



MSM Malaysia optimising, upgrading Johor refinery capacity for value-added products

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KUALA LUMPUR: MSM Malaysia Holdings Bhd is focusing on optimising MSM Sugar Refinery (Johor) Sdn Bhd and upgrading its capacity for value-added products (VAP) such as fine syrup and liquid sugar.

The company sees MSM Johor as having significant opportunities to become a world-class integrated sugar refining centre with VAP and downstream.

Group CEO Syed Feizal Syed Mohammad said MSM Malaysia is undertaking several initiatives to enhance MSM Johor by focusing on yield improvement and reducing production losses, implementing smart manufacturing as part of digitalisation, and improving production data analysis and decision-making.

"MSM Malaysia has successfully addressed key bottlenecks at MSM Johor, with the completion of boiler rectifications in 2023. The company aims to increase production in 2024, and we noticed that MSM Johor is achieving higher melting rates and utilisation factor (UF) over time," he told *SunBiz*.

Syed Feizal said the sugar industry anticipates normalisation this year, with improvements expected in overall profit margins.

"While awaiting the announcement of a new price mechanism, the industry will continue to receive an RM1 per kilo incentive, with MSM Malaysia entitled to 24,000 tonnes a month.

"Concurrently, MSM Malaysia is adjusting its average selling prices to industry and export customers, passing on elevated costs to maintain normalised margins," he said.

MSM Johor operates a sugar refinery based in Tanjung Langsat, which is set to be the largest standalone sugar refinery in Malaysia.

MSM Malaysia's other initiatives for MSM Johor include executing a computerised maintenance management system to digitalise and streamline on-site maintenance management.

Furthermore, MSM Johor has increased the production of liquid sugar and fine syrup capacity, strengthened its organisational structure and implemented a performance culture.

The refined sugar producer also plans to increase stock-keeping unit capability by installing Line No. 3 by the fourth quarter this year, which will see an additional 160 tonnes per day production capacity for coarse grain sugar.

MSM Johor has enhanced data recording for inventory management and purchased a high-pressure boiler (boiler number three) to provide redundancy and address the low-pressure steam supply shortage.

MSM Malaysia awarded the boiler project in November 2022, and it is expected to be operational by March 2025.

"The improvement in UF and yield achieved by MSM Johor has contributed significantly to MSM Malaysia's performance. We are also rebalancing the domestic market by taking advantage of MSM Prai Bhd and MSM Johor locations. There are still opportunities to improve MSM Prai's operation further," Syed Feizal said.

MSM Prai operates the country's largest sugar refinery in Penang. It boasts an annual production capacity of 1.05 million tonnes of refined sugar, representing up to 84% of MSM Malaysia's total production capacity.

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