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## **Impact Of U.S. Trade Sanctions On Mexican Cement Manufacturer**

*by Barbara Khol*

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According to an Aug. 28 report by Notimex, a study by the US International Trade Commission (ITC) indicates that Cementos de Mexico (CEMEX) will lose over \$5 million per year, result of seeing its exports to the US cut by half. (See "On Mexico-U.S. Free Trade Agreement Preparations...", Chronicle 08/30/90 for coverage of US trade sanctions applied to Mexican cement imports.) The loss is equal to 47.5% of net profits reported by CEMEX in 1989 (323 billion pesos, or \$120 million at the 1989 year-end exchange rate). CEMEX must also pay a compensatory anti-dumping tax of 57.9% on its exports to the US, resulting in an additional \$33 million in losses. Export sales to the US this year will total 1.8 million tons, compared to 3.6 million tons in 1989. CEMEX's projected total 1990 exports come to 2.6 million tons. Meanwhile, CEMEX has opened new markets in Canada, Spain, England and the Caribbean, according to an unidentified Mexican stock exchange source cited by Notimex. The source said estimated total sales volume for the year is 15.7 million tons. Exports account for 15.7% of the total, the same proportion registered in 1989. CEMEX estimates 1990 net profits at \$320 million, only \$3 million less than last year. The stock exchange source agreed with CEMEX projections of \$550 million in profits for 1991.

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