

MyCC to closely monitor cement industry amid price hike complaints



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by ALIFAH ZAINUDDIN/pic by MUHD AMIN NAHARUL

THE Malaysia Competition Commission (MyCC) will keep a close watch on the cement industry in light of recent complaints of price hikes involving the building material.

MyCC CEO Iskandar Ismail said the commission has taken note of the price increase notices that have been issued by the cement and ready-mixed concrete players.

"The Domestic Trade and Consumer Affairs Ministry has called for a meeting with the cement industry players yesterday. We are currently working closely with the ministry to provide our input and will further assess the matter under the provisions of the Competition Act 2010 if necessary," Iskandar said in a statement today.

He said the regulator is also mindful of the effect of the recent merger between YTL Cement Bhd and Lafarge Malaysia Bhd which has led to concentration in the market at both upstream and downstream levels.

Iskandar said Section 4 and Section 10 of the Competition Act 2010 clearly prohibits enterprises from entering into any anti-competitive agreement and abusing their dominant position in the market, respectively.

"The commission strongly believes in promoting and protecting the process of competition and has urged members of the public to lodge their complaints with MyCC if they encounter any suspicious conduct in the cement industry," he said.

According to news portal *Malaysiakini*, KPDNHEP Minister Datuk Seri Saifuddin Nasution Ismail had announced that cement producers will not increase the price of cement after discussions were held with industry players over the past two days.

Saifuddin said cement producers' justification for a price increase was due to "a hike in cost".

Cement manufacturers had earlier claimed that cement prices, which have been falling since 2016, have hit an unsustainable level amid various cost increases in the industry.

They argued that the industry has been suffering from cost increases such as higher electricity tariff over the past few years following the withdrawal of the special industrial tariff, and the implementation of the imbalance cost past through or ICPT mechanism.

Additionally, they said packing materials have become costlier following the rise in pulp prices, while imported fuel materials, engineering spares as well as equipment have further compounded the problem of rising costs.

The news portal, however, reported Saifuddin saying that any price rise in cement will take a toll on Putrajaya's ambition of building a million affordable homes. He also said that cement is a "controlled item".

It was previously reported that Hanson Building Materials Malaysia Sdn Bhd had announced a price increase of ready-mix concrete.

Citing the recent 40% price increase in cement and other significant rises in input costs, the company said customers in Kuala Lumpur and Selangor would have to pay about RM40 per cubic metre more than the current price, depending on the mix design.

