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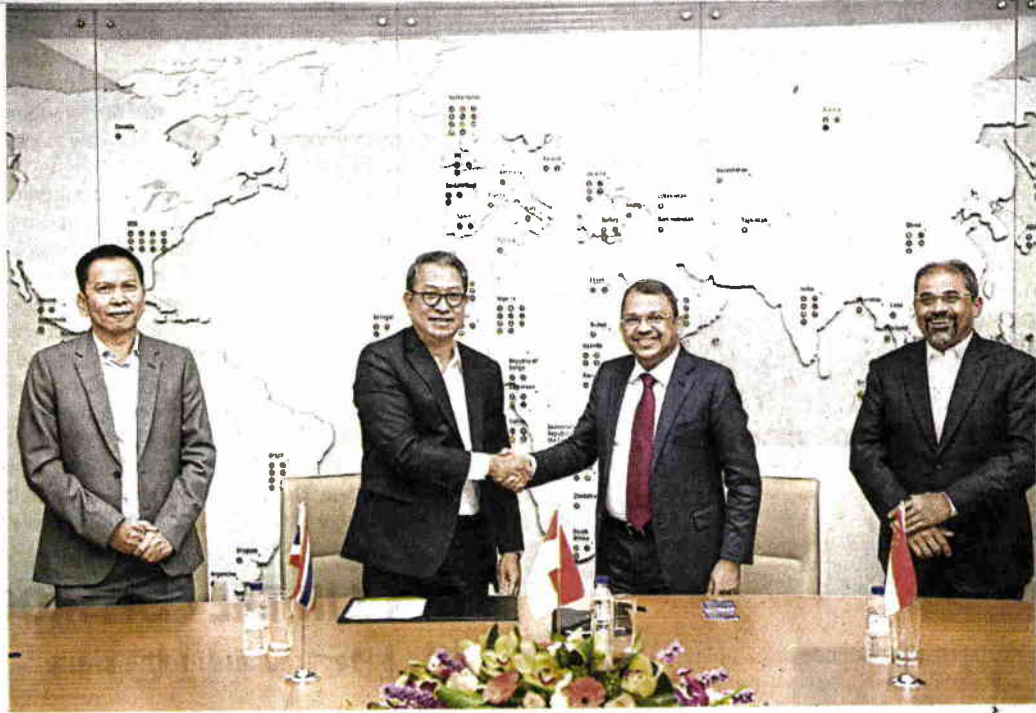
BANGKOK POST

60436395

Date : 21 DEC 2017 Page : 10

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Mitr Phol Group chief executive and president Krisda Monthienvichienchai shakes hands with Olam International chief executive Sunny George Verghese after signing a joint venture for investment with Olam's sugar business in Indonesia.



AGRICULTURE

Mitr Phol investing in Olam Indonesia

POST REPORTERS B3

Mitr Phol Group, the world's fourth-largest and Asia's largest sugar producer, has partnered with Olam International Ltd, a leading agribusiness operating in 70 countries, to invest in Olam's sugar business in Indonesia.

Mitr Phol's president and chief executive Krisda Monthienvichienchai said the company has entered the process to acquire a 50% stake in Olam's wholly-owned subsidiary, Far East Agri, which operates PT Dharmapala Usaha Sukses, a sugar refinery in Cilacap, Central Java province.

"Indonesia is the biggest sugar importer from Thailand and Australia. Our firm belief in the Indonesian sugar industry's potential and in creating value will underpin industry growth. This will be a key strategy to ensure the strong development of

the Indonesian sugar industry in the long term," said Mr Krisda.

He said this investment will be a major development in the sugar segment in Indonesia to help the country become a self-sufficient sugar producer in the near future.

Joe Kenny, Olam chief executive and managing director for sugar and dairy, said the rationale for this partnership is to help the company expand into sugar milling and transform its overall participation in Indonesia's sugar industry.

The new sugar milling plant is expected to start operating commercially by 2020, and will have a crushing capacity of 1.2 million tonnes of cane.

In addition to the joint venture, Mitr Phol will join Olam's programme for extending good agricultural practices to farmers across Indonesia, which has been in place since Olam entered the country in 1996.

Mitr Phol recently signed a memorandum of understanding with the Thailand Research Fund to work to cultivate researchers and bring the company's business into the Thailand 4.0 era.

The company aims to become a bio-based business in line with the S-curve model, which focuses on value-added products to gain higher revenue.

The new research could lead to new products created from waste during the cane-crushing process and help enhance the company's operations, efficiency and competitiveness.

The research scheme is part of a 50.4-billion-baht investment plan for 2016-20 as Mitr Phol seeks to capitalise on the recovery of global sugar prices and gain value through sugar byproducts. Of the total, 28 billion baht will fund expanded crushing capacity, including four new sugar mills.