

Dubai office to contribute 30 per cent to fy16 net profit, says MSM

Posted: [2:27 pm, February 23, 2016](#) by [editor](#)



DUBAI, Feb 23: MSM Malaysia Holdings Bhd, Malaysia's leading refined sugar producer, expects its newly launched office in Dubai, MSM Trading International DMCC (MSM Dubai), to contribute about 30 per cent to its net profit for the financial year ending Dec 31, 2016.

President and Group Chief Executive Officer Datuk Sheikh Awab Sheikh Abod said the new office will source raw and refined sugar for MSM Prai and MSM Perlis for the Malaysian and export markets.

MSM Dubai has also been targeted to trade its own raw sugar volume of up to 200,000 metric tonnes and sell refined sugar volume of up to 250,000 metric tonnes.

"For the first year (of the Dubai operations), we don't want to be too aggressive and here we are not doing paper trading. It is actual trading, backed by physicals," he told reporters after the launch of MSM Dubai here today.

Dubai was chosen among two other possible destinations — London and New York — for its shorter distance to Malaysia and the closer time difference.

MSM Dubai, which began operations in early January this year, will work closely with the MSM representative office in Jakarta.

Moving forward, Sheikh Awab said MSM is looking to expand its presence in Thailand, India and China, in order to meet the target of being among the top 10 white sugar producers in the world and among the top five in Asia.

“The next (international representative office) is expected to be in Thailand, which will be tasked to look for white sugar,” he said, adding the Jakarta office has been tasked with looking to acquire companies which produce their own sugar.

“For this financial year, we hope that 30 per cent of our profit contribution would come from upstream, 40 per cent from mid-stream while the balance of 30 per cent from the downstream business,” he said.

Forecast to announce another record-breaking financial year performance later today, MSM is looking to sign strategic alliances with global sugar traders moving forward to further expand its presence in the global market.

“We are also looking at asset swap activities in the future. We are planning to swap a certain percentage of our Johor project, in return for gaining a certain percentage of our potential partners’ assets outside Malaysia.

“We have identified several potential swapping partners all over the world and currently we are studying the best proposals to present to them,” he added.

— *Bernama*

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