

The **Star**

MSM calls for speedy decision on sugar prices


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Sugar ceiling prices are currently set at RM2.85 per kg for coarse sugar and RM2.95 per kg for refined sugar.

KUALA LUMPUR: MSM Malaysia Holdings Bhd  has reiterated its call for an increase in the ceiling prices for sugar and it is confident of getting a response for the government soon.

Group chief executive officer Syed Feizal Syed Mohammad said Malaysia's sugar-controlled price is the cheapest in the region and the world, despite many neighbouring countries like Indonesia and Thailand increasing prices to overcome high input costs.

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According to Syed Feizal, the government understands that there has been an anomaly in the economics of sugar, as the price has been controlled and remains largely static with no changes in the last 10 years.

“However, inflationary pressures of importing raw sugar, shipping and gas have all gone up.

“So now when we produce 1kg of coarse grain sugar, we are operating on a negative margin,” he told reporters at the launch of the company’s new product called Gula Super here yesterday.

Syed Feizal said the industry is producing a negative margin of RM880 per tonne of sugar, which translated to 88 sen per kg. “That is actually how much the industry is subsidising the prices for the people. It is only fair to say that now for the industry to operate on a positive margin, something needs to be done,” he said.

He added the industry had held at least 50 meetings with the government for the last 29 months over the sugar pricing issue.

“It has been hard work but we are hoping as an industry, this issue will be sorted out soon,” he said.

Gula Super’s price will be adjusted according to costs and is selling at a recommended retail price of RM4.60 for a 1kg pack.

“Gula Super serves as a testament to our exceptional, world-class refining capabilities, ensuring the production of high-quality products for our customers,” he said, adding the premium sugar can be used in a variety of food and beverages.

Syed Feizal said the volume for Gula Super is growing, and started off with 4,000 tonnes in production monthly when it was first released to the market.

“Today, we’re at 5,000 to 6,000 tonnes in production on a monthly basis and we aim to achieve 10,000 tonnes by next year, perhaps by the first or second quarter,” he said.

Gula Super is also expected to positively add to the group’s consumer segment which now sees about 40% contribution to its earnings annually.

On plans to export Gula Super, Syed Feizal said within the ecosystem, the group will look at exporting the product to neighbouring countries since it is a consumer item.

"We are targeting Singapore as a natural extension to our country but also, Gula Super is being produced in the factory in Johor. We have the production and infrastructure that will enable us to market this product by next year," he said.

MSM Holdings currently exports sugar to 17 countries, mainly within the Asia-Pacific region.

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