

TheEdge Markets

MSM still in talks to raise sugar price by 40 sen

[Syahirah Syed Jaafar](#)

theedgemarkets.com

May 15, 2017 16:07 pm MYT



From left: MSM Malaysia Holdings Bhd president and group CEO Mohamad Amri Sahari, MSM Malaysia Holdings Bhd non-ED Datuk Zakaria Arshad and MSM Malaysia Holdings Bhd CFO Aznur Kama Azmir at the press conference after the MSM Malaysia Holdings Bhd's AGM. *Photo by Mohd Suhaimi Mohamed Yusuf*

KUALA LUMPUR (May 15): MSM Malaysia Holdings Bhd, a 51%-owned subsidiary of Felda Global Ventures Holdings Bhd (FGV), is still in talks with the government to increase the retail price of sugar by 40 sen per kg to ensure the group remains profitable.

"We are still talking to the government to increase sugar price (further), but we know the government [faces] difficulty in doing so. To me, we are trying very hard to work closely with the government," its director Datuk Zakaria Arshad told reporters after MSM's annual general meeting today.

On March 1, 2017, the retail price of refined sugar was raised to RM2.95 per kg, up 11 sen from RM2.84 per kg previously. MSM had previously made a request to the government to increase sugar prices by 40 sen, according to Zakaria.

"[MSM] has to look to the market to get back the 29 sen that we are supposed to get," he said.

Zakaria added that with just an 11 sen increase, it would be difficult for MSM to maintain profitability.

"It is challenging. However, we are lucky because raw material prices are going down," he said.

Raw sugar material prices hovered around US\$22 sen as of November 2016. It is currently at US\$15.5 sen.

On FGV's newly signed memorandum of understanding with China's Sinograin Oil Corp, Zakaria, who is FGV chief executive officer and group president, said he hopes that will help increase the group's crude palm oil (CPO) exports.

FGV currently exports 300,000 tonnes of CPO to China, making the country FGV's third largest export market of palm oil products, after Pakistan and India.

"With Sinograin in the picture, we want to double our export to 600,000 tonnes to China," said Zakaria.

Zakaria believes in the next three to four months, China would surpass Pakistan and India to be FGV's largest export market.

At 3.29pm, MSM shares were traded up one sen or 0.23% at RM4.45, with 24,400 shares done. Its market capitalisation stood at RM3.12 billion.

<http://www.theedgemarkets.com/article/msm-still-talks-raise-sugar-price-40-sen>