

Local cement monopoly undesirable

Chairman of Fair Trading Commission:



A forklift moves bags of cement on to a truck at the Claxton Bay facility of Trinidad Cement Ltd.
PHOTO BY KRISTIAN DE SILVA



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Chairman of the Fair Trading Commission (FTC) Dr Ronald Ramkissoon is agreeing that another cement supplier is needed in T&T as he advocated that competition is the best way to grow an

economy.

T&T's lone cement manufacturer announced a seven per cent increase from February 17, 2025 on bagged products—such as Premium Plus, Eco Cement and Plasta Masta while the increase in bulk cement took effect from March 5.

Ramkissoon who spoke to the Business Guardian about this latest price increase at a media workshop hosted by the FTC on Tuesday said, “We are very concerned about the impact of cement on the construction sector because we understand that construction contributes substantially to economic growth.

“T&T is interested in a faster growing economy and therefore, anything that can hamper that growth for example, if it is cement prices, we will not advocate for that. Indeed, we want to make sure that consumers, other businesses and the Government itself benefit from a competitive market through greater choices and through better prices.”

He said the FTC continues to do its work in respect of these price increases taking into account the reasons from TCL.

“We listened to the producer in terms of their justification. We listened to them in respect of their contribution to employment, to foreign exchange earnings and to their payment of taxes.

“We listened to that but at the same time we are aware that one producer is very often not the best way to go. So we looked at what has been happening in respect of imports and we see what the ministry (Ministry of Trade) itself has been saying in respect of lowering the CET (common external tariff) in respect of increasing possible suppliers on the market and we think that is the way to go for any market in which you have a monopolistic situation. So our discussions, our research is along those lines because we believe the more competition we have, the better choices consumers would have,” Ramkissoon emphasised.

At the same time, the former manager of Republic Bank Ltd's Economic Intelligence Unit said while the FTC noted the cement price increases, it also took into consideration that prices of raw materials have been rising since COVID and also as a consequence of the Russia-Ukraine war.

“In many cases prices have not come down. The rate of increase have in fact been lower as we see in T&T but prices remain high and every so often there is a new event globally that results in an increase in prices. So that supply chain then is under continuous stress. We are aware of that,” the senior economist said.

At the same time, being aware of that does not equate to complacency on the part of the FTC.

“We still consider a situation where you have a monopolistic producer as one that is undesirable or one that has to be monitored closely and we ask for explanations but we do not only depend on that,” Ramkissoon said.

In this regard, he explained the FTC looked at the price of cement in the rest of the Caribbean and even in the rest of the world, how difficult it is for companies to import cement and advise accordingly in a way that the construction sector and the economy can grow.

TCL increased the price of cement for a fifth time since December 2021.

On whether Government took too long to intervene, Ramkissoon said, “I think the Government has intervened for many years now in respect of cement. There is that balance, which I discern the Government is trying to strike between a company that of its very nature has to be large given the nature of what it does and the fact that it contributes to employment, to foreign exchange earnings and so on.

“At the same time I think the Government has indicated it is very much aware that higher prices which are unjustified cannot be in the best interest of the consumer and therefore, there has always been this arrangement under the Common External Tariff where the Government would go and ask for a reduction in the CET. We have also seen movement in the quotas. Now we expect that balance in trying to keep a company afloat and trying to ensure that company contributes to the economy of Trinidad and Tobago against prices and against the consumer. I think that balance is very important.”

He further noted the FTC continues to get behind the numbers as it asks companies for details to justify what they are saying when an increase occurs.

“We bring to bear other developments in the economy, other developments in the world on the prices that we are seeing and where necessary we advise accordingly.

“I would also say we are empowered under the act (Fair Trading Act) to take companies to the court if we believe they are being anti-competitive as defined in the law,” Ramkissoon added.

Emphasising that the FTC is all about wanting the economy to grow, Ramkissoon added it also wants so-called large companies to also contribute to the economy, employ people and to invest, adding that out of investments companies pay taxes among other economic benefits including the earning of forex.

However, at the same time Ramkissoon maintained that large, medium-sized or small companies “cannot be allowed to take advantage of other businesses or of the consumer.”

Pressed on whether TCL was being unfair to the consumer or should be taken to task by the FTC based on its consecutive price increases over the years, Ramkissoon said the FTC asked TCL “directly for answers” but stated that the FTC “has not arrived at a conclusive position as yet.”

“However, at the end of the day, we think competition, additional competition in the market is the best way to go,” he added.

Broader research on cement industry needed

Research on the construction sector in T&T ought not to be limited in terms of the consumer, businesses, or of TCL itself, but this must also be applied to potential suppliers and why they are not importing, the FTC’s executive director Bevan Narinesingh suggested.

“Some of the research that could be done include whether it is because of the high costs of importing cement or possibly the ability to access resources to pay for the cement. One thing you have to look at is other markets in the region and to see if there are concerns regarding competition and if there are alternatives in these other countries in terms of suppliers,” said Narinesingh who also spoke to the Business Guardian at the event.

He also echoed similar sentiments that the FTC is committed to ensuring a fair and competitive market throughout the economy, including the cement industry.

He explained this is being done through enforcement of the Fair Trading Act, which also means research is done as well as investigations into the practices in the industry, including if necessary, receiving complaints about possible anti-competitive conduct.

TCL’s PRICE HIKES

Before the 2025 price increase, TCL increased prices on February 19, 2024. Then, TCL said the hike was due to the continuous inflation that affects the industry and other economic sectors, making it necessary to adjust the price of cement by then \$3 per sack. That took the price of the 42.5 kilogram

sack of Premium Plus cement to \$57.38 VAT-inclusive, while Eco cement in 42.5 kilogram sacks rose to \$52.88 VAT-inclusive.

TCL had also increased prices on March 20, 2023, by eight per cent for Premium Plus and five per cent for Eco cement.

At that time, the company said, “Cement prices are in fact set to be marginally adjusted, taking into consideration some of the rising cost factors with which TCL is faced.”

In August 2022, prices went up by \$3.54 for Premium Plus, which went to \$47.83 and by \$2.08 for Eco cement, increasing it to \$43.65.

In December 2021, TCL raised the price of a 42.5 Kg sack of Premium Plus by 15 per cent to \$46.56 VAT-inclusive and Eco cement by 8% to \$43.71 VAT-inclusive.

Trade Minister Paula Gopee-Scoon had said the Government did not support TCL’s latest proposed price hike as she called for more suppliers in the market.

Speaking during a tour of Creamery Novelties at the Diamond Vale Industrial Estate in Diego Martin on February 18, this year the minister had said, “The Government will not countenance the continued increases by TCL in the marketplace.”