

**FACTORS AFFECTING THE EXPORTS OF
NATURAL RUBBER IN MALAYSIA**

SITI KHADIJAH BINTI MOHAMAD

**Submitted in Partial Fulfillment
Of the Requirement for the
Bachelor of Business Administration
(Hons) International Business**

**FACULTY OF BUSINESS MANAGEMENT
UNIVERSITI TEKNOLOGI MARA
MELAKA**

2007

ACKNOWLEDGEMENT

“ In the name of Allah”

Alhamdulillah, grateful thanks to Allah s.w.t for giving me the courage, knowledge, time and strength to complete this project.

First and foremost, my deepest appreciation goes to my advisor, Pn. Nooraza Tukiran for her guidance, comments, assistances and ideas in making this research possible. I am greatly indebted to her for helping me overcome obstacles during the stages of conducting this research.

My appreciation also to Administration of Seri Negeri Malacca manager and staffs there, whose willing to accept me as a practical student during our training period. Without their cooperation and knowledge, I don't think that I' am able to complete this project paper by myself. All their creativity and effort will be a motivation for me in the future to take a step further in the working field

I am truly grateful and honors to my parents, for their patience, encouragement and support throughout the process of making this research possible. My warmest gratitude also goes to my beloved friend for sharing their ideas and giving me a helping hand in conducting this research project. To all individuals who have contributed directly and indirectly to this study that I have not yet mentioned my heart felt thanks. My big hug and kiss to them.

Thank you.

TABLE OF CONTENTS

CONTENT	PAGE
ACKNOWLEDGEMENT	iv
TABLE OF CONTENTS	v
LIST OF TABLES	vii
LIST OF FIGURE	viii
ABSTRACT	ix
 CHAPTER 1 : INTRODUCTION	
1.1 Background of Study	1
1.2 Background of Rubber	2
1.3 Problem Statement	6
1.4 Research Question	8
1.5 Research Objective	8
1.5.1 General Objective	8
1.5.2 Specific Objectives	8
1.5 Research Hypothesis	9
1.6 Scope and Coverage	10
1.7 Time Frame	10
1.8 Limitation of Study	10
1.9 Significance of Research	11
1.9.1 Researcher	12
1.9.2 Faculty	12
1.9.3 Rubber Industry	13
1.10 Terms and Definition	13
1.10.1 MRB	13
1.10.2 Rubber	13
1.10.3 BNM	14
1.10.4 Latex	14
1.10.5 Synthetic Rubber	14
 CHAPTER 2 : LITERATURE REVIEW	
2.1 Exportation	15
2.1.1 Price and Exportation	15
2.1.2 Rubber Tapped Area and Exportation	18
2.1.3 Synthetic Rubber and Exportation	21

ABSTRACT

The rubber industry plays an important role in the Malaysian economic. The exportation of natural rubber may be influenced by several factors such as the price of natural rubber, rubber-planted area and the consumption of synthetic rubber. Year by year, the price of natural rubber is increasing. The cost of producing the natural rubber is quite high due to the high pay of labor. It is feared that the increase in the price of natural rubber in Malaysia may lead to the lower demand from other countries towards the natural rubber in Malaysia. There is uncertainty of future exportation of natural rubber due to the unstable price of natural rubber as well as the existence and consumption of synthetic rubber

This study is conducted by using the secondary data. All of the data required are obtained from various sources such as the internet, magazines, books and past research in order to understand the export performance of natural rubber in Malaysia. There are five types of analysis in SPSS program that has been used in the study to analyze the data including T-test, correlation of coefficient, Pearson's correlation, ANOVA test and Model Summary. This study is done in order to explain the effect of the factors towards the export performance of natural rubber.

CHAPTER 1

INTRODUCTION

1.1 Background Of Study

This research paper is conducted for the purpose mainly to study and examine on the factors that might have an impact on the export performance of natural rubber in Malaysia.

Several factors that are believed to have an impact on the exportation of natural rubber are the price of natural rubber, the rubber-planted area and as well as the consumption of synthetic rubber. All of these factors will be examined whether the factors mentioned did contribute to the performance of exportation of natural rubber in Malaysia.

This research paper may be useful to the rubber industry in Malaysia as it may help the industry to determine what factors that needed to be improved in order to improve the export performance of natural rubber. Malaysia aims to becoming the world largest producer and as well as the world largest exporter of natural rubber. Currently, Malaysia is the third largest exporter of natural rubber after Indonesia and Thailand. The factors being analyzed in this research paper might help our country to improve the export performance of natural rubber in the future.

This research paper may also be a useful guidance for the future researcher who wishes to conducted a research on the performance of rubber industry in Malaysia.