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MSM MALAYSIA aims to become largest liquid sugar provider in Asia

PETALING JAYA: MSM Malaysia Holdings Bhd aims to become the largest liquid sugar provider in Asia, according to its group CEO Datuk Khairil Anuar Aziz (*pix*).

The group targets to market liquid sugar beyond Asean, and Asia in general, to the Middle East and North Africa if there is demand.

“The Johor plant has already hit its highest utilisation rate of 34% and this year we aim to ramp up production to the breakeven point of 48-50%,” Khairil told the media at a virtual press conference after the group’s annual general meeting today.

He disclosed that the liquid sugar produced in the Johor plant has received encouraging response in the last five months, exporting about 300 containers a month.

“MSM has secured 200,000 tonnes of sugar product exports until end of this year. As at May 2020, MSM has exported more than 73,000 tonnes of refined, liquid sugar and fine syrup, with an estimated revenue of RM157 million. We are targeting to increase sales penetration and boost our exports up to approximately 350,000 tonnes of sugar products for FY2020. This is expected to contribute close to RM600 million in revenue to the

group," he added.

The group is also considering possible collaborations with food and beverage (F&B) players and downstream product development such as flavoured syrup and condensed milk.

On prospects, Khairil said the industry had indicated a deficit of 5-6 million tonnes for 2020, but this has been reduced to 500,000 tonnes.

This is due to global developments such as the trade crisis between the US and China, as well as the oil price crash which saw the world's largest raw sugar supplier, Brazil diverting its production from ethanol to sugar as well as the closure of the F&B sector due to the Covid-19 pandemic.

However, Khairil noted that there has been some positive demand on a daily basis with the entry into the recovery movement control order (RMCO) phase, as domestic demand has increased to 2,500-2,700 tonnes a day.

"The graph has gone up. Now that the businesses, industry players and F&B businesses have started to open, the demand for sugar in our country has increased."

Khairil said the consolidation of operations from Perlis to Johor will reduce the risk of supply disruptions significantly and reduce operational and refining costs.

AGENCY: The Sun Daily

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