

Sweeter outlook for MSM as global sugar supply tightens

PETALING JAYA: MSM Malaysia Holdings Bhd says its outlook has improved as the global sugar market is expected to swing into a deficit, which provides opportunities for the group to expand its export markets.

"We are constantly monitoring the world sugar trends and prices. MSM expects to capitalise on the anticipated lower average cost per tonne of raw sugar, as the slide in the benchmark NY#11 are in our favour," said MSM group CEO Datuk Khairil Anuar Aziz (*pic*) in a statement.

The group incurred a net loss of RM74.34 million for the six-month period ended June 30, 2019 against a net profit of RM30.14 million in the same period a year ago.

MSM quoted the International Sugar Organisation's (ISO) forecast as saying that a global sugar deficit of about 3.5 million tonnes is estimated in 2019-2020 and will grow to nearly six million tonnes in 2020-2021, mainly due to lower output from major producers such as Brazil, Thailand, and Europe.

MSM said that with its Johor refinery in place, it has the capacity to expand its market at the global level and forge prospects to diversify revenue streams through sugar-based and value-added sugar products.

Currently, MSM aims to export more than 100,000 tonnes of its sugar products to the Asian region by 2021



which include its newly produced premix blends, which it began shipping in June, as well as liquid sugar with its maiden shipment this month.

"The usage of premix and liquid sugar in the industry is regarded as cost effective and boosting production efficiency. Our investment in premix sugar blending facility at the refinery, provides avenue for MSM to

penetrate the large premix market in Asian countries where the current total estimated demand hovers around three million tonnes a year," said Khairil Anuar.

MSM is also planning to venture into the corn syrup market mainly in Asia with an estimated demand of four million tonnes a year.

"These would be a stepping stone for MSM to further expand our premix and liquid sugar export to the global market," he noted.

In addition, the group is actively looking to increase direct sugar supply to Singapore, whose market size is about 250,000 tonnes a year.

"With the recent audits and approval by multinational food & beverage companies including local industrial users at our MSM Johor refinery, the demand for our sugar in Singapore are currently at an all-time high. Our bulk road tankers and our consumer packs are ready to be supplied to the industrial users and also to the retail outlets in Singapore," Khairil Anuar said.