

Malaysia's MSM Scraps Pact With Dubai's Al Khaleej To Build Sugar Refinery

Due to the fact that the project is of "national interest", MSM decided to build it without a partnership, it said.

By Reuters
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Malaysia's largest refined sugar manufacturer MSM Malaysia Holdings Berhad will terminate a pact with Dubai's Al Khaleej International Ltd to build a sugar refinery in the southern state of Johor, the firm said on Wednesday.

In a filing to the local bourse, MSM said it will not proceed the non-binding memorandum of understanding with Al-Khaleej signed on May 8, 2014 to form a joint venture company to build the sugar complex.

"... due to the fact that this project is of national interest, MSM has decided to undertake the construction of a sugar refinery complete with logistic complex and vessel terminal in Tanjung Langsat, Johor without partnership," MSM said, without giving further details.

MSM was to hold a 51 per cent controlling stake in the joint company, with Al Khaleej holding 49 per cent. Local newspaper *The Star* earlier reported that the project, targeted for completion in 2016, was to cost between \$250-270 million.

Al Khaleej is a limited company within the Al Ghurair conglomerate, of which also includes Al Khaleej Sugar, a Dubai-based sugar refiner.

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