

# Central Sugars to cut brown sugar prices

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SHAH ALAM: Sugar refiner Central Sugars Refinery Sdn Bhd (CSR), a unit of Tradewinds (M) Bhd, will reduce the prices of its natural brown sugar by 18% in August as part of a rebranding exercise to encourage healthier consumption.

“Prices of natural brown sugar are currently at RM4.25 per kg and they will be reduced to RM3.50 per kg from Aug 1,” CSR chief executive officer (CEO) Hishammudin Hasan told a press conference after a rebranding ceremony yesterday.

The company is allocating between RM16 million and RM20 million in capital expenditure (capex) this year, which includes expenses for the rebranding initiative. This is lower than last year’s capex of RM30 million.

Hishammudin said the company will also be increasing other efforts over the next year to incentivise consumers’ buying of brown sugar. These involve improved packaging and distribution methods, as well as increased dissemination of information on brown sugar via social media channels.

“Our aim is to [get more people to] move away from consuming white sugar to brown sugar, which is a better option. Brown sugar is better because it tastes better and it’s also healthier. Brown sugar is a less refined and less processed form of raw cane sugar containing naturally occurring antioxidants and micronutrients.

“Over the next one year, you will see better sugar coming on board,” he added.

Hishammudin also dismissed claims that CSR is operating in a monopolistic market.

“There is no monopoly in Malaysia; we are competing. If you go to retail shops, you will see imported brands too. How can that be a monopoly?” he said.

CSR recently issued a joint statement with MSM Malaysia Holdings Bhd, a unit of FGV Holdings Bhd, to clarify that the sugar industry is not a monopolistic market despite certain parties claiming it is.

“We have also reduced the price of premium sugar to make it more reachable, but if we were to reduce it further, it would only spur consumption. The focus is on managing sugar consumption. As it is, we are the cheapest in the world,” Hishammudin said.

Currently, the ceiling price of coarse grain white sugar is RM2.95 per kg, while fine granulated sugar is RM3.05 per kg.

CSR and MSM have five sugar refinery plants, including a new plant in Tanjung Langsat, Johor, scheduled to start operations this month.

Hishammudin said the current total capacity of the four existing refineries is two million tonnes per year. However, with the upcoming new refinery in Johor, total capacity will be three million tonnes per year.

Domestic demand in Malaysia currently stands at 1.5 million tonnes per year.

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