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MSM Sugar Refinery aims for 50% utilisation factor in 2024


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PASIR GUDANG: MSM Sugar Refinery (Johor) Sdn Bhd (MSM Johor) has achieved a breakeven utilisation rate of 40 per cent in 2023 and aims to hit a utilisation factor (UF) of 50 per cent 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 per cent UF for 2023.

MSM group chief operating officer 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 5.0 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, here today.

MSM Johor 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 -- 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 per cent UF in November 2023, up from 1,039 tonnes at 34.6 per cent UF in October 2023.

The Johor refinery is anticipated to record a daily melting rate of 1,416 tonnes, or 47.2 per cent 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 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 government assistance in managing challenges like high input costs and pricing dynamics. Sustainability is at the core of our initiatives," he said. - Bernama

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