



UNIVERSITI TEKNOLOGI MARA

**EFFECT OF PANDEMIC COVID-19 TOWARDS
RUBBER INDUSTRY IN MALAYSIA**

**NUR IZZA JULIA BINTI MOHAMAD RAZI
2018439946**

Final Year Project Paper submitted in fulfillment
of the requirements for the degree of
Bachelor of Business Administration
(Investment Management)

Faculty of Business and Management

July 2021

ABSTRACT

COVID-19 had spread all over the world by the end of the year 2019. It's because the first case of COVID-19 was discovered in China's Hubei area, in the city of Wuhan. The virus COVID-19 had infected world nations and had already turned into a worldwide disaster, causing many problems arise. In many countries around the world, the pandemic of Coronavirus (COVID-19) has forced lockdowns or declarations of state of emergency. COVID-19 was first found in Malaysia on 25th January 2020, and grown to 25 cases in less than a month. Due to the rising number of COVID-19 cases, the Malaysian government issued a Movement Control Order (MCO) that was officially valid from 18th to 31st March, but was later extended until 12th May 2020. Generally, rubber industry was also affected during this pandemic. So, the main aim of this study was to identified the impact of pandemic covid-19 towards the rubber industry in Malaysia. The variables that used in this research were export price (RM) and rubber glove production in pair. This researched used data in 2020 as COVID-19 hit us in the year of 2020 and used monthly data of the COVID-19 cases and monthly price of world rubber price. From the results of the analysis, it shows that export price of rubber products was not significantly affected by Covid-19 cases and World rubber price. While, rubber gloves production was significantly affected by World rubber price and was not significantly affected by Covid-19 cases.

Keywords: Covid-19 case, world rubber price, export price of rubber products, rubber gloves production

ACKNOWLEDGEMENT

Final semester has finally come to an end. First thing first, I would like to give my appraisal to Allah S.W.T for giving me inner spirit to finish my final year project as it was very tough during this pandemic. In Him, I put all trust to give me strength in term of physical and mental during this hard time to continue doing this research. Without His blessings, I am unable to finish this research within the given time. Then, it would also be impossible to completing it without the help from many individuals especially my advisor and my friends. Therefore, I would like to say thank you and I feel grateful to have an amazing advisor and my friend who support me.

Next, I would to say thank you to my advisor, Sir Kharudin bin Mohd Sali @ Salleh and my co-advisor, Dr Norashikin Ismail for their time to always give me the guidance to make sure my research is complete.

I also would like to say thank you to all my friend who keep encouraging me to complete this research even though there were time I feel like to give up and always be there for me as my guidance when I do not understand on how to do the research in certain part. Last but not least, thank you also to my family members who always provide me with convenience and also enough support and help me to completing this research.

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CHAPTER ONE

1.1 INTRODUCTION

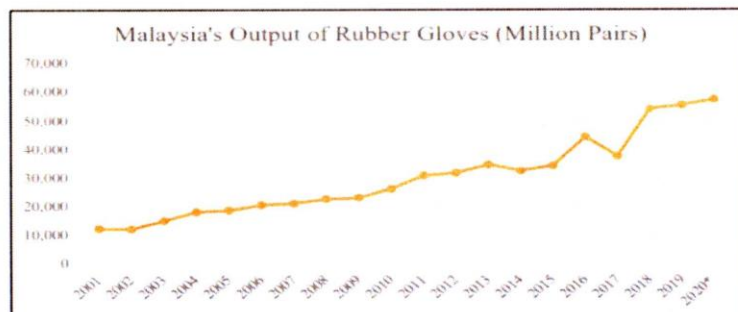
In the end of year 2019, COVID-19 had spread throughout all over the world. It is because the first case of COVID-19 was detected in China in the city of Wuhan in the Hubei region. The virus COVID-19 had attacked world nation and already become international crisis that caused many problems to occurred.

In numerous countries around the world, the pandemic of Coronavirus (COVID-19) has prompted lockdowns or declarations of state of emergency. Such pandemic-induced travel restrictions have had a negative influence on many aspects of life, with the economic sector taking the brunt of the damage, weakening the global economic outlook. Because of the lockout, economic activity has slowed and some businesses have gone bankrupt, said Idris (2020).

The first outbreak of COVID-19 in Malaysia was discovered on 25th January 2020, and has since grown to 25 cases in one month. Due to the rising number of COVID-19 cases, the Malaysian government issued a Movement Control Order (MCO) that was to be enforced from 18th March 2020 to 31st March 2020, but was later extended until 12th May 2020. The supply and demand curve has been affected all across the world as a result of China's lockdown, and this has harmed Malaysia's economic system. Tourism was the most affected industry in Malaysia, as there were restrictions on interstate or foreign travel due to the lockdown.

During the epidemic, the rubber sector was also impacted. Malaysia is one of the world's largest producers of natural rubber, and its rubber products have been exported to over 190 nations. Malaysian rubber goods are presently exported to over 190 nations worldwide. (MREPC, 2017). According to the Department of Statistics, Malaysia it shows increasing flow of rubber glove production from 2019 to 2020. It may because of the pandemic Covid-19.

Figure 1: Malaysia's Rubber Glove Production (2001–2020*)



Note: *January to June 2020

Source: Department of Statistics, Malaysia.