

## **FOR IMMEDIATE RELEASE**

### **Middle East Conflict Disrupts Global Supply Chains, Pressures Plastics Manufacturing Sector**

Kuala Lumpur, 13 March 2026 - The Malaysia Plastics Manufacturers Association (MPMA) today cautioned that escalating conflict in the Middle East is beginning to impact global supply chains for petrochemical materials, creating cost pressures and potential supply constraints for the plastics manufacturing sector.

The ongoing conflict has disrupted shipping routes around the Strait of Hormuz, one of the world's most critical energy corridors. The uncertainty surrounding oil supply and logistics has pushed global crude oil prices up sharply, rising from approximately USD60 to USD70 per barrel to above USD110 per barrel in recent weeks.

As plastics production relies heavily on petrochemical feedstocks derived from crude oil and natural gas, these developments are rapidly translating into higher raw material costs and logistical challenges for manufacturers worldwide.

Recent market developments have also seen certain suppliers introducing additional surcharges of up to USD250 per metric tonnes on resin shipments in response to rising logistics costs and supply disruptions.

These pressures are being felt across the plastics manufacturing sector, particularly as many manufacturers operate with limited buffer stocks of certain critical materials. In some cases, raw material prices have increased by close to RM3,000 per metric tonne within a single week, with overall increases for certain inputs exceeding 70% compared with previous levels.

If global supply disruption continues, manufacturers could face increasing challenges in getting resins to maintain stable production in the coming months.

"The plastics manufacturing sector operates within a highly integrated global supply chain. When geopolitical conflicts disrupt energy markets and shipping routes, the effects are felt throughout the petrochemical and manufacturing ecosystem," said Mr CC Cheah, President, MPMA.

Despite the current challenges, MPMA emphasised that Malaysian plastics manufacturers are taking proactive steps to minimise disruption, including diversifying supply sources.

The plastics industry remains an essential part of Malaysia's industrial ecosystem, supplying materials used in food packaging, healthcare products, logistics, electronics, automotive components and a wide range of everyday consumer goods.

"Manufacturers are doing everything possible to maintain production and ensure continued supply to downstream industries and consumers. Our priority is to keep [mpma.org.my](http://mpma.org.my)

factories operating and support national supply chains during this period of global uncertainty,” Mr Cheah said.

At the same time, the association called for understanding from industry stakeholders and the public as the sector navigates these external challenges.

“These developments are driven by global geopolitical factors beyond the control of manufacturers. The industry remains committed to supporting the nation’s economy and ensuring essential goods continue to reach businesses and households.”

MPMA will continue monitoring global developments and engaging with industry stakeholders to mitigate the impact of supply disruptions on Malaysia’s plastics manufacturing sector.

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### **About MPMA**

The Malaysian Plastics Manufacturers Association (MPMA), established in 1967, is a trade association representing the Malaysian plastics industry. It provides leadership, supports industry growth, and serves as the industry’s voice in government matters. MPMA has about 800 members, including plastics manufacturers (about 60% of the industry producing 80% of total plastic products) and associate members such as raw material and machinery suppliers.

### **For media enquiries, please contact:**

Ms Sujata Albert, Executive Director or Mr Khairil, Manager, Advocacy & Industry  
T: +603 7876 3027 | E: [sujata@mpma.org.my](mailto:sujata@mpma.org.my) or [khairil@mpma.org.my](mailto:khairil@mpma.org.my)