



MSM's Johor refinery aims to raise 50% utilisation rate

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The sugar refinery facility is planning to acquire a third boiler to further strengthen its operational sustainability.



MSM Malaysia Holdings Bhd plans to export its new premium white sugar, Gula Super to Singapore. (Facebook pic)

PETALING JAYA: MSM Sugar Refinery (Johor) Sdn Bhd (MSM Johor) has achieved a breakeven utilisation rate of 40% in 2023 and aims to hit a utilisation factor (UF) of 50% by year-end after its second boiler rectification work has been completed.

MSM Johor, a subsidiary of MSM Malaysia Holdings Bhd, initially targeted to achieve a 27% UF for 2023.

MSM Group CEO Hasni Ahmad said for added mitigation, MSM Johor is in the initial phase of a third boiler procurement to further strengthen the sustainability of its operations.

“There is tremendous headroom to grow the exports with an over five million tonnes per year market in Asia-Pacific where MSM Johor has a geo-strategic advantage in the supply chain of retail and industry,” he told reporters after a site visit to the Johor refinery in Tanjung Langsat.

MSM Johor said it currently produces one million tonnes of refined sugar per year, while the group produces up to 2.05 million tonnes of refined sugar annually.

Its refinery in Prai, Penang, which is the largest sugar refinery in Malaysia churns out 1.05 million tonnes of sugar every year.

With unrestrained melting from all mitigation and improvements completed, Hasni said the group is optimistic for MSM Johor’s future.

Based on a single boiler, MSM Johor has recorded its highest daily melting rate of 1,308 tonnes, with a 43.6% UF in November 2023, up from 1,039 tonnes at 34.6% UF in October 2023.

The Johor refinery is anticipated to record a daily melting rate of 1,416 tonnes, or 47.2% UF, in December 2023.

“The goal is to make the highest melting as an average melting rate throughout the month and this will require the refinery to be more reliable and optimised,” he said.

On the recently launched premium white sugar, Gula Super, Hasni said MSM sees it as a significant contributor to the company’s profitability, with a target of achieving 5,000 to 6,000 units per month.

“Gula Super is a strategic addition to our product lineup, with a substantial profit margin.

“We anticipate a positive impact on our overall revenue,” he said, adding that the group plans to export the new product to Singapore, targeting premium offerings.

On challenges that include high input costs and economic uncertainties, Hasni highlighted the need for government assistance in managing sugar prices.

“We seek the government’s assistance in managing challenges like high input costs and pricing dynamics. Sustainability is at the core of our initiatives,” he said.

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