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MSM's response to ministry's clarification on new levy on raw sugar

By [Diyana Isamudin](#) - June 20, 2025 @ 8:39pm



MSM group chief executive officer Syed Feizal Syed Mohammad said the ministry's confirmation of an exemption application mechanism provides much-needed clarity and flexibility for refiners like MSM. NSTP/ASYRAF HAMZAH

KUALA LUMPUR: MSM Malaysia Holdings Bhd (MSM) welcomes the timely clarification by the Finance Ministry today regarding the sales and service tax (SST) treatment of raw sugar imports.

The ministry's statement confirms that while a 5.0 per cent SST will apply to raw sugar, a key input for refined sugar production, refiners may apply for tax exemptions under prescribed conditions.

This clarification follows MSM highlighting the potential significant cost pressures arising from the expanded SST regime during its annual general meeting (AGM) on Thursday.

The group had said the input cost increases could impact refined sugar pricing, which could push up prices of refined sugar for industrial buyers.

MSM, in a statement today, said the ministry's prompt attention to the matter is especially important in the current challenging operating landscape, where retail sugar prices have remained capped at RM2.85 per kilogramme since 2011, despite significant increases in global raw sugar prices in recent years.

MSM group chief executive officer Syed Feizal Syed Mohammad said the ministry's confirmation of an exemption application mechanism provides much-needed clarity and flexibility for refiners like MSM.

"This enables us to proactively manage input costs and mitigates immediate pressure on refined sugar prices, while continuing to fulfil our role in the national sugar supply chain under the existing retail price framework," he added.

The group remains committed to working closely with the government and all stakeholders to ensure minimal disruption to the supply chain and stable pricing for essential food industries.

While input cost management remains a priority, MSM assures customers and partners of its relentless focus on operational efficiency and fair pricing.

"We are confident that the exemption mechanism will contribute positively to safeguarding the competitiveness of Malaysia's food manufacturing sector," the company said.

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