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MSM eyes joint ventures

WIN-WIN STRATEGY:

Company, however, denies rumours that it is in talks to buy Central Sugars

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MSM Malaysia Holdings Bhd, the country's largest refined sugar producer, is open to any collaboration with local or foreign sugar companies as part of its plans to become a global player.

MSM president and group chief executive officer Datuk Dr Sheikh Awab Sheikh Abod said this includes merger and acquisition or any form of joint ventures as long as it is a win-win situation for both parties.

"We want to be a global player and the fastest way to go is through merger and acquisition," he told Business Times in an interview, here, yesterday.

However, Sheikh Awab denied rumours that MSM is in talks with Tradewinds (M) Bhd to buy its Central Sugars Refinery Sdn Bhd, which is controlled by Tan Sri Syed Mokhtar Al-Bukhary.

"We are not in discussions at all ... We have not approached them and neither have they approached us.

"But we are prepared to talk and collaborate with anybody domestically and globally for a win-win situation."

On the company's memorandum of understanding with United Arab Emirates' Al-Khaleej International Ltd, which is due to

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*Datuk Dr Sheikh Awab Sheikh Abod
MSM president and group CEO*

expire in the next few days, Dr Sheikh Awab said the terms of the deal have not been concluded.

"If we feel we want to extend (it), then we will. I don't want to rush as this deal involves a huge investment and we want to do the best for the shareholders."

In May, MSM entered into a US\$250 million (RM818 million) venture with Al-Khaleej as part of its plan to be Asia Pacific's largest sugar hub. MSM owns 51 per cent of the venture, while Al-Khaleej holds the remaining stake.

The venture will develop a state-of-the-art sugar refinery, as well as a logistics complex and vessel terminal at Port of Tanjung Pelepas in Johor.

Upon completion of the refinery in 2016,

MSM's production capacity will increase to 3.25 million tonnes per year from 1.25 million tonnes currently.

Al-Khaleej International is wholly-owned by Hassa Jamal Majid Al-Ghurair, the daughter of Al-Khaleej Sugar's managing director, Jamal Majid Al-Ghurair.

Dubai-based Al-Khaleej is the world's largest stand-alone sugar refinery with an annual capacity of 2.3 million tonnes and US\$1 billion revenue.

MSM, which holds more than 60 per cent of the local sugar market, operates two refineries through subsidiaries Malayan Sugar Manufacturing Co Bhd in Prai, Penang, and Kilang Gula Perlis Sdn Bhd in Chuping, Perlis.

