

Cement factories told to roll back price hike within three days



The government has directed cement factories to rollback the decision to increase the price of cement within three days.

The decision comes in the wake of as much as 16 percent increment in the price cement - a key construction material - in recent weeks.

A survey conducted by the Department of Supply Management and Protection of Consumers Interest (DSMPCI), the agency for market monitoring and consumer protection, in Kathmandu and some major cities of the country in the past two weeks showed that price of cement has gone up by 10 to 16 percent, while factory input cost has increased by only 7 to 9 percent.

“This is the case of the artificial price hike. That is why we have asked cement manufacturers to roll back the price hike decision within three days,” Laxman Shrestha, director of the department told Republica. “We have issued a direction in the name of Nepal Cement Manufacturers' Association, asking them to circulate the decision to all their members and implement the decision within three days.”

The department had held a discussion on the issue with office-bearers of the association on Monday.

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“We found a nominal rise in the price of raw materials and transportation cost. But the price hike is very high,” said Shrestha.

Shrestha further added that the government would take needful action if cement factories do not implement its decision. He explained that the government will charge the manufactures of imposing a market cartel if the price of the cement is not brought down within three days.

Not only cement. Price of other construction materials like a steel rod, sand and aggregate have also increased in recent weeks. But the government has not market prices of these construction materials.

The rise in the price of construction materials has affected victims of the 2015 earthquakes as most of them are rebuilding their homes. Factories hiked the price to cash in on the rise in demand for construction materials.

Two weeks ago, civil construction contractors had flayed the price hike in construction materials, blaming cement factories and steel factories of working in collusion to impose a cartel. The contractors had claimed that price of cement and steel rod increased by 12 and 7 percent to Rs 910 (for a sack of 50 kg) and Rs 85 per kg steel, respectively.

The price of sand and aggregate has also increased significantly. But the government has not taken the issue seriously.

Federation of Contractors' Association Nepal, a fortnight ago, indirectly blamed the government for creating an environment for price syndication, stating that it has not allowed crusher industries to operate, citing a separate regulation to operate. “This affected supply in the market, causing the price to go up,” officials of the federation had said in a press meet two weeks ago.

Source: My Republica, 23rd January 2018