

MSM Malaysia Aims To Control Midstream Sugar Market Of Singapore And Malaysia

KUALA LUMPUR, June 2 (Bernama) -- MSM Malaysia Holdings Bhd aims to control the Singapore and a majority of Malaysia's midstream sugar market with the completion of its refinery in Tanjung Langsat, Johor.

President and Group Chief Executive Officer Datuk Sheikh Awab Sheikh Abod said construction of the refinery would begin in August this year and expected to be completed between 20 to 22 months.

"The refinery will be fully operational by mid-2017. Our aim is to control the entire Singapore and majority of the Malaysian market by that year, if not all," he added.

Sheikh Awab was speaking to reporters after the company's annual general meeting today.

MSM operates the sugar business of Felda Global Ventures Holdings Bhd.

It currently has a market share of between 18 per cent and 20 per cent in Singapore and 64 per cent in Malaysia.

With an investment of about US\$250 million, the Johor refinery will have a targeted combined production capacity of 3.25 million tonnes of refined sugar per year, from the current 1.1 million tonnes.

Meanwhile, the sugar producer also aims to diversify operations into the upstream market by the first half of 2016.

He added that MSM is at an advanced stage of negotiations to acquire two Indonesian-based firms operating in the upstream market.

"We definitely would not want to sit on our laurels as this year and 2016 will be growth years. We plan to diversify our income stream," said Sheikh Awab.

He said both the upstream and downstream segments would contribute 30 per cent each to the company's profitability, with the rest coming from the midstream business over the long run.

MSM will also establish a trading outfit in Dubai which will commence operations by the second quarter of this year.

The trading office will be gradually supported by four representative offices located in Indonesia, Thailand, China and India.

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