

COMMODITIES

Buriram Sugar puts aside B1bn for expansion

LAMONPHET APISITNIRAN *B2*

SET-listed miller Buriram Sugar Plc (BRR) plans to expand its midstream and downstream businesses, including a sugar refinery, ethanol and biodegradable packages from bagasse, says chief executive Anant Tangtongwechakit.

He said the expansion is due to start next year after it receives approval from the board of directors at the end of this year.

The company plans to start investing 400 million baht to build a new sugar-refining factory with annual production capacity of 120,000 tonnes of consumer-grade white sugar from raw grade by next year. The refinery is the company's first since it planned to increase production of white sugar to penetrate new markets.

Some 300 million baht is expected to be set aside for the production of biodegradable packages and ethanol. BRR wants to make use of molasses and bagasse, byproducts from sugar crushing, said Mr Anant.

"The company has set aside around 1 billion baht for business expansion and investment next year," he said.

The company's managing director Pattarapong Pongsawasdi said BRR also plans to develop a fourth biomass power plant with power-generating capacity of 9.9 megawatts. The plant is projected to cost 600-700 million baht.

He said the company is in the process of signing a power purchasing agreement with the state utilities.

For its long-term investment plan, Mr Pattarapong said BRR wants to build two new sugar mills in Buri Ram and Surin provinces with cane-crushing capacity of 24,000 tonnes a day.

"The company received two licences to build new factories and we expect to spend

about 8 billion baht," he said.

BRR is in the process of conducting an environmental impact assessment and construction of the two new sugar mills

should start in 2019, said Mr Pattarapong.

The company produced 2.2 million tonnes of sugar in the previous 2016-17 season and it expects output of 2.8-3.0

million tonnes in the current 2017-18 crop.

Total revenue is projected to reach 5.5 billion baht in 2017 because of rising output and global sugar prices staying relatively

firm, he said.

BRR shares closed on the SET yesterday at 9.95 baht, down five satang, in trade worth 12.2 million baht.



Buriram Sugar's biomass power plant in Buri Ram province. The company wants to build a fourth biomass plant with capacity of 9.9 megawatts.