

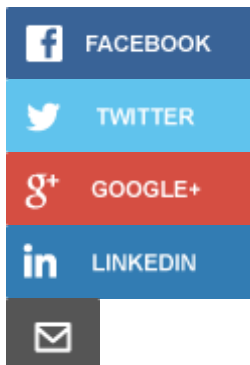
Business News

[Home](#) › [Business](#) › Business News

MSM to build RM1bil sugar refinery on its own without Dubai partner

Thursday, 19 February 2015

By: [SHARIDAN M. ALI](#)



However, the company that is controlled by plantation heavyweight Felda Global Ventures Holdings Bhd did not elaborate on how this decision would impact the technology and to a certain point the financing aspects of the state-of-the-art refinery poised to be Asia-Pacific largest sugar hub.

PETALING JAYA: Sugar king MSM Malaysia Bhd has decided to go solo without its Dubai-based partner Al-Khaleej International Ltd in the development of its almost RM1bil one-stop sugar refinery hub in Tanjung Langsat, Johor.

However, the company that is controlled by plantation heavyweight Felda Global Ventures Holdings Bhd did not elaborate on how this decision would impact the technology and to a certain point the financing aspects of the state-of-the-art refinery poised to be Asia-Pacific largest sugar hub.

MSM, which dominates more than 60% of the country's sugar market, has previously stated that Al-Khaleej would be more prominent as its technology partner in the refinery development.

It currently boasts RM550mil in cash balances and zero gearing.

Citing national interest, MSM decided not to proceed with the non-binding memorandum of understanding (MoU) with Al-Khaleej that was inked in May 2014 and was further extended for another six months expiring May 7.

It said the initial objective of collaborating with each other was to establish a joint-venture company to undertake the building of a sugar refinery.

“However, as this project is of national interest, MSM has decided to undertake the construction of a sugar refinery complete with logistic complex and vessel terminal in Tanjung Langsat, Johor, without partnership,” it said in a filing with Bursa Malaysia yesterday.

As MSM's four refinery plants in the country are already operating at maximum capacity, the development of the new plant is crucial to the company's expansion and growth when it is completed sometime next year.

MSM's annual production capacity is forecast to reach 3.25 million tonnes of refined sugar, from the current 1.25 million tonnes, in its ambitious aim to catch up with Thailand, which produces 11 million tonnes of refined sugar per year.

Al-Khaleej is the world's largest stand-alone sugar refinery with an annual 2.3 million-tonne capacity and its sugar output accounts for 3% of the global market and its products are exported to over 50 countries.

<file:///C:/Users/aniz/Desktop/Media%20Clippings/Feb/19%20Feb/MSM%20to%20build%20RM1bil%20sugar%20refinery%20on%20its%20own%20without%20Dubai%20partner%20-%20Business%20News%20-%20The%20Star%20Online.htm>