



MSM in talks with foreign sugar producers

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KUALA LUMPUR: Sugar producer MSM Malaysia Holdings Bhd is in talks with three or four overseas sugar players in a move to boost its upstream and downstream businesses to stay profitable in FY14 and subsequently become a global player, said its president and CEO, Datuk Sheikh Awab Sheikh Abod.

Sheikh Awab said the company will explore foreign markets via strategic acquisition or joint venture to revive its upstream and downstream businesses in the next two to three years.

"We are hungry for good deals and will be looking into all options. We are aggressively looking at both upstream and downstream beginning this year. We are looking at Indochina as far as upstream is concerned. Downstream focus will be in Asia and Africa," he told reporters after the company's AGM here yesterday.

He said MSM currently exports products to international markets including Australia, New Zealand, Singapore, Pakistan and South Korea.

For the financial year

ended Dec 31, 2013, MSM's net profit rose 26% to RM254.7 million from RM202.0 million in 2012.

Sheikh Awab said the company has taken steps to maintain profitability, including increasing and optimising its production capacity as it will assist in reduction of costs, boost regional and global competitiveness, and offset any potential fall in domestic demand.

He said MSM will raise annual production capacity to 1.2 million tonnes by the end of 2014 from 1.1 million tonnes, which will make the company one of Asia's top five suppliers of refined sugar.

MSM aims to produce 1.5 million tonnes of refined sugar a year by embarking on an enterprise resource planning initiative he added. It is currently running training programmes to equip staff with the skills.

"We should be able to maintain our profit because we are looking at new areas of revenue. What MSM has been doing in past was import raw, refine and sell. We will be looking into new areas like downstream, trading and going into chartering business to reduce cost," Sheikh Awab said.