

## NEWS RELEASE

March 8, 2010

Caribbean Cement Company Limited (Carib Cement) has written to the Hon. Minister of Finance & the Public Service seeking clarification as to the reasons for the granting of the waiver of the Common External Tariff (CET) on imported slag cement after September 9, 2009 when the waiver of the CET on imported cement expired.

Carib Cement is also questioning the rationale and the appropriateness for the granting of the waiver. The imported cement which received this preferential consideration was a slag or blended cement with similar properties to the other cements on the market. The similarity of the slag cement to other cements has removed any justification for the waiver based on differences. The preferential consideration given to slag cement gave it an unfair advantage over the locally produced and other imported brands.

In addition, the Council for Trade and Economic Development (COTED) had denied an application by the Government of Jamaica to extend the waiver on all imported cement. A waiver of payment and collection of the CET without approval from COTED was a violation of the Treaty of Chaguaramas and went against the spirit and intent of the Letter of Intent to the International Monetary Fund (IMF) from the Government of Jamaica.

Carib Cement said that by its calculation, Jamaica would lose \$100 million in duties if the waiver is extended. The Company said that in 2009, some \$360 million was lost in duties on cement imported into Jamaica and questions if Jamaica could afford to forego this revenue at this time.

Carib Cement suffered a loss of \$144.5 million in 2009, attributable to the decline in the domestic market and the presence of tariff-free imported cement. On many occasions, the Company has been faced with full silos and warehouses and production stoppages and has had to focus its attention on the export market. In 2009, Carib Cement's export was 7 times the amount it exported in 2008 and 1.5 times the total amount of tariff-free cement imported into Jamaica.

So far for 2010, Carib Cement has exported almost 31,000 tonnes of cement while 21,000 tonnes have been imported. This clearly demonstrates the Company's ability to supply the local

market and further questions the appropriateness of the granting of the waiver on the slag cement.

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