

## MSM warns of drastic measures if govt does not manage sugar import

Tan Xue Ying / [theedgemarkets.com](http://theedgemarkets.com)

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(From left): MSM CFO Ab Aziz Ismail, MSM group CEO Datuk Khairil Anuar Aziz, MSM chairman Datuk Wira Azhar Abdul Hamid and MSM director Datuk Haris Fadzilah Hassan at a press conference after the group's annual general meeting here today. *Photo by Patrick Goh/The Edge*

KUALA LUMPUR (June 19): Refined sugar producer MSM Malaysia Holdings Bhd has warned that it will resort to taking commercial approaches that may not be beneficial to Malaysia as a whole, should the group's financial performance continue to be impacted by sugar import permit holders that are approved by the government.

Group chairman Datuk Wira Azhar Abdul Hamid told a press conference today after MSM's annual general meeting that the two local industry players have constantly engaged with the government to express concerns and for their views on approved permits (APs) to be taken into consideration.

"If this situation is not managed well, we will probably have to resort to other alternative strategies that would be positively beneficial to MSM without taking into account national interest or Malaysian consumers' interest.

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"One of the appeals that we are making and will continue to make to the government [is that] whichever decision that is made as far as the sugar industry is concerned, it has got to be done on an equitable basis," said Azhar.

According to Azhar, MSM has an installed production capacity of 2.25 million tonnes, including the group's latest refinery in Tanjung Langsat, Johor. The plant, which was physically completed in July 2018, still runs at a utilisation rate of 30% in view of the current market surplus.

Together with Malaysia's other sugar player, Central Sugar Refinery, there is adequate capacity to serve the domestic demand for sugar, estimated at 1.6 million tonnes annually, he added.

However, the APs issued by the Malaysian government expose local refiners further to the global sugar market surplus, as excess supplies from producing countries such as Thailand are being directed into the Malaysian market, Azhar said.

"We are not burdening the government, we try our best to complement the government's objectives and we understand where the government wants to go.

"We seek the government's understanding to help us — not by subsidising our business — but to ensure that we can maximise our potential in, especially, the domestic sugar market," he stressed.

At 3.20pm, shares in MSM were unchanged at RM1.43, for a market capitalisation of RM1.01 billion.

**AGENCY:** The Edge Markets

**LINK:** <https://www.theedgemarkets.com/article/msm-warns-no-consumer-interest-measures-unless-sugar-aps-managed>