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Mitr Phol targets Q4 opening in China

**B7bn mill produces
195,000 tonnes**

LAMONPHET APISITNIRAN **63**

Mitr Phol Group, Asia's largest sugar producer, expects its 7-billion-baht sugar mill plant in Chongzuo Industrial Park in southern China to start operating in the fourth quarter.

The facility has a capacity of 17,000 tonnes of sugar cane daily to produce 195,000 tonnes of sugar annually.

Located in Guangxi, the facility has been relocated from outside the industrial zone.

Mitr Phol has five sugar mills in southern China — in Funan, Tuolu, Ningming, Chongzuo and Haitang — with a total capacity of 92,500 tonnes of sugar cane daily to make 1 million tonnes of sugar annually.

Chairman Isara Vongkusolkrit said the sugar mill plant in Chongzuo will supply rising demand in that country.

"The Chinese market has high demand

because of the large population there," he said.

"Mitr Phol is still confident about business opportunity in China."

The new facility in Chongzuo was supported by the Chinese government under the Made-in-China 2025 initiative.

Mitr Phol won a credit investment budget of 1.3 billion baht for construction.

China averages sugar consumption of 14-15 million tonnes per year, while local sugar producers make 10 million tonnes. The remaining demand has to be imported.

Mitr Phol is the third sugar company to invest heavily in China, having had a business presence there since 1993.

Mitr Phol expects revenue from China to reach 35 billion baht this year.

Mr Isara said the company plans to expand investment in China in the future in line with rising demand, but the company is focusing on higher value-added products from sugar cane.

Mitr Phol is studying the feasibility of producing 50,000 tonnes of animal feed per year in the factory. The investment time frame is set for 2019.

He would not reveal the investment budget.

Moreover, Mitr Phol plans to invest 1 billion baht in an R&D centre in China next year to focus on value-added products such as xylose sugar, which is isolated from wood.

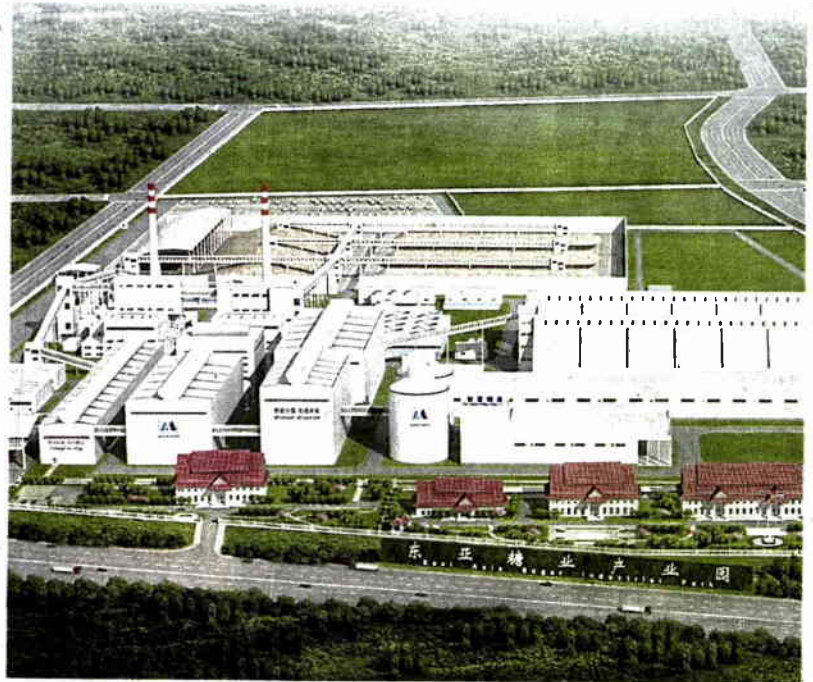
"This product will be introduced in both China and Thailand very soon and under a partnership with a US company to produce xylose sugar from US corn," said Mr Isara.

"The US company has the technology for this product, from which Mitr Phol expects to apply to xylose sugar from bagasse."

Mitr Phol expects group total revenue in 2019 to stand at 90 billion baht, equal to this year as global sugar prices remain murky.

"We forecast a slight increase in global sugar prices to 13 US cents per pound in 2019 from 12.47 cents now," said Mr Isara.

In Thailand, Mitr Phol plans to spend 2.2 billion baht for the R&D centre after it completes the new sugar mill plant in Amnat Charoen province with a 7-billion-baht investment for a capacity of 15,000-17,000 tonnes of sugar cane.



A digital rendition of Mitr Phol's factory in Chongzuo Industrial Park.