

Malaysia's MSM scraps sugar refinery pact with Dubai's Al Khaleej

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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-percent controlling stake in the joint company, with Al Khaleej holding 49 percent. 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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