



'Why is the govt protecting sugar monopoly?'

by **Tarani Palani**

KUALA LUMPUR: Although the government has signed a long-term contract (LTC) to import raw sugar at a rate higher than the international rate, the two companies which monopolise the local sugar industry can choose not to buy at that rate.

DAP lawmaker Tony Pua said by doing so the two companies that manufacture sugar in Malaysia — Malayan Sugar Manufacturing (MSM) and Central Sugar Refeneries (CSR) — can lower their operational costs. MSM is owned by Felda Global Ventures Holdings Bhd while CSR is a member of Tradewinds (M) Bhd, owned by billionaire Tan Sri Syed Mokhtar Al-Bukhary.

Pua questioned why the two companies are allegedly benefiting from the recent sugar subsidy cut but the public is left burdened by the move.

"The government signed the LTC to import raw sugar at a rate that is higher than market rates.

"The import rates are important as they determine the subsidy to be handed out to maintain sugar prices locally," Pua told a press conference at the Parliament lobby.

"Because these sugar manufacturers are given the opportunity to import sugar at a lower price directly from the international market, their production costs can be lowered. With the higher price set by the government and the lower international rate, MSM and CSR stand to gain reasonable profits, especially as the price of sugar internationally continues to fall," he said.