The Star

MSM narrows net loss to RM20.8mil in 2Q

CORPORATE NEWS

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MSM group chief executive officer Syed Feizal Syed Mohammad

KUALA LUMPUR: The sugar industry continues to face prolonged high input costs owing to rising raw sugar costs, freight, and natural gas costs as well as weaker ringgit, according to MSM Malaysia Holdings Bhd.

"Despite stronger demands seen in the local and export markets, the high input costs continue to impede the improvement of the group's financial performance," MSM group chief executive officer Syed Feizal Syed Mohammad said in a statement.

"Wholesale/retail segment made up 43% of our business and this segment has been recording significant negative margins since the fourth quarter of 2021 without any subsidy or price adjustment.

"Nevertheless we are pleased that the Government has approved to float the price of pure white refined sugar (Gula Super) which is differentiated by the quality of the sugar. However, the joint sugar industry still requires urgent Government intervention to normalise sugar price or subsidy in-lieu to ensure food security and the long-term sustainability of the sugar industry amidst its challenges. We expect the price adjustment will impact the local sugar industry positively going forward," Syed Feizal said.

MSM said while Malaysia operates under the regulated selling price of RM2.85 per kg, it stands out as one cheapest sugar-producing countries.

This is evident when compared to other sugar-producing countries with integrated plantations and energy-saving programs, like Thailand, where prices are at RM3.50 per kg. The rest of Asia region retails between RM4.50 – 9.50 per kg.

In the second quarter ended June 30, MSM's net loss narrowed to RM20.8mil, or loss per share of 2.96 sen against RM34.1mil, or 4.85 sen a year earlier.

Revenue, however, rose to RM746.2mil from RM624.2mil.

In the first half to June 30, it posted a net loss of RM56.7mil on revenue of RM1.33bil.

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