Govt approves production of clear refined white sugar, prices determined by market

Anne Muhammad and Siti Khadijah Norhisham - 25 May 2023, 02:08 PM

The government says two companies submitted an application to produce clear refined white sugar as part of their marketing plan to remain competitive and sustainable.

PUTRAJAYA: The government has allowed two local sugar producing companies to produce clear refined white sugar, with prices to be determined by market forces.

Domestic trade and cost of living minister Salahuddin Ayub said MSM Malaysia Holdings Berhad and Central Sugars Refinery Sdn Bhd (CSR) submitted an application to produce clear refined white sugar as part of their marketing plan to remain competitive and sustainable.

MSM is in a duopoly with CSR in the local sugar refining business, with MSM enjoying a 60% market share to CSR's 40%.

"The government has approved this application because it will give consumers a choice, other than (buying) refined and coarse refined white sugar.

"The government has also instructed MSM and CSR to continue producing refined white sugar (coarse and refined) at the current quantity sufficient for the retail market at a price controlled by the government, which is RM2.85 per kilogram (coarse refined white sugar) and RM2.95 per kilogram (refined white sugar)," he said at a press conference in Putrajaya today.

The sugar refining industry was previously in discussions with the government to float the ceiling price of retail sugar, which has seen a net increase of only 1 sen since 2013.

There was an 11 sen increase in 2017 to RM2.95/kg before the price was lowered to its current RM2.85/kg in 2018 for coarse refined white sugar.

Sugar is a controlled item under the Control of Supplies Act 1961 and Price Control and Anti-Profiteering Act 2011, with those who sell above the ceiling price facing a RM100,000 fine, three years' jail, or both. Companies face a RM500,000 fine for the first offence.

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