

MSM eyes Africa and China as new export markets

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KUALA LUMPUR (June 26): MSM Malaysia Holdings Bhd (MSM), the country's leading refined sugar producer, is now looking to penetrate the African and Chinese markets to make full use of the new production capacity that will come on stream once its new sugar refinery in Tanjung Langsat, Johor, commences operations next month.

MSM, which currently commands about two-thirds of the domestic refined sugar market, is now studying options on how to enter the two markets so that it does not "financially burden MSM" unnecessarily, according to its group's chairman Datuk Wira Azhar Abdul Hamid.

Wira Azhar said this was a key concern as the group "is not financially strong". The options on the table now include a partnership or a direct export, he added.

"The challenge now is how do we manage the surplus capacity we have, with completion of the new sugar refinery plant [and how do we add the new] export markets [to our portfolio] profitably," Azhar told reporters after the group's annual general meeting today.

MSM's new sugar refinery in Johor will have an annual production capacity of one million tonnes. MSM invested RM1.1 billion in the refinery and Azhar expects the group to take six years to recoup the investment.

At press time, MSM shares were trading 1 sen higher at RM3.56, giving it a market capitalisation of RM2.53 billion.

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