

DUOPOLY WITH TRADEWINDS

OVERCAPACITY CONCERNS

MSM, with 58pc market share, sees no need to open up sugar sector

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MSM Malaysia Holdings Bhd, which controls 58 per cent of the local sugar market, has expressed concerns over potential overcapacity following rumours that the government may open up the sugar sector.

Currently, Malaysia's sugar market is considered a duopoly, with MSM competing with Tradewinds (M) Bhd.

"While it is the government's right to issue more licences in the sugar sector, we seek its support and understanding that there's enough capacity in the local market now," said chairman Datuk Azhar Abdul Hamid.

MSM's sugar refinery in Prai, Penang, is able to process 3,000 tonnes per day while the one in Chuping, Perlis, has a daily capacity of 600 tonnes.

Azhar said MSM's RM1.1 billion refinery in Tanjung Langsat, Johor, would also start operations next month.

The group's refined sugar is retailed under the "Gula



(From left) MSM Malaysia Holdings Bhd acting chief executive officer Mohd Shaffie Said, chairman Datuk Azhar Abdul Hamid, and directors Datuk Khairil Anuar Aziz and Datuk Zakaria Arshad at the company's shareholders meeting in Kuala Lumpur yesterday. ROSELA ISMAIL

Prai" brand.

"Although there are two main refiners here, the government, on several occasions, had issued approved permits to food and beverage manufacturers to bring in sugar products," he said after the company's shareholders meeting here, yesterday.

"Raw sugar makes up 88 per cent of our production cost. It is a big challenge to keep check on production cost," Azhar added.

Also present at the meeting were MSM directors Datuk Zakaria Arshad, Datuk Khairil Anuar

Aziz and Datuk Zainal Ismail, acting chief executive officer Mohd Shaffie Said and chief financial officer Raja Faridah Raja Ahmad.

Last year, MSM's posted a RM32.57 million loss on the back of RM2.66 billion revenue.

Azhar acknowledged 2017 was not a good year.

On the outlook for this year, he said: "We have not been sitting still. We must deliver value to shareholders. We're actively looking to expand sugar exports to emerging markets in Africa and China."

To a query if MSM might strike up partnerships with overseas players, Azhar said: "There are many ways to skin a cat. We are in preliminary talks with external parties."

On queries if MSM was being put up for sale, he said parent Felda Global Ventures Holdings Bhd had no plans to let go or dilute its shareholding in MSM Malaysia.

"I would like to assure investors that MSM Malaysia's business will remain as it is for the foreseeable future."

MSM chairman: I'm not a political appointee

KUALA LUMPUR: MSM Malaysia Holdings Bhd chairman Datuk Azhar Abdul Hamid has assured investors he is not a political appointee of the previous government and that he serves the company professionally.

"I am not a political appointee. I am here to serve MSM Malaysia. I am not a member of any political party. My stint here is up to the board of MSM Malaysia," said Azhar after the company's shareholders meeting, here, yesterday.

He was appointed to the MSM Malaysia board in September, last year.

Early this year, MSM Malaysia president and group chief executive officer (CEO) Datuk Mohamad Amri Sahari left his position, claiming he was constructively dismissed.

"We didn't intend for Amri to leave us. We will follow the due process in appointing the new CEO for MSM Malaysia, post-July 2018," said Azhar.

Politically-appointed heads of government-linked companies who campaigned for the Barisan Nasional (BN) government in the run-up to the 14th General Election are now under intense scrutiny following the change in government after May 9.

On May 14, former Johor Baru member of parliament Tan Sri Shahhir Abdul Samad stepped down from his position as chairman of the Federal Land Development Authority.

A week later, Datuk Seri Abdul Azeez Rahim relinquished his position as chairman of Tabung Haji.

On June 1, Petrolam Nasional Bhd director Datuk Mohd Omar Mustapha tendered his resignation. In the same month, Datuk Seri Shazalli Ramly resigned as Telekom Malaysia Bhd group CEO.

Bank Negara Malaysia governor Tan Sri Muhammad Ibrahim had also stepped down.

Malaysia Airports Holdings Bhd CEO Datuk Mohd Badlisham Ghazali's contract, which ends this month, has also not been renewed.

TUN RAZAK EXCHANGE

'Construction of HSBC HQ ahead of schedule'

KUALA LUMPUR: Construction of HSBC Bank Malaysia Bhd's new headquarters in the Tun Razak Exchange (TRX) financial district is ahead of schedule, said chief executive officer Stuart Milne.

"We are happy with the progress and we will be moving in part of our businesses by December 2020," said Milne after the opening of HSBC Amanah Malaysia Bhd's Sri Petaling branch, here, yesterday.

Last Thursday, Finance Minister Lim Guan Eng said the government would inject RM2.8 billion to ensure the completion of TRX.

"This commitment is significant as we have invested more than US\$250 million (RM1 billion) in our headquarters.

"The project is well-advanced and the government has made what is clearly a very sensible decision, which is to ensure that the



HSBC Bank Malaysia Bhd chief executive officer (CEO) Stuart Milne (second from left) and HSBC Amanah Malaysia Bhd CEO Oz Ahmed (left) with the bank's staff at the opening of the HSBC Amanah Malaysia Sri Petaling Branch yesterday. BERNAMA PIC

project gets completed according to plan," said Milne, adding that the government recognised that the TRX was a good project.

On another matter, Milne said

HSBC aimed to expand its Islamic and conventional operations in the country, with plans to launch four unit trusts and retail sukuk.

Bernama