

MAHATHIR-WARNING ㊦'㊦'㊦'

EM

KUALA LUMPUR, AUG. 16 (BERNAMA) -- (DATUK SERI DR. MAHATHIR MOHAMED) WARNED TODAY THAT THE GOVERNMENT WILL ACT FIRMLY AGAINST HOUSING DEVELOPERS WHO TAKE ADVANTAGE OF THE CHANGES IN THE CEMENT PRICE TO HIKE UP THE PRICE OF THEIR HOUSES TO UNREASONABLE LEVELS.

THE DEPUTY PRIME MINISTER STRESSED THAT THE GOVERNMENT SAW NO REASON WHY THERE SHOULD BE AN EXCESSIVE INCREASE IN THE COST OF HOUSES WHEN THERE WERE ONLY MINOR ADJUSTMENTS IN THE PRICE OF CEMENT.

HE GAVE THE WARNING WHEN COMMENTING ON REPORTS ABOUT THE POSSIBILITY OF PRICE OF HOUSES GOING UP BY 10 PER CENT FOLLOWING THE CHANGE IN THE PRICE OF CEMENT FROM AN AVERAGE OF \$7.50 A BAG TO A CEILING PRICE OF \$8.20 A BAG FROM YESTERDAY.

DATUK SERI DR. MAHATHIR, WHO IS ALSO TRADE AND INDUSTRY MINISTER, TOLD A PRESS CONFERENCE THAT HE REGARDED ANY UNJUSTIFIED INCREASE IN THE PRICE OF HOUSES AS PROFITEERING.

HE POINTED OUT THAT CEMENT CONSTITUTED ONLY FOUR PER CENT OF THE OVERALL COSTS OF CONSTRUCTING A HOUSE OR BUILDING.

-- BERNAMA MORE 164m/SZ

NO82 (F)

MAHATHIR-WARNING 2 KUALA LUMPUR ㊦'㊦'㊦'

HE SAID THAT ACCORDING TO DATA SUPPLIED BY THE CEMENT MANUFACTURERS, AN AVERAGE OF 250 BAGS OF CEMENT WERE NEEDED FOR A TWO-STORY LINK HOUSE.

+LET US SAY THAT THE PRICE OF CEMENT IS NINE RINGGIT A BAG. THIS MEANS THAT THE TOTAL COST OF THE MATERIAL PER HOUSE COMES TO ONLY \$2,250 AND SUCH A HOUSE IS USUALLY SOLD AT \$70,000 A UNIT.+ HE ADDED.

+IN THE LIGHT OF THIS FACT, WE DO NOT SEE ANY JUSTIFICATION FOR RAISING THE PRICE OF THE HOUSE BY 10 PER CENT.+

HE SAID THAT A PRICE INCREASE OF BETWEEN TWO AND THREE PERCENT WOULD HOWEVER BE REASONABLE.

DATUK SERI DR. MAHATHIR SAID THAT THE CHANGE IN THE PRICE OF CEMENT WAS THE FIRST SINCE 1974 DESPITE RISING PRODUCTION COSTS, PARTICULARLY FUEL. -- BERNAMA MORE 1645/SZ

NO83 (F)

MAHATHIR-WARNING 3 KUALA LUMPUR ㊦'㊦'㊦'

+THE MANUFACTURERS HAD REPEATEDLY ASKED FOR PRICE REVISIONS BUT HAD THEIR REQUESTS REJECTED.

+THE GOVERNMENT COMPLIED ONLY AFTER THEY HAD REACHED THE STAGE WHEN THEY WERE INCURRING LOSSES.+

HE SAID THAT BEFORE THE RECENT PRICE CHANGE, THE PRICE OF CEMENT VARIED FROM AREA TO AREA DEPENDING ON THEIR PROXIMITY OR DISTANCE FOR CEMENT FACTORIES.

FOR EXAMPLE, BUYERS IN SELANGOR AND PERAK WHERE THERE WERE CEMENT FACTORIES OBTAINED THE COMMODITY AT PRICES MUCH LOWER THAN BY BUYERS IN THE EAST COAST OF PENINSULAR MALAYSIA.

-THE RATIONALE BEHIND THE GOVERNMENT'S DECISION TO IMPOSE A MAXIMUM PRICE OF \$8.20 PER BAG THROUGHOUT PENINSULAR MALAYSIA IS TO ENABLE PURCHASERS IN THE EAST COAST TO BE SUBSIDISED BY PURCHASERS IN THE WEST COAST.+

FURTHERMORE, CEMENT MANUFACTURERS HAD TOLD THE GOVERNMENT THAT IF THE PRICES REMAINED AT THE PREVIOUS LEVEL, THERE WAS A POSSIBILITY THAT THEY WOULD GO OUT OF BUSINESS. -- BERNAMA MORE 1648/SZ

MAHATHIR-WARNING 4 KUALA LUMPUR

THE DEPUTY PRIME MINISTER ASSURED THAT THE SUPPLY OF CEMENT WAS SUFFICIENT TO MEET THE NEEDS OF THE COUNTRY.

THE ONLY PROBLEM WAS TRANSPORTATION, OF THE COMMODITY, PARTICULARLY TO THE EAST COAST STATES.

CEMENT MANUFACTURERS HAD GIVEN AN UNDERTAKING TO SEND SUFFICIENT SUPPLIES TO THESE STATES PROVIDED THERE WERE STORAGE FACILITIES FOR THE CEMENT.

WE HAVE PROMISED TO HELP PROVIDE SUCH FACILITIES SO SUPPLIES TO THE EAST COAST ARE ASSURED, HE SAID.

DATUK SERI DR. MAHATHIR ALSO SAID THAT OF THE 2.37 MILLION METRIC TONS OF CEMENT PRODUCED LAST YEAR, 2.2 MILLION METRIC TONS WERE UTILISED DOMESTICALLY. -- BERNAMA 1651/SZ