

MSM aims to ship 100,000 tonnes of products



KUALA LUMPUR: Sugar producer MSM Malaysia Holdings Bhd is eyeing to boost exports, with a target to ship 100,000 tonnes of products by 2021, after the company fell deeper into the red in the three-month ended Sept 30.

Losses in the third quarter widened to RM185mil, as MSM continued to struggle with lower selling prices and slower sales overseas. The company also took a RM137.35mil hit during the quarter for impairment of certain equipment and machinery.

First nine-month net losses swelled to almost RM260mil.

"Certain extraneous factors may be beyond our control, but we are taking several measures to utilise our excess capacity and to secure the best price for raw sugar on the international market, since previously locked in positions will be expiring at the end of December," group chief executive officer Datuk Khairil Anuar Aziz (*pic*) said.

"For these reasons, and the expectation of a global and growing sugar deficit, we expect 2020 to be more favourable for MSM," he said

in a statement yesterday.

The International Sugar Organisation (ISO) has forecast a global sugar deficit of about 3.5 million tonnes in 2019-2020, which is expected to increase to nearly six million tonnes in the period between 2020-2021, mainly due to lower production in major producing countries including Brazil, Thailand and Europe.

"We will take this opportunity to grow our export market, which will result in a corresponding increase in the utilisation rate of MSM Johor and a reduction in cost," Khairil Anuar said.

In June 2019, MSM Johor started shipping a new premix blend of sugar and in October 2019, it added a new liquid sugar product to its complement to Asian region.

"MSM aims to export more than 100,000 tonnes of its sugar products to the Asian region by 2021," he said.

"We intend to penetrate the large sugar premix and syrup markets mainly in Asian region, where current total estimated demand is between three million tonnes and four million tonnes a year respectively."