025 OSAKA, KANSAI](#)

14. [MRC Rubber Industry - Malaysia's Export](#)

15. Malaysia has ratified 7 of the 10 fundamental ILO Conventions, with two conventions still outstanding (on Freedom of Association and Discrimination in Employment and Occupation), and one denounced and no longer in force (Convention 105 on the Abolition of Forced Labour).

16. [Rubber Smallholders Census 2023 - Official Portal RISDA](#)

17. Decent work challenges and opportunities in Malaysia's rubber glove supply chain, Malaysia: International Labour Office, 2023.

18. Decent work challenges and opportunities in Malaysia's rubber glove supply chain, Malaysia: International Labour Office, 2023.

19. [US lifts ban on remaining Malaysian glove manufacturer](#)

20. [Australian glove-maker Ansell accused of exploiting workers at Malaysian factory of supplier, MediCeram - ABC News](#)

21. Decent work challenges and opportunities in Malaysia's rubber glove supply chain, Malaysia: International Labour Office, 2023.

22. *ibid*

23. [Statistics - Malaysia Trades Union Database](#)

Access to remedy. Evidence shows that migrant workers in particular face a range of barriers in accessing grievance and remedy mechanisms in the rubber glove sector.²⁴ Fear of retaliation -including threats, warnings, unpaid suspension or non-renewal of employment- may discourage workers from raising concerns while limited awareness of available grievance mechanisms, language barriers and documentation requirements can further constrain access to remedy.²⁵

Labour inspection. Owing to resource shortages and strained labour inspection capacity, individual workplaces are typically only inspected once every ten years.²⁶ Smallholder farmers face periodic inspections by RISDA (although RISDA inspections are not labour inspections) to inspect the rubber trees and their farms prior to receiving technical or financial support.

Policy and regulatory pressures. Expectations on companies for higher standards of corporate responsibility for human rights impacts are growing following the introduction of Malaysia's first National Action Plan on Business and Human Rights (NAPBHR) 2025-2030. Although non-binding in nature, the NAP's labour component comprises 38 action points, of which 22 are earmarked for enterprises to implement. These include conducting due diligence assessments and establishing grievance mechanisms with active participation of workers.²⁷

Addressing these challenges presents a strategic opportunity for Malaysia's rubber industry. Stronger labour governance and more responsible business practices, supported by enhanced stakeholder capacity and greater collaboration across the industry, have the potential to drive business growth while strengthening the industry's long-term reputation and global competitiveness.

Employer and business associations

- Malaysian Employers Federation (MEF)
- Malaysian Rubber Glove Manufacturers Association (MARGMA)
- Malaysian Rubber Products Manufacturers Association (MRPMA)

Trade unions and worker organizations

- Malaysian Trades Union Congress (MTUC)
- National Union of Employees in Companies Manufacturing Rubber Products (NUECMRP)
- National Union of Plantation Workers (NUPW)
- Enterprise-level unions

Other key actors

- Japanese Chamber of Trade & Industry Malaysia (JACTIM)
- Japan External Trade Organization (JETRO)
- Other leading companies in the rubber sector (domestic and multinational).

prises.²⁸ The challenge is further constrained by gaps in local inspection planning and coordination, difficulties in

5. Key industry stakeholders²⁸

Government

- Ministry of Human Resources (MOHR)
- Ministry of Plantation and Commodities (MPC)
- Ministry of Investment, Trade and Industry (MITI)
- Malaysian Rubber Board (MRB)
- Malaysian Rubber Council (MRC)
- Malaysian Investment Development Authority (MIDA)
- Rubber Industry Smallholders Development Authority (RISDA)

24. Decent work challenges and opportunities in Malaysia's rubber glove supply chain, Malaysia: International Labour Office, 2023.

25. *ibid*

26. *ibid*

27. This includes pillar 2 and 3 of the labour component which relate to the responsibilities of the enterprises to respect human rights and their joint responsibility to provide better access to remedy.

28. Indicative, non-exhaustive list.

About ILO-Japan supply-chain programmes in Asia and the Pacific

Since 2014, the Government of Japan, through the ILO-Japan Programme, has financed and supported programs to advance decent work and responsible business conduct in supply chains across Asia.

This includes the *Resilient, Inclusive and Sustainable Supply Chains* (RISSC) project, which developed a practical and cost-efficient model to support governments, employers and workers in addressing human and labour-rights risks and expanding decent-work opportunities in key sectors.

In June 2026, the ILO's *Resilient, Inclusive and Sustainable Supply Chains in Malaysia* project (RISSC-II) was launched to support responsible business conduct and decent work in Malaysia's rubber supply chain, a key economic driver and an important link in Japan's manufacturing supply chain. Japan's strong commercial ties to the sector and longstanding policy commitment to RBC provide a solid foundation for joint efforts to promote a more resilient, inclusive and resilient rubber supply chain, with decent work at its core.

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