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AGRICULTURE

Buriram Sugar ready for new investors

POST REPORTERS

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SET-listed miller Buriram Sugar Plc (BRR) plans to hold a roadshow to attract foreign investors.

Assistant director Pattarapong Pong-sawasdi said BRR will join with CLSA Securities Thailand to hold a roadshow from Nov 30-Dec 2, with the expectation of drawing more investors to the company.

He said sugar has become an interesting business, and is expected to yield higher returns. Global sugar prices are rising amid strong demand, while supply in major producing countries is falling.

"Global sugar prices are higher compared to last year," Mr Pattarapong said.

"This indicates that the sugar industry is an interesting sector that is worth investing in."

He said unfavourable weather has cut sugar supply in major sugar producing countries, signalling that sugar prices are likely to remain in the rising trend and the industry is expected to get high returns.

Thailand, the world's second biggest sugar exporter after Brazil, is forecast to produce 91-92 million tonnes of sugar cane, or 9.1-9.2 million tonnes of sugar, down by 3 million tonnes from the 2015-16 crop.

Mr Pattarapong said BRR is scheduled to start its 2016-17 crushing season in December, with 2.3-2.4 million tonnes of sugar cane expected to be crushed to

produce 260,000-270,000 tonnes of sugar to be sold and exported in 2017.

This is a slight increase from 2.06 million tonnes of sugar cane crushed in the previous crop.

Rising sugar prices will encourage farmers to expand their plantation areas to produce more.

In the third quarter of this year, BRR posted a total revenue of 1.04 billion baht, up 32% from the same period of last year. Net profit in the third quarter was 100 million baht, reversing from a net loss of 7.1 million baht in the same period of last year.

BRR shares closed yesterday on the Stock Exchange of Thailand at 13.40 baht, up 10 satang, in trade worth 67.3 million baht.



A farmer harvesting sugar cane, which has become a lucrative crop as global sugar prices continue to rise this year. JIRAPORN KUHAKAN