



**PRESS RELEASE
FOR IMMEDIATE DISSEMINATION**

LOCAL SUGAR REFINERS RESPECT GOVERNMENT'S DECISION ON NEW RETAIL SUGAR PRICE

MSM and CSR Committed to Ensure Sufficient Sugar Supply in Malaysia

KUALA LUMPUR, 28 AUGUST 2018: Local sugar refiners, MSM Malaysia Holdings Bhd (MSM) and Central Sugars Refinery Sdn Bhd (CSR), respect and abide by the government's decision on reducing the retail ceiling price of white sugar by 10 sen per kilogram effective September 1st, 2018, and will continue to engage with the relevant parties in ensuring steady sugar supply despite the volatile raw sugar price.

MSM and CSR would like to reiterate that retail sugar price in Malaysia remain amongst the cheapest in the world, as gazetted under the Price Control and Anti-Profiteering Act 2011 (Determination of Maximum Price – No. 2, Order 2017). *[Refer to Attachment 1]*

At the revised retail rates of RM2.85/kg for coarse grain sugar and RM2.95/kg for fine granulated sugar, the prices are even lower than the prices in sugar-producing countries such as Thailand, Indonesia and the Philippines, as well as countries with lower per capita income such as Cambodia and Myanmar.

The sugar industry is continuously challenged with illegal activities such as sugar smuggling and infiltration of illicit sugar, on top of higher operational costs in the form of natural gas tariff, electricity tariff, oil prices and minimum wage. In this regard, local sugar refiners are positive towards the government's commitment to completely abolish refined sugar import permits (AP) and curb sugar smuggling activities which are threats to matters concerning 'HALAL', quality control and other mandatory certification requirements.

The sugar industry is a cyclical business and it is currently in a surplus mode which has resulted in a reduction of global raw sugar price. However, when faced with a challenging market scenario, in particular higher raw sugar price and unfavourable exchange rate, local refiners have continued to absorb the impact to consumer by ensuring a steady sugar supply to the nation.

As responsible Malaysian corporations, we wish to encourage Malaysians to consume sugar in a moderate and responsible manner in line with the government aspiration to lead a healthy lifestyle.

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ATTACHMENT 1

| RETAIL SUGAR PRICES: ASEAN REGION & WORLD | |
|--|---|
| COUNTRIES | CONSUMER PRICE RM/KG AS AT JULY 2018 |
| Vietnam | 4.20 |
| China | 4.00 |
| Japan | 7.07 |
| Australia | 6.26 |
| Taiwan | 5.31 |
| United Kingdom | 7.40 |
| United States of America | 8.16 |
| Thailand | 3.04 |
| Singapore | 5.06 |
| Philippines | 4.23 |
| Myanmar | 4.59 |
| Indonesia | 4.50 |
| Cambodia | 3.61 |
| Brunei | 4.93 |
| Malaysia | 2.95 |
| Note: FX = RM4.03 | |