

MSM bags 200,000 tonnes of sugar products exports

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MSM also seeks to expand its global footprint to the Middle East and North Africa region.

KUALA LUMPUR: MSM Malaysia Holdings Bhd has so far secured 200,000 tonnes of sugar products for exports, edging closer to its target of shipping 350,000 tonnes abroad this year.

The target should translate into nearly RM600 million revenue, MSM Group Chief Executive Officer Datuk Khairil Anuar Aziz said.

Khairil Anuar also said MSM was bullish about turning around this year, fuelled by steady improvement in sugar price and commercialisation of its refinery in Johor.

The refinery, under MSM Sugar Refinery (Johor) Sdn Bhd (MSM Johor), is a focal point of MSM's overall transformation strategy, which according to Khairil Anuar, had started to bear fruit.

The strategy, which kicked off in the second half of the financial year 2019, involves an aggressive product diversification plan into premix, liquid sugar and fine syrup, to cater to industrial demand in Asia.

"The product diversification into the non-refined sugar segment includes value-added sugar products and the anticipated entry into new healthier variants in the second quarter of FY2020," Khairil Anuar said at a virtual press conference after MSM's annual general meeting on Wednesday.

"This is expected to bolster our earnings and increase capacity utilisation in MSM Johor," he added.

He said as of May this year, MSM had exported more than 73,000 tonnes of refined, liquid sugar and fine syrup, with an estimated revenue of about RM157 million.

MSM Johor has reached its highest utilisation rate at 34 per cent, since its commercialisation in April last year.

This was expected to increase further with the growth of domestic and export demand, as well as the group's rationalisation plan to consolidate its production capacity, Khairil Anuar said.

He said MSM had been working closely with its parent FGV Holdings Bhd to maximise the potential in the former's assets in Chuping, Perlis.

This involves the development of a new agriculture growth area called FGV Agro Food Valley, which is expected to contribute towards the national food agro sector while enhancing the local socio-economic landscape that includes business and employment opportunities.

Khairil Anuar said MSM continued to redefine opportunities in order to mitigate the impact from overcapacity in the refined sugar industry through the export segment and product diversification.

The current focus on diversification includes possible collaborations with reputable food and beverages (F&B) players and downstream product development such as flavoured syrup and condensed milk.

MSM also seeks to expand its global footprint to the Middle East and North Africa region.

The group posted a net loss of RM299.77 million in the year ended December 31 2019, on a nine per cent drop in revenue to RM2.0 billion.

The loss was strained by a combination of factors including commercialisation of MSM Johor and loan modification cost of RM26 million.

Assets impairment of RM139 million had further affected its financial performance for 2019, the company said.

AGENCY: Daily Express

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