

# MSM ramps up sugar procurement from India amid palm oil spat

It expects the arrival of three shipments by February

BY SURIN MURUGIAH

KUALA LUMPUR: MSM Malaysia Holdings Bhd is ramping up its procurement of sugar from India, amid the ongoing spat over Malaysian palm oil exports to that country.

In a statement yesterday, the refined sugar producer said it has procured its raw sugar requirement for the first quarter of 2020 from India.

MSM said it expects the arrival of three shipments between January and February, bearing 130,000 tonnes of raw sugar worth nearly RM200 million.

MSM group chief executive officer Datuk Khairil Anuar Aziz (*pic*) said over 900,000 tonnes of raw sugar has been imported in 2019 from various top producing countries including India.

"We will continue to import raw sugar from top producing countries such as India, Brazil, Thailand and others whilst ensuring the raw sugar cost consistency in the benchmark of NY#11 and deliberately select our raw sugar suppliers to ensure mini-



THE EDGE FILE PHOTO

mal compromise in quality of our end product," he said in the statement.

MSM said India is ranked among the world's largest sugar producers alongside Brazil and Thailand, adding that India's raw sugar production was reported to be slower for 2019/2020 due to drier weather. However, the republic's production for 2020/2021 is expected to recover due to improving rainfall in Maharashtra state.

The company said that while production in Brazil is forecasted to be

stable, millers are more interested to produce ethanol due to attractive pricing. In Thailand, production for 2019/2020 has been lower due to poor rainfall in key planting areas.

MSM said the quality and competitive freight cost of raw sugar produced in India provide added-value and advantages for the group to ensure a sustainable supply of best quality raw sugar stock for all of its refineries and facilitate efficient raw sugar procurement as part of cost-savings and operational improvement strategies.

Khairil Anuar said that moving forward, MSM is all geared up to ensure a long-term sustainable and competitive business in local and international markets.

"MSM also committed in the execution of its strategic growth plan to maintain cost discipline and redefining business by expanding new products development, increasing operational efficiency and reducing refining cost, stringent and effective raw sugar procurement process," he said.