

KPDNHEP investigates CMS Cement following price hike

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KUALA LUMPUR: The Ministry of Domestic Trade and Consumer Affairs (KPDNHEP) is currently investigating whether CMS Cement Sdn Bhd (CMS) has met the license requirements issued and obtained prior permission to increase cement prices.

Its minister Datuk Seri Saifuddin Nasution Ismail said it had sent a notice to obtain information on the significant difference in the company's cement prices and other industrial players.

This comes following the high cement price issue in Sarawak where CMS holds a monopoly in cement production in the state.

KPDNHEP in a media statement on Friday also said the ministry found that there were several price changes done by CMS in 2011, 2014 and 2016.

Based on data supplied by the Construction Industry Development Board (CIDB) and analysis by the Malaysian Competition Commission (MyCC), there is a price difference of about 57 per cent for 50 kg bags and 40 per cent for bulk cement between Sarawak and Peninsular Malaysia, in particular, Selangor.

The assessment – which provides holistic industry overview and analysis of the cement market structure in Sarawak, found that CMS has a competitive advantage as the sole cement supplier and is the largest importer of cement in Sarawak.

On June 23, Finance Minister Lim Guan Eng revealed that cement prices in Sarawak were significantly higher than in Peninsular Malaysia.

He said an investigation was needed to determine whether the price was due to the monopolistic practices of the local cement industry in Sarawak. — Bernama