



MSM, Al-Khaleej plan US\$270m sugar hub

LARGEST IN ASIA PACIFIC: Companies to build sugar refinery, logistics complex and vessel terminal at Port of Tanjung Pelepas

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MALAYSIA'S largest refined sugar manufacturer MSM Malaysia Holdings Bhd and United Arab Emirates-based Al-Khaleej International Ltd will collec-

tively spend US\$250 million to US\$270 million to build a sugar refinery, a logistics complex, and a vessel terminal in Johor.

The collaboration is part of MSM's plan to be Asia Pacific's largest sugar hub.

MSM chief executive officer Datuk Dr Sheikh Awab Sheikh Abod said the partnership allows the firm to rival other sugar hubs such as Thailand and Singapore.

"This is also to prepare the company for

future market forays, such as in India and China," he said after inking the deal with Al-Khaleej, here, yesterday.

MSM is Felda Global Ventures Holdings Bhd's sugar arm, while Dubai-based Al-Khaleej is the world's largest stand-alone sugar refinery with an annual 2.3 million-tonne capacity, churning out US\$1 billion (RM3.24 billion) revenue a year.

Al-Khaleej sugar output accounts for three per cent of the global market and its products are exported to over 50 countries.

The two firms sealed memoranda of understanding for the alliance, which is expected to materialise in six months.

MSM will hold a 51 per cent stake in the joint venture, while Al-Khaleej the remaining 49 per cent. → *Turn to B6*

MSM to lift production capacity

→ *From B1*

Both parties will develop the new state-of-the-art sugar refinery, inclusive of a logistics complex and vessel terminal at the Port of Tanjung Pelepas.

Sheikh Awab said once the refinery is completed in 2016, the company's production capacity will rise to 3.25 million tonnes of refined sugar per year, from the current 1.25 million tonnes.

"Our four plants in Malaysia have already reached maximum capacity. That is why we needed to expand to Johor. Al-Khaleej is our technology partner and we will be leveraging on their expertise in mass and low-cost production.

"We will be able to be more competitive in sugar prices and reduce the cost by about 35 to

38 per cent," he said.

Sheikh Awab also added that the new plant will make it possible for MSM to catch up with Thailand, which produces 11 million tonnes of refined sugar.

MSM, which has a 57 per cent local market share, is also eyeing the Indian sugar market that is expected to grow to 40 million tonnes by 2024, as well as China's refined sugar market, which is set to swell to 26 million tonnes.

He said the partnership with Al-Khaleej could open up new opportunities for both parties to go upstream, which is capital-intensive.

Al-Khaleej International is wholly owned by Hassa Jamal Majid Al-Ghurair, the daughter of Al-Khaleej Sugar's managing director Jamal Majid Al-Ghurair.

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MSM CEO **Datuk Dr Sheikh Awab Sheikh Abod** (second from left) exchanging documents with Al-Khaleej International owner **Hassa Jamal Majid Al-Ghurair** for the sugar refinery deal in Kuala Lumpur yesterday. With them are (from left) MSM director **Mohd Emir Mavani Abdullah**, MSM chairman **Tan Sri Mohd Isa Abdul Samad**, United Arab Emirates ambassador **Abdulla Matar Al Mazroui** and Al-Khaleej Sugar's MD **Jamal Majid Al-Ghurair**. Pic by Rosela Ismail