



## MSM Malaysia Eyes Indonesia for Sugar Plant, Takes a Swipe at Local Red Tape



**Jakarta.** MSM Malaysia, the largest sugar company listed on Bursa Malaysia, is considering four countries, including Indonesia, to build a new sugar factory worth \$750 million in a move to secure supplies of sugar.

The company plans to work with established local state-owned or private companies, Sheikh Awab Sheikh Abod, MSM Malaysia's chief executive, said over the weekend.

India, Thailand and China are also under consideration by the company he said.

"What we want as an investor is that there is a real boost from the President [Joko Widodo]," Sheikh Awab said.

He said the president should provide a contact person for investors to bypass the convoluted chain of bureaucracy in Indonesia, which can include multiple levels of government including governors, mayors and district heads. He said businesses that brought investments of at least \$1 billion in to the country should be able to secure a guarantee that the permit process could be completed within seven days.

"Permits in Indonesia are so difficult, unlike in India," he said.

MSM Malaysia, which has operated in Malaysia for more than 50 years, controls 10,000 hectares of sugarcane plantation in the country and has to import raw sugar from a number of countries.

The company produces 1.1 million tons of sugar per year from two factories in Penang and Perlis, with total annual production capacity of 1.25 million tons.

MSM Malaysia has a 65 percent market share in Malaysia and 15 percent market share in Singapore.

The company aims to have total control of the sugar market in Malaysia by the end of 2017 and the Singapore market by mid-2018.

Sheikh Awab said the company was willing cooperate with local entities in a build-operate-transfer scheme with a 30-year concession, or in a joint venture.