



**The Star, Malaysia**

04 Oct 2014, by SHARIDAN M ALI

Bizweek, page 4 - 174.00 cm<sup>2</sup>

Malaysia - English Newspapers - circulation 278,961 (MTWTFSS)

ID 321892631

BRIEF FELDA

INDEX 1

PAGE 1 of 1

# Moresugar sells at less than RM2 per kg

By SHARIDAN M ALI

sharidan@thestar.com.my

REFINED sugar trader Moresugar Sdn Bhd has revealed that it has been selling the commodity to four of the 13 largest commercial consumers in Malaysia at less than RM2 per kg.

According to its director, Datuk Sazmi Miah, the company managed to get an approved permit (AP) to supply refined sugar to these 13 companies after the Government withdrew its sugar subsidy way back in 2011.

"When the Government decided to do away with the subsidy, it gave freedom to these large companies to source their own sugar with their own APs.

"However, we also came in to apply for our own AP to supply sugar because we realised that these large manufacturers were not sugar importers and may need assistance.

"Thus, since January this year, we have been supplying about 30,000 tonnes of refined sugar at less than RM2 per kg to these four companies," he tells *StarBizWeek*.

These 13 companies, which are largely involved in the manufacturing of soft drinks and other consumer products, consume about 300,000 tonnes of sugar per year, about 33% of the total sugar used by the country annually.

Sazmi explains that the current market price of refined white sugar of US\$428.30 (RM1,398) per tonne could be translated into close to RM1.40 per kg.

This raises the question as to why Malaysian consumers are paying RM2.85 per kg for their sugar.

Although the Government has removed the sugar subsidy, some quarters are on the argument that the move towards liberalisation of the sugar industry should be more in line with the market price of the commodity internationally.

Checks with the International Trade and Industry Ministry reveal that the prices of refined sugar in the country are not influenced by the free-market prices, as it is considered a necessity item with controlled pricing under the Price Control and Anti-Profiteering Act 2011 and the Control of Supplies Act, 1961.

As far as the consuming public is concerned, the Government has removed the sugar subsidy late last year that saw the domestic selling price of sugar rising to RM2,680 per tonne compared with RM2,300-RM2,340 per tonne previously.

Last week, MSM Malaysia Holdings Bhd, the country's biggest sugar company, confirmed that the decades-old long-term contract (LTC) to import raw sugar would be abolished by year-end.

The move is in line with the Government's initiative to liberalise the sugar sector that also includes increasing the number of APs to import refined sugar. This liberalisation is affecting sugar giants such as MSM and Tradewinds (M) Bhd, which have been protected by the 'policies' of the controlled commodity domestically.