

No increase in cement price

Industry players agree not to raise price after meeting with minister

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PETALING JAYA: Following a meeting with the Domestic Trade and Consumer Affairs Ministry, industry players have agreed to not increase cement prices.

Minister Datuk Seri Saifuddin Nasution Ismail told reporters that the decision was reached following a meeting between the minister and key industry players on Tuesday.

"They stated several grounds to justify an increase in the cement price due to costlier imported materials used in making the cement because of the weak ringgit.

"However, following yesterday's meeting, they agreed to not increase the cement price," he said, according to a Bernama report.

During the meeting, he said, industry players were also reminded to discuss with the ministry if they intended to increase the price of cement. This, he said, was because cement price is controlled by the government, and action can be taken against those found to increase prices without government approval, under the Control Of Supplies Act.

Prior to the minister's announcement yesterday, there had been widespread concerns about a steep hike of up to 50% in the price of cement. Over the past few days, several cement and ready mixed concrete players had reportedly issued price increase notices.

The concerns also came on the back of the recent takeover of Lafarge Malaysia Bhd by YTL Cement Bhd, which created a market leader with a capacity share of over 60% in Peninsular Malaysia.

The takeover had led to analysts noting the possibility of cement prices being raised due to the emergence of YTL as the new "price leader and price setter in the market".

Earlier this week, the Cement and Concrete Association of Malaysia came out to say that the cement industry had been suffering over



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the past few years from an increase in the electricity tariff, an increase in packing materials and rising cost from imported fuel, materials, engineering spares and equipment.

While the industry had been absorbing these cost increases, it said, cement prices in Peninsular Malaysia have been on a downward trend since 2016 and "have reached a level that is not sustainable".

In reaction to this, the Malaysia Competition Commission also issued a statement to assure that it would be monitoring the industry.

Noting that the merger between YTL and

Lafarge had led to the market being more concentrated at the upstream and downstream level, it said Section 4 and Section 10 of the Competition Act prohibited enterprises from entering into any anti-competitive agreement and abusing their dominant position in the market, respectively.

If the 50% price hike had been implemented, the price of cement would have risen to between RM270 to RM290 per tonne, compared to only about RM190 per tonne previously, according to AmInvestment Bank Research.

No increase in cement prices, says Saifuddin Nasution

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by Joseph Kaos Jr



PUTRAJAYA: There will be no increase in the price of cement, says Domestic Trade and Consumer Affairs Minister Datuk Seri Saifuddin Nasution Ismail.

The minister said the decision was made following a meeting with industry players on Tuesday (June 18).

"I have been meeting with the stakeholders for the past few days. Following our discussions, all parties have agreed not to increase the price of cement," said Saifuddin at a press conference at the ministry here.

Saifuddin added that the price of cement is controlled by the Government and the industry cannot raise the prices without approval.

Recently, several developers and cement product manufacturers have expressed concern that the price of cement could go up by 40% to 50% .

Saifuddin said a hike in the price of cement would be detrimental to the government's plans to build one million affordable homes for the people.

"However, to be fair to the industry, we allow them to air their views and we listen to their reasoning on why they feel there should be a price increase," said Saifuddin.