



**CARIB CEMENT**

**BUILDING A  
GREATER  
JAMAICA**

**PRINT MEDIA ARCHIVE**

**2015-2020**

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# 2015



## CARIBBEAN CEMENT COMPANY LIMITED

### INVITATION TO TENDER

#### TENDER T00839 - MINING AND HAULAGE OF SHALE

Jamaica Gypsum and Quarries Limited, a subsidiary of Caribbean Cement Company Limited, seeks the services of a contractor to mine shale from its quarries in Bull Bay and to haul the material to its plant at Rockfort, Kingston.

Interested bidders may download the complete tender documents and instructions from the Company's website [www.caribcement.com](http://www.caribcement.com)

#### CLOSING DATE

A site visit will be scheduled as follows:

**Monday, February 16, 2015 at 10:00 a.m.**

Interested persons should send email to [tenders@caribcement.com](mailto:tenders@caribcement.com) to register for the site visit.

#### SUBMISSION

Proposals should be submitted in a sealed envelope no later than 2:00 p.m. Wednesday, March 4, 2015 addressed to:

**T00839- Mining and Haulage of Shale  
The Secretary  
Management Tenders Committee  
Caribbean Cement Company Limited  
Rockfort  
Kingston 2**



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#### COVER STORY

# Cemex guaranteed 35% stake in Trinidad Cement

CEMEX HAS struck a deal with the board of Trinidad Cement Limited that will allow the Mexican company to increase its stake in TCL to at least 35 per cent, with the option to add another five per cent.

Cemex SAB de CV, which now owns 20 per cent of Trinidad Cement through a company called Sierra Trading – the maximum that was allowable per shareholder prior to Monday – has committed not to seek a stake beyond 40 per cent of the company under an accompanying deal to an upcoming rights issue.

That deal, referred to as a



**NORMAN GRINDLEY/CHIEF PHOTOGRAPHER**  
A section of the Caribbean Cement plant owned by Trinidad Cement Limited. Cemex owns a portion of the plant via its 20 per cent interest in majority owner, TCL, and a 4.96 per cent stake held through Scancem International.

Subscription Agreement, was signed by Sierra and TCL on the same day that the Trinidadian cement maker's shareholders voted in Port-of-Spain to remove the cap on ownership of TCL shares.

Cemex is investing in the region at the same time that it is weighing plans to sell a piece of its Latin American holdings and other assets to pay down debt.

#### TCL DEAL

Under the deal struck with the 10-member TCL board, on which Cemex now has at least three representatives, the Mexican company will underwrite up to

US\$45 million of the rights issue, which is priced to raise up to TT\$362 million (US\$57m). The rights offer aims to raise at least US\$50 million.

Sierra will take up its full allowable allotment under the rights offer that gives shareholders the option to acquire one additional share for every two held. Some 124,882,568 shares will be available for subscription.

The offer will be priced at TT\$2.90 per share, a five per cent premium on Wednesday's trading price of \$2.76. The stock has gained 43 cents since the offer was announced.



# CARIBBEAN CEMENT COMPANY LIMITED

## INVITATION TO TENDER

### TENDER T00856 - MINE, CRUSH, LOAD AND HAUL POZZOLAN

Jamaica Gypsum and Quarries Limited, a subsidiary of Caribbean Cement Company Limited, seeks the services of a contractor to mine, crush, load and haul pozzolan from its quarry in Bull Bay, to its plant at Rockfort.

Interested bidders may download the tender documents and instructions from the Company's website [www.caribcement.com/news](http://www.caribcement.com/news)

#### SITE VISIT/PRE-BID MEETING

A site visit will be scheduled as follows:  
**Thursday, February 19, 2015 at 10:00 a.m.**

Interested persons should send email to [tenders@caribcement.com](mailto:tenders@caribcement.com) to register for the site visit.

#### SUBMISSION

Proposals should be submitted in a sealed envelope no later than **2:00 p.m. Wednesday, March 4, 2015** addressed to:

**T00856-Mine, Crush, Load and Haul Pozzolan  
The Secretary  
Management Tenders Committee  
Caribbean Cement Company Limited  
Rockfort, Kingston 2**

*Signed:*  
*Secretary*  
*Management Tenders Committee*



# CARIBBEAN CEMENT COMPANY LIMITED

## INVITATION TO TENDER

### TENDER T00881 – MINING AND HAULING OF GYPSUM FROM HALBERSTADT QUARRY

Jamaica Gypsum and Quarries Limited, a subsidiary of Caribbean Cement Company Limited, seeks the services of a contractor for the mining and hauling of Gypsum at **Halberstadt Quarry** in Bull Bay.

Interested bidders may download the tender documents and instructions from the Company's website [www.caribcement.com/news](http://www.caribcement.com/news)

#### SITE VISIT/PRE-BID MEETING

A site visit/pre-bid meeting will be scheduled as follows:  
**Thursday – February 26, 2015, 10:00 a.m.**

Interested persons should send an email to [tenders@caribcement.com](mailto:tenders@caribcement.com) to register for the site visit.

#### SUBMISSION

Proposals should be submitted in a sealed envelope no later than **2:00 p.m. Wednesday, March 11, 2015** addressed to:

**Tender T00881 – Mining and hauling of Gypsum from Halberstadt Quarry  
The Secretary  
Management Tenders Committee  
Caribbean Cement Company Limited  
Rockfort  
Kingston 2**



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Quarry  
The Secretary  
Management Tenders Committee  
Caribbean Cement Company Limited  
Rockfort  
Kingston 2**

# Caribbean Cement revenue, profit soar as parent TCL falters

**C**ARIBBEAN CEMENT Company Limited emerged unscathed from the board takeover that rocked its parent last summer, to produce annual pretax profits of \$255 million compared to a loss of \$3 million the previous year.

Its performance was assisted by a new record year for sales for the Rockfort, Kingston-based operation, which climbed from \$12 billion to \$14.3 billion at year end December 2014.

Domestic cement sales volumes grew by only one per cent to 594,164, while cement exports inched up to 232,765 tonnes. Clinker exports, however, quintupled to 155,423 tonnes because of a supply agreement with Venezuela.

Over in Claxton Bay, the home base of Trinidad Cement Limited, the group also reported an overall climb in revenue from TT\$1.93 billion to TT\$2.1 billion, which TCL described as a record for the company. The cement producer also reported a narrow EBITDA gain from TT\$407.7 million to TT\$407.8 million.

However, it also booked a TT\$153 million for losses linked to subsidiary Arawak Cement Company Limited, which served to cut operating profit for the year to TT\$116 million, from TT\$276 million the previous year.

Losses after taxes were more than TT\$205 million on continuing operations, rising to TT\$211 million when the discontinued operations of lossmaker Premix & Precast Concrete Inc of Barbados are taken into account.

The results wiped out the TT\$67 million of profit after tax credits that TCL reported in 2013.

"Despite that increase in the sales, EBITDA didn't increase because there were some



Caribbean Cement Company Limited.

extraordinary items that affected the results," said acting chief executive and board director, Alejandro Ramirez.

#### INDEBTED

Extraordinary expenses totalled TT\$57 million and included the impairment of weather-damaged clinker that was stored outside Arawak Cement Company for several years, as well as back payments to unionised staff and legal costs, he said.

Trinidad Cement remains heavily indebted but its liabilities were largely flat at the end of 2014, at TT\$2.76 billion, the majority \$2.38 billion of which is due in the short term – a

return to its pre-2012 status after the new Wilfred Espinet-led TCL board threw out the debt-restructuring plan that had been negotiated by the old board.

TCL is working out a new agreement with creditors and also plans to raise fresh capital of about TT\$50 million from a rights issue that will open to shareholders on March 6, as it restructures its balance sheet.

Minority partner Cemex will underwrite US\$45 million of the offer in exchange for a larger stake in TCL. Under the agreement, Cemex's current 20 per cent holdings will grow to between 35 and 40 per cent.

Jamaica's debt saw an uptick in the year to TT\$4.89 billion,

of which TT\$3.8 billion is due in the short term.

The Rockfort operation reported that under the old group debt-restructuring programme, it booked a credit of \$591 million in 2013 regarding withholding taxes associated with the operating lease paid to parent TCL.

Caribbean Cement, which is now chaired by Christopher Dehring, reported that in 2014 it reduced its finance charges by more than \$800 million.

At the bottom line, the company made after-tax profit of \$138 million compared to \$114 million after tax credits in 2013.

# Cemex executive to run Caribbean Cement

CEMEX EXECUTIVE Alejandro Vares has been appointed general manager of Caribbean Cement Company Limited, replacing outgoing head Anthony Haynes, effective May 4.

Vares will leave his position as Interim

Country Manager of Cemex Costa Rica to join the Rockfort, Kingston-based cement producer, Caribbean Cement Company said in a press release.

This appointment was approved by the board of directors on Thursday, a

day after Wednesday Business reported that Haynes was being replaced.

Haynes will serve until the end of April, then transition to a new position as "consultant to the TCL Group for six months in this instance," the release said.

It is unclear whether this arrangement will be renegotiated or restructured when his initial term ends.

Cemex recently doubled its stake in Trinidad Cement Limited from 20 per cent to 39.5 per cent. Alongside its interest in

Caribbean Cement, through its stake in TCL, the Mexican construction giant also owns five per cent of the Jamaican cement operation through Scancem International.

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[www.jamaica-gleaner.com/gleaner/et/g](http://www.jamaica-gleaner.com/gleaner/et/g)

FINANCIAL GLEANER Friday, May 1, 2015 7

## Caribbean Cement has second best quarter in two years

THE EXIT of Caribbean Cement Company's general manager, Anthony Haynes, is occasioned by one of the best quarterly profit recorded by the cement producer in years, even as sales remained flat.

Net profit of \$248 million for the March quarter outperformed the year-prior period sevenfold and was almost double the \$139 million made by the company for the full 12-month period in 2014.

Haynes' replacement is the latest in a series of changes at Caribbean Cement linked to a board takeover at parent company Trinidad Cement Limited last summer and subsequent restructurings of the group and its balance sheet.

TCL's net profit also quadrupled in the March quarter from TT\$13 million to TT\$46.6 million.

A new debt deal negotiated by the new TCL board with creditors in February, and which took effect March 30 - replacing a 2013 deal that was trashed by the new directors - has led to the

reclassification of a portion of Caribbean Cement's debts - \$3.8b of short-term liabilities were reduced to \$2.8 billion at the end of March, while \$867 million of long-term debt has almost doubled to \$1.5 billion.

The Kingston-based plant's capital structure was untouched from the first debt deal, under which TCL forgave US\$38 million of debt owed to it by Caribbean Cement. The debt was subsequently converted to capital. That, alongside another US\$37 million worth of preference shares issued to TCL, were used to neutralise the \$57 billion of deficits accumulated by Caribbean Cement during the economic downturn.

After 12 quarters of losses, business began to grow again in 2013 with a resurgence of the local



Anthony Haynes, general manager of Caribbean Cement Company Limited.

construction sector and growth in its overseas markets for clinker, leading to a record year for revenue - \$14.3 billion - in 2014.

March quarter sales, however, were flat at \$3.6 billion due to reduced domestic demand for clinker and cement, whose volume sales declined by 35 per cent and three per cent, respectively. Clinker exports climbed by 25 per cent.

Caribbean Cement grew quarterly net earnings from four cents per share to 29 cents per share, nonetheless, because of savings on production and operating costs, particularly its electricity and fuel bill, in a period of declining oil prices. It's the company's second best quarter in two years, next to the \$359 million it made in the June 2013 quarter.

occasioned by the conversion of US\$75 million of debt to equity.

Haynes managed Caribbean Cement before and throughout the recession and held on to his job amid board changes at Rockfort that occurred in tandem with changes at Claxton Bay. His last day on the job at Rockfort was April 30, but he will continue as a consultant to the TCL group for six months.

Haynes is being replaced by Alejandro Vares, an executive at Cemex, which doubled its holdings to 39.5 per cent in the Trinidad Cement group, through subsidiary Sierra Trading, by way of a rights issue.

Through its interest in TCL, Cemex's share of ownership in Caribbean Cement would amount to 34 per cent, including the 4.96 per cent stake it holds through subsidiary Scancem International.

Vares takes up office on May 4.

[business@gleanerjm.com](mailto:business@gleanerjm.com)

THE GLEANER, SATURDAY, MAY 2, 2015

## IN YOUR NEIGHBOURHOOD

### Business House football to start May 17

The 2015 Western Sports/KSAFA Business House Football Competition is scheduled to start on Sunday, May 17, with Metrodade the defending division one champions. As is customary, the competition will be played by division one teams including Metrodade, promoted division two champions Spanish Grain Store, along with former champions Petrojam, Scotiabank, Carib Cement and The Gleaner, and teams in division two.

The Pronto-sponsored five-a-side one-day competition will be played today at the National Water Commission playing field.

**SECTORAL DEBATE**

**PETER BUNTING, MINISTER OF NATIONAL SECURITY**

# Bedward Gardens zinc-fence project to be replicated

**A** MAIN sponsor in the zinc-fence replacement programme, which the Government intends to take islandwide has lauded the initiative as a positive one that should be supported.

Anthony Haynes, a consultant with the Caribbean Cement Company, which is to give a 50 per cent discount on all cement required, said the zinc-fence replacement initiative is “an excellent project”. He noted that one had been successfully implemented in East Rural St Andrew by Member of Parliament Damion Crawford.

“It is a project which you have to recognise that Damion Crawford has taken with the same model into Bedward Gardens and has really done a fantastic job, and Minister Peter Bunting toured and said, ‘Why can’t we take this project further?’. We are very happy to be a partner,” Haynes, a former general manager, said.

In making his contribution to the Sectoral Debate last week, Bunting, the national security minister, said the zinc-fence replacement programme has not only benefited community safety, but has also engendered a feeling of pride and ownership.

“If the physical environment is planned, designed, and managed appropriately, certain types of crimes can be reduced and



HAYNES



BUNTING

perceptions of safety increased,” the minister said.

Bunting further said such programmes helped in minimising the number of exits and entry points to a community.

“A recent tour of a zinc-fence replacement project in Bedward Gardens, where the MP had negotiated discounts with private-sector companies, gave us the idea to facilitate a similar deal for all constituencies,” Bunting said.

In addition to Carib Cement committing to sell cement at half price for similar projects, Tankweld has committed to

giving a 50 per cent discount on the steel required.

Bunting also said community members would provide the labour, as was the case in Bedward Gardens, and the HEART/Trust NTA would train and certify members of the working team who are not already certified.

He said, too, that the Jamaica Social Investment Fund would provide technical assistance in the form of design and bills of quantities while MPs, councillors or other community leaders would coordinate and identify the persons to work on the project.

Haynes stressed that “it is really a very good project and we are very happy to take the minister’s challenge on and work in other communities.”

Bunting said that already, there was interest for projects in Canterbury, St James, and Windsor Heights in St Catherine.

[daraine.luton@gleanerjm.com](mailto:daraine.luton@gleanerjm.com)

## IN YOUR NEIGHBOURHOOD

### Business House Five-A-Side at NWC playing field today

The Pronto Porridge sponsored Business House Five-A-Side one-day football competition takes place today at the National Water Commission playing field, Mona, starting at 9 a.m. A total of 24 teams will vie for top honours, including defending champions Scotiabank.

Defending division one champions are Metrodade Security. Play in division one will see former champions Petrojam, Scotiabank, Carib Cement and The Gleaner in action, along with last season’s division two champions, Spanish Grain Store, now promoted.

Meanwhile, the Western Sports/Kingston and St Andrew Football Association (KSAFA) Business House League gets underway on Sunday, May 17 with 24 participating teams –12 in division one and 12 in division two.

# UTech Classic aims to enhance tennis talent

**Shayne Fairman**  
*Gleaner Writer*

THE FOURTH renewal of the UTech Tennis Classic will take centre stage from May 13-15, and with it, Tennis Jamaica (TJ) will be hoping that a multifaceted partnership with the institution and Carib Cement will enhance talents and spur development.

Tennis Jamaica president, John Bailey, expressed satisfaction with the junior programmes at yesterday's launch at the Liguanea Club, New Kingston.

"In our basic and primary school programmes, we have over 1000 children playing tennis today. As we grow older, it is always good to have tennis tournaments," said Bailey.

"These tournaments are very important to the development of tennis in Jamaica, and we are thankful to the sponsors, and hope that this will be an ongoing commitment in the future," he noted.

The tournament is an open format, with first-round action beginning next Wednesday, while round-of-16 and quarter-finals are scheduled for Thursday. The semi-finals and finals will mark the event's climax on Friday.

Start time is 10 a.m. daily, with action running through to 7 p.m. Entry fee for schools, clubs and institutions is \$1,500 per person.

Tournament director, Llockett McGregor, hopes to extend their growth.

"I am hoping that this is a friendship/partnership that we can build, and go on to have a wonderful event," said McGregor.

He also noted a setback to not having more participants, this due to exams.

Laurence Garrikes, acting director of sport at UTech, said their tournament will help to expose talent.

## SHOWCASE

"We have been doing very well in terms of intercol tennis championships. This is just another way of promoting the talents at UTech and, of course, showcasing other talents in tennis across the country," he said.

Carib Cement's customer-relations officer, Garen Williams, called the 'sponsorship a significant one'.

"We are title sponsors, we are into construction, we are into building Jamaica, and we partner with UTech in this regard," he underlined.

Meanwhile, Duainne Miller, runner-up for UTech last year, will be looking to win, given that the defending champion is injured and won't participate.

"Hopefully, on tournament day, whatever I practice will click, and I hope I will be able to rise to the challenge and put my best foot forward," he noted.

On the female side, there are eight players registered so far. The event is open to the public for free.

## IN YOUR NEIGHBOURHOOD

### Carib Cement are BH Pronto Five-a-Side champions

Last year's beaten finalists, Carib Cement, defeated Appliance Traders Limited (ATL) 3-1 on penalties in the Pronto Porridge Mix-sponsored Business House five-a-side one-day football rally at the National Water Commission (NWC)

playing field in Mona last Saturday. Both teams played to a 0-0 stalemate in regulation and extra time and it required penalty kicks to decide the winners.

Carib Cement advanced to the final after beating The Gleaner 3-0 on penalty kicks in the semis and also defending champions Scotiabank, while ATL beat Peak Bottling 1-0 in the other semi-final to advance. Eighteen teams contested the rally.

Meanwhile, another Business House Five-a-Side one-day rally, sponsored by Cable Pro and Western Sports, will be played today at the NWC playing field, starting at 8:30 a.m. This will be contested by 24 teams, with the winner receiving \$30,000 and the runners-up \$15,000.

The KSAFA/Western Sports Business House league (divisions one and two) is scheduled to start on Sunday, May 24 at the Red Stripe Oval with the dress parade and two opening matches.



### Notice of Annual General Meeting

**NOTICE** is hereby given that the **SIXTY SIXTH ANNUAL GENERAL MEETING** of **CARIBBEAN CEMENT COMPANY LIMITED** will be held at the Knutsford Court Hotel, 11 Ruthven Road, Kingston 10 on June 16, 2015 at 10:00 a.m. to transact the following business and to consider and, if thought fit, pass the following Resolutions:

1. To receive and consider the Report of the Directors and the Audited Financial Statements for the year ended December 31, 2014.
2. To appoint Auditors and authorize Directors to fix the remuneration of the Auditors.
3. To elect Directors and fix their remuneration.
4. To transact any other business which may properly be transacted at an Annual General Meeting.

**Note:**

**Proxies**

Members of the Company entitled to attend and vote at the meeting are entitled to appoint one or more proxies to attend and vote instead of them. A proxy need not be a member. Where a proxy is appointed by a corporate member, the form of proxy should be executed under seal or signed by an officer or attorney duly authorized.

To be valid the Proxy Form must be completed and deposited at the registered office of the Company not less than 48 hours before the time fixed for holding the meeting.

**By Order of the Board**



Bernadene M. Crooks  
Company Secretary

## IN YOUR NEIGHBOURHOOD

### The Gleaner beat Wisynco 3-1 in BH football

The Gleaner made it two wins from as many matches in Division One of the KSAFA/Western Sports Business House football competition on Monday, when they defeated Wisynco 3-1 at Alpha.

Led by two first-half goals from midfielder Locksley Thompson, The Gleaner led 2-1 at half-time. In the second half, they dictated the run of play with Thompson, Kieron Brock, Al Nesbett, and Fabian Nethersole stringing their passes together. Nethersole sealed the issue with a well-placed shot from inside the 18-yard box in the 80th minute. The Gleaner had previously beaten NWC 1-0 through a Nethersole goal.

In other Division One matches played over the past week, defending champions Metrodade Security blanked Jamaica Customs 2-0, NWC drubbed Fire Brigade 6-1 at Mona, GraceKennedy surprised former champions Scotiabank 2-0 at the Edward Seaga Sports Complex, and Carib Cement stopped Airport Authority 3-1 at Harbour View.

In Division Two action, Pepsi blanked Continental Baking Company 4-0, with a brace from Jason McIntosh; NCB and Peak Bottling drew 2-2; and Sagicor clipped Transport Authority 4-3, thanks to a double strike from Paul Cunningham.

Matches on today are Carib Cement vs Grace at Rockfort, and Scotiabank vs Airport Authority at Winchester Park, St George's College. Both matches start at 4 p.m.

# The Sunday Gleaner 180 Years for You

GB (UK): £3.50, CAN: \$4.95+GST, NY: \$3.50, FLORIDA: \$3.50

www.jamaica-gleaner.com VOLUME 76 NO. 24

SUNDAY, JUNE 14, 2015

KINGSTON, JAMAICA 144 PAGES

## PAID AFTER TRESPASSING

### Supreme Court rules that trespassers have rights too

Barbara Gayle  
Justice Coordinator

A MAN who trespassed on a property and was shot in the head by a security guard has been awarded \$2 million with interest by the Supreme Court, which has ruled that a trespasser is entitled to protection from reckless acts.

In the ruling handed down last month, the Supreme Court ordered the security firm Marksmen to pay David Humphrey, who was shot in the back of the head by one of its security guards on November 22, 2003.

Humphrey and his friends had trespassed on the Carib Cement Company premises in Rockfort, St Andrew, to play football.

Luther Lewis, a security guard employed by Marksmen, ordered them off the premises.

Humphrey said they obeyed and while they were walking away, he heard an explosion before feeling a burning sensation to

the back of his head with blood flowing from the area. He lost consciousness and woke up in the Kingston Public Hospital where he was admitted for 13 days.

Represented by attorney-at-law Garth Lyttle, Humphrey sued Lewis, Marksmen and the cement company to recover damages for negligence.

Lewis, a licensed firearm holder, in his defence, said on the day of the incident he saw a group of men, some armed with machetes, approaching the guardhouse. Humphrey was among the group.

He said he told the men that they were trespassing and ordered them to leave the premises, and they agreed to leave. When they reached the entrance of the premises, some of the men began chopping at a conveyor belt and electric wires.

Lewis said he fired his shotgun in the air, "to have them desist from their act of vandalism".

He told the court that the police, who were called, took away three men, two machetes and a wheelbarrow. He said he subsequently learned that someone might have been shot. He searched for the person but did not find him.

Arising from the incident, Lewis was convicted of illegal possession of firearm and shooting with intent and was put on probation for three years.

Attorneys-at-law John Leiba and Jonathan Morgan, who represented the Cement Company, argued that the claim against it should be dismissed because Lewis was not its employee and Marksmen was contracted to

provide security services at its premises.

Supreme Court judge Marcia Dunbar-Green agreed with this submission and dismissed the claim against the cement company, while ordering Marksmen to pay the legal costs for the cement company and Humphrey.

In ruling in favour of Humphrey, the judge said she found that he was a trespasser but she was not convinced by Lewis as to what led to the discharge of his shotgun.

**NO EVIDENCE OF DAMAGE**

Dunbar-Green found that there was no supporting evidence of any damage to property and no indication of anyone being prosecuted for the alleged actions of the men. She said she did not believe Lewis that Humphrey was one of the men on the conveyor belt.

The judge stressed that if Humphrey was at the conveyor belt, Lewis would have seen that he was injured.

According to Dunbar-Green, there was a duty to a trespasser not to harm him by any intentional acts or by doing acts in reckless disregard for his safety.

However, the judge found that there was no evidence to sustain an intentional infliction of the injury. The next question for the judge's consideration was whether Lewis acted in reckless disregard for Humphrey's safety, and Dunbar-Green found he was reckless.

"As a trained user of a shotgun, the first defendant ought to have known that the angling of his weapon was an important consideration, if he intended to discharge it in proximity to the trespasser."

Dunbar-Green said Humphrey had established his claim in negligence and said: "In my view, there was no evidence that this incident was one over which the first defendant had no control and the effect of which could not have been avoided by the greatest care and skill."

The judge found Lewis liable in damages for negligence and Marksmen vicariously liable for Lewis' negligence.

In making the award, the judge said that from the medical evidence, Humphrey had made excellent recovery from the injury but for a scar to the occipital nerve of the scalp which causes him to experience headaches and neuropathic pains in the territory of distribution of the nerve.

Humphrey was also seeking \$3 million in damages for handicap on the labour market but the judge upheld submissions from attorneys-at-law John Givans and Lori-Ann Givans, who represented Lewis and Marksmen, that there was no evidence to support that award.

PLEASE SEE PAID A3

## PAID

CONTINUED FROM A1

the back of his head with blood flowing from the area. He lost consciousness and woke up in the Kingston Public Hospital where he was admitted for 13 days.

Represented by attorney-at-law Garth Lyttle, Humphrey sued Lewis, Marksmen and the cement company to recover damages for negligence.

Lewis, a licensed firearm holder, in his defence, said on the day of the incident he saw a group of men, some armed with machetes, approaching the guardhouse. Humphrey was among the group.

He said he told the men that they were trespassing and ordered them to leave the premises, and they agreed to leave. When they reached the entrance of the premises, some of the men began chopping at a conveyor belt and electric wires.

Lewis said he fired his shotgun in the air, "to have them desist from their act of vandalism".

He told the court that the police, who were called, took away three men, two machetes and a wheelbarrow. He said he subsequently learned that someone might have been shot. He searched for the person but did not find him.

Arising from the incident, Lewis was convicted of illegal possession of firearm and shooting with intent and was put on probation for three years.

Attorneys-at-law John Leiba and Jonathan Morgan, who represented the Cement Company, argued that the claim against it should be dismissed because Lewis was not its employee and Marksmen was contracted to

provide security services at its premises.

Supreme Court judge Marcia Dunbar-Green agreed with this submission and dismissed the claim against the cement company, while ordering Marksmen to pay the legal costs for the cement company and Humphrey.

In ruling in favour of Humphrey, the judge said she found that he was a trespasser but she was not convinced by Lewis as to what led to the discharge of his shotgun.

### NO EVIDENCE OF DAMAGE

Dunbar-Green found that there was no supporting evidence of any damage to property and no indication of anyone being prosecuted for the alleged actions of the men. She said she did not believe Lewis that Humphrey was one of the men on the conveyor belt.

The judge stressed that if Humphrey was at the conveyor belt, Lewis would have seen

that he was injured.

According to Dunbar-Green, there was a duty to a trespasser not to harm him by any intentional acts or by doing acts in reckless disregard for his safety.

However, the judge found that there was no evidence to sustain an intentional infliction of the injury. The next question for the judge's consideration was whether Lewis acted in reckless disregard for Humphrey's safety, and Dunbar-Green found he was reckless.

"As a trained user of a shotgun, the first defendant ought to have known that the angling of his weapon was an important consideration, if he intended to discharge it in proximity to the trespasser."

Dunbar-Green said Humphrey had established his claim in negligence and said: "In my view, there was no evidence that this incident was one over which the first defendant had no control and the effect of which

could not have been avoided by the greatest care and skill."

could not have been avoided by the greatest care and skill."

The judge found Lewis liable in damages for negligence and Marksmen vicariously liable for Lewis' negligence.

In making the award, the judge said that from the medical evidence, Humphrey had made excellent recovery from the injury but for a scar to the occipital nerve of the scalp which causes him to experience headaches and neuropathic pains in the territory of distribution of the nerve.

Humphrey was also seeking \$3 million in damages for handicap on the labour market but the judge upheld submissions from attorneys-at-law John Givans and Lori-Ann Givans, who represented Lewis and Marksmen, that there was no evidence to support that award.

# Caribbean Cement lands big contracts

*Growth hinges on improved efficiency, capacity utilisation*

**Camilo Thame**  
Senior Business Writer

CARIBBEAN CEMENT Company Limited (CCCL) has secured a deal to supply cement for use in stabilisation of a 46-kilometre stretch of the north-south leg of Highway 2000, which is currently under construction.

The local cement manufacturer is also on board projects that will see 640 hotel rooms being built by Bahía Príncipe and 460 rooms for student accommodations being constructed at the University of the West Indies.

"We believe we have passed the rougher times," said recently appointed general manager, Alejandro Vares, at Caribbean Cement's annual general meeting on Tuesday.

"We are now on a path to improve profitability on a sustainable basis," he told shareholders.

Indeed, 2014 was the first full financial year in which the cement maker posted a profit after five years of drought – it racked up more than \$8 billion in losses from 2009 to 2013. Moreover, earnings for the first three months of 2015 totalled \$248 million, compared with \$35 million in the corresponding quarter last year.

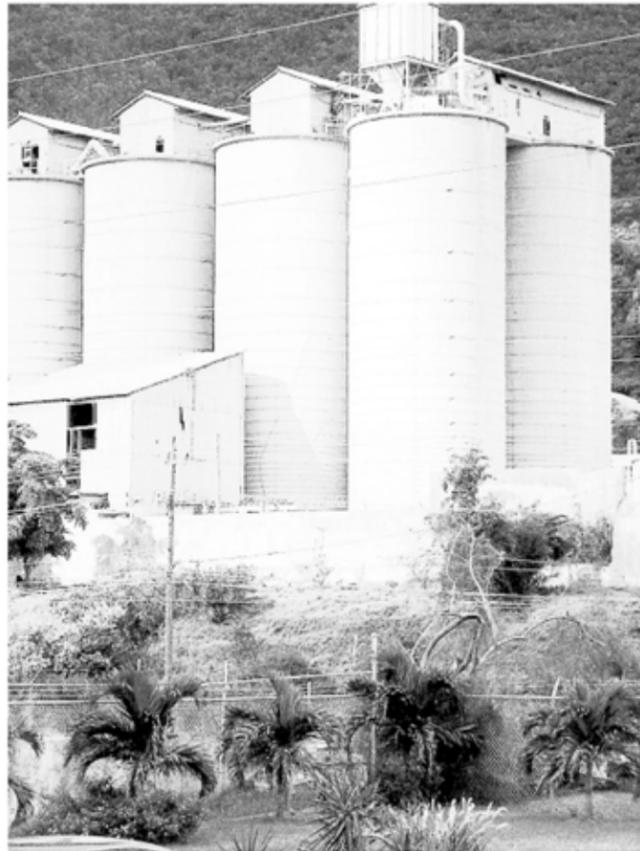
#### EXPORT MARKET

This year's performance is expected to be supported by four per cent growth in the domestic cement market in 2015 and a second clinker supply deal to Venezuela, which runs to November. The contract requires the company to ship 240,000 tonnes of the cement input, compared with 100,000 tonnes in the first supply deal under the PetroCaribe Trade Mechanism.

Caribbean Cement also started 2015 with its products carrying an average price that is 7.5 per cent higher than it was at the beginning of last year – after three price increases in the first half of 2014 – while energy prices have slumped from year-earlier levels.

Still, the cement maker is sitting on unused capacity that it has been unable to utilise due to stagnant demand for cement, costly production, and a limited range of products.

Even with record production of clinker last year, it still had 40 per cent of its kiln capacity unutilised – just over 40 per cent of the company's cement milling capacity is being used.



Caribbean Cement Company Limited.

Vares, who took over management of the company from Anthony Haynes in May, reckons that improving operational efficiency and lowering production cost, and, consequently, the price to consumers, can make CCCL's cement competitive enough for the export market, which could easily eat up the local manufacturer's unused capacity.

He hopes to increase kiln efficiency from 78 per cent in 2014 to 85 per cent this year to more than 90 per cent next year.

Lower prices on the existing products it makes could also squeeze out imported cement.

But Caribbean Cement also has to go after new markets. It is currently analysing the feasibility of exporting gypsum, according to Vares. The com-

pany has already lab tested a sulphate-resistant cement that is particularly useful in the development of seaports as the product is better at withstanding the effects of the ocean.

The cement maker's own ports, such as the Jamaica Gypsum & Quarries' pier, which was dredged last September to permit loading of 25,000-tonne shipments of clinker, also presents an opportunity for Caribbean Cement to explore handling other companies' shipments.

"We are talking with a few companies, but I am not authorised to discuss details at this time," said Vares regarding Caribbean Cement's flirtation with renting the capacity of its ports.

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## social SOMETHING EXTRA

A8

THE GLEANER, WEDNESDAY, JUNE 17, 2015 • www.jamaica-gleaner.com



# NOTICE

The Management of the

## Rockfort Mineral Bath Complex (RMBC)

is advising its valued customers that the facility **will be closed** to the public on **Sunday 21st June 2015.**

RMBC apologises for any inconvenience caused.

***Thank you for your usual support.***



Managing Director of J. Wray and Nephew Limited Clement 'Jimmy' Lawrence receives the President's Trophy from JEA President Marjory Kennedy as runner-up Champion Exporter.



Cecil Love of Trout Hall (left) receives the Agri Champion Exporter Category 2 trophy from JEA Vice-president John O. Minott.

# Caribbean Cement, champion exporter



Caribbean Cement Company Limited was crowned Champion Exporter 2014 at the Jamaica Exporters' Association's annual awards dinner held at The Jamaica Pegasus hotel in New Kingston on Wednesday. Governor General Sir Patrick Allen (left) presents the Governor General's Trophy to Caribbean Cement team members Gary Ferguson (third right), Alice Hyde and Norville Clarke (right).

**C**ARIBBEAN CEMENT Company Limited is Jamaica's Champion Exporter for 2014, for which it was awarded the Governor General's Trophy on Wednesday night by the Jamaica Exporters' Association.

Caribbean Cement also copped the Category III award for achieving sales above US\$5 million.

There were 29 awards on offer at the annual awards, covering everything from support services to export tonnage and export value; from agricultural exports to CARICOM exports and third country exports. There were also awards for service export champions, which included technological solutions, shipping, and logistics.

On a night when Caribbean Cement was recognised above all others, there were companies

that emerged in a number of categories.

Petrojam was Model Exporter and recipient of the Pauline Gray Award. The model exporter is judged for its profitability due to efficiencies and productivity, along with International competitiveness, commitment to research and development (R&D), and technological advancement – as evidenced by state-of-the-art technology and reinvestment of profits in R&D.

Petrojam also got the Shipping Association of Jamaica Award for the exporter with the highest tonnage.

J. Wray and Nephew was adjudged the Best Third Country Exporter, runner-up Champion Manufacturer and runner-up Champion Exporter.

JP Tropical Foods won in the Champion Trader category, representing sales of up to US\$100,000, and was the most improved exporter of the year.

The Ambassador Peter King Pioneer Exporter Award went to Dr Andre Gordon. This award is given to individuals who have given more than 25 years of consistent service in the field of exports. Dr Gordon was lauded for over 30 years of service and "his passionate pursuit of excellence and dedication to maintaining products and service delivery of the highest standards".

*This story was first published online on Thursday.*

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C3

**Camilo Thame**  
Senior Business Writer

**C**ARIBBEAN CEMENT Company Limited (CCCL) posted its highest profit on

record. The \$870 million in net income earned during the six months to June 2015 beat its highest annual earnings previously achieved in 2004, when it posted \$842 million to its bottom line – although this does not take inflation and depreciation of the Jamaican dollar into account.

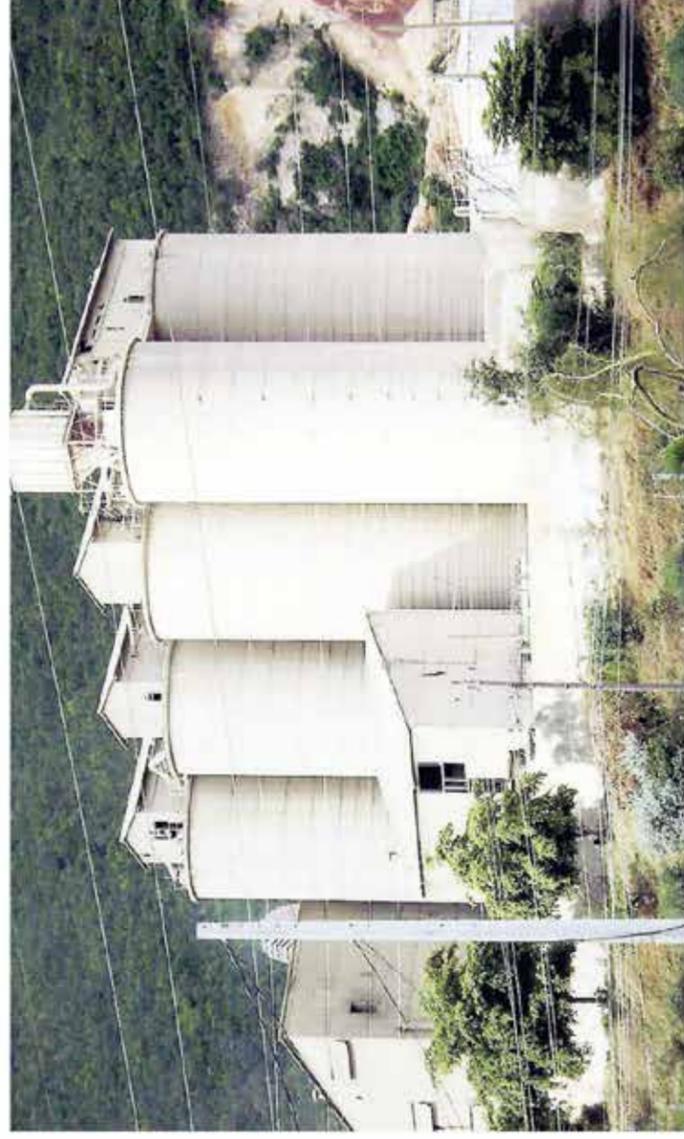
An eight per cent rise in revenue during the June 2015 quarter, coupled with a dramatic reduction in energy costs, resulted in operating profit skyrocketing from a middling \$6 million in the comparative period last year to \$614 million during the three months to June.

The cement manufacturer noted that lower fixed costs and improved operational efficiencies also contributed to the increase in earnings.

It did not disclose how debt restructuring with its parent – Trinidad Cement Limited (TCL) – might have impacted its operating lease, which has averaged US\$19 million a year since 2009 after a new kiln and cement mill were commissioned at the Rockfort, Kingston plant.

However, the successful refinancing of the debt yielded \$168 million, net of fees, in prepayment discounts on top of operating profit, which went straight to the company's bottom line. In May, TCL prepaid

# Caribbean Cement posts record profit on cheaper energy, debt windfall



Caribbean Cement Company Limited

eight per cent rise in domestic sales was not enough to offset a 45 per cent reduction in cement export volumes. On the other hand, clinker sales volume rose by 160 per cent due largely to a supply contract with Venezuela under the PetroCaribe trade mechanism.

Combined, the volume of clinker used to make the cement sold during the quarter under review and sold in raw form as a commodity was five per cent higher than the comparative period in 2014 – pointing to higher capacity utilisation of CCCL's kilns.

Looking ahead, the cement maker expects to the modest increase in domestic cement sales to continue throughout the rest of 2015. "Lower oil prices have had a significant impact on electricity and fuel prices, and this is expected to create more disposable income in the local market, which should in turn result in greater demand for our product," wrote company directors in their statement to shareholders.

"The tight fiscal policy stance which the Government continues to employ, in accordance with its present agreements with the multilateral agencies, is expected to result in modest growth in the economy."

"We remain encouraged by the continued improvement in the performance of the company," they concluded.

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in full the overridic debt rene- loan and internal cash. Consequently, CCCL posted \$621 million in net profit for the quarter, compared with an \$89 million loss for the corresponding three-month period ending June 2014. Cement sales volume declined by nine per cent, as an

## IN YOUR NEIGHBOURHOOD

### The Gleaner vs UWI in BH football action

Two KSAFA/Western Sports Business House division one matches are scheduled for today.

The Gleaner, who are currently in second place with 12 points from six matches, will oppose bottom of the tables UWI at Alpha starting at 4 p.m., while GraceKennedy are up against Norman Manley International Airport at the Edward Seaga Sports Complex, also at 4 p.m.

Meanwhile, Scotiabank defeated Transport Authority 6-2 in the Business House KO Football Competition last Saturday at Winchester Park to join Petrojam, Carib Cement, Wisynco, ATL, NWC and Peaking Bottling in the quarter-final round.



# VACANCY

Arawak Cement Company Limited is seeking to recruit an energetic and experienced individual to join its performance driven team of professional leaders in the following position.

## MECHANICAL ENGINEER

### POSITION SUMMARY

The ideal candidate will be responsible for the maintenance of the mechanical plant including, supervising and providing support to foremen, technicians and fitter/welders and ensures that process equipment is available and reliable to satisfy the production needs.

For further details, interested persons are asked to visit our website at:

<http://www.tclgroup.com/people-opportunities/group-careers/article/vacancies-arawak-cement-limited>

Applications should be submitted to [acclhumanresources@arawakcement.com.bb](mailto:acclhumanresources@arawakcement.com.bb) no later than **Friday 14th August, 2015.**

ONE CARIBBEAN...  
ONE COMPANY  
A member of the **TCL GROUP**

## IN YOUR NEIGHBOURHOOD

### Scotiabank clip The Gleaner in BH football

Former champions Scotiabank improved their chances of reaching the semi-finals of the KSAFA/Western Sports Business House Division One League, thanks to a 2-1 win over The Gleaner at Alpha last Sunday.

Scotia, who had the better of play in the first half, went ahead through a Rohan Reid strike in the 30th minute.

They increased the lead seven minutes into the second half through Rivoli United's Premier League player, Anthony Greenland.

The Gleaner gained a consolation goal via their prolific striker, Fabian Nethersole, in the 70th minute, his sixth goal of the season.

Two days later, Scotiabank also made progress in the KO competition, whipping National Water Commission 5-0 in the quarter-finals at Winchester Park, thanks to a hat-trick from Nicholas Scott.

Scotia thus advanced to tomorrow's semi-finals, where they will meet defending champions Petrojam at Alpha, starting at 3:30 p.m.

Petrojam won their quarter-final match on Tuesday as well, drubbing Wisynco 4-0 at Alpha. Carib Cement also earned their quarter-final berth by virtue of a 2-0 win over National Housing Trust at Rockfort and will take on Peak Bottling in the other semi-final at Barbican tomorrow, starting at 4:30 p.m. Peak Bottling had beaten Xerox 4-0 at Barbican on Tuesday, courtesy of a hat-trick from André Wheeler.



RUDOLPH BROWN/PHOTOGRAPHER

Dr Omar Davies (second right), member of parliament for South St Andrew; Sheree Martin (right), senior vice-president, customer and corporate services at the Jamaica Public Service Company Ltd (JPS), and Alejandro Vares (second left), general manager of Caribbean Cement Company Ltd, speak with Tanecia Hitchman and Julani Hamilton, top Grade Six Achievement Test boy and girl from Davies' constituency, during the South St Andrew GSAT Scholarship Education Awards ceremony held at the Knutsford Court Hotel in St Andrew last Thursday. JPS and Caribbean Cement Company are sponsors of the awards.

# BUSINESS

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## Sources: Carib Cement boss to be replaced

**Tameka Gordon**  
*Business Reporter*

GENERAL MANAGER of Caribbean Cement Company Limited Anthony Haynes is to demit office, **Wednesday Business** has learnt.

It's understood that Haynes, a Trinidadian, is to be replaced by a Mexican executive.

When contacted, Chairman of Caribbean Cement Christopher Dehring said he could neither confirm nor deny whether the Haynes is being replaced and instead referred **Wednesday Business** to parent company Trinidad Cement Limited (TCL).



FILE

Anthony Haynes, general manager of Caribbean Cement Company Limited. Although Sierra and TCL struck an agreement that the former would not acquire more than 40 per cent

of TCL, questions continue to be raised in Trinidad about a potential takeover by Cemex.

Dehring said that as Caribbean Cement is part of a wider operation "whatever the group executive is working out with regards to any statement to do with operations, I much prefer it come from the company itself rather than the board members speaking out about any operational aspect of the company".

**Wednesday Business** further sought clarification from the CEO of Trinidad Cement, Alejandro A. Ramirez Cantu, but was told a representative would return the call at a later date.

Haynes did not return calls for comment up to press time.

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"I think what you have to do is to speak with the company directly. I am not close enough to the (issue). There is an operational protocol, so I am sure the company would be happy to talk to you in due course," Dehring said.

Two weeks ago, Trinidad Cement announced that under a rights issue, minority shareholder Sierra Trading, a subsidiary of construction giant Cemex of Mexico,

had increased its ownership of TCL from 20 per cent to 39.5 per cent. Although Sierra and TCL struck an agreement that the former would not acquire more than 40 per cent

## IN YOUR NEIGHBOURHOOD

### Metrodade still unbeaten in BH football

Defending champions Metrodade Security extended their unbeaten run in Division One of the KSAFA/Western Sports Business House football competition with a come-from-behind 2-1 win over The Gleaner at Alpha on Monday.

The Gleaner drew first blood courtesy of an early goal from Nicholas 'Cummy' Hamilton, but Metrodade struck back with goals from Damarley Samuels and Devon Hodges in the second half to maintain clear lead at the top of the standings.

Grace Kennedy, who are currently in second, have also qualified for the semi-finals, along with former champions Petrojam in third.

The fourth semi-final spot should be decided between former champions The Gleaner and Scotiabank. The latter will play bottom-of-the-tables UWI today at Winchester Park at 4.00 p.m., while The Gleaner faces a much tougher assignment in their final preliminary fixture against the Lennie Hyde-coached Petrojam on Monday at Alpha.

Meanwhile, Petrojam defeated Scotiabank 3-1 at Alpha in the KO semi-final last Saturday, thanks to goals from Jerron Richards (penalty), Rafiek Thomas and David 'Beckham'

Shultz. They will meet Carib Cement in the final in another fortnight. Carib Cement defeated Peak Bottling 2-1 in extra time to gain their berth.

## MORE SPORTS IN BRIEF

### Petrojam, Carib Cement in KO final

Defending champions Petrojam will meet Carib Cement in the final of the 2015 Scotiabank-sponsored Kingston and St Andrew Business House Football Knockout competition today at Alpha Boys' Home football field, off South Camp Road. Match time is 03:30 p.m.

Both teams had contrasting victories going into the final. Petrojam defeated Scotiabank 3-1, while Carib Cement clipped first-time entrants Peak Bottling 2-1 in extra time, after coming from a goal down.



FILE

Petrojam's Rafeik Thomas. Petrojam are going for their fifth title and their fourth straight knockout title since 2012.

Both teams will be parading a number of Premier League

players and Petrojam will start as favourites. The Dwayne Blake-coached Carib Cement will have in their line-up Jerry Walters, Mark Bryan, Ricardo Scott, Jermaine Freckelton, Keno Ross, Elton Thompson and Ewan Murphy.

Petrojam, who will be captained by Jotham Watson, will look to Rafeik Thomas, Jarron Richards, Andrew Christie, Tyrone Davis, David Stultz, Ramone McGregor and Damion Hyatt to hand coach Lenworth Hyde his first knockout title.

## IN YOUR NEIGHBOURHOOD

### The Gleaner clip Petrojam in BH football

The Gleaner kept their hopes alive for a semi-final spot in Division One of the KSAFA/Western Sports Football Competition, with a 3-2 win over many-time champions Petrojam at Alpha Boys' Home on Monday.

Petrojam, who subsequently emerged KO champions with a 2-0 win over Carib Cement on Wednesday for coach Lenworth Hyde, opened the scoring through Boys' Town Premier League player, Rafeik Thomas, in the 28th minute.

The Gleaner levelled the score late in the first half via a penalty from Locksley Thompson.

In the second half, The Gleaner gained the ascendancy with some creative plays and was rewarded with a goal from their prolific striker, Fabian Nethersole, in the 68th minute. They went further ahead in the 83rd minute when Norman 'Ball Vibes' Bailey netted for the Ian Barnett-coached Gleaner team. Petrojam got a late goal through Arnett Gardens' Premier League player, Leon Strickland, almost on the stroke of full time.

Scotiabank and Carib Cement will meet in a crucial encounter this afternoon at Winchester Park and neither can afford to lose if they hope to make the semis. Defending champions Metrodade, who are unbeaten in the league, lead the standing, ahead of GraceKennedy and Petrojam. The fourth and final semi-final spot will be decided among Scotia, Carib Cement and The Gleaner, who have completed their preliminary round fixture with 18 points.



# NOTICE

The Management of the  
**Rockfort Mineral Bath Complex  
 (RMBC)**

is advising its valued customers that the facility  
**will be closed** to the public on  
**Sunday 4th October 2015.**

RMBC apologises for any inconvenience caused.

***Thank you for your usual support.***

## Caribbean Cement scores \$1.48b of profit

IN A robust third quarter for Caribbean Cement Company, the commodity producer reported an eightfold growth at the bottom line to \$617 million that was fuelled by stronger sales and lower production costs, as well as a more manageable debt load.

In the nine-month period, the cement maker made \$1.48 billion of profit off turnover of close to \$12 billion. Last year, the company reported a profit of \$25 million.

Caribbean Cement, which is now

being run by a Cemex-backed manager, Alejandro Vares, did not disclose the actual volume sales of cement and clinker in the periods under review, as it has traditionally done with other quarterly earnings reports. Instead, the company focused on sales performance.

"Domestic sales volume for the third quarter exceeded the corresponding period in 2014 by 22 per cent, and for the nine-month period was 9 per cent above the volumes in 2014," said Chairman Christopher Dehring and

director/TCL Group CEO José Luis Seijo Gonzalez in the director's statement attached to the financial results.

### REVENUE GROWTH

Revenues grew by close to three-quarters of a billion dollars in the quarter to \$4.2 billion, and by just over a billion dollars year to date to \$11.76 billion. This performance puts the cement company on track to better the \$14 billion of record sales revenue recorded in 2014.

Caribbean Cement also reported a 73 per cent reduction in interest charges for the quarter "as a result of the company's financial restructuring initiative, resulting in some prepayments of long-term debt in excess of \$800 million," the directors said.

The debt rescheduling happened under a group-wide programme through which parent company Trinidad Cement Limited restructured its balance sheet to shed debt and boost equity. That programme also

doubled Cemex's ownership of TCL, with a stake that is just shy of 40 per cent.

Cemex executive Vares was named general manager of Caribbean Cement in May, replacing Anthony Haynes.

The Rockfort, Kingston-based company remains \$4.2 billion in debt, while its equity base has grown to \$6.4 billion, compared to \$4.8 billion a year ago.

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## COVER STORY

# Caribbean Cement shareholder demands probe of operating lease to TCL

**MCPHERSE THOMPSON**  
Assistant Editor - Business

**M**ICHAEL SUBRATIE, a minority shareholder of Caribbean Cement Company, has asked the Jamaica Stock Exchange (JSE) to investigate whether the operating lease paid to parent Trinidad Cement Limited breaches accounting rules.

Subratie, who is also managing director of Musson Jamaica, is contending that the operating lease over the cement plant's assets, which are owned by TCL, distorts its profits and stifles shareholder value, that it appears to contravene generally accepted accounting principles - GAAP - and should be replaced with a finance lease arrangement.

The JSE appears to be looking into the claims but is not saying whether it believes they have merit. Chief regulatory officer Wentworth Graham said only that it was policy for the JSE Regulatory & Market Oversight Division not to disclose details on investigations that it undertakes.

Caribbean Cement last paid a dividend in 2005, amounting to a total distribution of around \$60 million at seven cents per share. Subratie holds just over four million CCC shares in his own name, and is now the tenth largest shareholder of the Rockfort, Kingston-based operation with a 0.48 per cent stake.

In 2014, Caribbean Cement paid \$2.42 billion to TCL as operating lease. This year, it is projecting payments of \$2.34 billion.

Between 2015 and 2018, the Kingston-based plant expects to pay out a total of \$9.95 billion or the equivalent of US\$87 million to TCL under the lease agreement.

New rates will be negotiated for January 2019 to December 2028.

"The operating lease arrangement seems completely unfair to the minority shareholders as the true situation seems to be that of a finance lease, as the equipment leased are permanent structures/equipment located at CCC in Jamaica," said Subratie.



**Michael Subratie, minority shareholder in Caribbean Cement Company Limited.**

He is also contending that amounts already paid by Caribbean Cement, combined with the payments scheduled to 2018, more than equal the cost of equipment and structures.

Under operating lease contracts, the owner permits use of an asset for a particular period which is shorter than the economic life of the asset, without any transfer of ownership rights. A finance lease is a commercial arrangement where the lessee pays a series of rentals or instalments for the use of the asset and has the option to acquire ownership.

Caribbean Cement told the *Financial Gleaner* that it has two operating lease agreements with TCL, covering Clinker Kiln 5 and Cement Mill 5.

Those structures were part of an expansion programme financed by TCL with a US dollar loan from external sources. The operating lease charge is accounted for on Caribbean

Cement's financial statements as an expense.

Without that expense, Caribbean Cement's EBITDA would be boosted by around \$2 billion per year.

### Conforms with international standards

Regarding Subratie's concern, the cement maker responded via email that its accounts, which are audited by Ernst & Young (EY), conform with international financial reporting standards and the requirements of the Companies Act.

Leases of assets, under which all the risks and benefits of ownership are effectively retained by the lessor, are classified as operating leases, said the cement producer. Payments made under operating leases are charged to the statement of comprehensive income over the period of the lease on a straight line basis.

Portions of Kiln 5, which were

completed and commissioned in December 2008, are owned by TCL and the rest by Caribbean Cement. The operating lease for that asset began on December 1, 2008, and runs for 20 years to 2028. The operating lease for the portion of Cement Mill 5 owned by TCL dates from its commissioning in January 2010.

The arrangements were negotiated under the chairmanship of Brian Young, who stepped down from the board in the summer of 2014, along with other directors, during a shareholder revolt in Trinidad against the board and CEO at TCL that spilled over to Jamaica. Caribbean Cement is now chaired by Christopher Dehring, and Anthony Haynes has been replaced as general manager by Cemex executive Alejandro Vares.

Caribbean Cement also quoted EY's audit report on the veracity of its 2014 accounts.

"We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit. In our opinion, proper accounting records have been maintained and the financial statements are in agreement with the accounting records, and give the information required by the Jamaican Companies Act in the manner so required," the auditor said.

Still, Subratie says he sought guidance from a number of accounting sources before penning the JSE, and believes he has a strong case.

TCL owns 74 per cent of Caribbean Cement and as the situation now stands, it is the only shareholder benefiting from payouts from the Rockfort plant, he said.

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THE GLEANER, WEDNESDAY, NOVEMBER 25, 2015

SECTION C



The Tank-Weld Metals port facility at Rio Bueno, Trelawny, as viewed from offshore.

## Carib Cement reclaims market with Tank-Weld deal

**McPheerse Thompson**  
Assistant Editor - Business

**C**ARIBBEAN CEMENT Company Limited (CCCL) has recovered most of the cement market, having struck a deal with Tank-Weld Metals that sees the construction materials company exiting imports and signing up instead as a distribution agent for the local cement maker.

Tank-Weld will distribute Carib Cement's product from its cement bagging plant at Rio Bueno in Trelawny.

The Bicknell-controlled company was the last major holdout in cement imports that at one time had taken over about 15 to 20 per cent of the market that Caribbean Cement once monopolised. Caribbean Cement's share of the domestic market last year was just under 83 per cent, according

to *Wednesday Business* calculation of industry data.

The room for competitors opened around 2005 when the company had placed faulty cement on the market and the Jamaican Government created space for importers while the local producer improved its processes.

Caribbean Cement began reclaiming the market in 2013 when it struck a deal with Arc Systems, which sells the product under its own brand,

ArcPlus. At the time, Caribbean Cement said it had reclaimed eight per cent of the market through the arrangement.

Efforts to determine the size of the import market now through the Trade Board and Jamaica Customs Agency were unsuccessful, but at least one player remains - Buying House, the distributor of Anchor cement.

Tank-Weld, which in the past competed against Caribbean Cement

with imports from the United States, started distribution for Jamaica's sole manufacturer of the product in October and has so far moved two shipments, Chief Executive Officer Christopher Bicknell told *Wednesday Business*.

As a result of the agreement, Tank-Weld no longer imports cement, Bicknell said. The company previously

PLEASE SEE CEMENT, C3

# CEMENT

CONTINUED FROM C1

had an arrangement with Vulcan Materials of Alabama, United States, to distribute its bagged cement in Jamaica.

That arrangement caused conflict with Caribbean Cement and resulted in a complaint by the monopoly manufacturer to Jamaica's Anti-Dumping and Subsidies Commission (ADSC).

In 2010, the ADSC determined that the importation of Portland Blast blended cement, made by Vulcan Materials, was not a threat to the local industry, giving the green light to Tank-Weld Metals to continue selling the product locally.

Caribbean Cement had won previous anti-dumping cases, after which the Jamaican Government slapped heavy duties on cement imported from Indonesia, Thailand and China.

Vulcan Materials was sold last year, but Bicknell said those developments had nothing to do with its new arrangement with Caribbean Cement.

"The real issue wasn't anything to do with that. It was that the Government quotas were restrictive and went contrary to any agreement, because you would have to live under the quota system," said Bicknell. "It was more prudent for Tank-Weld to secure a more solid agreement domestically, hence the reason for the agreement with Carib Cement."

## STORAGE IN TRELAWNY

Tank-Weld's facility in Trelawny will now be used to store Carib Cement for distribution, which will be transported via the coastline from Rockfort to Rio Bueno and will enter the plant already bagged.

"The most critical aspect for Tank-Weld was the continued utilisation of the Rio Bueno port and facility, which is a key component of the agreement," he said.

"This agreement will also have social and environmental benefits, as the use of maritime freight will see less wear and tear on the roads, less frustration for the

“It was more prudent for Tank-Weld to secure a more solid agreement domestically ...”

travelling public, and less pollution in the air, through the reduction in traversing across the island by road of bulky and heavy cargo," said a joint statement by both companies that was issued after **Wednesday Business** reached out for comment on their distribution pact.

"Both companies believe that this agreement will benefit the

Jamaican consumer as well as the local economy, as it increases the domestic production of cement, therefore, yielding greater production efficiencies, increasing use of assets, boosting the local market and using more indigenous resources," it said.

Last year, Caribbean Cement sold 598,165 tonnes of cement inside Jamaica in a market where locally made and imported supplies of the commodity totalled 721,987 tonnes.

Caribbean Cement's overall volume sales that year – domestic and exports – amounted to 830,931 tonnes, or more than 4,000 tonnes better than the previous year.

The trajectory into 2015 has shifted somewhat. At half-year to June, volume sales were tracking at around 10 per cent behind the 2014 period.

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## OP-ED: FINANCIALLY SPEAKING

# For the love of concrete

LAVERN CLARKE  
Business Editor

IT TOOK seven to eight years, but Caribbean Cement Company is once again in near full control of the cement market, and its primary rivals are now its dealers.

A decade ago when the commodity producer made the fatal error of allowing its quality processes to derail, it led to the faulty cement scandal, and later a monumental fight against market incursions that began playing itself out from around 2007.

Caribbean Cement paid out

\$305 million in claims for its bad cement and tried to move on.

But with the cooperation of the State, which lifted tariffs on cement imports and carved out a quota for them, enterprising traders jumped into the market over time – operators like Mainland International, Arc Systems, Tank-Weld Metals and Buying House – setting off internal trade wars that were fought in the arena of the anti-dumping agency.

From the sidelines, hardware merchants and real estate developers cheered on the emerging import rivals with expectations that the added competition would eventually

drive down the cost of input cement.

But they also had another motivation. They wanted that thing that underpins all free markets – options. At the height of the faulty cement probe,

## Instead of clobbering importers with legal complaints, Caribbean Cement has made them its partners

some 100,000 construction projects were reportedly locked down because the market was entirely dependent at the time

on Caribbean Cement's output. It was either bad cement or no cement.

Now the market is headed back to yesteryear after the commodity producer changed strategy. Instead of clobbering importers with legal complaints, Caribbean Cement has made them its partners.

Now, instead of buying rival products from overseas, Tank-Weld and Arc are distributing Jamaican-made cement.

Technically, that ought to be good news. Buying Jamaican to build Jamaica is a source of national pride, even if the owners of the Rockfort-domiciled producer reside in Trinidad and Mexico. But it is most definitely not in the national interest to have an entire sector – and the sturdiness of your dream home – beholden to one company.

Yet, we are on the verge of the former status quo, apparently having learned nothing concrete from the fault lines of 2004-2006. It appears that, with one exception of a small supplier – Buying House – Caribbean Cement has tamed its competition. It has largely succeeded in repairing the veil.

Tank-Weld has exited imports after five or so years of trading American-made Vulcan cement. Its decision turned on the quota system – all imports are capped at 15 per cent of market – which

Tank-Weld said was hobbling the business.

That quota has been fought unsuccessfully by Caribbean Cement, to whom the carve-out was akin to a betrayal. Its owners had made a major bet on exponential growth in market demand for cement in the form of a US\$177m expansion project that would increase capacity at the Rockfort plant from one million tonnes to 1.8 million tonnes. A secure market was critical to recouping that investment.

In the early part of the 2000s, the Jamaican market was consuming around 600,000 tonnes of cement. That shot up to 800,000 tonnes around mid-decade in a giddy sign for Caribbean Cement, which was then getting ready to retool and expand. Exports were a blip on the radar then, but would eventually expand.

If the market continued growing, so did the chance of recovering the investment and paying back the loans that were to be taken out by parent Trinidad Cement to back the project.

But two things intervened – Caribbean Cement took its eye off the quality ball, and with that business opportunists poked a hole in the protectionist veil over the market; and the world economy got clobbered.

In its best year ever, 2005, Caribbean Cement supplied 862,400 tonnes of cement to the Jamaican market. Fast-forward a decade and supplies are now just shy of 600,000 tonnes. Essentially, local demand for Carib Cement has regressed by about a dozen years. Which is why the cement producer is cosy up to former rivals to buy access to their customers.

Caribbean Cement has also staked out export markets in the past four years, which have turned out to be its saving grace.

Overall volume sales of cement in the past two years – domestic and export supplies – were back above 800,000 tonnes but well shy of the peak 865,000 tonnes sold in 2005. It's as if that US\$177m and added capacity had made no difference at all.



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# 2016



Marlene Street Forrest, general manager of Jamaica Stock Exchange Group.

**T**HE STOCK price of the Jamaica Stock Exchange Group (JSEG) increased nearly tenfold since January to top gains on the local stock market, which it oversees.

The JSEG increased from \$1.57 to \$15.50 year to date, which represents a gain of 887 per cent as it continues to benefit from record activity on the Jamaica Stock Exchange (JSE).

The JSEG earned \$139.5 million in profit over nine months, ending September, or 17.6 times the \$7.9 million earned a year ago.

"The improvement in business and consumer confidence has translated to positive performance of listed companies and, by extension, advances in all the JSE market indices. The outlook for the remainder of the year is positive," said the JSEG in its latest financials signed by Deputy Chairman Ian McNaughton and audit committee chairman, Jane George.

On December 4, the JSE Main Index recorded an all-time high of 142,413 points.

Some stocks are in the midst of takeover and ownership changes including Desnoes & Geddes (D&G), which is to be delisted, LIME, Gleaner, Radio Jamaica, and Hardware & Lumber.

In fact, 23 stocks on the exchange more than doubled in value since January, according to the latest monthly data released by the JSE. The other top-gaining stocks

## JSE Group leads the market, on track for tenfold increase

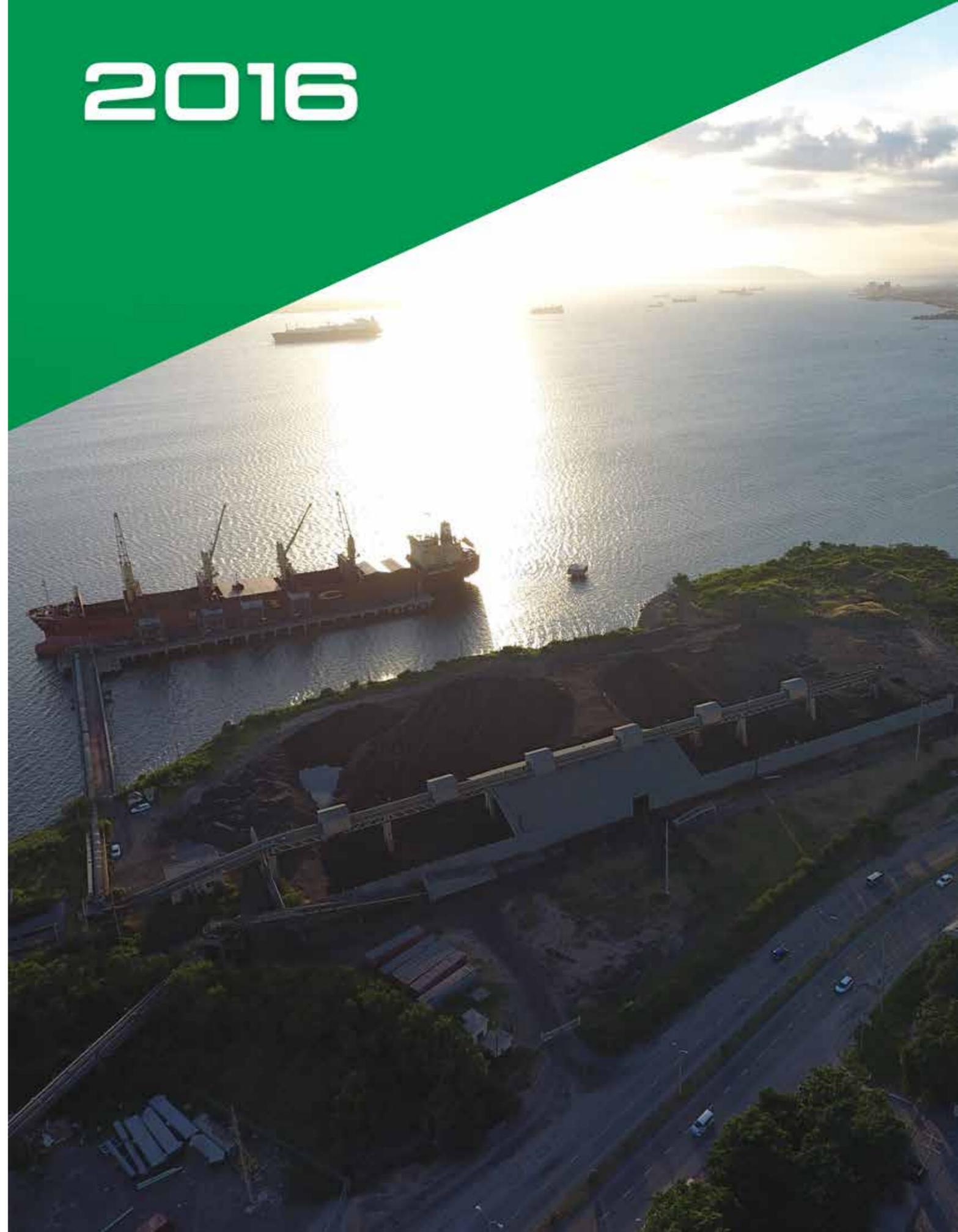
between January and November 28 are – Caribbean Cement up 690 per cent; D&G up 506 per cent; Caribbean Cream up 489 per cent; Pulse Investments up 471 per cent; Radio Jamaica up 352 per cent; Honey Bun up 230

per cent; Paramount Trading up 228 per cent; LIME up 225 per cent; Lasco Manufacturing up 223 per cent; AMG Packaging up 216 per cent; Mayberry Investments up 207 per cent; Lasco Financial Services up 197

per cent; Lasco Distributors up 178 per cent; Supreme Ventures up 139.5 per cent; Gleaner Company up 128 per cent; and Cargo Handlers up 125 per cent. The main index increased 83 per cent in the same period,

with 28 stocks advancing and four declining. The junior market index increased 138 per cent year to date with 21 advancing and two declining.

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# Appeals Court reduces award to Freight Management Ltd

THE COURT of Appeal has upheld a Supreme Court ruling that Caribbean Cement Company Limited was liable to pay damages to Freight Management Limited for breach of contract.

However, the court reduced the US\$330,000 that was awarded to freight management to US\$165,000.

The court, in allowing the appeal in part, said the judge erred in estimating the cost that the company would have incurred in earning income.

However, it ruled that the judge correctly found that the conduct of the parties, after Caribbean Cement indicated to freight management that it was the successful bidder, suggested that they consider themselves as parties to a contract.

Caribbean Cement had

appealed the ruling of Justice Almarie Sinclair-Haynes, arguing that she erred when she found that a contract had been concluded between the parties.

## 2002 DISPUTE

The dispute dates back to August 2002 when Caribbean Cement issued an invitation for tenders for the transportation of cement by sea.

Freight Management was advised verbally that of six tenders it was selected as the preferred supplier.

Caribbean Cement had engaged the company to ship cement by sea, following a dispute with its truckers.

However, Caribbean Cement cancelled the arrangement after the dispute with the truckers was resolved.

## ZIKV prevention is everybody's business – Dalley

**Christopher Serju**  
*Gleaner Writer*

HEALTH MINISTER Horace Dalley is calling on every Jamaican to get directly involved in the national drive to reduce the number of mosquito breeding sites across the island in order to reduce the spread of the Zika virus for which the *Aedes aegypti* mosquito is the vector.

With the Zika virus already identified in 16 countries in the Americas, including the Caribbean countries of Barbados and Guyana, the health ministry told a press conference at the Spanish Court Hotel, New Kingston, yesterday that it is only a matter of time before it reaches Jamaica's shores. For this reason, he

wants Jamaicans to treat the issue with a sense of national urgency.

"There is no way that we alone from the public purse can combat the spread of this mosquito and, therefore, every single church, every school administrator, every work site, every factory, everywhere people are gathered, every family must understand that this Zika virus is a threat to the public health of Jamaica," he said.

"We will mobilise our workers, those who are paid from the public purse – our doctors, our nurses, our teachers, our public health inspectors and all those people who have to interface with the public – but we alone cannot do it.

He continued: "Every single citizen must understand that this is a threat to the public

health of the country, and we invite every citizen, every family to take the time to check your homes, check your work sites, check the environment in which you operate – every club, every restaurant, everywhere people gather and there is water – to ensure that the mosquito is not breeding there."

To this end, Caribbean Cement Company Limited, which operates out of Rockfort, St Andrew, has committed \$2.3 million to train and employ 100 workers for two weeks to carry out vector-control activities in neighbouring communities. The health ministry will train the workers, who will be supervised by the Kingston and St Andrew Corporation in a private-public-sector partnership Dalley is hopeful other companies will be quick to support.



PHOTO BY CHRISTOPHER SERJU  
Health Minister Horace Dalley (centre) consults with Dr Sonia Copeland (second left), director, health promotion and protection, and Chief Medical Officer Dr Marion Bullock-Ducasse during yesterday's press conference. Also sharing in the occasion are Alejandro Vares (left), general manager of Caribbean Cement Company Limited, and Mayor of Kingston Dr Angela Brown Burke.

“ The fact that we take care of our own area could be a first step towards more companies doing the same in the respective areas or communities in which they operate. ”



PHOTO BY CHRISTOPHER SERJU

Alejandro Varés, general manager of Caribbean Cement Company Limited.

## Lessons from chik-V prompt ZIKV action

THE CARIBBEAN Cement Company Limited is investing \$2.3 million in a partnership project with the Kingston and St Andrew Corporation and the Ministry of Health to kick-start what it hopes will be a successful, sustained effort at keeping the Zika virus infection to a minimum when it inevitably hits the Jamaican shores.

The vector control community interventions are set to get under way in communities from Bull Bay to Bayshore to Rockfort by next Monday when 100 persons will be engaged in a range of activities aimed at raising public awareness about the need and various ways to clear up, clean up, and cover up in order to keep their environment free of mosquitoes.

The overall aim, according to Alejandro Varés, general manager of Carib Cement, which operates out of Rockfort, St Andrew, is to sensitise people about effectively neutralising the breeding of mosquitoes. He is optimistic that other members of the private sector will jump on board very soon.

“The fact that we take care of our own area could be a first step towards more companies doing the same in the respective areas or communities in which they operate,” he told *The Gleaner* during Tuesday’s official launch of the private-public partnership.

However, Varés admitted that Carib Cement’s proactive stance this time around was, in fact,

prompted by the harsh lessons of 2014 when the chikungunya virus (chik-V) wreaked havoc with its workforce. Productivity slumped as many employees reported sick, and even when they returned to work, they performed well below standard, still reeling from the effects of chik-V.

### IMPACT ON FAMILIES

And while the impact of worker absenteeism was easily identifiable, Varés pointed to the no-less-stressful impact on families that now had to find extra money to foot medical bills at a time when, in some cases, both breadwinners were rendered inactive by chik-V.

Health Minister Horace Dalley, who was then assigned to the Ministry of Finance and Planning, on Tuesday opined that to date, the full extent of the economic fallout from the 2014 chikungunya episode was yet to be ascertained.

“We helped to provide funding to combat that epidemic at the time, but, to date, neither the private sector nor Government has been able to quantify the impact on the economy as a result of the illness and absenteeism, but we know that a lot of Jamaicans were affected by the chikungunya virus.”

— C.S.

## Adequate medication available to tackle ZIKV infections – Dalley

Jason Cross  
Gleaner Writer

HEALTH MINISTER Horace Dalley has promised that his ministry will adequately provide pharmaceutical products and mobilise public sector workers to assist persons who contract the Zika virus.

As a donation from the Issa Trust Fund, the ministry, last Friday, received US\$2 million in pharmaceuticals.

The medication will help to reduce fever pains and other symptoms.

The ministry is also warning persons who will be affected not to take pain killers such as aspirin, ibuprofen, and other anti-inflammatory drugs.

As part of the vector-control initiative, the Caribbean Cement Company Ltd has come on-board with the ministry, donating J\$2 million, which will go



PHOTO BY CHRISTOPHER SERJU

Alejandro Varés (right), general manager of Caribbean Cement Company Limited, pays attention as health minister Dr Horace Dalley assures the country that the Government has secured enough medication to treat the impending ZIKV outbreak when the virus does reach Jamaica. Occasion was Tuesday’s official launch of the vector control project partnership with Carib Cement and the Kingston and St Andrew Corporation at the Spanish Court Hotel, New Kingston.

towards training 100 youth workers who will undertake community intervention to educate sections of the Corporate Area about the Zika virus.

“It is the task of every citizen to get rid of mosquitoes in their surroundings,” Dalley said, while encouraging Jamaicans to play their part in destroying mosquito breeding sites.

“The ministry has further intensified its public education campaign around the Zika virus.

This includes the distribution of flyers and posters, media campaigns, stakeholder partnerships, community interventions, and social media,” the minister said.

Mayor of Kingston Angella Brown Burke expressed hope that the vector efforts would become integrated into the Jamaican culture and that both public and private entities would recognise the initiative and come on-board.

Alejandro Varés, general manager of Carib Cement, said that based on the impact that chikungunya had on the population, in terms of the drop in productivity in the workplace, his company decided to play its part in the vector-control initiative.

“Well, definitely it had some impact on the productivity of the workers and absenteeism, obviously also on attendance. But it also has an impact on the family. So, the fact that the person is not productive and other resources have to be focused on attending to other people that can be affected, it’s a very strong burden on some of these communities, so we are trying to prevent that,” Varés said.

The more common symptoms associated with the Zika virus include rashes, which may or may not itch, mild to severe fever, joint pains, headache, and weakness.

Symptoms are normally experienced three to seven days after being bitten by an infected mosquito and last for a period of four to seven days.

# The Sunday Gleaner

www.jamaica-gleaner.com VOLUME 77 NO. 4 SUNDAY, JANUARY 24, 2016 KINGSTON, JAMAICA 140 PAGES INCLUDING OCT \$140

THE GLEANER, MONDAY, JANUARY 25, 2016



NORMAN GRINDLEY/CHIEF PHOTOGRAPHER  
Alejandro Vares, general manager of Carib Cement.

## Confidence CEMENTED

Economic rebound pushes CCCL to invest J\$3.6b locally

**Corey Robinson**  
Staff Reporter

BUOYED BY the recent positive indicators in Jamaica's economy, Carib Cement Company Limited (CCCL) will be shelling out some US\$30 million (approximately J\$3.6 billion) to boost its production capacity over the next 15 months.

According to Alejandro Vares, general manager of CCCL, a subsidiary of Trinidad Cement Limited, nearly half of the money is earmarked for the construction of a new coal mill, while the remainder will go towards bolstering other vital areas of its plant.

"We have plans to increase our cement capacity by 33 per cent in the next 15 to 18 months. We expect our capacity to increase from 1.2 million tonnes per year to 1.6 million tonnes per year. The annual consumption of the market is around 800,000 tonnes," Vares told *The Sunday Gleaner*.

"We are preparing for any cement need that Jamaica may have in the future, and we are also considering the possibility of

exporting some of this volume while the demand continues to grow," added Vares.

CCCL, currently the island's sole manufacturer of cement, has long indicated an interest in building a coal plant to slash its production cost, as electricity is currently the highest cost to its business, and Vares told *The Sunday Gleaner* this should be a reality soon.

"We are going to build a new coal mill; a 25 tonne per hour coal mill. The rest is going to be distributed along the kiln and the peripherals of the plant."

### EXPANSION WON'T AFFECT OPERATIONS

According to Vares, the planned expansion of the Rockfort, east Kingston, plant will not affect normal operations there as most of the activities will be carried out during routine shutdown hours.

He said the expansion of the facility will result in more jobs for Jamaicans over a 15-

month period.

Vares said CCCL customers are among the major stakeholders that will benefit from the increased capacity of the plant as the expansion will put it in a better position to serve Jamaicans.

"The fact that we are able to increase capacity will allow us to become more competitive, more efficient. In being more efficient, we are trying to guarantee price stability.

"So even though some of our costs are in US dollars and there is a depreciation of the dollar, the fact that we are able to produce more will allow us to guarantee the stability for our customers," said Vares.

He argued that an increase in production by the CCCL means better preparedness for Jamaica and the rest of the region for the hurricane season.

## Correction & clarification

In our story yesterday titled 'Confidence cemented', we said nearly half of the US\$30 million to be invested by Carib Cement Company Limited over the next 15 months would be used for the construction of a new coal mill.

This was incorrect, as the company will be investing the money in a new, more efficient mill that will be an important part of increasing its capacity.

We apologise for the error.



## NOTICE

The Management of the  
**Rockfort Mineral Bath Complex  
(RMBC)**

is advising its valued customers that the facility  
**will be closed** to the public on  
**Saturday 20th February, 2016.**

RMBC apologises for any inconvenience caused.

***Thank you for your usual support.***

## Caribbean Cement offers discount on cash purchases

CARIBBEAN CEMENT Company Limited said Tuesday that it will give a 1.5 per cent discount to cash purchases on cement.

It is additional to the 0.5 per cent discount implemented since last October, the company said.

Caribbean Cement cited the 20-month inflation of 7.13 per cent as a signal that it was offering savings to its customers. However, 12-month inflation has been tracking below four per cent since April 2015, and is currently at 3.7 per cent, according to data released last week by STATIN on price adjustments in January. Additionally, prices deflated in the month of January by 0.4 per cent.

“We commit to continue our drive, which started twelve months ago, to put significant resources and efforts towards the further improvement of our efficiencies and competitiveness,” said the company’s release. This



Caribbean Cement Company Limited

has allowed us to offer this additional discount to our customer base.”

The price of cement otherwise remains unchanged. Credit purchases will not attract the discount.

“In addition, customers purchasing from our depots will

pay a portion of the costs for freight. These partial freight costs are subject to change, and they are dependent on factors such as oil prices and the depreciation of the Jamaican dollar,” said Caribbean Cement.

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For more information, send emails to: [barbara.ellington@gleanerjm.com](mailto:barbara.ellington@gleanerjm.com)

## Truckers get valuable lessons



CONTRIBUTED PHOTOS

Kenute Hare (right), director of the Road Safety Unit in the Ministry of Transport, Works and Housing, talks about road safety with (from left) Patrick Wilson, Kevin Coward – truckers; Sergio Zazueta, operations manager of Caribbean Cement Company; O’Neil Prendergast, logistics officer; and Marchel Burrell, health and safety manager of Caribbean Cement Company, at the cement company’s Truckers’ Road Safety seminar on Saturday, February 20.



Cindy McTavish (right) and Steven Wedderburn (second left) of Fleetmaster Truck Parts Limited show some of their company’s inventory to Marchel Burrell (left), health and safety manager of Caribbean Cement Company, and Dennis Maitland, a trucker, at the Caribbean Cement Company’s Truckers’ Road Safety seminar.

# Caribbean Cement makes \$1.5b profit

*Earnings skyrocket despite big severance payout*

**T**HE SEPARATION of some former managers and voluntary redundancies late last year cost the Caribbean Cement Company \$436 million.

It is not clear how many persons were paid from this sum, but Anthony Haynes, who demitted office as general manager last April to make room for Alejandro Varr6s as the new head, was the most senior manager to leave the company last year.

“(There were) cases of mostly mutually agreed redundancies that occurred in 2015 after some employees indicated an interest in retiring due to age or pursuing other interests,” said the company in response to **Wednesday Business** queries.

Despite the one-off expense, the local cement-maker posted \$1.54 billion in earnings for year ending December 2015, which is elevenfold the \$139-million profit made the year before.

Increased domestic sales boosted company revenue from \$14.4 billion in 2014 to \$15.4 billion last year.

However, significantly higher efficiencies, likely garnered pri-



Caribbean Cement Company Limited

marily from lower energy prices, resulted in earnings before interest, tax, depreciation and amortisation (EBITDA) before severance cost rising from \$961 million to \$2.6 billion.

Put another way, EBITDA margin climbed from 6.7 per cent to 16.8 per cent.

“The company benefited from improved operational practices, tight cost controls, and lower

costs of fuels and energy,” said a report to shareholders in the latest financial statements.

It likely also helped that Caribbean Cement shifted some of its sale of cement from the

export market, where it takes on higher cost of selling and where it commands lower prices to the domestic market.

Domestic cement sales volume climbed by 12 per cent, or by

72,000 tonnes to 670,000 tonnes, while cement export volumes declined by 82,000 tonnes, or by 35 per cent to 151,000 tonnes.

At the same time, Caribbean Cement increased its sale of clinker, an intermediary product used to make cement, to Venezuela through the PetroCaribe export-for-debt-payment mechanism, by 25,000 tonnes, or by 16 per cent to 180,000 tonnes.

Plans are under way to expand the Rockfort plant’s annual capacity from 1.2 million tonnes to 1.6 million tonnes at a cost of US\$30 million by next year September.

Net debt restructuring also added \$168 million to the cement-maker’s bottom line, while interest expenses fell from \$253 million to \$149 million, reflecting a reduction in debt from \$870 million to \$227 million.

Caribbean Cement’s parent, Trinidad Cement Limited, used new third-party funding secured last May and proceeds from successful rights issue last March to pay off lenders an amount of \$30 billion.

As a result, the company’s auditors said that the “debt default conditions and resulting going concern risk factors which existed in 2014 are no longer existent as at December 31, 2015”.

The improved profitability of the manufacturer resulted in working capital increasing from \$794 million at the end of 2014 to \$1.3 billion at the end of 2015.

However, years of losses still leave Caribbean Cement’s accumulated deficit at around \$5.7 billion.

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# Caribbean Cement concretises domestic market, earnings triple

**Camilo Thame**  
Senior Business Writer

**C**ARIBBEAN CEMENT Company more than tripled its profit in the first quarter of 2016, setting a new earnings record.

The \$830 million net income for the three-month period by far improved on the \$250 million posted for the comparative quarter in 2015, reflecting depressed energy prices and a return to almost full share of the local cement market.

The company also didn't have to contend with redundancy expenses, which cost more than \$400 million in the last quarter of 2015.

Revenue increased by 11 per cent to just shy of \$4 billion during the quarter under review, despite export volumes of cement and clinker falling by 53 per cent and 56 per cent, respectively.

Domestic sales volume rose by an undisclosed amount to offset those declines.

The company takes on higher cost of selling overseas where it commands lower prices than its products sell for in the domestic market. Last year, export sales took in just 17 per cent of revenue, even though it represented around a third of total volume sold in 2015. So it is likely that a one-tonne increase in cement sold locally would offset the decline in revenue associated with a fall of two tonnes of export volume.

Considering the overall increase in revenue, domestic sales volume increased in the region of 24 per cent.

Most of that increase would have come from a distribution deal it secured with Tank-Weld Metals last November.

The construction and building material company began distributing Carib Cement's



**NORMAN GRINDLEY/  
CHIEF PHOTOGRAPHER**

Alejandro Varés,  
general manager of  
Caribbean Cement  
Company Limited.

product from its cement-bagging plant at Rio Bueno in Trelawny, exiting the import business, and allowing the Rockfort, Kingston-based manufacturer to increase its share of the domestic market from 83 per cent last year to what looks closer to 100 per cent now.

#### IMPROVED PERFORMANCE

"Improvements in operational efficiencies, effective control of fixed costs, lower financing costs and lower energy costs contributed to the improved financial performance," said the report to shareholders accompanying the latest financial statements.

Indeed, earnings before interest, tax, depreciation and amortisation (EBITDA) increased from \$440 million in the first quarter of 2015 to \$1.1 billion in the review quarter. Put another way, EBITDA margin (as a percentage of sales) climbed from 12 per cent to 27 per cent.

The group's liquidity position also improved during the quarter. Working capital climbed from \$1.3 billion at the end of 2015 to \$2 billion as at March 31, as the current assets improved by \$750 million to \$6.2 billion while current liabilities remained relatively flat.

On the other hand, Caribbean Cement's cash position increased by just \$50 million to \$960 million over the three months to March 31. Inventories, which represent approximately half of current assets, likely did not increase substantially, given that overall production levels were down from last year, and commodity prices remained depressed.

The jump in current assets likely results from increased

receivables and amounts owed by related parties, such as its sister company, TCL Trading, which was basically responsible for all of the \$210-million increase in monies due from related parties in 2015.

Years of losses still leave Caribbean Cement's accumulated deficit at around \$4.9 billion.

But the earnings in its first quarter of 2016 is the highest quarterly profit on record and is just shy of the highest annual earnings previously achieved by the company in 2004, when it posted \$842 million to its bottom line – although this does not take inflation and depreciation of the Jamaican dollar into account.

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### Notice of Annual General Meeting

**NOTICE** is hereby given that the **SIXTY SEVENTH ANNUAL GENERAL MEETING** of **CARIBBEAN CEMENT COMPANY LIMITED** will be held at the Knutsford Court Hotel, 11 Ruthven Road, Kingston 10 on May 19, 2016 at 10:00 a.m. to transact the following business and to consider and, if thought fit, pass the following Resolutions:

1. To receive and consider the Report of the Directors and the Audited Financial Statements for the year ended December 31, 2015.
2. To appoint Auditors and authorize Directors to fix the remuneration of the Auditors.
3. To elect Directors and fix their remuneration.
4. To transact any other business which may properly be transacted at an Annual General Meeting.

#### Note:

##### Proxies

Members of the Company entitled to attend and vote at the meeting are entitled to appoint one or more proxies to attend and vote instead of them. A proxy need not be a member. Where a proxy is appointed by a corporate member, the form of proxy should be executed under seal or signed by an officer or attorney duly authorized.

To be valid the Proxy Form must be completed and deposited at the registered office of the Company not less than 48 hours before the time fixed for holding the meeting.

#### By Order of the Board

*Makeda Ramgeet Baugh*

Makeda Ramgeet Baugh  
Company Secretary



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By Order of the Board

*Makeda Ramgeet Baugh*

Makeda Ramgeet Baugh  
Company Secretary

## Cemex seeks US\$170m for greener global operations

**CEMENT CONGLOMERATE** Cemex wants to raise up to US\$170 million, in part from the private sector financing arm of the World Bank, the IFC, to improve environmental standards across its global operations, which includes Jamaica.

Cemex based in Mexico holds a 39.5 per cent stake, or the largest single investment in Trinidad Cement Limited (TCL), the parent company of Kingston-based Caribbean Cement Company Limited. Its dealings in Jamaica also includes mining aggregates

through subsidiary Cemex Jamaica. "IFC is considering a loan of up to US\$120 million with an additional blended finance tranche of up to US\$50 million, to support Cemex sustainable investment programme in emerging markets," the agency

said in notices posted on its website this month.

Cemex is a global building materials company that operates in more than 50 countries throughout the Americas, Europe, Africa, the Middle East, and Asia. As of December 2015, Cemex had 43,117 employees,

56 cement plants and an additional 12 cement plants in which it has a minority participation, 1,608 ready-mix-concrete facilities, 305 aggregate quarries, 242 distribution centres and 61 marine terminals, as well as two research and development centres. "IFC financing will support projects to enhance improvements in environmental performance at Cemex's operations, with more than two thirds of the funds allocated to projects aimed at the company's greenhouse gas emissions reduction. The remaining one third of the funds will cover

overall air emission control improvements," said the IFC.

The investment will ultimately help Cemex achieve its 2020 sustainability environmental target by implementing efficiency projects, reducing its carbon footprint and controlling and reducing dust particles released into the atmosphere.

Cemex wants to invest at least 60 per cent of IFC funds towards climate projects.

The project document did not identify the precise geographic territories for project implementation.

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## IN YOUR NEIGHBOURHOOD

### Kingston Wharves whip The Gleaner

Defending champion Kingston Wharves made it two wins from as many starts in the Wray & Nephew White Overproof Business House domino competition, slamming 2015 KO champions, The Gleaner, 126-110, in a second round division one match on May 6 at The Gleaner Sports Club.

Kingston Wharves led early to hold a six-point lead at half-time. After the interval, they came into their own, dom-

inating the tables to lead by 12 points in the 90s, eventually winning by 16 points.

The Gleaner suffered their first loss after clipping Carib Cement, by two points, in a home match the previous Friday. They will next take on Wray & Nephew in their third consecutive home match at The Gleaner Sports Club.

### Business House football dress parade tomorrow

The 2016 KSAFA/Western Sports Business House football competition commences tomorrow with a dress parade and opening double-header at Winchester Park, St George's College, starting at 1 p.m.

A total of 23 teams will play this season – 11 in division one and 12 in division two.

The first match, also tomorrow, will see ATL vs Sutherland Global Services at 2 p.m. Defending division one champions, Petrojam, will oppose 2015 promoted division two champions, Peak Bottling, in the second match at 4 p.m.

Peak Bottling and Sagicor have been promoted to division one Wisynco and UWI have been demoted to division two.

The competition continues on Monday with division-one action embracing two matches – National Water Commission (NWC) vs The Gleaner at NWC playing field Great House Boulevard. Norman Manley International Airport vs Carib Cement at Winchester Park, both starting at 4 p.m.

### Scotiabank win BH rally

Scotiabank defeated defending champions Carib Cement on penalties in the Business house five-a-side one-day football rally for the Butterkist Trophy at the NWC playing field last Saturday.

In a hard-fought encounter, both teams played to a 0-0 stalemate in regulation and extra time, before Scotia won 3-1 on penalties.

## Trinidad Cement breaks eight-year dividend drought

TRINIDAD CEMENT Limited (TCL) will pay a dividend to shareholders in July, ending an eight-year run in which shareholders received no returns from the stock.

At four cents per share, the total payout will amount to TT\$15 million. The board of directors said in a market filing that they approved the interim payment after considering economic, financial, legal and contractual factors.

The regional cement producer last paid a dividend in December 2007. The company has been investing in its regional businesses, including Caribbean Cement in Jamaica, and racking up large debts as a result. TCL has only recently shrugged off a sustained period of losses, following a second restructuring of its debts in which Cemex of Mexico, through subsidiary Sierra Trading, became the dominant

owner, although not a majority shareholder, with a near doubling of its stake to 39.5 per cent.

Cemex is due more than TT\$5.9 million of the dividends to be distributed on July 1. TCL is yet to set the record date for the payout.

At year end December 2016, the cement maker reported net profit of TT\$429 million, compared to a loss of TT\$211 million the previous year. And in the first quarter of 2016, it netted TT\$67 million, up from TT\$47 million at March 2015.

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# JSE to consider stock split

**STEVEN JACKSON**

Senior Business Reporter

**T**HE JAMAICA Stock Exchange Limited (JSE) will consider a stock split following the more than tenfold rise in its stock price in 2015.

The chairman, Allan Lewis, revealed the consideration in response to a series of queries from minority shareholder Orette Staple, whose queries set the tone for the annual general meeting held Thursday.

The JSE stock closed at \$19.02 on Thursday following a substantial trading of 11.1 million units.

"A stock split is under active consideration by the board,"

Lewis responded to Staple.

The JSE stock gained 1,085 per cent during 2015 which offered best gains in the market, followed by Pulse Investments at 757 per cent, Caribbean Cement Company up 690 per cent, Desnoes & Geddes up 506 and Caribbean Cream up 436 per cent. Last year, the JSE market offered the best returns among 92 major markets which US-based Bloomberg tracks.

The banter between board members and Staple brought a change in tone amid the staid reports by officials.

Lewis tried to have Staple truncate his statements.

"We have a time constraint. Please ask your questions," the

chairman said.

"Mr Chair, as minority shareholders we have rights," Staple shot back, then referenced an AGM in another jurisdiction which lasted for three days, ostensibly to allow shareholders queries.

Alternate director Gary Peart of Mayberry Investments interjected: "That was not why that AGM lasted for three days. You are being disingenuousness, Mr Staple."

Staple, a non-aligned minority shareholder, remains the most-known attendee at AGMs due to his style, which is similar to that of a cross-examiner. Staple will initially

comment on the general

management of the company prior to making queries. In doing so, his statements at times last longer than management speeches.

Staple enquired about the impaired receivables and new accounting rules, among other issues. He then charged the board to issue a larger dividend.

"For your next dividend payment, I am expecting to see at least \$1.60," said Staple.

"That is your opinion, Mr Staple," responded Lewis, while noting the JSE paid out dividends of \$1 on earnings per share of \$1.25 – up from \$0.02 in 2014.

In other matters, JSE General Manager Marlene Street Forrest indicated that the company will seek to launch futures and options trading by 2017.

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**Allan Lewis, chairman of the Jamaica Stock Exchange.**

OVER \$800 million in staff severance costs and inventory write-downs hurt the June quarterly earnings of Caribbean Cement Company Limited, a local producer of the commodity.

The group earned net profit of \$220 million on revenues of \$4.3 billion for the April to June 2016 quarter. That equates to quarterly earnings of 26 cents per share, down from 73 cents a year earlier.

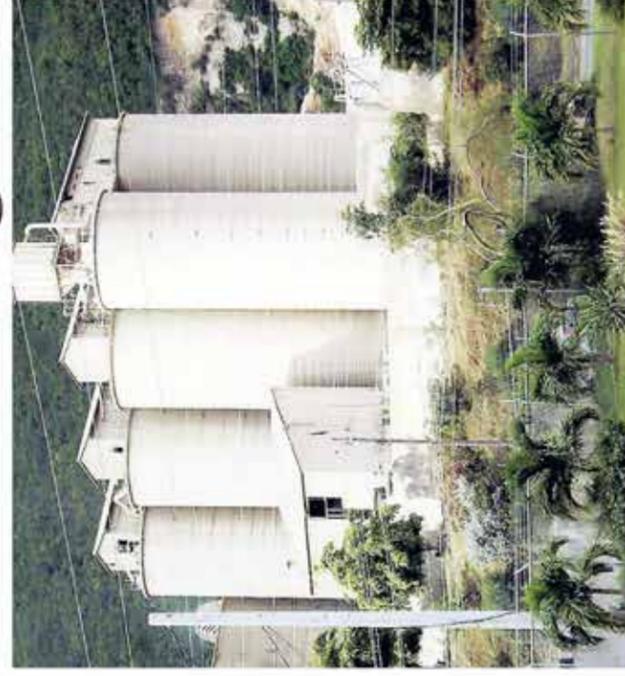
It is the first severance charge in a year, and impairments in at least two years at the now profitable outfit. During the quarter, the company booked \$420 million as staff severance costs.

"Manpower restructuring costs mainly comprise severance costs incurred during implementation of restructuring programmes. The objective of the restructuring programmes is to improve cost efficiency," stated the company in its notes accompanying the financials signed by Chairman Chris Dehning.

The company also wrote down its inventory by \$402 million. The impairment followed a June review of its inventory of spares and consumables to determine the optimal stockholding and reorder levels for all companies in the group.

"As a result, the management has written down overstocked inventory items to their net realisable value in accordance with international accounting

# Caribbean Cement revenues up but restructuring costs cut earnings



Caribbean Cement Company Limited.

standards – IAS 2," stated the company, whose product is sold under the Carib Cement brand.

## LIQUIDITY POSITION

During the second quarter, Caribbean Cement Company experienced significant improvement in its liquidity position, which allowed for the repayment of long-term debt and intercompany balances. During the quarter, the extraordinary items reduced the Rockfort, Kingston-based plant's profit, but it contributed to a net loss of TT\$21.8 million for its parent company Trinidad Cement Limited, based at Claxton Bay in Trinidad & Tobago.

The outlook for TCL remains positive as the overseas group continues to implement internationally competitive operating structures and procedures to ensure a sustainable and competitive level of profitability, liquidity and cash flow. The threats to its profitability are what management described as the "current construction trends" in

Trinidad & Tobago and the "competitive environment in Barbados and Guyana".

Over six months ending June 2016, Caribbean Cement reported consolidated profit before tax of \$1.3 billion compared to \$996 million in the corresponding period of 2015, or 29 per cent higher year on year.

"This improvement was mainly due to increased revenue and reduction in costs but was tempered by stockholding and inventory restructuring costs and manpower restructuring costs," stated management, which added that despite a reduction in export cement and clinker volumes by 8.0 per cent and 77 per cent, respectively, total revenue increased by \$777 million.

"This was mainly due to an increase in domestic cement volumes by 27 per cent, arising from increased projects and strong retail demand," the company stated.

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**ROCKFORT**  
*Mineral*  
**BATH**

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**TO OUR VALUED CUSTOMERS**

Rockfort Mineral Bath Complex (RMBC) wishes to advise its valued customers that effective **August 1, 2016** we will be adjusting our pool usage prices as follows:

Children (4-12 years)	-	\$350.00
Group Discount: 20 or more	-	\$300.00
Senior Citizens (55+)	-	\$350.00
Group Discount: 20 or more	-	\$300.00
Adults	-	\$500.00
Group Discount: 10 or more	-	\$450.00

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**Our opening hours remain as follows:**

Tuesday-Friday: 8:00 a.m. to 4:00 p.m. (last customer at 3:15 p.m.)  
 Saturday-Sunday: 7:00 a.m. to 6:00 p.m. (last customer at 5:15 p.m.)  
 Public Holidays: 7:00 a.m. to 5:00 p.m. (last customer at 4:15 p.m.)

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We thank you for your understanding in this matter and look forward to your continued support.



**ARAWAK CEMENT COMPANY LIMITED**

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**V A C A N C Y**

Arawak Cement Company Limited is seeking to recruit an energetic and experienced individual to join its performance driven team of professional leaders in the following position:

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**ELECTRICAL ENGINEER**

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**POSITION SUMMARY**

Responsible for the operation and maintenance of electrical and electronic systems in all areas of the plant and ensuring maximum operational availability of the designated plant at the lowest possible cost.

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**For further details, interested persons are asked to visit our website at:**

<http://www.tclgroup.com/people-opportunities/group-careers/article/vacancies-arawak-cement-limited>

<http://www.arawakcement.com.bb/about-arawak/careers/current-vacancies/>

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no later than  
**Friday 19th August, 2016.**

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\* Unsuitable applications will not be acknowledged.

## OPINION &amp; COMMENTARY

## LETTER OF THE DAY

# EPOC's concerns misplaced

THE EDITOR, Sir:

THE AUGUST 13, 2016 edition of *The Gleaner* carried the headline '16 billion more needed for Holness tax break, EPOC concerned'. The Economic Programme Oversight Committee's (EPOC) expression of concern, if genuine, is ill-timed and insensitive.

The Government, just three days ago, approached the capital market to sell bonds, presumably to refinance some US\$1.15 billion of current high-interest debt and to provide some level of financial cushion for the near to medium term. Is this the right time for a body such as EPOC to be raising concerns, especially when such concerns are arguably misplaced, and when the very notice of such concerns could affect the pricing and success of the Government's bond offering? I think not. Whose interest is being served here? Is it Jamaica's?

EPOC's concern, if genuine, has seemingly ignored the following:

1. The economy is already picking up some steam and should see growth of at least 2.5 per cent in 2016. A number of publicly listed company results for the first half of 2016 are already reflecting increased domestic volume demand for their products. Carib Cement has seen a 27 per cent increase in domestic volume sales. The much smaller Jamaican Teas is showing a 24 per cent increase in local sales. This should be telling somebody something. In an environment of low inflation, these increases are significant. There is significant loan growth in the financial sector. Confidence has

returned and is increasing.

2. A primary surplus target of \$26.8 billion in three months was achieved against a target of \$11 billion. This is the biggest news. It is big, big. It reflects that revenue is performing way above expectations. If that trend continues, Jamaica's primary surplus for the fiscal year will be at least \$30 billion above target. With that momentum, finding \$16 billion to pay the increase will be no big deal.

3. The IMF programme that requires a 7% primary surplus target comes to an end in March 2017. No other country in the world is required to maintain such a high level of primary surplus. Quite frankly, a 5% primary surplus is more than sufficient. With the momentum that is developing, there is no reason why the economy should not grow by at least 3% in fiscal year 2017-2018, and provide the revenue to fund the reduced tax-threshold obligations.

4. The courts have ruled on the legality of changes to the law governing the National Housing Trust, which allowed Government to extract \$11 billion per year. Although this extraction comes to an end in 2016-17, it would be a simple matter to extend it, but this, I think, will hardly be necessary.

Jamaica is on a track that may be leading it to the best years of sustained economic growth for 40 years. That is the most welcome news. EPOC may have its concerns. I have none.

GARNETT WEIR  
gtw\_jam@yahoo.com

## IN YOUR NEIGHBOURHOOD

### The Gleaner clip Petrojam 2-1 in BH football match

The Gleaner are on the verge of qualifying for the Division One semi-finals of the KSAFA/Western Sports football league, after a 2-1 victory over defending champions Petrojam at Alpha Boys' Home playing field on Wednesday.

As they did in their two previous matches, the Ian Barnett-coached Gleaner came from a goal down to overtake the previously unbeaten league leaders in the second half, thanks to a brace from former national under-17 player Nicholas 'Cummy' Hamilton.

Hamilton scored two spectacular goals against the Lenny Hyde-coached Petrojam, the second from 40 metres out, which exploded in the back of the net.

Earlier, Fabian Reid had given Petrojam the lead in the 10th minute, which they held to half-time.

As a result of this victory, their third consecutive against elite teams, The Gleaner ended their preliminary-round fixture with 20 points, in joint second with Carib Cement, who have Scotiabank to play in their final-round fixture today at the National Water Commission playing field.

A defeat for Scotia – who still have Petrojam to play – would signal the end of their semi-final chances.

Scotiabank, meanwhile, defeated Sagcor 3-1 at Winchester Park on Wednesday, thanks to a first-half hat-trick from former national player Kevin Lamey.

In previous matches, The Gleaner came from behind to beat Scotiabank 2-1, with goals from Kieron Brock and former Jamaica under-20 player Ryan Miller. And a week later, they stopped high-riding Metrodade 3-1, thanks to goals from Miller, Brock and Oshane Jenkins, another former national under-20 player.

Meanwhile, Carib Cement and ATL will contest the KO final next Wednesday at Winchester Park.

## IN YOUR NEIGHBOURHOOD

### Business House football semis today

The Division One and Two semi-finals in the KSAFA/Western Sports Business House football competitions are on today at two separate venues.

At Winchester Park, St George's College, defending champions Petrojam will oppose The Gleaner at 4 p.m. in the Division One semis, while in the first match of a double-header, Wisynco will meet Transport Authority at 2 p.m. in the Division Two semi-final.

Meanwhile, at the Barbican ground, Carib Cement and Grace Kennedy will face off in the other Division One semi-final, starting at 4 p.m., while beaten knockout finalists ATL will take on Xerox in the other Division Two semi-final match.

On Thursday at Winchester Park, Petrojam topped the Division One preliminary-round fixture with 27 points after blanking Scotiabank 2-0, thanks to a second-half brace by Andrew Christie, which ensured that former champions Scotia would not make it to the semis.

Significantly, Petrojam suffered their only defeat a week earlier, beaten 2-1 by The Gleaner with a double strike from former national under-17 player, Nicholas 'Cummy' Hamilton.

Both teams meet again today in what could be described as a grudge match, but the Lennie Hyde-coached Petrojam, a star-studded aggregation, should start favourites by virtue of their outstanding record in this competition for the past five seasons.

Meanwhile, Carib Cement clipped Division Two campaigners ATL 1-0 in the Scotiabank-sponsored KO final at Winchester Park on Wednesday, thanks to a 51st minute penalty by Jabeur Johnson.

## IN YOUR NEIGHBOURHOOD

### Business House football finals at Winchester Park today

The curtain comes down on the 2016 KSAFA/Western Sports Business House football season today with the divisional finals at Winchester Park, St George's College, starting at 2 p.m.

In the Division One final at 4 p.m., defending champions Petrojam will oppose the newly crowned knockout champions Carib Cement, who are seeking the double.

The Lennie Hyde-coached Petrojam advanced to the final following a 3-0 semi-final win at Winchester Park last Saturday over The Gleaner, who had beaten them 2-1 ten days earlier in their final-round preliminary match.

Scoring for Petrojam were Fabian Reid, Kenneil Hyde and Atharoy Bygrave.

Carib Cement, meanwhile, defeated GraceKennedy 5-3 on penalties after both teams played to a 0-0 stalemate in regulation and extra time at Barbican playing field.

The Division Two final at 2 p.m. will see Xerox opposing Wisynco. Xerox beat ATL 2-0 in one semi-final at Barbican last Saturday, thanks to a brace from Christopher Campbell. Wisynco defeated Transport Authority 3-1, with goals from Norman Bailey (two) and Kirk Newman in the 88th minute.

## ON THE CORPORATE CIRCUIT



**RUDDOLPH BROWN/PHOTOGRAPHER**  
Alejandro Vares (second right), general manager of Caribbean Cement Company, and Parris Lyew-Ayee (second left), company director, pose with businesswoman Thalia Lyn and her husband Michael Lyn at the opening the Caribbean Cement Company Sports Club and Wellness Centre in Kingston last Friday.



Alejandro Vares (left), general manager, Caribbean Cement Company, and Parris Lyew-Ayee (right), a director, show a fitness equipment to Prime Minister Andrew Holness at the opening of the Caribbean Cement Company Sports Club and Wellness Centre at the Jamaica Gypsum Company property.

## ON THE CORPORATE CIRCUIT



Wilson Pena, sales manager, industrial segment, poses with Cristina Flores (right) and Cristina Schwartz at the opening of the Caribbean Cement Company Sports Club and Wellness Centre in Kingston last Friday.

## IN YOUR NEIGHBOURHOOD

### Petrojam, Wisynco are BH football champions

Defending champions Petrojam retained the KSAFA/Western Sports Business House Division One football title last Saturday at Winchester Park, when they drubbed KO champions Carib Cement 4-0 in the final.

Wisynco, meanwhile, clipped Xerox 1-0 in the Division Two final, which preceded the Division One final, with a 10th-minute goal from Adrian Williams.

Petrojam, who were winning their sixth Division One title since 2010, were led by a hat-trick from Arnett Gardens Premier League player Fabian Reid, who opened the scoring in the 22nd minute, while Cornelius Simms made it 2-0 in the 32nd minute.

The Lennie Hyde-coached Petrojam continued to outplay Carib Cement in the second half, as Reid netted two more goals to give his team a resounding victory.

Petrojam will next play for the Challenge Shield against Division Two champions Wisynco and KO champions Carib Cement, before contesting the all-island Champion of Champions one-off match against the St Ann Business House champions.



Red Stripe boss Ricardo Nuncio (left) and PSOJ president Paul 'PB' Scott turned out for the opening of the Caribbean Cement Company Sports Club and Wellness Centre at the Jamaica Gypsum complex in Kingston on September 8.



## Cement company spends US\$5.5 million to double output

AFTER SPENDING US\$5.5 million to increase its capacity, Caribbean Cement Company Limited has promised that the tightness in the supply of cement will be rectified within the next 72 hours.

According to the company, it has taken note of recent reports of a minor glitch in the supply chain of cement in the local market, but this has been addressed and normal delivery is being restored.

"In recent months, the company has embarked on a J\$700 million (or US\$5.5 million) overhaul of the kiln and one of our cement mills at our Rockfort plant, which are in desperate need of upgrade as they were operating below their



optimal capacity.

"In anticipation of this work, our inventories were increased to satisfy any downturn in supply. Despite those actions, during that period, our supply to the market was at 90 per cent of peak demand, leading to a slight rationing of supply," the company said in a release yesterday.

"During the next 24 hours, the kiln and mill will return to normal operation, and our capacity to produce will be at double the island's peak demand for cement," added the company.

According to Caribbean Cement, regular production has been restored and it will have excess capacity to meet the needs of all its customers

by Tuesday.

"We apologise for this unavoidable minor glitch, and appreciate the understanding of our customers with which we have maintained close communication.

"This necessary upgrade has put the company in a position to meet and surpass the increased demand which is being forecast, based on the expected spike in construction projects across Jamaica in the upcoming months," said Caribbean Cement.

Over the last week, callers to our newsroom had complained that they were unable to get their regular supply of cement from dealers in several sections of island.



# NOTICE

The Management of the Rockfort Mineral Bath Complex (RMBC) is advising its valued customers that the facility will be **closed** to the public on the following days to facilitate private functions:

**Sunday, October 2, 2016 - ALL DAY**  
**Saturday, October 8, 2016 - 3:00 p.m.**

*We regret any inconvenience these closures may cause.*

**OUR OPENING HOURS REMAIN AS FOLLOWS:**

**Tuesday-Friday: 8:00 a.m. to 4:00 p.m. (last customer at 3:15 p.m.)**  
**Saturday-Sunday: 7:00 a.m. to 6:00 p.m. (last customer at 5:15 p.m.)**  
**Public Holidays: 7:00 a.m. to 5:00 p.m. (last customer at 4:15 p.m.)**



FILE

In this September 11, 2016 photo, general manager of Caribbean Cement Company, Alejandro Vares (left), and director Parris Lyew-Ayee (right) escort Prime Minister Andrew Holness on a tour of the new Sports Club and Wellness Centre at the Jamaica Gypsum Company property. Lyew-Ayee was named chairman of Caribbean Cement on October 5, 2016.

## Parris Lyew-Ayee new Caribbean Cement chairman

CHRISTOPHER DEHRING has given up his seat and the chairmanship of Caribbean Cement Company Limited and its subsidiary companies, effective October 5. He has been replaced as chairman by Parris Lyew-Ayee, who now heads the boards of Caribbean Cement, Jamaica Gypsum and Quarries Limited, Caribbean Gypsum Company and Rockfort Mineral Bath Complex Limited.

Dehring also resigned as a director of Trinidad Cement Limited, Caribbean Cement's parent company. He first gained seats on those boards in 2014, following a takeover of the TCL board in Trinidad by disgruntled shareholders who were dissatisfied with the exe-

cution of a debt-restructuring programme negotiated with select creditors.

One of the leaders of that revolt, Wilfred Espinet, was elected chairman of TCL. The cement company implemented a different financing programme in the wake of the changes, one that resulted in Cemex of Mexico doubling its stake in TCL last year.

The current head of Caribbean Cement Company, Alejandro Vares, was subsequently pulled from among executives of Cemex to run the Jamaican plant in Kingston.

Lyew-Ayee, who is a bauxite expert employed to the state as head of the Jamaica Bauxite Institute, has served on the

cement company's board since 2006.

His predecessor Dehring is a former investment banker-turned-telecoms executive, who previously chaired the Jamaican arm of Cable & Wireless and was an executive of Cable & Wireless Communication. He is currently heading up a new business, a cable service called ReadyTV, which at last report was expected to roll out by year end.

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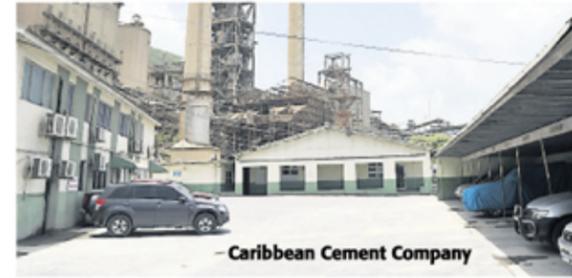
SEE VIDEOS AT: [www.go-jamaica.com/corporatehands](http://www.go-jamaica.com/corporatehands)  
For more information, send emails to: [barbara.ellington@gleanerjm.com](mailto:barbara.ellington@gleanerjm.com)

## Cassava Piece gets a community park



RUDOLPH BROWN/PHOTOGRAPHER

Alejandro Vares (left), general manager of Caribbean Cement Company, and Karl Samuda (right), minister of industry, commerce and agriculture, and member of parliament, chat with the youth after cutting the ribbon at the opening ceremony of the Cassava Piece Community Park in St Andrew last Friday.



## Carib Cement posts loss with overhaul of mill

STEVEN JACKSON  
Senior Business Reporter

CARIBBEAN CEMENT Company Limited's (CCC) overhaul of its kiln and cement mill contributed to the company posting a net loss during the September quarter.

The Kingston-based cement producer made a net loss of \$81 million on revenues of \$3.67 billion. That equates to quarterly earnings of negative 10 cents per share, down from a positive 72 cents a year earlier.

It is the first big loss in a number of quarters for CCC, which gained the favour of investors over the last 12 months based on its improved financial performance.

"During the reporting quarter, the company embarked on a major kiln overhaul which lasted 45 days and impacted the income statement by US\$7.5 million (\$970 million). Along with the capital expenditure of \$622 million invested this quarter, this is expected to lead to an improved operational efficiency and reliability of the plant," said Chairman Parris Lyew-Ayee in a statement accompanying the earnings report.

Over nine months, Caribbean Cement experienced a reduction in net profit mainly due to its

third-quarter overhaul. It posted net profit of \$973.4 million over nine months in 2016 compared to \$1.5 billion a year earlier.

"Other factors impacting the year-to-date performance were cement mill No. 4 overhaul, increased manpower restructuring costs, and stockholding and inventory restructuring costs," stated the company. It added that despite the reduction, local cement volumes increased by 18 per cent, arising from the 'good trend' of the infrastructural projects and demand at retail which, however, were tempered by the inclement weather conditions during the quarter.

The outlook for the parent company, Trinidad Cement Limited (TCL), remains positive as the overseas group continues to implement internationally competitive operating structures and procedures to ensure a sustainable and competitive level of profitability, liquidity and cash flow.

TCL revenue for the July-September quarter fell to TT\$450 million from TT\$550 million the previous year, while its earnings tanked from TT\$84 million to TT\$11 million this period.

Caribbean Cement's challenges relate to growing its cement and clinker exports, which dipped by 16 per cent and 84 per cent, respectively, in the review period.

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## Ponce new GM for Caribbean Cement

CARIBBEAN CEMENT Company Limited will have a new boss come Monday, November 7, when Peter Donkersloot Ponce will replace Alejandro Vares Leal as general manager.

Vares Leal is leaving to take up a new promotion within Cemex Mexico as vice-president of infrastructure and government sales. He ran the Rockfort, Kingston-based Caribbean Cement plant for more than a year since May 2015.

Cemex is the top shareholder in Caribbean Cement Company's parent, Trinidad Cement Limited.

Donkersloot Ponce has over 10 years working experience in the cement industry, holding key positions in four different countries in commercial areas, strategic planning, and general management.

Caribbean Cement released its quarterly financials last week, disclosing that an overhaul of its kiln and cement mill contributed to the company posting a net loss during the September quarter.

The cement producer made a net loss of \$81 million on revenues of \$3.67 billion. That equates to quarterly earnings of negative 10 cents per share, down from a positive 72 cents a year earlier.

It was the first big loss in a number of quarters for Caribbean Cement.

For the nine-month period ending September, net profit slipped to \$973 million, down from \$1.5 billion in the similar period in 2015, due to the overhaul of the mill.

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## Caribbean Cement to migrate to Mexican ownership



Caribbean Cement Company, at Rockfort, Kingston.

### Cemex to delist Jamaican operation from stock market after TCL takeover

Steven Jackson  
Senior Business Reporter

**C**EMEX'S TAKEOVER of Trinidad Cement Limited (TCL), if successful, will also give it majority control of Caribbean Cement Company Limited, and the Mexican powerhouse has said it will take the Jamaican operation private by delisting it from the stock exchange.

Cemex Group currently owns just over a third of Rockfort, Kingston-based Caribbean Cement, through its current stake in TCL and through an entity called Scanscen International, which directly holds 4.96 per cent of Caribbean Cement stock. TCL itself owns 74 per cent of Caribbean Cement.

The Jamaican cement maker's stock price has climbed by more than 54 or nearly 15 per cent in the past two days, since the launch of the TCL bid.

Cemex's ownership in TCL is through an entity called Sierra Trading, the same entity it is using for its bid for up to 35.4 per cent more of the Trinidad cement maker – which would increase the Mexican company's overall stake in TCL from 30.5 per cent to 74.9 per cent. Sierra Trading is a full subsidiary of Cemex Espana.

TCL operates subsidiaries in various regional markets. Cemex said in its offer circular for TCL shares that it will be "delisting TCL and some of its subsidiaries" from exchanges outside the regional producer's home market in Trinidad, if it acquires control of the regional cement operation.

#### ONE-MONTH OFFER

Sierra is making an offer for 132.6 million ordinary shares in TCL for TTS\$4.90 per share. That's a 33 per cent premium on last Friday's trading price of TTS\$3.68 on the TTSE, and a 47 per cent premium on the S\$8.50 stock price on the JSE.

The offer opened Monday and closes January 10.

Cemex is prepared to pay US\$89 million for the increased stake. The offer values TCL at TTS\$1.68 billion.

A year ago, TCL was trading at TTS\$4.75 per share. Cemex, however, argued that the stock price needs international standards.

"These premiums compare favourably to the 29.1 per cent average premium paid for

global deals under US\$1 billion in the last fifteen years and the 30.1 per cent average premium paid for all deals above US\$500 million in the last fifteen years, as reported by the Securities Data Company," said Cemex in the offer document released on Monday.

Cemex will maintain the listing for TCL on the Trinidad & Tobago Stock Exchange, but plans to delist it and its subsidiaries from other regional stock markets in Jamaica and Barbados.

A successful offer for TCL would up its ownership of Caribbean Cement to around 60 per cent. To delist, it would need to acquire at least another 20 per cent of the shares held by minority owners.

Caribbean Cement stock traded at \$28 on the JSE on Friday, but has since climbed to \$32.17 per share. That's still slightly off its one-year high of \$34 per share.

#### SERIES OF INTEGRATION STEPS

The consideration for delisting TCL subsidiaries is among a series of integration steps planned by Cemex, if it completes the acquisition of the shares. It will also conduct a comprehensive review of TCL group businesses, capitalisation and corporate structure, via Sierra Trading, as part of a plan to integrate Trinidad Cement into the Cemex Group. Cemex owns 99.88 per cent of Sierra Trading.

"Sierra believes that by integrating the TCL Group into the Cemex Group's global operations, it will not only assist the Cemex Group in achieving its purpose and mission, but at the same time will allow the TCL Group to continue improving its overall performance," the offer document stated.

Last year, Cemex helped to recapitalise TCL under a deal in which it increased its equity stake in the Claxton Bay-based cement manufacturer, but agreed to keep its ownership below 40 per cent. Its new acquisition bid now promises to cap its ownership at 74.9 per cent.

Cemex is a 110-year-old building materials company employing over 43,000 worldwide and whose markets span more than 50 countries. Its net sales in 2015 totalled US\$14 billion.

steven.jackson@gleaner.com



## NOTICE

The Management of the **Rockfort Mineral Bath Complex (RMBC)** is advising its valued customers that the facility will be **CLOSED** to the public on **Sunday, November 13, 2016** for a private function.

We regret any inconvenience this closure may cause.

Our opening hours remain as follows:

**Tuesday-Friday:** 8:00 a.m. to 4:00 p.m. (last customer at 3:15 p.m.)  
**Saturday-Sunday:** 7:00 a.m. to 6:00 p.m. (last customer at 5:15 p.m.)  
**Public Holidays:** 7:00 a.m. to 5:00 p.m. (last customer at 4:15 p.m.)

## TCL directors urge shareholders to reject CEMEX takeover bid

SHAREHOLDERS OF Trinidad Cement Limited (TCL) are being urged to reject an offer by the Mexico-based cement giant, CEMEX to take over the company.

Earlier this month, CEMEX, announced plans to take over TCL, reviving moves of a takeover more than a decade ago.

But in a circular issued last Friday, the TCL board of directors recommended that shareholders reject the TTS\$4.50 (one TT dollar =US\$0.16 cents) per share takeover bid, noting that the offer price does not reflect the "full commercial value of TCL."

The board argued that the shares of the company have a greater value than the offer price, which it said was "not fair, from a financial point of view, to the shareholders."

While the board did not say what would be a fair price, it advised shareholders that TCL is poised to benefit from the significant operational improvements instituted in August 2014.

"The company has experienced a turnaround after multiple past efforts to do so. The evidence of the turnaround is supported by the company's return to sustainable profitability in 2015 and continuing to produce positive net income throughout 2016," it said.

"The board has embarked on a number of operational and corporate restructuring initiatives that continue to generate positive value for the company," the board added.

Last week, former TCL chief executive officer, Dr Rollin Bertrand, accused the Mexico-based cement giant of engineering a takeover of the



FILE

The Caribbean Cement Company at Rockfort, Kingston. Trinidad Cement Limited is the parent company.

local cement manufacturer since 2014.

CEMEX, through one of its indirect subsidiaries Sierra Trading, said it is seeking to acquire 132,616,942 shares at a price of TTS\$4.50 (US\$0.72) in cash per TCL share.

CEMEX currently owns 39.5 per cent of TCL, which announced at the end of October that its revenue had declined by 12.2 per cent for the first nine months of 2016.

But Bertrand, in a letter published in the media in Trinidad, noted that in 2002 CEMEX "came with a ridiculous offer of US\$0.92 cents per share" for TCL, which was rejected.

Bertrand, who was removed from his post in August 2014, said the current board of directors must engage a "reputable investment banking firm to value TCL's shares and then make a recommendation as to whether to accept or reject CEMEX's offer".

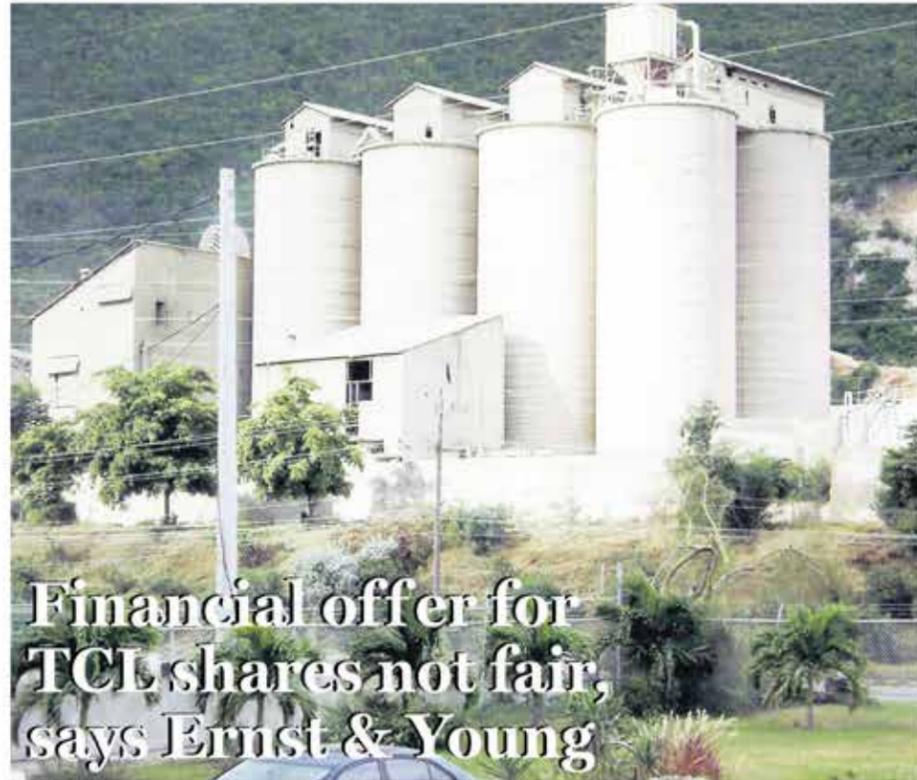
"Unfortunately, the board cannot rely on management's assessment of CEMEX's takeover price as it has placed CEMEX managers in all critical positions," Bertrand said, adding that "conflicts of interest with CEMEX directors will have to be carefully managed."

The TCL directors also pointed out that CEMEX is only offering to acquire up to 74.9 per cent of the issued shares of the company. One condition of the bid is that any shares in excess of that limit will be taken and paid for on a *pro rata* basis.

"In those circumstances, the remaining 25.1 per cent shareholders may find that their shareholding has been depleted, and the board needs to consider the future of the company as it relates to the significant number of minority shareholders who will remain with a depleted minority shareholding," the board said.

- CMC





## Financial offer for TCL shares not fair, says Ernst & Young

Steven Jackson  
Senior Business Reporter

AUDITORS ERNST & YOUNG (EY) has described as not fair the offer by Mexican-based CEMEX to acquire additional shares in Trinidad Cement Limited (TCL) at TT\$4.50 each.

The rejection by TCL directors was previously known by Christmas Day last year, but not the auditors' opinion. The directors have advised shareholders to read the announcement by EY prior to making a decision to sell or hold their shares.

"It is our opinion as of the date hereof that the offer is not fair, from a financial point of view, to the shareholders of TCL," according to the fairness opinion report signed by Zach Nadler, director at EY, and found within the appendix of the TCL circular.

The decision to accept or reject the offer affects TCL group's 10 directors and/or senior managers listed in the circular because they all hold shares directly or indirectly in the group. Director Ruben McSween indirectly holds the highest with 41.6 million units, followed by chairman Wilfred Espinet who directly holds 10.28 million units.

"EY reviewed a range of economic, investment, stock market trading and acquisition transaction data in the process of developing factors and rates of return relevant to formulating a view with regard to the fairness of the offer price," stated the appendix report.

On December 5, 2016, CEMEX, the largest shareholder in TCL, announced plans through its subsidiary Sierra Trading to increase ownership in TCL from approximately 39.5 per cent to 74.9 per cent. Full acceptance of the offer would

result in a cash payment by Sierra Trading of approximately TT\$597 million (US\$589 million). The offer price at TT\$4.50 (one TT dollar =US\$0.16 cents) per share represented a premium of 33.1 per cent over the December 1, 2016 closing price of TCL's shares on the Trinidad and Tobago Stock Exchange. In the past, regional takeover bids have offered shareholders multiples of the closing trading price.

### FAIRNESS REPORT

Notwithstanding, TCL commissioned EY to do a fairness report on December 9, 2016. The EY review included analysis of TCL structure and matters, TCL's published financials, its cash flow forecasts between 2017 and 2021, TCL's prospects, initiatives and risks between 2018 to 2021, potential non-operating and redundant assets, and its return on investment.

"EY conducted market-based valuation sensitivity analysis by estimating TCL group's sustainable earnings before income tax depreciation and amortisation (EBITDA) and applying trading multiples for publicly traded companies and transaction multiples selected from a review of acquisitions in TCL's industry," stated EY.

The appendix did not disclose the cash flow forecasts or stock price projections. EY, however, indicated that its opinion estimated sustainable EBITDA, while adjusting for revenues and expenses to levels that were reasonable while considering the impact of non-recurring items.

Its review included getting all its financial information from public sources and from TCL for the purpose of developing a fairness opinion.

"The fairness opinion is conditioned upon the completeness

and accuracy of such information," stated EY.

### VALUE ANALYSIS

In January 2015, auditors PricewaterhouseCoopers was commissioned by the TCL board to carry out a fair market valuation analysis of its shares for a proposed rights issue which took place in March 2015. The value analysis placed the share value between a low of TT\$3.30 and a high of TT\$5.80.

"The valuation analysis took into account the company's documented cash flow, EBITDA, net asset value, market history and considerations and the trading history of the shares," stated the TCL circular.

As at September 2016, TCL group reported EBITDA of some US\$77 million over the prior 12 months, net debt of approximately US\$113 million, representing a net financial leverage of approximately 1.5 times. CEMEX has yet to respond to the TCL directors recommendation for shareholders to reject the latest offer.

"This offer represents a clear sign of our commitment to TCL and the region. In addition, although we believe that our offer is attractive given the premium to the current share price, as part of this commitment it is also important to us that TCL remains a listed company so that local investors can continue to benefit from the development of TCL in the future," said Fernando Gonzalez, CEO of CEMEX in the offer notice released December 5. "We look forward to continuing our strong relationship with TCL."

CEMEX is a 110-year-old global building materials company based in Mexico.

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Caribbean Cement Company's Rockfort plant in Kingston. Trinidad Cement Limited is the parent company.

## Cement shares see-saw after new Cemex offer

Steven Jackson  
Senior Business Reporter

CEMENT SHARES in Jamaica and Trinidad moved in different directions on news of an increased buyout offer by Cemex of Mexico.

The shares of Caribbean Cement Company, based in Jamaica, fell six per cent on Monday to close at \$31.46, while the shares of its parent Trinidad Cement Limited (TCL), the target of Cemex's planned takeover, gained two per cent to close at TT\$4.54 on the Trinidad stock exchange with roughly 121,500 units trading.

This was the second-highest volume traded for TCL since the initial takeover bid was unveiled on December 5.

Cemex SAB first offered TT\$4.50 per share for the Trinidad-based cement maker, but improved on its offer on Monday to TT\$5.07 per share after directors of TCL said the original price was not a true reflection of the regional cement maker's commercial value.

The new price values the company at US\$1.9 billion. The TCL stock traded up even further on Tuesday to come within striking distance of the new offer price, closing at TT\$5.05 per share on the exchange based in Port of Spain.

Shares in the Jamaican subsidiary also closed up at \$32.68 on Tuesday on the Kingston exchange. But the cross-listed TCL stock remained unchanged at \$63 per share, having not traded since December 15.

The Gleaner sought opinions on the new offer from various brokers and analysts, many of whom declined or did not comment up to press time.

Cemex already owns 39.5 per cent of TCL through Sierra Trading, and aims to increase its stake to 74.9 per cent. The Mexican company promises that TCL will remain listed. Its amended offer closes on January 24.

### CURRENCY OF CHOICE

Assuming full acceptance of the offer, Cemex says Sierra will pay cash amounting to TT\$672 million (US\$101 million) to subscribers, with payment either in Trinidadian or US currency, based on preference.

The December 5 offer would have amounted to a payout of \$89 million.

The revised price represents a premium of 50 per cent over the December 1, 2016 closing price of TCL's shares in the Trinidad and Tobago Stock Exchange, added Cemex.

TCL directors, based on the advice of auditors Ernst & Young (EY), described the December offer as "not fair". The directors issued a circular advising shareholders to read the assessment by EY prior to making a decision to sell or hold their shares.

The TCL directors and the redacted fairness opinion by EY avoided listing a fair price or value.

TCL's 10 directors and/or senior managers listed in the circular all hold shares directly or indirectly in the group. Director Ruben McSween indirectly holds the largest block, 44.6 million units, followed by chairman Wilfred Espinet, who directly holds 10.28 million units.

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The TCL plant at Claxton Bay in Trinidad & Tobago.

# Cemex falls short in TCL takeover

**C**emex SAB de CV now owns 69.83 per cent of Trinidad Cement Limited, through Sierra Trading, following the closing of its takeover offer in three regional stock markets.

Cemex, however, fell short of its goal, which was to double its stake in the cement maker to 74.9 per cent.

The Mexican company said in a market filing it will pay out the equivalent of US\$83.6 million for shares tendered under the takeover offer, which was priced at TT\$5.07 per share or US\$0.76 per share.

The TCL stock is currently trading around TT\$4.16 in its

home market of Trinidad & Tobago and at \$63 on the Jamaican stock exchange.

The payments to Jamaican shareholders of TCL, who offered up 4.1 million units in aggregate, will be made by February 21. Trinidadians tendered 109.4 million shares and Barbadian shareholders, 111,513 shares.

Sierra previously held 39.5 per cent of TCL. The takeover also gives the Mexican company majority ownership of the Caribbean Cement Company operation at Rockfort in Kingston.

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# BUSINESS

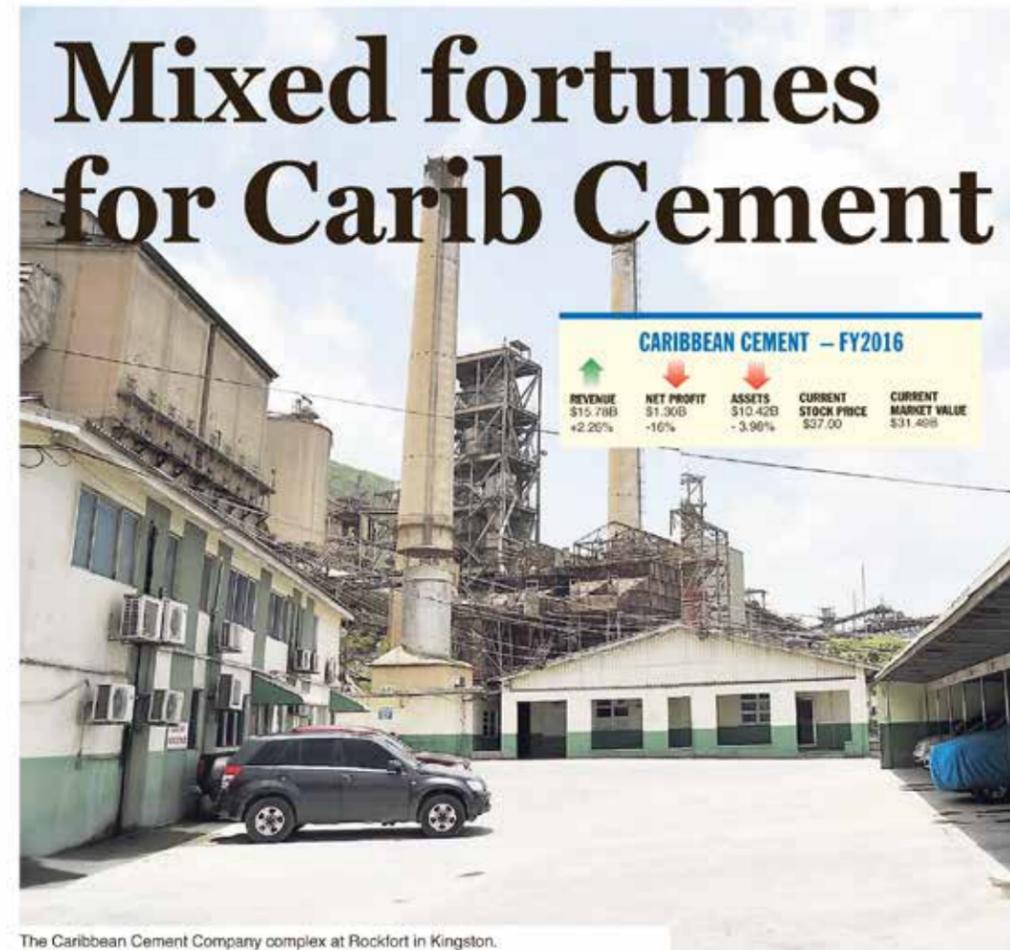
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THE GLEANER, WEDNESDAY, MARCH 1, 2017

SECTION C

## Mixed fortunes for Carib Cement



The Caribbean Cement Company complex at Rockfort in Kingston.

Steven Jackson

Senior Business Reporter

**C**ARIBBEAN CEMENT Company Limited made annual profit of \$1.3 billion last year, but it represented a shrinkage of the cement producer's bottom line, despite a spike in volume sales of cement in its major market.

Profit was down 16 per cent relative to 2015.

The company said the improved sales — exports shrank, but domestic cement volumes rose 16 per cent — was due to upticks in both private and public infrastructure projects.

Sales revenue, however, improved by only 2.2 per cent to \$15.8 billion, but even that reflected a new record for the company's top line performance amid upgrades to modernise the plant. In January 2016, Caribbean Cement announced a roughly US\$30 million plant upgrade that would extend into this year.

"During the year, the company embarked on a major kiln overhaul which lasted 45 days and impacted the income statement by \$957 million. This, along with the capital expenditure of \$1.7 billion made during the year, are expected to improve the operational efficiency and reliability of the plant," said Caribbean Cement Chairman Parris Lyew Ayee and director Jose Luis Seijo Gonzalez in a statement issued with the yearly financial report for the period ending December 2016.

Other factors impacting the year's performance included the overhaul of cement mill No. 4 at \$65 million, along with increased administrative and plant costs.

The export volumes of cement and clinker were down by 21.2 per cent and 78.1 per cent, respectively. Local cement volumes increased by 16 per cent mainly arising from the "positive trend of the infrastructural projects, Government projects and retail trade".

Earnings before interest, tax, depreciation, amortisation, manpower restructuring costs, as well as stockholding and inventory restructuring costs, improved over last year

PLEASE SEE CEMENT, C3

## CEMENT

CONTINUED FROM C1

by 4.9 per cent, resulting from improvements in domestic revenue.

During the year, the group generated cash of \$2.2 billion from operations, a 22 per cent reduction from 2015, resulting from repayment of intercompany short-term balances.

Capital expenditure, capex, doubled last year from \$811 million to \$1.7 billion, due to the ongoing expansion project. The cement maker closed FY2016 with net cash \$717 million, down from \$910 the year before. Its fixed assets climbed by more than a billion dollars to \$6.6 billion.

### ULTIMATE PARENT

In late January, Caribbean Cement inherited a new ultimate parent after Cemex of Mexico launched a takeover bid for majority control of Trinidad Cement Limited through Sierra Trading.

Cemex up to then held a plurality of TCL shares but a minority stake in the Kingston-based Caribbean Cement. It now owns 69.8 per cent of TCL, whereas TCL holds nearly 74 per cent of Caribbean Cement.

The Jamaican operation, however, has been managed by Cemex appointees since 2015, the current boss being Peter Donkersloot Ponce, who became general manager in November 2016.

The former boss, Alejandro Vares Leal, was promoted to another job at Cemex Mexico, but he remains on Caribbean Cement's board, to which he was appointed in October 2016.

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## Agriculture to help rehabilitate inmates at Tamarind Farm

INMATES AT the Tamarind Farm Adult Correctional Centre in St Catherine will now be trained in modern agricultural techniques as part of their rehabilitation process. On Monday, a greenhouse project, sponsored by Carib Cement Company Limited, was handed over to the prison.

In the initial stage, 10 inmates at the centre were trained in modern agricultural techniques to manage the greenhouse.

Minister of State in the Ministry of National Security, Senator Parnell Charles Jr, who spoke at the ceremony, said based on the success of the pilot project, the programme will be replicated in other correctional facilities across the island.

He commended Carib Cement for its contribution and urged other corporate entities to participate in similar initiatives that encourage national development.

The state minister said the initiative is important, as it will

contribute to the rehabilitation of inmates and the drive to ensure the country's food security.

"In 2017, Jamaica must become a country that appreciates and implements projects related to sustainability and food security," he argued.

### PROVIDE LIFE SKILLS

For the first phase, the US\$20,000 project will serve as a rehabilitative tool for inmates, while providing life skills through training in farming technology.

Inmates with less than eight months of their sentence left were selected based on their interest in agriculture, the ability to read and write, and their commitment to completing the programme.

Some 20 correctional officers also received practical and theoretical training in the greenhouse project, which utilises best practices in hydroponic farming.

As part of the training, the group toured the Miranda

Greenhouse project in St Ann and the Abbey Garden farm in Manchester.

The initiative also aims to assist in the reintegration of inmates into society by providing them with the requisite skills to become entrepreneurs after their release from the correctional facility.

It is expected that the project will become a sustainable, income-generating venture and also provide vegetables to supplement the inmates' diet.

### PROJECT YIELD

It is anticipated that the Tamarind Farm Greenhouse Project will yield:

- 600 pounds of cabbage every eight weeks.
- 2,400 pounds of cucumber every six weeks.
- 400 pounds of lettuce every six weeks.
- 400 pounds of pak choi every six weeks.
- 1,200 pounds of tomato every 12 weeks.



CONTRIBUTED

Minister of State in the Ministry of National Security, Senator Parnell Charles Jr (second left), examines crops being grown under the Tamarind Farm Greenhouse Project. The occasion was the official handing over of the project, sponsored by Carib Cement Company, at the Tamarind Farm Adult Correctional Centre in Spanish Town on Monday. Others (from left) are Senior Superintendent for the Tamarind Farm Adult Correctional Centre Baldwin Rollins; chairman of Carib Cement Company, Parris Lyew Ayee; and Correctional Officer I Linton Campbell.

## World's largest floating book fair to return to Jamaica after seven years

**M**V LOGOS Hope, the world's largest floating book fair, is slated to return to Kingston and Montego Bay, St James, from May 12 to July 2 with 5,000 different titles of books for sale to the general public, all below market prices.

The books for sale will cover a range of subjects including science, sports, hobbies, cooking, medicine, languages, as well as children's titles, academic texts, dictionaries, Bibles and more.

The MV Logos Hope was last in Kingston seven years ago, when more than 130,000 visitors went on board over 35 days. "We are looking forward to returning to Jamaica. We believe books change lives and

### Logos Hope's schedule

- The Logos Hope will dock at the Caribbean Cement Company, Rockfort from May 12 to June 11 and at the Montego Bay Cruise Ship Terminal from June 15 to July 2.
- Opening hours in Kingston and Montego Bay will be: Tuesdays through Saturdays from 10:00 a.m. to 9:00 p.m. and on Sundays from 2:00 p.m. to 9:00 p.m.
- The ship will be closed to the public on Mondays.
- Entrance fee will be \$200, but children under 12 and adults 65 and over will be free. All children must be accompanied by adults.

we cannot wait to welcome the thousands of Jamaicans on board, who we will invite to meet our international crew. The visit to Jamaica by the MV Logos Hope will be a memorable and enjoyable experience for all who come aboard," said Captain Tom Dyer of the United States.

The MV Logos Hope is operated by GBA Ships e.V., an international, charitable organisation registered in Germany. Since 1970, the organisation has welcomed more than 45 million visitors up its gangways in more than 160 countries and territories around the world.



FILE PHOTOS

Book lovers making their way to and from the 'Logos Hope' in Kingston during its last visit to the island in 2010.



Jamaicans line up to board the 'Logos Hope' in Kingston in 2010.

## Ja faces cement shortage again

### Company blames challenges in packaging operation

CARIBBEAN CEMENT Company has confirmed reports reaching *The Sunday Gleaner* of a shortage of cement across the island.

Since last week, hardware merchants and dealers have been telling our newsroom that they have been unable to meet demand because of a lack of supply from Carib Cement.

Last Friday, the company said it was aware of the supply challenges within the retail market and that every effort was being made to address the situation.

"The gaps in retail trade have resulted from challenges in the packaging operations which are being rectified," the company said in a statement.

"In an effort to immediately address the issues in the local retail market, Carib Cement has already implemented investments, initiatives and activities to address the issues within the retail market.

"To this end, Carib Cement has suspended all exports to fully dedicate and prioritise the local market. The company is pleased that major development projects have remained on course, and clearly understands the critical importance of the construction industry to ongoing development and growth," added the company.

Carib Cement expressed regret at the inconvenience caused by the supply challenges and said it would continue working assiduously to resolve the situation.

"The company will be embarking on major maintenance overhaul during the

“The gaps in retail trade have resulted from challenges in the packaging operations which are being rectified.”

Easter holiday, which should result in increased volumes to the market and restore stability.

### EXTENSIVE UPGRADES

"Carib Cement has been investing extensively in upgrading the production and packaging operations to ensure consistent supply to the growing local and international markets," said Carib Cement.

This is the second time in the past seven months that Jamaica

has faced a shortage in supply from the island's sole cement manufacturer.

Last September, Carib Cement noted that despite spending US\$5.5 million to increase its capacity, there was a tightness in the supply of cement.

At that time, the company blamed its inability to meet demand on an overhaul of the kiln and one of its cement mills at its Rockfort plant.

"In anticipation of this work, our inventories were increased to satisfy any downturn in supply. Despite those actions, during that period, our supply to the market was at 90 per cent of peak demand, leading to a slight rationing of supply," the company said in a release then, as it promised that this failure to meet demand would soon be a thing of the past.



# Caribbean Cement to replace packaging equipment

**McPherse Thompson**  
Assistant Editor - Business

**C**ARIBBEAN CEMENT Company said maintenance to improve efficiency and consistent packaging of the company's products as a result of equipment upgrading required in the packaging area will be undertaken over the Easter weekend.

Hardware merchants and dealers last week reported that they were unable to meet demand because of a lack of supply from the cement producer, which confirmed the shortage in the retail trade.

Since then, "most of the issues we were having have been addressed", Corporate Communication and Public Relations Manager Sophia Lowe Pinnock told *Gleaner Business* on Tuesday.

She explained that the lack of delivery related to an issue in the plant's packaging area where some of the equipment is outdated, saying the

company was in the process of replacing them.

"Our packaging area was not performing as it should, but there was never a lack of cement. Our industrial clients, for example, were not affected by this process because we did have cement. ... We were having an issue with the small baggage area and that is being addressed," she said.

#### DEALING WITH SUPPLY GAPS

Lowe Pinnock said the company has acted to deal with the supply gaps "so there is no real issue right now", and that Caribbean Cement aimed to delivery more than one million bags of cement to the market over the next four weeks.

Those volumes would be more than enough to cover demand, she added.

The requisite equipment has already been sourced from overseas. She adds that Caribbean Cement has spent US\$1 million so far from the US\$18 million it aims to invest in the plant this financial year.

In a release on Monday, Caribbean Cement said during the period April 7-9, more than 75,000 bags of cement were delivered to the market, with an additional 80,000 bags delivered to a local supplier.

Cement exports have been suspended to focus all resources and efforts on meeting and prioritising the local market, the company said, while noting it would be maintaining its current price on bagged cement to the retail trade.

The company also received an additional 75,000 bags of cement from Trinidad, with another 150,000 bags set to be delivered over the next few weeks.

"The implemented solutions along with investments and scheduled maintenance to improve efficiency will result in the needed improvement in the packaging area. These initiatives will address the recent market concerns and will ensure stability in the local market," the company said.

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## OPINION & COMMENTARY

### LETTER OF THE DAY

# Give us hard info, Carib Cement

THE EDITOR, Sir:

I AM again taken aback by a news report in *The Gleaner* dated Sunday, April 9, 2017, that there is once again a shortage of cement. This is the second time in the past seven months that Jamaica has faced a shortage in supply from the island's sole cement manufacturer and it has now become quite worrisome.

The frequency of shortages is of particular concern given that Jamaica is in a growth phase, and the prime minister, Andrew Holness, has announced that the National Housing Trust (NHT) has numerous housing solutions scheduled for this year, and we have witnessed a number of groundbreaking exercises taking place in recent times. Also, there are a several small, medium and large hotel projects scheduled to start within the next six to 12 months.

Although we are told by the company that it will be embarking on major maintenance overhaul during this Easter holiday, which should result in increased volumes to the market and restore stability, these questions still arise:

1. Can the Government and people of Jamaica depend on you to deliver adequate cement to meet the demands that are present and that which lie ahead?
2. Should the Government be looking at increasing import quotas to meet these demands?
3. Will investors be told what the approximate

financial impact on the company will be for this Easter maintenance overhaul?

4. Is the redundancy exercise that the company embarked on over the past year completed?

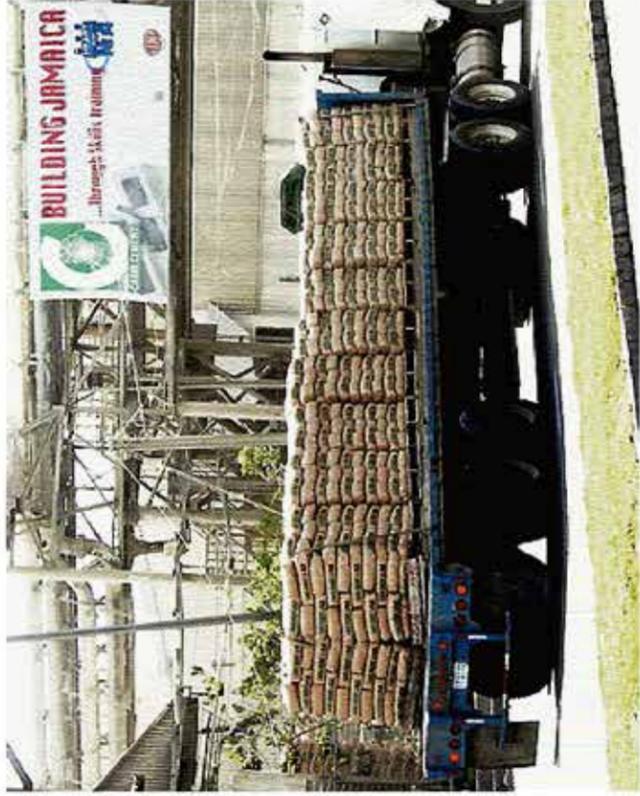
All stakeholders deserve better information as it relates to the current production capacity of Caribbean Cement Company (CCC) and the demand gap that is currently in the market. As a minority shareholder, I have noticed that since CEMEX Ltd management has taken over the operations of the company in 2015, quarterly reports from CCC have not included the quantity (tonnage) of cement produced each time, which would give a better idea of what is happening at the plant.

I am calling on the Jamaica Stock Exchange to act on behalf of minority shareholders by demanding that CCC, among other things, provide quarterly investor briefings and timely disclosure of information, so that the people of Jamaica can be aware of what is happening to our natural resources, Portland Cement, though it was given away to Trinidad and Tobago some years ago.

We certainly miss Anthony Haynes, the former general manager of CCC, who would have been talking to the media about what is happening instead of sending out press releases with quotes from the company instead of a named individual.

**NIGEL O. COKE**  
Minority Shareholder in CCC

## Ja hit by cement shortage



A truck leaving Carib Cement's Rockfort plant laden with the product.

### Country suspends exports

THE CARIBBEAN Cement Company has confirmed reports of a shortage of cement across the island.

Since last week, hardware merchants and dealers have been telling our newswroom that they have been unable to meet demand because of a lack of supply from Carib Cement.

The company said it was aware of the supply challenges within the retail market and that every effort was being made to address the situation.

"The gaps in retail trade have resulted from challenges in the packaging operations which are being rectified," the company said in a statement on Friday, April 7.

"In an effort to immediately address the issues in the local retail market, Carib Cement has already implemented investments, initiatives and activities to address the issues within the retail market.

"To this end, Carib Cement has suspended all exports to fully dedicate and prioritise the local market. The company is pleased that major development projects have remained on course, and clearly understands the critical importance of the construction industry to ongoing development and growth," added the company.

Carib Cement expressed regret at the inconveniences caused by the supply challenges and said it would continue working assiduously to resolve the situation.

"The company will be embarking on major maintenance overhaul during the Easter holiday, which should result in increased volumes to the market and restore stability.

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"At that time, the company blamed its inability to meet demand on an overhaul of the kiln and one of its cement mills at its Rockfort plant.

"In anticipation of this work, our inventories were increased to satisfy any downturn in supply. Despite these actions, during that period, our supply to the market was at 90 per cent of peak demand, leading to a slight rationing of supply," the company said in a release then, as it promised that this failure to meet demand would soon be a thing of the past.



## NOTICE

The Management of the  
Rockfort Mineral Bath Complex  
(RMBC)

is advising its valued customers that the facility  
**will be closed** to the public on  
**Sunday 30th April, 2017 at 1:00p.m.**

RMBC apologises for any inconvenience caused.

*Thank you for your usual support.*

# Carib Cement delivers one million bags

THE CARIBBEAN Cement Company is reporting that it has been able to pack and distribute more than one million bags of cement promised to the market.

A **Sunday Gleaner** article, which was published in April, highlighted that there was a shortage of cement across the island. Hardware merchants and dealers told the newspaper that they had been unable to meet demand because of a lack of supply from Carib Cement.

In a release yesterday, however, the cement company reported that there has been a 22 per cent increase in the average packing rate prior to the upgrade. In addition, they have accomplished an improved packing performance exceeding 60k bags on May 3 (a production rate not achieved in six months).

“Cement exports remain sus-



ended to focus all resources and efforts on meeting and prioritising the [needs of the] local market. No increase was made in the price of our product,” the release stated.

“We at Carib Cement would like to take this opportunity to publicly express our gratitude to all employees and their families for the effort and commit-

ment that every person brings to their job. We know that our success is a team effort, and that’s what will continue to define our future collective success. We would also like to reiterate our commitment to the local market’s health and development and remain proud of our role in building a greater Jamaica.”

## LETTERS TO THE EDITOR

### Carib Cement more transparent

THE EDITOR, Sir:

IN A letter to the editor of this newspaper dated April 12, 2017, I expressed some concerns I had regarding the operations of the Caribbean Cement Company (CCC) relating to frequent shortages of the main input of our construction industry and requested that they provide pertinent and more timely information to investors and the public at large.

Subsequently, I was contacted by CCC Company Secretary Craig Neil, inviting me to a meeting with General Manager Peter Donkersloot, which I had requested, and I was given the opportunity to invite two other minority shareholders who had similar and other concerns.

Commendations to the leadership of the company for their invitation and for facilitating a frank and open discussion. We were assured by Mr Donkersloot that our concerns would be addressed and that the company would be able to meet the present and future demands of the construction industry for cement.

#### IMPROVED PERFORMANCE

I am pleased that after a request by the Jamaica Stock Exchange, the company has furnished a first-quarter report revealing an increased level of disclosure. Additionally, I was

very impressed when **The Gleaner**, dated May 12 (online) and 13, 2017, stated that the CCC was able to package and distribute more than one million bags of cement promised to the market (during the shortage in April) in 23 days instead of the planned 31 days, which represented a 22 per cent increase in the average packing rate, prior to an upgrade to their packaging process.

In addition, the CCC has accomplished an improved packing performance exceeding 60,000 bags on May 3 (a production rate not achieved in six months), the release said.

I trust that with your expressed commitment to take the CCC to its highest level of efficiency, you and your team will be ever mindful of the thousands of direct and indirect jobs that are impacted by the construction industry.

Kudos, Mr Donkersloot! This is indeed a positive step forward. I am sure your thousands of minority shareholders appreciate this new level of disclosure and we look forward to continued improvement.

**NIGEL O. COKE**

Minority shareholder of CCC

# Carib Cement leads flood victims' response

*Company donated 3,000 bags of the product*

**Paul Clarke**  
Gleaner Writer

ON THE day when the nation was imbued with the spirit of volunteerism and amid fresh memories of the destruction caused by floodwaters across the country last week, Caribbean Cement Company has put its money where its mouth is with a significant contribution.

The Rockfort-based company has donated 3,000 bags of cement bearing market value of \$3.2 million to Office of the Disaster Preparedness and Emergency Management (ODPEM) on Tuesday (Labour Day) for the assistance of flood victims. The ODPEM will have responsibility in the distribution of the cement.

Peter Donkersloot, general manager said that while Carib Cement has made the move out of the need to assist, it was his wish that others in corporate Jamaica would find the need to do more especially where there is a greater need.

"Corporate Jamaica needs to come on board in these cases to help the most vulnerable," Donkersloot said.

Sophia Lowe-Pinnock, corporate communication and public relations manager at Carib Cement, told **The Gleaner** that the decision to donate the item arrived out of a previous meeting with Prime Minister Andrew Holness.

"As a company we saw the need; before we had the flooding about a month ago, the country was getting a tremendous amount of rainfall. We had a formal meeting with the prime minister and it was out of that, we recognised that this was something serious," Lowe-Pinnock said.

paul.clarke@gleanerjm.com



RICARDO MAKYN MULTIMEDIA PHOTO EDITOR

Prime Minister Andrew Holness with Peter Donkersloot (right), general manager of Carib Cement, look at the cement donated by the company for the recent flood victims, on Tuesday.

10 FRIDAY, MAY 26, 2017 FINANCIAL GLEANER

www.jamaica-gleaner.com/business

## Inventory charge cuts Caribbean Cement profit in half

**C**ARIBBEAN CEMENT Company, the foreign-owned operator of Jamaica's sole cement manufacturing plant, posted marginally higher revenues and slashed profits in its first quarter.

Sales turnover for the March quarter totalled \$4.09 billion, compared to \$3.97 billion a year earlier.

Earnings dipped by roughly half to \$460.4 million from \$834 million a year earlier, impacted by a \$357 million charge related to inventory.

The inventory drawdown also carved 36 per cent off operating income in the period. Caribbean Cement also indicated that it made \$814



million of advances to a related company, up from \$458 million a year ago, according to its balance sheet. It contributed to a reduction of the cement maker's cash holdings.

"Net cash provided by operating activities was lower

than the comparative quarter in 2016 by \$146 million, mainly due to advances made to a related company as part of the group's restructuring process," stated management. "This will be recovered in the second quarter of 2017."

Net cash fell to \$544 million from \$963 million, management indicated.

Its accumulated losses that had built up over several years of losses, shrunk further from \$4.87 billion to \$3.94 billion at March 2017.

"The board of directors

remains committed to meeting the local cement demand; reinforcing the profitability and competitiveness of plant and to the continuous improvement and promotion of health and safety standards, while creating a better work environment for our people," according to a joint statement signed by Chairman Parris A. Lyew-Ayee and Director José Luis Seijo Gonzalez.

In late January, Mexican company Cemex became Caribbean Cement's ultimate parent company after acquiring

the Jamaican cement maker's majority owner, Trinidad Cement Limited.

The Jamaican operation, however, has been managed by Cemex appointees since 2015, the current boss being Peter Donkersloot. Ponce, who became general manager in November 2016.

The former boss, Alejandro Vares Leal, was promoted to another job at Cemex Mexico, but he remains on Caribbean Cement's board, to which he was appointed in October 2016.

steven.jackson@gleanerjm.com



The entrance to Caribbean Cement Company Limited at Rockfort, Kingston.



FILE

Persons have been visiting the 'Logos Hope', which has been docked at the Carib Cement pier in Rockfort, Kingston, since it arrived here earlier this month. The strike at the cement company has prevented them from going there.

# No immediate cement shortage amid workers protest action

**Paul Clarke**  
*Gleaner Writer*

CARIB CEMENT says its customers will not face a shortage of its product as a result of the industrial action taken by workers after wage negotiations broke down yesterday, grinding production to a halt at its Rockfort plant.

The National Workers' Union (NWU) is negotiating on behalf of the workers, who, the company says, failed to return to the bargaining table for further negotiations on the latest wage offer.

"We are currently in negotiations with the NWU, one of our unions

representing workers, over a new collective labour agreement," Corporate Communication and Public Relations Manager Sophia Lowe Pinnock told *The Gleaner*.

## SEEKING QUICK RESOLUTION

With production stopped because of the strike, Lowe Pinnock noted that the company is seeking to return to full normalcy as quickly as possible once an agreement has been reached or a back-to-work order has been given by the Ministry of Labour.

"We are aware of our importance to the country at this time and we are working to get back to normalcy

as soon as possible through the approved channels," she said.

"One day will not affect us, and seeing that it's the weekend, it is also safe to say that two days out of production will not affect us. However, if the strike action carries over into a third or fourth day, then it will definitely affect our ability to supply the market," Lowe Pinnock warned.

The protest action also put a stop to a steady stream of people who sought to purchase books from the *Logos Hope* book ship that is docked at the cement company pier.

[paul.clarke@gleanerjm.com](mailto:paul.clarke@gleanerjm.com)



FILE PHOTOS

Persons have been visiting the 'Logos Hope' book ship docked at the cement company pier in Rockfort, Kingston, since it came here earlier this month.

# Book ship up and running as cement company workers resume duties

AFTER A forced closure last Friday, the world-famous *Logos Hope* book ship resumed accepting visitors yesterday, with the usual Sunday bumper crowd expected today.

The book ship, which is docked at the Caribbean Cement Company pier in Rockfort, east Kingston, suspended operations last Friday after workers attached to the company walked off the job.

The workers returned to the job late Friday night following a meeting at the Ministry of Labour, paving the way for visitors to access the ship.

According to corporate communication manager at the cement company, Sophia Lowe Pinnock, patrons were able to access the ship at the regular opening hour of 10 a.m. yesterday.

## BACK TO NORMAL

"Everything is back to normal this morning (Saturday). It actually returned to normal from yesterday (Friday). The book ship has been open on schedule from this morning; all our operations

are back up and running and we are dispatching to customers from early this morning," Lowe told *The Sunday Gleaner*.

She said employees blocked access to all the gates of the company last Friday and the ship is docked on the company's property.

"There was no quarrel with the book ship. It was just affected by the industrial action of the employees. It was not a matter of anyone being threatened or any argument or anything like that. It was simply that the employees, in a way to make their point, blocked access to all the gates, and that included access to the book ship," added Lowe Pinnock.

She noted that the cement company plant was also back in full operation, with supplies being dispatched as scheduled.

The *Logos Hope* is the world's largest floating book fair and has been in Kingston since May 12. It is scheduled to remain at the Caribbean Cement Company's pier until June 11.

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Book lovers browsing the selection on the 'Logos Hope'.



PHOTOS BY NORMAN GRINDLEY/CHIEF PHOTO EDITOR

North Street collapse, a danger to motorists and pedestrians.

## Needy North Street continues to crumble

**Syranno Baines**  
Gleaner Writer

THOSE WHO have traversed the North Street roadway in Kingston within recent days would have had to pay close attention while driving as the freshly paved road continues to sink and crumble at a rapid pace.

The road, which has presented several problems for motorists and nearby residents alike for many years, now has several sinks, one resembling that of a crater, and has rendered sections of the roadway impassable.

In December, the National Water Commission underook a multimillion-dollar rehabilitation project on a section of North Street, which was supposed to remedy the decade-old problem of raw overflowing sewage on North Street near St George's College.

Many stakeholders have said that the choice of material is the reason for the constant repairs and deteriorating state of affairs on the nation's roadways.

"Concrete can easily be integrated into our existing asphalt network, and by reduc-

ing load transfer, it protects services under the roadway such as water, sewage, telecommunications and other utilities," Sophia Lowe Pinnock, corporate communications and public affairs manager, Caribbean Cement Company Limited, told **The Gleaner** in relaying her general advice on the road situation.

### STABLE PRICES

"While the price of asphalt is closely tied to the volatile, international oil market, locally produced cement generally enjoys more stable prices. Robust and durable, concrete roadways boast a lifespan of 50+ years and tend to last three times longer than asphalt thoroughfares before any major rehabilitation is necessary. Prone to potholes, stripping, cracking, and other defects, asphalt requires regular maintenance and frequent reconstruction, while concrete will last for decades with relatively minor repairs."

SEE FULL STORY ONLINE:  
www.jamaica-gleaner.com



Sections of North Street, Kingston, between East Street and Rum Lane, have started to collapse only a few months after major pipe laying and repairs to the road.

# Thousands flock floating book fair

**SHANICE WATSON**  
Staff Reporter

Patrons who attended the penultimate day of the Logos Hope Floating Book Fair in Kingston had to endure over two hours of waiting in the pelting sun before boarding the vessel, but many said it was well worth the wait.

About 2 p.m. on Saturday, some 3,334 persons had already boarded the world's largest floating book fair, with hundreds more standing in line and others just arriving.

"If you want good, you nose afri run. You think the line long now? You shoulda see when it pass the overhead bridge on the road. It took me two and a half hours to get in, but the experience was great overall. The books are nice and very reasonable and the food is nice too," Latoya Benjamin told **THE STAR**, at the Carb Cement dock in Rockfort.

Benjamin said the fair was so nice, she did it twice, last Tuesday, and again on Saturday, when she brought her four nieces and got 18 books for a little over \$11,000.

Edna Davis, who journeyed from Portmore, St. Catherine,



Tasheka Rankine showing off the books she got for her children.

with her family to get a large-print Bible and books for the children, decided to 'take serious things make joke' when she finally reached the ship's entrance after nearly two hours in line and was told she had to wait because it was too full.

"Just when me think me a come outa the sun and go inna AC now, a good thing me black and can take the sun! By me reach home, me no have no use to meself," she joked.

Once inside, patrons were greeted with another set of lines.

The first one led to a lifeboat inside the ship, which seated 100 persons at a time. There, patrons spent about 10 minutes watching a video about the vessel, its crew of 400 volunteers, and their mission of spreading hope, help and knowledge.

### RAM-PACKED

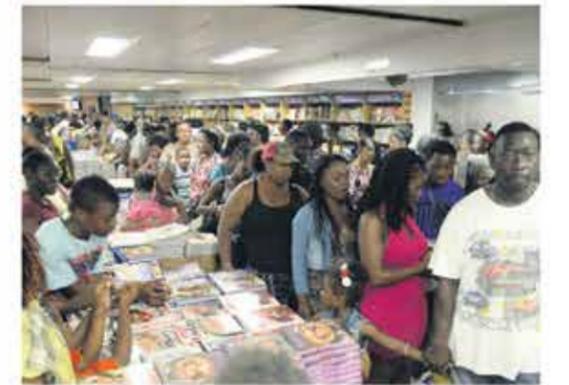
Next, patrons were ushered to the actual book fair, which was jam-packed with persons perusing the over 5,000 book titles available.

When it was time to purchase the books, patrons had to join another line, which curved around the room and took about 30 minutes to get to the cashier.

The shortest lines were at the cafe, where patrons had a selection of treats, including cakes and popcorn. To ensure that no one left empty-handed, everyone got to select three books from a free section before exiting the ship.

The ship's media relations officer, Anrika Lee, told **THE STAR** that since the ship docked in Kingston on May 12, some 108,690 visitors had boarded the vessel.

The next stop is Montego Bay, St. James, where the vessel will be docked from June 15 to July 2.



The cashiers were kept busy as patrons were eager to make purchases.



These children seem happy with their new books.



Scores of persons wait patiently at the ticket booth.

BENJAMINE BARNHART PHOTOS



JERMAINE BARNABY  
Scores of persons wait in line to enter the Logos Hope Floating Book Fair at the Carib Cement dock in Rockfort on Saturday. The ship is moving on to Montego Bay.

### OPINION & COMMENTARY



PHOTO BY JERMAINE BARNABY/FREELANCE PHOTOGRAPHER

Scores of persons wait in line to enter the Logos Hope Floating Book Fair at the Carib Cement dock in Rockfort on Saturday. The ship will open its doors to the public in Montego Bay, St James, tomorrow.



## Notice of Annual General Meeting

NOTICE is hereby given that the SIXTY EIGHTH ANNUAL GENERAL MEETING of CARIBBEAN CEMENT COMPANY LIMITED will be held on **Thursday, July 13, 2017 at 10:00 a.m.** at the **Spanish Court Worthington, 16 Worthington Avenue, Kingston 5**, to transact the following business and to consider and, if thought fit, pass the following Resolutions:

1. To receive and consider the Report of the Directors and the Audited Financial Statements for the year ended December 31, 2016.
2. To appoint Auditors and authorize Directors to fix the remuneration of the Auditors.
3. To elect Directors and fix their remuneration.
4. To amend CCCL's Articles of Incorporation
5. To transact any other business which may properly be transacted at an Annual General Meeting.

Note:  
Proxies

Members of the Company entitled to attend and vote at the meeting are entitled to appoint one or more proxies to attend and vote instead of them. A proxy need not be a member. Where a proxy is appointed by a corporate member, the form of proxy should be executed under seal or signed by an officer or attorney duly authorized.

To be valid the Proxy Form must be completed and deposited at the registered office of the Company not less than 48 hours before the time fixed for holding the meeting.

By Order of the Board

Craig Neil  
Legal Counsel/Company Secretary



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Craig Neil  
Legal Counsel/Company Secretary

# Caribbean Cement to renegotiate expensive operating lease

STEVEN JACKSON  
Senior Business Reporter

**C**ARIBBEAN CEMENT Company plans to refinance its hefty operating lease for the Rockfort plant in Kingston.

At the same time, the cement maker will be investing US\$24.7 million over the next 12 months to complete a coal mill and kiln and implement green energy programmes.

The capex aims to push cement production from 910,000 tonnes to 1.2 million tonnes annually by 2019.

Caribbean Cement will set up a dedicated advisory board to address its operating lease, payable to immediate parent company Trinidad Cement Limited, costing the company billions annually. Both companies are now ultimately owned by Cemex of Mexico.

Last year, Caribbean Cement paid \$3.3 billion to TCL as operating lease for the assets it owns at Rockfort. This year, it projects to pay roughly \$2.8 billion.

"The structure of the lease is not the most efficient and might



RUDOLPH BROWN/PHOTOGRAPHER  
Peter Donkersloot Ponce, general manager of Caribbean Cement Company Limited, speaks to shareholders at the company's annual general meeting on Thursday, July 13, at Knutsford Court Hotel in New Kingston.

have made sense five years ago when Caribbean Cement had no possibility to finance its assets," said Caribbean Cement General Manager Peter Donkersloot Ponce at the company's annual general meeting on Thursday.

The decision is a vindication for

minority shareholders who have complained over the years that the arrangement was inefficient and robbed them of returns. Caribbean Cement last paid a dividend in 2005, amounting to a total distribution of around \$60 million at seven cents per share.

In 2015, shareholder Michael Subratie formally complained to the Jamaica Stock Exchange that the lease appeared to contravene generally accepted accounting principles - GAAP - and should be replaced with a finance lease

arrangement.

Donkersloot, who was appointed general manager by Cemex last November, says "times have changed" and that Caribbean Cement is now in a better position to seek financial options.

With Cemex's indirect acquisition of controlling interest in Caribbean Cement earlier this year, it allows the Kingston-based producer to seek out better financing options, but Donkersloot indicated that nothing has yet been determined.

"If we can leverage the Cemex group to find a better financial structure, and, say, lend us money at a cheaper rate, then we will definitely use Cemex's muscle to get a lower interest rate. But if Cemex's rate is higher than us going on our own, then we will not use Cemex," said Donkersloot.

"We are looking at the best financial structure that is possible. If it comes with Cemex's help, or not," he emphasised.

Caribbean Cement will negotiate new rates with TCL for the period January 2019 to December 2028, according to the annual report. TCL owns 74 per cent of Caribbean Cement, while Cemex owns 69 per cent of TCL.

Donkersloot is hoping to finalise the new arrangement within six months to a year, he told the meeting.

Caribbean Cement previously told the *Financial Gleaner* that it has two operating lease

agreements with TCL, covering Clinker Kiln 5 and Cement Mill 5. Those structures were part of an expansion programme financed by TCL with a US dollar loan from external sources. The operating lease charge is accounted for on Caribbean Cement's financial statements as an expense.

Portions of Kiln 5, which was completed and commissioned in December 2008, are owned by TCL, and the rest by Caribbean Cement. The operating lease for that asset began on December 1, 2008, and runs for 20 years to 2028. The operating lease for the portion of Cement Mill 5 owned by TCL dates from its commissioning in January 2010.

"We are looking forward to solving the lease situation by bringing the assets to Caribbean Cement," Donkersloot said in discussions with the *Financial Gleaner* following the meeting.

"We are looking at options," he said.

Caribbean Cement made annual profit of \$1.3 billion on revenues of \$15.8 billion last year. It represented a shrinkage of the cement producer's bottom line by 16 per cent, despite a spike in volume sales of cement in its major market.

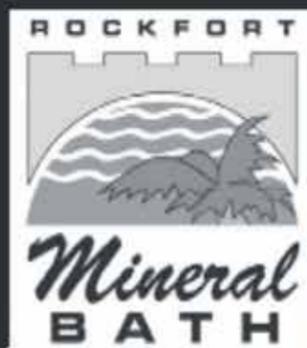
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THE SUNDAY GLEANER, JULY 16, 2017 | BUSINESS



PHOTO BY RUDOLPH BROWN/PHOTOGRAPHER

Two of the Cemex-connected faces of Caribbean Cement Company Limited, director José Luis Seijo González (left) and general manager and director Peter Donkersloot Ponce, address shareholders of the cement company at its annual general meeting in Kingston on Thursday, July 13.



# NOTICE

The Management of the  
**Rockfort Mineral Bath Complex  
 (RMBC)**

is advising its valued customers that the facility **will be closed** to the public on

- \* **Sunday July 16, 2017**
- \* **Sunday July 23, 2017**
- and
- \* **Sunday July 30, 2017**

RMBC apologises for any inconvenience caused.

***Thank you for your usual support.***

## IN YOUR NEIGHBOURHOOD

### **Carib Cement, Jamaica Customs in Business House KO final**

Defending champions Carib Cement will meet first time knock-out finalists Jamaica Customs in the final of the 2017 Scotiabank sponsored, Kingston and St Andrew Business House Football knockout competition today at the Alpha Boys School, (South Camp Road). Match time is 3:30 p.m.

Former national player Paul Laidley is the coach of Carib Cement, and he will be looking to goalkeeper Mark Bryan, Ricardo Scott, Keno Ross, Ewan Murphy, Jerry Walters, brothers Shamario and Andrew Campbell, Damian Benjamin, Stephano Palmer, Richard Orrett and the prolific Elton Tucker for their second straight knock-out title.

Coaches Everaldo Campbell and Craig 'Warlord' White are confident that Jamaica Customs will win this match. They will be looking to captain, Rashedee Clarke, Lennox Russell, Akino Bailey, goalkeeper Rashaun Patterson, Akeem Brown, Oniel Collard, Cadine Graham, Richardo Henry and Conroy Johnson for victory.

# Jamaica Customs look to slay Carib Cement

MARC STAMP  
STAR Writer

First-time finalists Jamaica Customs are looking towards another giant-slaying act when they face off against defending champions Carib Cement in the Scotiabank/Kingston and St Andrew Business House final today at the Alpha Institute (formerly Alpha Boys' Home) starting at 3:30 p.m.

Jamaica Customs defeated Scotiabank in the quarter-final and also eliminated preseason favourites Petrojam in the

semi-final for a place in the final.

Manager of Jamaica Customs Ewan Harvey expressed confidence that his team will beat the champions and collect the KO title for the first time.

"We are feeling supremely confident, beating preseason knockout and league favourites Petrojam in the semi-final. That boosted the confidence of the team. We got rid of a good Scotiabank team as well in the quarter-final," Harvey told **STAR Sports**.

"We are ready and raring to go against Carib Cement tomorrow [today] in the

final," the manager added.

Jamaica Customs' key players include goalkeeper Rashaun Patterson, captain Rashedee Clarke, Cadine Graham, Akeem Brown and Akino Bailey.

#### DUE TO INJURIES

Meanwhile, Carib Cement defeated National Housing Trust, Grace Kennedy and National Commercial Bank enroute to the final.

Former national player Paul Laidley is the coach of Carib Cement and he said that his team will be short due to injuries

and other reasons.

"We will be missing our captain and Arnett Gardens defender, Jabbeur Johnson who is away, as well as other players due to injuries. However, on the day it will be about the team that wants it most," Laidley responded.

Carib Cement main players include Alanzo Adlam, goalkeeper Mark Bryan, Ricardo Scott, Keno Ross, Ewan Murphy, Jerry Walters, Damian Benjamin, and Tivoli Gardens Premier League striker Elton Thompson.

## Carib Cement retain Business House KO crown

MARC STAMP  
STAR Writer

Carib Cement Company retained the Scotiabank Business House Football Association knockout title following a hard fought come-from-behind win over Jamaica Customs at Alpha Institute last Saturday.

The Carib Cement team was pushed by surprise team Jamaica Customs. The Customs men took the lead courtesy of a well-taken goal by the University of the West Indies premier league striker Anthony Greenland in the 26th minute.

However, with the introduction of Tivoli Gardens premier league striker Elton Thompson and Keino Ross in the second half, the champions gained ascendancy.

Thompson set up the equaliser when he passed to Alanzo Adlam who netted past Custom's custodian Rashaun Patterson in the

61st minute.

With the game heading for extra-time, Ross rose high and headed home in added time.

After the game, Carib Cement's coach and former national senior striker Paul Laidley said that his team wanted it more.

#### BETTER TEAM

"As I told you in the pre-match interview, it will be the team that wanted it most. On the day, we were that team. We were the better team in the first half, but went behind. We made two substitutions during the second half and Thompson set up the first goal then Ross found the winner," Laidley reasoned.

With the KO title in the bag, Carib Cement will not be able to do the double as they are not in contention for a place in the League semi-final.

"We are struggling in the league, trying to avoid relegation," he added.

## Scotiabank, ATL clash today in Challenge Cup final

THE FINAL of the 2017 Western Sports-sponsored Kingston and St Andrew Business House Football Challenge Cup will be played today at Winchester Park, St George's College.

The Challenge Cup is named in honour of Raymond Quallo, a former coach of Petrojam who died in 2012. The trophy is contested among the knockout champions, Division Two winners and Division One's top team.

On Wednesday, Division Two champions Appliance Traders Limited (ATL) defeated knockout winners Carib Cement 3-0 at the Anthony Spaulding Sports Complex to reach the final against Scotiabank. ATL were led to victory by Jamoy Sibbles, who scored all three goals.

Today's winners will earn the right to contest the Champion of Champions play-off against the St Ann Business House football champions.

#### ON A HIGH

The Jerome Waite-coached ATL are on a high going into today's game. Last year, they defeated Scotiabank in the knockout semi-finals and Waite feels that they can do so again. He will look to Leon Taylor (goalkeeper), Keyshawn Williams, Quavon Bryan, Al Nesbeth, Ryan Douglas, Gary Dyce, Omar Pryce, Troy Reid and Jamoy Sibbles. Sibbles was recently transferred from Maverley-Hughenden to Red Stripe Premier League team Sandals Whitehouse.

Coach Marcel "Fuzzy" Gayle of Scotiabank is confident that his team can win their fourth title this season and will look to Donovan Alvaranga, goalkeeper Damion Crooks, Nicholas Scott, Damion Gordon, Jermaine



FILE PHOTOS

Coach Waite of ATL.



Scotiabank's coach Gayle

Gardener, Donovan Hibbert, Kevin Lamey, Donovan Hibbert and UWI Premier league players Kemar Gayle, Davion Garrison, Kemar Cummings and Dravian Williams to lead the team to victory and their first Challenge Cup trophy.

# Kingston City Run donates \$3m to address homelessness in Kingston

Kingston City Run has donated \$3 million to five charities focused on addressing homelessness in the capital city.

The Open Arms Drop-in Centre, Missionaries of the Poor, Food For the Poor, the Marie Atkins Night Shelter, and the Alpha Boys Institute were recipients of \$600,000 each. The donation came from proceeds of the March 2017 staging of the annual run, organised by the Jamaica Hotel and Tourist Association (JHTA) Kingston chapter.

Mevis Farquharson of the Marie Atkins Night Shelter noted, upon receiving the donation, that most of the times they have over 300 persons to feed.

"We feed them three times per day. Some come in just to sleep for security reasons, and we sleep up to 150 persons on some nights. I am so glad for the amount we have got. Now, we will be able to do some of the much-needed improvements we have wanted to do."

Alfred McDonald of the Norman Manley International Airport (NMIA), sponsors of Kingston City Run, at the handover ceremony, stated:

"We ought to play our part as good corporate citizens in the community. When we saw the mayor and KSAMC (Kingston and St Andrew Municipal Corporation) doing



From left: In a jovial mood, Marsha Burrell Rose, development and marketing manager, Food For the Poor; Yvonne Grant, The Open Arms Drop-in Centre (recipient of \$600,000 donation from Kingston City Run); Nicola Madden-Greig, co-chair, Kingston City Run; and Sophia Lowe Pinnock, corporate communications and public affairs manager, Caribbean Cement Company Limited (sponsors of Kingston City Run).

their part, and the Kingston City Run team, we had to be a part and support them." He said he is calling on other companies

to join the effort, while at the same time committing that the NMIA will be on board yet again for the noble cause.

Past president of the JHTA, Nicola Madden-Greig, who co-chairs Kingston City Run, announced that the date of the 2018 staging would be March 16-18, called on all Kingstonsians and Jamaicans to become "heroes" for the most vulnerable in the community.

Deputy Mayor of Kingston Winston Ennis commended the organising committee and the many sponsors, reiterating that "together, we can achieve so much for the city of Kingston, allowing it to truly become the pearl of the Caribbean".

Christopher Jarrett, chairman, JHTA Kingston Chapter, extended a thank you to the many sponsors of the run and also extended thanks to the individuals and corporate teams that participated, noting that "without them, we would not be able to do what we do".

The event incorporates three race events: a half Marathon and a 10K and 5K race/walk. The event attracts runners from the Caribbean, Ireland, the United Kingdom, the United States and Jamaica. This year, the run saw close to 5,000 persons traversing the scenic, cultural, and mystical assets of Kingston, while supporting the cause of bringing an end to homelessness in Kingston.



CONTRIBUTED PHOTOS

Camille Needham (left), executive director, JHTA, Nicola Madden-Greig (fifth left), co-chair, Kingston City Run, and Christopher Jarrett (sixth from right), chairman, share lens time with recipients, sponsors, and deputy mayor, Councillor Winston Ennis (centre) of the Kingston and St Andrew Municipal Corporation.

# Caribbean Cement hedging fuel bill as energy costs rise

Steven Jackson  
Senior Business Reporter

Caribbean Cement Company Limited is now hedging its fuel bill to stabilise its costs.

The hedges began in the second quarter, amid rising sales and profit at the Rockfort-based operation.

The group entered into forward contracts through its ultimate parent company, Cemex of Mexico, to hedge the price of estimated fuel consumption.

"By means of these contracts, the market price of a portion of the fuel component was fixed based on estimated consumption," said Caribbean Cement in its newly released third-quarter financial report.

The cement maker has spent \$70.76 million on the hedges so far this year.

The company's fuel and electricity bill remains its main

cost centre, and one that is rising. Its energy bill rose to \$2.22 billion year to date, compared to \$1.87 billion in the same period in 2016.

The management of Caribbean Cement did not respond to requests for comment on the hedges.

In the third quarter, July-September, the company turned around a loss of \$81 million to a profit of \$748 million. Net profit doubled in the nine-month period to September, sales rose at the Rockfort plant from \$11.98 billion to \$12.64 billion. Net profit doubled in the period to \$1.8 billion, from \$973 million, as Caribbean Cement shed one-off costs linked to the restructuring of both its inventories and staff last year. Together, those charges amounted to more than \$840 million.

The gains at the top and bottom lines come amid reinvestment in

the operation, with capital expenditures hitting \$1.5 billion year-to-date.

"The group continues to maintain its liquidity position and to fund capital projects from cash generated through its operations," said Chairman Farris Lyew Ayee and General Manager Peter Donkersloot Ponce in a statement appended to the results.

"The directors remain committed to meeting local cement demand and contributing to economic development," they said.

In July, Caribbean Cement announced plans to invest US\$24.7 million over the next 12 months to complete a coal mill and kiln, and implement green energy programmes. It aims to push cement production from 910,000 tonnes to 1.2 million tonnes annually by 2019.

RUDOLPH BROWN/PHOTOGRAPHER  
Peter Donkersloot Ponce, general manager of Caribbean Cement Company Limited.





# Man uses teeth to lift 94 pounds of cement

AKINO MING  
STAR Writer

A St Thomas man believes that he should be inducted in the Guinness Book of World Records after he used his teeth to lift a bag of Carib cement weighing 94 pounds.

"Anybody you see come, a after me them do it," 42-year-old Jeffrey Fairley told **THE WEEKEND STAR**. "I think I should go in the record books."

Earlier this week, **THE WEEKEND STAR** put Fairley to the test to repeat the feat he claims he has done more than 10 times.

And without struggle, Fairley used his teeth to lift the 94 pounds of cement off the ground.

According to Fairley, he discovered his ability seven years ago when he was working as labourer at the Morant Bay courthouse when it was being refurbished.

"I was working at the courthouse night down a Morant Bay deh. Mi and one of mi brethren a work pon the site, and 100 bags of cement come in and we a mash it up (offloading the cements from a truck and taking them to the site)," Fairley said.

Trying to prove how strong they were,



Fairley and his friend were carrying two and three bags of cement at a time, he recalled.

When two bags were left, trying to outdo his friend, Fairley threw one bag over his shoulder and used his teeth to carry the other.

"Caza Bigs say, 'Jesus dawg, how you know say that you can lift up that with your teeth,'" Fairley recounted.

He said the wonder he has performed caused people from across the parish to flock him.

"People come all the time and bet and say mi can't do it," he said. "And mi mek 20 grand off them head all the time."

Fairley said last weekend a popular businessman in St Thomas bet him \$20,000 that he could not lift the bag of cement.

"Mi tell him to keep his money," Fairley said.

“People come all the time and bet and say mi can't do it ... and mi mek 20 grand off them head all the time.”



BY ALLEN PHOTOS  
Jeffrey Fairley lifts a bag of cement using his teeth.

# 2018





# NOTICE

The Management of the  
**Rockfort Mineral Bath Complex (RMBC)**  
is advising its valued customers that the facility  
will be closed to the public on  
**SATURDAY, JANUARY 6, 2018.**  
for a private function.

RMBC apologies for any inconvenience which this  
closure may cause.

*We wish for our customers a happy New Year and look  
forward to your continued patronage in 2018.*



# NOTICE

The Management of the  
**Rockfort Mineral Bath Complex (RMBC)**  
is advising its valued customers that the facility  
will be closed to the public on  
**SUNDAY FEBRUARY 4, 2018**  
for a private function.

RMBC apologies for any inconvenience which  
this clousre may cause

*Thank you for your usual support.*

**CARIBBEAN CEMENT COMPANY LTD.**  
**Rockfort, Kingston 2.**  
**Jamaica**

**NOTIFICATION OF PUBLIC MEETING**

THERE WILL BE A PUBLIC CONSULTATION ON THE ENVIRONMENTAL IMPACT ASSESSMENT REPORT FOR THE PROPOSED EXPANSION OF LIMESTONE QUARRY AT HARBOUR HEAD AND GYPSUM QUARRY AT HALBERSTADT IN ST. ANDREW, JAMAICA.

**VENUE: DONALD QUARRIE HIGH SCHOOL  
 HARBOUR VIEW, KINGSTON 17**

**DATE: MARCH 5, 2018**

**TIME: 6:00 PM**

THE PUBLIC IS INVITED TO PARTICIPATE IN THE CONSULTATION BY WAY OF ASKING QUESTIONS RELATING TO THE PROPOSED PROJECT.

A COPY OF THE ENVIRONMENTAL IMPACT ASSESSMENT REPORT MAY BE CONSULTED AT THE:

- i. KINGSTON & ST. ANDREW MUNICIPAL CORPORATION
- ii. HARBOUR VIEW BRANCH LIBRARY
- iii. CARIBBEAN CEMENT COMPANY LTD, ROCKFORT
- iv. NATIONAL ENVIRONMENT AND PLANNING AGENCY'S DOCUMENTATION CENTRE AT 11 CALEDONIA AVENUE, KINGSTON 5
- v. NATIONAL ENVIRONMENT AND PLANNING AGENCY'S (NEPA'S) WEBSITE: <http://www.nepa.gov.jm>

For further information contact:  
[applications@nepa.gov.jm](mailto:applications@nepa.gov.jm)  
 or [enviroplanners2010@hotmail.com](mailto:enviroplanners2010@hotmail.com)



Caribbean Cement Company Limited

## Caribbean Cement plans two-year maintenance programme

**W**EIGHED DOWN by a \$3-billion energy bill and restructuring charges, Caribbean Cement Company Limited's bottom line shrank last year, despite record revenues.

The cement maker performed poorly in the fourth quarter, when it racked up more than \$660 million of net losses, according to *Financial Gleaner* estimates. Those results were the outcome of \$875 million of restructuring charges that the company said it booked in the period.

As a result of those charges, plus an eightfold increase in Caribbean Cement's tax bill, its annual profit shrank from \$1.3 billion to \$1.15 billion, or from \$1.53 per share to \$1.35 per share.

In its newly released audited results, Caribbean Cement directors said the restructurings of manpower and inventory have positioned the company to focus on profitability going forward.

"After defining 2017 as a year of transition, the board of directors is now focused on consolidation of ongoing initiatives in health and safety, and roll-out of a 2-year maintenance plan to ensure improved production performance and cement output," said the statement signed by Chairman Parris Lyew-Ayee and General Manager Peter Donkersloot.

The maintenance plan

continues a programme of reinvestment in the Rockfort, Kingston plant now ultimately owned by Cemex of Mexico.

Last year, the Jamaican cement maker pumped capex of more than \$2.2 billion into the plant, or half-billion dollars more than the \$1.7 billion spent in 2016.

Caribbean Cement is yet to report on its volume sales in 2017, but its domestic and export markets together turned over \$16.5 billion of revenue, up from \$15.78 billion in 2016, when volume sales of cement climbed above 904,000 tonnes and clinker exports dropped under 40,000 tonnes.

In terms of output, Caribbean Cement produced 911,325 tonnes of cement in 2016, the closest it came to its long-standing goal that predated Cemex's indirect takeover, to deliver one million tonnes under a major plant project a decade ago.

Cemex gained control of Caribbean Cement when it took over Trinidad Cement Limited in 2016. That year, the Jamaican operation completed an improvement programme that grew daily output from 2,000 tonnes to 2,800 tonnes in August 2016, according to its annual report. Work on a coal mill also kicked off that year and was scheduled to wrap up towards the end of last year.

[business@gleanerjm.com](mailto:business@gleanerjm.com)

# Caribbean Cement to re-enter export market by year end

Avia Collinder/  
Business Reporter

CARIBBEAN CEMENT Company Limited will wrap up a two-year maintenance programme this year and get back into the export market for cement, according to General Manager Peter Donkersloot.

The US\$50-million programme will allow the plant to achieve a capacity of 1.2 million tonnes per year, Donkersloot told the **Financial Gleaner**.

"It must be noted that every step has been taken to ensure that the Jamaican market is well covered and serviced during this period, a key ethos being the



Peter Donkersloot Ponce, general manager of Caribbean Cement Company Limited. FILE

fulsome return to the export market with the resultant foreign exchange earnings," said the cement executive.

"As it relates to return to exports," he added, "we continue to assess the opportunities that are available within the

Caribbean markets – both previous and new – as we look towards other opportunities within the wider region."

Caribbean Cement suspended exports in April 2016 to focus on supplying its home market. At the time, the cement plant was also securing additional supplies from sister plants in the region to augment supplies to the Jamaican market.

That year cross border cement sales fell 21 per cent to 119,098 tonnes, while clinker exports dropped 78 per cent to 39,540 tonnes.

Export sales of cement were mainly to Suriname and Haiti, while clinker was supplied to Caribbean Cement's sister plant in Barbados, as well as to Venezuela.

Production at the Rockfort, Kingston-based plant in 2017 amounted to around 910,000 tonnes, the company said. Output was basically flat relative to the 911,000 tonnes produced in 2016.

Donkersloot said the new coal mill now scheduled to be commissioned within the second quarter of this year, as well as upgrades to both cement mills, a new packing line, and upgrades and replacement of conveyor belts and dust collectors would serve to boost production.

He adds that the company, be introducing new technologies and promoting different applications of cement to drive demand. Caribbean Cement's sales revenue climbed from \$15.78 billion to \$16.5 billion in 2017, but net profit slipped from \$1.3 billion or \$1.53 per share to \$1.15 billion or \$1.35 per share.

For 2018, "We will work towards improving our performance as our restructuring process is complete and we continue to strive for organisational efficiency and competitiveness," Donkersloot said.

avia.collinder@gleanerjm.com

# Caribbean Cement aims to double quarry operations

Steven Jackson/  
Business Reporter

CARIBBEAN CEMENT Company Limited (CCCL) plans to more than double its gypsum and limestone quarries, a move aimed at supplementing raw materials that are now described as hovering at critically low levels.

The plan requires approval from regulator, the National Environment & Planning Agency (NEPA).

Caribbean Cement spokeswoman Sophia Lowe-Pinnock told the **Financial Gleaner** that from a mining perspective 'low levels' of raw materials can equate to several years of supplies, even as much as 20 years. However, the cement producer is yet to comment on the size of the investment to be made in the expansion project and expected timeline for its execution.

Its quarries are operated through subsidiary Jamaica Gypsum & Quarries Limited.

## PROPOSED EXTENSION

Caribbean Cement wants to extend its Halberstadt Gypsum Quarry from 2.0 kilometres to 6.7 kilometres; and establish a limestone quarry at Harbour Head spanning 50 acres, which is contiguous to an existing quarry. Both quarries would be within proximity to its plant at Rockfort in Kingston.

"Supplies at the gypsum quarry in Halberstadt and the limestone quarry in Harbour Head are at a critical level, and as such additional deposits need to be secured," said the Environmental Impact Assessment, or EIA, report done for Caribbean Cement by Enviro Planners Limited.

The document describes the projects at both quarry sites as an "extension/expansion of an existing permitted operations to adjacent lands". The report done in January was published on NEPA's website this month.

The proposed operation at Halberstadt will process 200,000 tonnes of gypsum per year from 6.7 hectares of land, while Harbour Head will process 800,000 tonnes of limestone per year from 20 hectares of land, or 50 acres, stated the EIA.

The company envisages that each operation would involve activities such as drilling, blasting, material transport and stockpiling, as well as the crushing or processing of materials. The quarries are roughly 8.5 kilometres apart.

The gypsum mine at Halberstadt is the only location of known deposits of that material in economic quantities in the island. Separately, the company wants additional mining space at Harbour Head because of a specific chemical composition of the limestone in that area.

"The mineral currently available from the existing limestone quarry poses a serious challenge to derive the correct



Caribbean Cement Company Limited, at Rockfort, Kingston.

blend proportion to meet the requirement of ordinary Portland cement, manufactured by CCCL. Based on borehole sample analysis, the chemistry of the mineral from the proposed

Harbour Head Quarry is ideal for blending with limestone from the existing quarry," the environmental report stated.

An initial EIA was done in 2013 by another firm, which outlined

other socio-economic details of the project. Arising from that report, Caribbean Cement was granted 1.0 kilometre of the proposed 6.7 kilometres, and was recently granted access to an

additional kilometre.

"The EIA of 2013 done by CL Environmental presented comprehensive information on the same region and is considered to be still applicable,

and was therefore adopted for this report," said Enviro Planners in its 2018 report.

Limestone represents 80 per cent of the raw material input necessary for producing clinker, which is an intermediary product in the manufacturing of cement.

## LEASED LAND

The value of Caribbean Cement's limestone reserves are not stated in its financial reports; however, it does indicate that it leases land from the Government of Jamaica for limestone mining.

"The annual lease charge is \$700,000 and the lease term has 32 years remaining, but exploitable reserves are expected to have a life of 20 years based on the current extraction rate," the company said in its audited financial report for 2017.

Caribbean Cement made net profit of \$1.15 billion on revenues of \$16.5 billion last year. The company, which has traded on the Jamaica Stock Exchange for 49 years, is a subsidiary of Trinidad Cement Limited but is ultimately owned by Cemex of Mexico.

steven.jackson@gleanerjm.com

The Gleaner

# FINANCE

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## Carib Cement signs agreement to end operating lease

INVESTMENT HOUSE Mayberry Investments expects the performance of the Caribbean Cement Company (CCC) to improve with the deal to buy back its assets from immediate parent company Trinidad Cement Limited (TCL). "I expect the earnings to be impacted positively. As you are aware, it was one of the things we were lobbying for," stated Gary Peart, chief executive at Mayberry, in emailed responses to **Financial Gleaner** queries.

Carib Cement on March 16 signed a memorandum of understanding with its parent company, TCL, agreeing to terminate an operating lease agreement originally dated July 2, 2010.

The three-pronged deal will see Carib Cement acquire US\$118 million worth of assets on its books. It will eliminate billions of dollars it spent annually on its lease arrangements, but could see a rise in finance costs depending on the method of acquisition.

The deal also involves the redemption of an aggregate number of 52 million preference shares issued by Carib Cement to TCL in 2010 and 2013 for some US\$540.5 million to be paid over a nine-year period starting in 2018. Such funds will be sourced from at least one-third of Carib Cement's profits available for distribution from the previous year. The financing options to fund the asset acquisition and the redemption are yet to be disclosed.

commitment that the best structure would be identified to acquire ownership of the assets," according to CCC general manager, Peter Donkersloot Ponce.

A special advisory group, including representation from Carib Cement minority shareholders, was subsequently put in place for that purpose, added Donkersloot.

The definitive agreements in relation to the transactions are expected to be executed by TCL and CCCL within 90 days from the date of signing.

Carib Cement announced in mid-2017, through its then newly appointed general manager that it planned to refinance its hefty operating lease for the Rockfort plant in Kingston. The operating lease is payable to TCL and costs the company billions of dollars annually. Both CCC and TCL are now owned by Cemex of Mexico. Carib Cement is projected to pay roughly \$2.8 billion as operating lease for 2017 for the assets it owns at Rockfort. It paid \$3.3 billion in 2016.

steven.jackson@gleanerjm.com

Peter Donkersloot Ponce, general manager of Caribbean Cement Company Limited. FILE



# CONSTITUENCY REPORT

Daryl Vaz  
Portland Western

Jamaicans went to the polls in February 2016 to elect a new Government, and in the process, members of Parliament (MPs) to represent 63 constituencies across the nation. The MPs were asked by **The Gleaner** last month to share with the public some of the top projects they have initiated since the last election. Only a few have responded to the request to share with the people some of what they have done for them in the last 24 months. Today, we begin a series to highlight their stories. We would like to hear from you. Email us: editors@gleanerjm.com, or send a WhatsApp message to 876-499-0169.

ALTHOUGH I serve the people of West Portland as their member of Parliament, due to the nature and linkages of the parishes of Portland, St Mary, and St Thomas, I have often lobbied for projects for this region to enable the opening up of the eastern section of the island through roads, air, and sea, which I believe to be the major pillars for the growth of the region. This is in recognition that without the requisite infrastructural development in these areas, the region cannot realise its full developmental potential.

I have, therefore, been at the forefront of several major projects for the region, including the Ian Fleming Airport expansion linked to the re-opening of the Dragon Bay Hotel by Sandals Resorts International; the St Thomas development project being undertaken by the UDC (Urban Development Corporation); the South Coast Highway project; as well as the repairs to and expansion of the Junction Road.

### AGRICULTURE AND TOURISM

The nature of West Portland's economic activities is agriculture and tourism, requiring supporting pillars of education and training, which will facilitate the creation of new areas of economic activity from which the national economy is benefiting.

I will highlight two projects that have been completed – one which deals with infrastructure and the other which is multidimensional.

### BANGOR RIDGE REPAIRS

The Bangor Ridge roadway, in a farming area where easy road access is critical, was in a deplorable condition for years. The project to carry out repairs was undertaken under the Major Infrastructure Development Programme and included paving, retaining walls, and construction of a proper drainage system at a cost of approximately \$65 million.

### CANEWOOD COMMUNITY CENTRE

The other project, the Canewood Community Centre, with the assistance of private sector partner Carib Cement, involved the construction of a building with stands and a roof, rehabilitation of the playing field, construction of a multipurpose court, parking area, fencing, and lighting. We expect to implement this at a cost of approximately \$30 million. This facility will allow the youth and adults alike to have a place for interaction and other social gatherings.

### FIVE BASIC SCHOOLS

In partnership with Food For the Poor, five basic schools have been built, namely, Angie's Early Childhood Institution, Mount Pleasant City Mission Basic School, Hart Hill Basic School, Tranquility Infant Department, and Disciples of Christ Basic School. By July this year, we will be constructing two others: Windsor Castle Infant Department and Mount Pleasant SDA Basic School.

In Orange Bay, children with disabilities are now

benefiting from the construction of a new facility for the Early Stimulation Programme Intervention Centre through a partnership with the Ministry of Labour and Social Security and the Digital Foundation.

### FIVE COMPUTER LABS

Five computer labs out of a total of eight have already been completed in partnership with the Universal Service Fund. They are in Buff Bay, Hope Bay, St Margaret's Bay, Mount Pleasant, and Fruitful Vale. This will enhance the prospects for social and economic advancements, especially in light of the opportunities being created in the BPO sector.

### JUSTICE CENTRE

The Portland Justice Centre was established to train restorative justice facilitators in order to swiftly resolve conflicts at the community level.

### FARMING

As it relates to farming, about 70 farmers have benefited from the Lennox-Low Leyton Land Lease Programme. The farmers occupy about 140 acres of land on both properties and are expected to continue production for the period of the lease.

### RIVER TRAINING

We have started correcting the path of the Buff Bay and White Rivers, which were causing major

threat to life and properties in the Woodstock Housing Scheme.

### BUFF BAY FIRE STATION

Work has also been done on the Buff Bay Fire Station and the Buff Bay Market. On Friday, March 16, 2018, I participated in a groundbreaking ceremony, with the minister of national security, for the construction of the Buff Bay Police Station in collaboration with the National Housing Trust, just weeks after the groundbreaking for the Port Antonio Police Station.

### PROJECTS TO COME

There are several projects that have started or are scheduled to begin in the new financial year: Buff Bay Community Hospital Restoration, Woodstock Community Centre Sports Complex, St George's Sports complex, and regularising the status of the illegal occupants of the Gully Reserve in Windsor Castle/Hart Hill in partnership with the Ministry of Housing.

### ATTRACTING INVESTMENTS

It is my intention during this term of office to realise the full potential of West Portland and its people, to tap fully into the vast eco-tourism and agricultural potential, to ensure a healthy and educated population with easy access and modern infrastructure, to attract investments, and to create well-paying jobs.

# CEMENT

CONTINUED FROM C1

going to be," he said during the question-and-answer segment of the forum. "I have my number what I think they will be but I don't want to speculate right now." However, he admitted that terminating the lease will have "a positive impact".

Using Donkersloot's guide, the **Financial Gleaner** estimates depreciation at some US\$5 million annually and finance costs of about US\$10 million. That equates to savings of about 40 per cent on a US\$25-million lease. The annual lease figure, however,

vacillates slightly annually.

While the figures are estimates, it still gives a general guide about the path that management wants to take in enacting its buy back of the asset.

The company will make further pronouncements within 90 days on the matter. While management declined to give specifics due to legal constraints, investors are already making their own assessments based on public information.

With news of the pending deal, investors are already queuing up seeking to sell the stock, currently valued at \$34, for a minimum \$44 on Wednesday. The company made \$1.35 on its share during its full

year ending December 2017.

Carib Cement made \$1.1 billion in net profit on \$16.5 billion in revenue for its full year.

On March 16, Carib Cement signed a memorandum of understanding with its parent company, TCL, agreeing to terminate an operating lease agreement originally dated July 2, 2010.

The three-pronged deal will see Carib Cement acquire US\$118 million worth of assets on its books. The deal also involves the redemption of an aggregate 52 million preference shares issued by Carib Cement to TCL in 2010 and 2013 for some US\$40.5 million to be paid over a nine-year period,

starting in 2018. Such funds will be sourced from at least one-third of Carib Cement's profits available for distribution from the previous year. The financing options to fund the asset acquisition and the redemption are yet to be disclosed.

Carib Cement announced in mid-2017, through its then newly appointed general manager Donkersloot, that it planned to refinance its hefty operating lease for the Rockfort plant, which cost the company billions of dollars annually. Both CCC and TCL are now owned by Cemex of Mexico.

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The Sunday Gleaner

# BUSINESS

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MARCH 25, 2018

SECTION C

## Carib Cement could save billions from asset buy-back

Steven Jackson  
Senior Business Reporter

THE CARIBBEAN Cement Company, the sole manufacturer of the product in Jamaica, could reduce its associated costs by more than a third or about US\$10 million (about J\$1.27 billion) annually when it exits a lease agreement with its parent company, Trinidad Cement Limited (TCL), according to **Financial Gleaner** estimates.

Carib Cement General Manager Peter Donkersloot Ponce declined to say how much the company would save with the impending deal to terminate its operating lease with TCL on the ground that "I am legally constrained from responding" and that "my hands are tied."

Carib Cement is projected to pay roughly US\$25 million as operating lease for 2017 for its core cement asset at Rockfort in

Kingston, Donkersloot said, having paid the same amount in 2016 to TCL.

The company plans to eliminate that annual lease payment, but replace it with interest costs related to loans to buy back the asset and depreciation of the asset, Donkersloot told participants at Mayberry Investments monthly investor forum at the Knutsford Court Hotel, New Kingston, last week. The asset is valued at some US\$118 million with up to two decades of useful life. Carib Cement continues to weigh various options to finance its acquisition.

"The finance costs would be in the single-digit region between seven to nine per cent, while the assets would be depreciated over 15 to 20 years," said Donkersloot.

"So you are going to have to calculate what those two expenses are

PLEASE SEE CEMENT, C3



FILE  
The Caribbean Cement Company Limited plant at Rockfort in Kingston.



CONTRIBUTED PHOTOS

Dan Theoc of Mayberry Investments Limited speaks with Bernardo Cioni of Cemex (left) and Peter Donkersloot Ponce of Caribbean Cement Company (centre) at the monthly Mayberry Investors Forum at the Knutsford Court Hotel in Kingston on March 21, 2018.



SATURDAY

APRIL 28, 2018

# The Gleaner



## Cement shortage worries suppliers

Nadine Wilson-Harris/  
Staff Reporter



TAYLOR

A SHORTAGE of cement on the local market is currently affecting the ability of several suppliers to meet the demand for the product, and there are fears that this could affect the construction industry.

Among those expressing concern is president of the Incorporated Masterbuilders' Association of Jamaica Humphrey Taylor, who says that some of his members have been affected by the recent dip in supply. His association represents about 170 members and includes several companies that sell construction materials such as cement.

"I have heard of it from two days now, and I tried to speak to the [Caribbean] Cement Company yesterday [Thursday]. They were asking me to give them the names of the people who were having shortage and they would see if they could alleviate it," said Taylor. "We are going to see if we can collate all the members who are having problems and write [the cement company] an official letter," he added.

Several owners of hardware companies told **The Gleaner** that they were having issues purchasing cement.

"Quite a number of our

branches are out of cement just now," noted an employee of Hardware and Lumber Rapid True Value chain of stores, while a manager at New Budget Supplies said that he had "very little" in stock. "We have been having a hard time getting supplies," he disclosed.

### SHORT-TERM GLITCHES

Chief Executive Officer of cement distributors Tank-Weld Group Chris Bicknell does not think the current situation is anything to worry about. "It is really short-term glitches. When a hardware [store] doesn't get a supply, say, for one day, I can understand that they would really get very concerned," he said.

An official from the Caribbean Cement Company told **The Gleaner** yesterday that management was working on a response.



CONTRIBUTED

Dwayne Russell (left), general manager of MC Systems, checks out Tax Administration of Jamaica's (TAJ) booth at the MC Systems Jamaica Payroll Conference on March 6, 2018, at The Jamaica Pegasus hotel in Kingston. Interacting with him are Angella Moo Young-Campbell, branding officer at TAJ, and Karen Roberts, senior communications officer at TAJ.



CONTRIBUTED

FFK Insurance Brokers Chairman Drum Manley Drummond (left) is having a concrete discussion with José Manuel Monge of Caribbean Cement Company at the Mayberry Monthly Investor Forum held at the Knutsford Court Hotel, Kingston, on March 21, 2018.



CONTRIBUTED

Attendees at the JMMB Group investor forum (from left) Maureen Byfield, community development officer at the Social Development Commission, and Stephanie Davis-Ellis, manager of Heart Trust/NTA, St Ann, listen keenly as JMMB's Richard McKenzie shares some financial insight. The occasion was used to empower and educate clients, the investing public, and other Jamaicans about financial management by sharing practical tools and expertise in a bid to assist them to achieve financial freedom and their life goals.



RUDOLPH BROWN/PHOTOGRAPHER

Dr Andrew Wheatley (left), minister of science, energy and technology, chats with Wayne Kirkpatrick, general manager of IGL at the IGL and New Fortress Energy launch of IGL Tractor heads fuelled by LNG from New Fortress Energy at Devon House on Wednesday, March 4, 2018.



RUDOLPH BROWN/PHOTOGRAPHER

Winston Fletcher, president of the Jamaica Cooperative Credit Union League (JCCUL) Ltd, chats with Monique Forgie-Scott (centre), manager, collections development, at the National Library of Jamaica; and Claudette Christie, the JCCUL's communications and advocacy manager, after he presents the JCCUL book "Founders and Keepers" to the National Library of Jamaica on Wednesday, April 4, 2018.

# The Gleaner

# FINANCE

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## Caribbean Cement begins asset buy-back

CARIBBEAN CEMENT Company Limited paid the first instalment of \$1.3 billion on the asset buy-back agreement struck with immediate parent Trinidad Cement Limited.

The companies signed off on (TL) the transaction on April 27, under which Caribbean Cement has 90 days to pay US\$118 million to TCL — which converts to \$14.5 billion in local currency — to terminate the operating lease for Kiln 5 and Mill 5 at its plant in Rockfort, Kingston, and reclaim ownership of the assets.

"The initial payment of \$1.3 billion towards the acquisition represents a significant investment in plant and equipment, improving the company's asset base," Caribbean Cement said in a statement appended to its newly released financial results.

The cement maker reported a six per cent rise in revenue for the March quarter to \$4.3 billion, but its profit dipped 27 per cent to \$334 million. Still, the company is more bullish about its financial health, having described 2017 as a year of

transition, and the first quarter of 2018 as the beginning of a stabilisation period.

The agreement to return the assets to Caribbean Cement was struck in March, ending the operating lease agreement in effect since July 2010 — an arrangement through which TCL effectively collected on debt owed to it for financing upgrades to the Rockfort plant around that time. Caribbean Cement will also redeem preference shares issued to TCL in 2010 and 2013 for some US\$40.5 million to be paid over nine years, starting in 2018.

The financing arrangements to fund the asset acquisition and the share redemptions are yet to be disclosed, but General Manager Peter Donkersloot has indicated it will include the acquisition of debt.

Queries to the company on Tuesday were unanswered, but in late March, Donkersloot told a Mayberry Investors Forum that the lease payments would be replaced with interest costs from loans related to the buy-back and depreciation of the asset.

business@gleanerjm.com

Peter Donkersloot Ponce, general manager of Caribbean Cement Company Limited.



THE GLEANER, SATURDAY, MAY 12, 2018 | www.jamaica-gleaner.com | NEWS

A3

## ALSTON HENRY

... A pastor for the times  
After almost 50 years in Christian ministry, Pastor Alston Henry has stepped down from the pulpit.

Join JNN  
This Sunday, May 13 at 5 p.m for a 30-minute special on his decades long journey.  
Don't miss it!

## Crime no deterrent to Mexican investment in Ja – Ambassador Mijares

Paul Clarke/Gleaner Writer

**D**ESPITE JAMAICA'S well-documented challenges with crime, its attractive business climate continues to be a key part of Mexico's willingness to invest further, says its new ambassador, Juan José González Mijares.

He says that Mexico's strategic location with a shared border with the world's only superpower gives it a unique platform from which to help set the tone for future involvement in the region.

"The crime situation is no deterrent to further investment in Jamaica. I do not see Jamaica's crime situation as a major worry for Mexican investment. Cemex (cement manufacturing company) coming to Jamaica is a case in point," González Mijares told *The Gleaner*. "And we continue investment in constructing major hotels primarily on the north coast."

"We find in Jamaica an attractive atmosphere for investment, and we are already working with the Government in a positive way and will continue doing so in the future," he added.

### ACCUMULATED INVESTMENT

Mexico already has an accumulated investment of US\$500 million in Jamaica across a number of sectors but primarily in tourism and the airports through MBI, which

operates the Sangster International Airport in Montego Bay, and Cemex's investment in Carib Cement. Notwithstanding, the ambassador wishes to increase Mexico's footprints in other sectors in the Jamaican economy.

González Mijares told *The Gleaner* that the groundwork to a more robust investment outlay had already been set in motion by the visit in March by the Mexican Foreign Affairs Minister Luis Videgaray Caso.

"First of all, we have the question of the strengthening of the political dialogue and the collaboration of the global and inter-regional issues that have to do with human development (and) security," said the Mexican ambassador. [We also have], especially, the questions to deal with migration issues, climate change, and the particular agenda that Jamaica and Mexico are dealing with in a very cooperative fashion," he added.

He said that it was important to note that Mexico and Jamaica were constructing a partnership-type relationship that he saw as a win-win relationship for both countries.

"So it will be a very important agenda to promote and to attract new investments into Jamaica from Mexico. Also, we will work with Jamaica Promotions (JAMPRO), and this will be an active part of our agenda," said González Mijares.



Juan José González Mijares, Mexican ambassador to Jamaica. IAN ALLEN/PHOTOGRAPHER

paul.clarke@gleanerjm.com



Caribbean Cement Company Limited, at Rockfort, Kingston.

## Cemex lends Caribbean Cement US\$102m for asset purchase

**STEVEN JACKSON**  
Senior Business Reporter

**C**ARIBBEAN CEMENT Company Limited signed two loan agreements this week valued at US\$102 million for the repurchase of assets on its grounds at Rockfort in Kingston.

The loans from its ultimate parent company marks the next step in the unwinding of Caribbean Cement's obligations to its immediate parent Trinidad Cement Limited, but now puts it in the debt of Mexican construction powerhouse Cemex.

The loans will mainly pay for the acquisition of Kiln 5 and Mill 5, as initially laid out in an equipment sale and purchase agreement dated April 27.

"The remainder, if any, will be used for general corporate purposes," said Caribbean Cement in a market filing this week.

The two loans were signed on May 28 with Cemex Espana, a subsidiary of Cemex SAB de CV. Cemex is majority owner of both Trinidad Cement and Caribbean Cement.

The first loan agreement of

US\$50 million is repayable in seven years and bears interest at an annual rate of 7.25 per cent. The second is a revolving loan agreement for US\$52 million, priced at a variable rate of LIBOR plus 4.2 per cent. That loan also matures in seven years.

Caribbean Cement financials up to March show no long-term loans on its books. However, it holds \$5.07 billion in preference shares.

The company already reported a \$1.3-billion payment towards the acquisition of the assets in the March quarter. The deal terminates an operating lease agreement originally dated July 2, 2010, and returns US\$118 million of assets to the Jamaica-based operation, based on its disclosures in March. It also includes redemption of about 52 million preference shares issued by Caribbean Cement to Trinidad valued at US\$40.5 million. The prefs will be repaid over nine years.

Caribbean Cement did not respond to requests for comment.

[steven.jackson@gleanerjm.com](mailto:steven.jackson@gleanerjm.com)



### Notice of Annual General Meeting

NOTICE is hereby given that the SIXTY NINTH ANNUAL GENERAL MEETING of CARIBBEAN CEMENT COMPANY LIMITED will be held on Thursday, July 26, 2018 at 10:00 a.m. at the Spanish Court Worthington, 16 Worthington Avenue, Kingston 5, to transact the following business and to consider and, if thought fit, pass the following Resolutions:

1. To receive and consider the Report of the Directors and the Audited Financial Statements for the year ended December 31, 2017.
2. To appoint Auditors and authorize Directors to fix the remuneration of the Auditors.
3. To elect Directors and fix their remuneration.
4. To transact any other business which may properly be transacted at an Annual General Meeting.

**Note:**

**Proxies**

Members of the Company entitled to attend and vote at the meeting are entitled to appoint one or more proxies to attend and vote instead of them. A proxy need not be a member. Where a proxy is appointed by a corporate member, the form of proxy should be executed under seal or signed by an officer or attorney duly authorized.

To be valid the Proxy Form must be completed and deposited at the registered office of the Company not less than 48 hours before the time fixed for holding the meeting.

By Order of the Board

Craig Neil  
Legal Counsel/Company Secretary

# Caribbean Cement begins preference share redemption

**STEVEN JACKSON**

Senior Business Reporter

**C**ARIBBEAN CEMENT Company Limited, CCC, will start the planned redemption of preference shares held by its parent Trinidad Cement Limited, TCL, an element in a wider plan that was previously disclosed to restructure the company's finances.

"The aggregate amount of the consideration to be paid by CCC to TCL is of US\$40.5 million," said Caribbean Cement in a market filing this week. The payment is "below par value" and is to be paid on a yearly basis starting in the current 2018 calendar year, said the Rockfort, Kingston-based cement maker.

Caribbean Cement signed the

preference share redemption agreement with TCL on July 6. It will result in the redemption of 52 million preference shares that are held by TCL that were issued by CCC on 2010 and 2013.

The wider deal also terminates an operating lease agreement which originated eight years ago and returns US\$118 million of assets to the Jamaica-based operation from ownership from TCL. With the local operations holding the assets, it will reduce finance and lease costs.

Caribbean Cement will repay TCL for its prefs from at least one-third of its annual profits, if any, which would otherwise be available for distribution. This will rise to at least two-thirds of Caribbean Cement' profits in the event that any preference shares held by TCL remain outstanding

after the scheduled partial redemption payment during the 2026 calendar year.

Caribbean Cement's financials up to March shows \$5.07 billion in preference shares and no loans. Subsequent to the March first quarter, the company signed two loan agreements valued at US\$102 million in late May for the repurchase of assets on its grounds at Rockfort in Kingston. The loans place Caribbean Cement in the debt of ultimate parent company Cemex, while it unwinds its obligations to Trinidad Cement, which is also owned by Cemex.

The loans will mainly pay for the acquisition of Kiln 5 and Mill 5, as initially laid out in an equipment sale and purchase agreement dated April 27.

[business@gleanerjm.com](mailto:business@gleanerjm.com)



The Caribbean Cement Company Limited plant at Rockfort in Kingston.

C2

THE GLEANER, THURSDAY, JULY 19, 2018 | www.jamaica-gleaner.com | DALEY'S CONSTRUCTION FEATURE

## THIS IS WHAT GREAT BUILDINGS ARE MADE OF

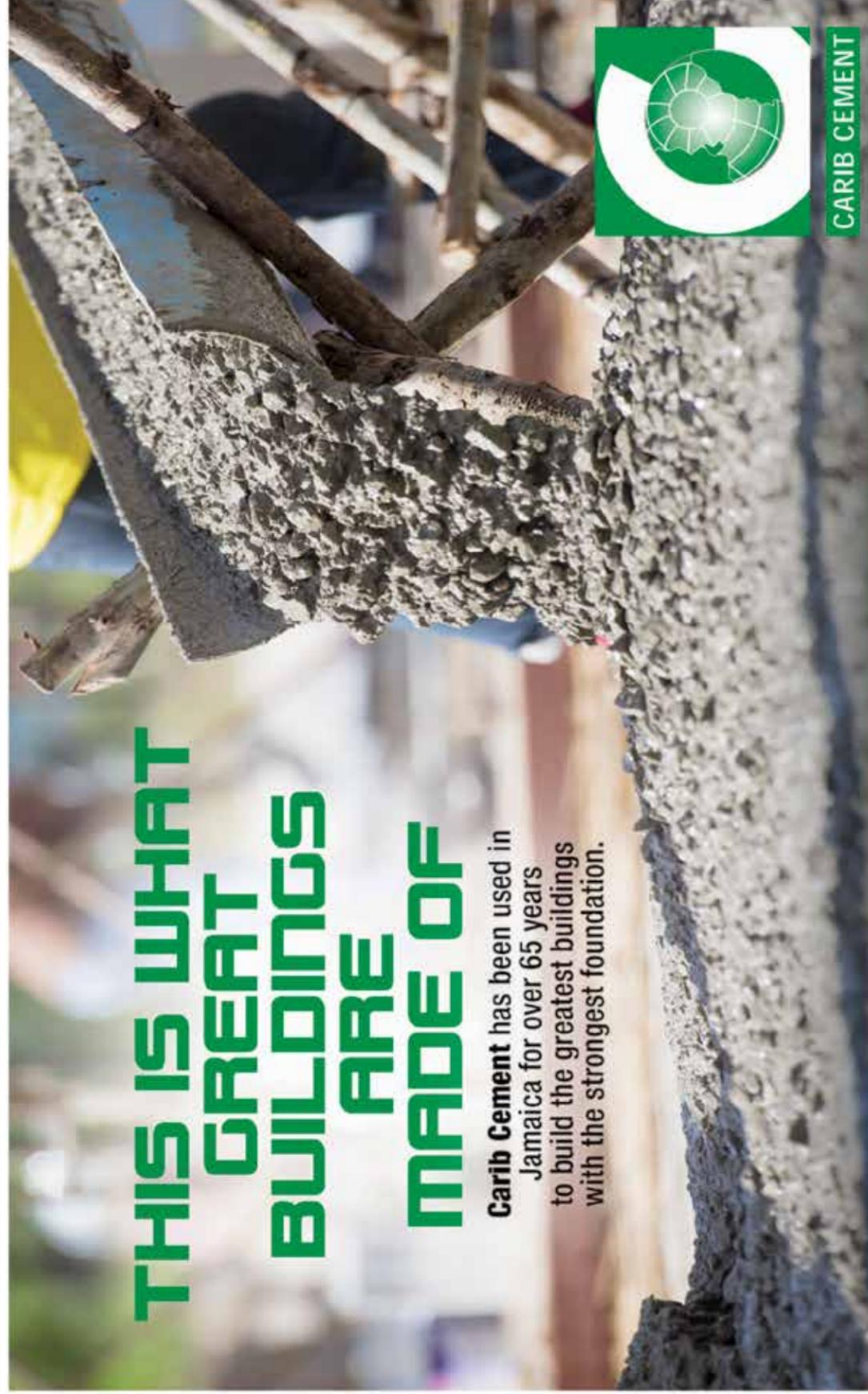
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## CEMENT

CONTINUED FROM 8

margins for local cement.

"Next year we will start exporting again," Donkersloot promised.

In regard to the asset buy-back, it ended the US\$25-million annual lease payments to immediate parent company Trinidad Cement Limited. Other costs will come on board, namely depreciation of the asset that will now revert to its books along with finance costs associated with a US\$96-million loan it sourced from Cemex to finance the buy-back.

"I want to be very careful about giving guidance. I will give the way to calculate the saving, but you are not going to see 12 months of that saving, but maybe seven months or eight months," Donkersloot said, while explaining that the agreement occurred months into the current financial year.

The costs associated with depreciation should run over 17 years, he said. The asset value under the transaction is US\$118 million, which puts the annual depreciation charges at US\$6.9 million. The annual financing costs associated with a US\$96



Caribbean Cement Company Limited at Rockfort, Kingston.

million loan priced at seven per cent, would be US\$6.7 million, not including one-time fees.

Together, at US\$13.6 million, they equate to savings of 55 per cent on the US\$25 million in lease payments that Caribbean Cement had been making to Trinidad Cement.

Donkersloot cautions, however, that there are other considerations in deriving a value for the net savings from the deal.

"It is very important that we understand that you have some level of saving, but on the other hand you have other expenses," Donkersloot said. "The depreciation should stay flat, but interest costs should reduce

over time as we pay down."

The asset buy-back involved Kiln 5 and Mill 5 at Rockfort.

Meanwhile, for the first quarter ending March, Caribbean Cement posted revenue of \$4.3 billion, up six per cent year-on-year. Its adjusted earnings before interest, tax, depreciation, amortisation and restructuring costs fell 11 per cent to \$606 million.

The lower earnings was due to the scheduled annual maintenance of Kiln 5 and Mill 5, performed during February and March. Quarterly profit also dipped three per cent year-on-year to \$510 million.

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Peter Donkersloot Ponce, general manager of Caribbean Cement Company Limited.

## Carib Cement plotting return to export market

STEVEN JACKSON  
Senior Business Reporter

CARIBBEAN CEMENT Company Limited, the sole maker of cement in Jamaica, plans to restart exports next year as it finalises its expansion drive, which led, contrastingly, to the importation of cement to fill demand.

At the same time, the cement maker remains cautious in revealing precise figures regarding the annual net savings arising from its buy-back of assets from its immediate parent company, a key element in unlocking efficiency at the Rockfort plant.

"I would love to restart exports to markets such as Bahamas, Bermuda, Grenada and the Caribbean," said Peter Donkersloot Ponce, general manager of Caribbean Cement, at the end of the annual general meeting held at the Spanish Court Hotel in Kingston on Thursday.

The company plans to ramp up annual production to 1.2 million tonnes of cement by year end. It currently produces some 900,000 tonnes per annum.

The company stopped exporting last year in order to focus on its capital expansion

set for completion this calendar year. The capital spend surpassed US\$50 million over a three-year period and focused on building a coal mill and adding new elements to its production lines.

Exports of cement in 2017 totalled 35,050 tonnes versus 119,100 tonnes in 2016.

"While we do our maintenance plan, we need to focus on our local market because when there is maintenance, there is downtime for the equipment. In order to have that downtime, we stopped exports," said Donkersloot. "So in order to get that downtime, I quit exports and then in the future return," he said.

In 2017, Caribbean Cement actually imported 36,000 tonnes of cement in order to fill demand during periods of maintenance and expansion works at Rockfort. That became the first time since 2008 that the company supplemented the market with imports.

Despite the pullback from exports, the company still hit record revenue levels in 2017 at \$16.5 billion, compared to \$15.8 billion in 2016, due to increased local demand and higher

PLEASE SEE CEMENT, 10

# Caribbean Cement gives staff \$260m office present

JAMAICA'S SOLE cement maker is pouring more than a million spend on the quarter of a billion dollars into new office digs for its administrative staff at the Rockfort complex in Kingston.

Caribbean Cement Company Limited described the project as an investment in its employees when on July 16, 2018, Carib Cement broke ground for a new

administration building at Rockfort, an investment of \$260 million," said Chairman Parris Lyew-Ayee and General Manager Peter Donkersloot Ponce in a statement accompanying the cement maker's June quarter earnings report.

Sales at the company ratcheted 11 per cent to \$4.4 billion in the second quarter. And profit rose at the same rate to more than \$673 million, notwithstanding a large debt financing charge of \$412 million incurred in the quarter. Half-year profits, meanwhile, topped \$1 billion – simultaneously falling just shy of the profit made at HY2017, but putting the company nearly in line with the \$1.15 billion profit it made

for all of that year. "This performance resulted from the positive impact gained from the termination of the lease agreement with Trinidad Cement Limited for the Kiln 5 and Mill 5, improvements in sales and marketing efforts, among other strategic decisions," said the company.

Caribbean Cement signed a memorandum of understanding with immediate parent company Trinidad Cement, agreeing to terminate an operating lease agreement in effect since July 2010 and returning ownership of core assets to the Rockfort company.

Resulting from the transactions around that deal, Caribbean Cement's fixed



**Peter Donkersloot Ponce,**  
general manager of Caribbean  
Cement Company Limited.

assets, which were valued at \$8 billion at the end of last year, are now booked at more than \$23 billion on its balance sheet.

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WEDNESDAY, SEPTEMBER 5, 2018

SECTION C

The Gleaner

# FINANCE

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**Peter Donkersloot Ponce,**  
general manager of  
Caribbean Cement  
Company Limited.

steven.jackson@gleanerjm.com

## Caribbean Cement gets approval for quarries

CARIBBEAN CEMENT Company Limited received approval to develop a new limestone quarry and also extend its gypsum quarry on lands close to its plant at Rockfort, Kingston.

Postings on the website of National Environment and Planning Agency this month indicate that the decision was reached months earlier in April. Caribbean Cement did not respond to queries on the size of the investment or the timeline for the project.

NEPA gave approval for the environmental permits for mining and mineral processing for the establishment of a gypsum quarry at Halberstadt and expansion of limestone quarry at Harbour Head, St Andrew. The plan involves more than doubling its gypsum and limestone quarries, which are raw materials used in the making of cement. The increased production at the quarries will allow Caribbean Cement to satisfy its growing cement demand.

The cement maker operates its quarries through subsidiary Jamaica Gypsum & Quarries Limited. The expansion would allow Caribbean Cement to mine raw materials in excess of 20 years. The environmental report on the projects previously indicated that the company's supply of aggregates was at critical levels, and needed replenishment.

Caribbean Cement wants to extend its Halberstadt Gypsum Quarry from 2 kilometres to 6.7 kilometres; and establish a limestone quarry at Harbour Head spanning 50 acres, which is contiguous to an existing quarry. Halberstadt would process 200,000 tonnes of gypsum per year from 6.7 hectares of land, while Harbour Head aims to produce 800,000 tonnes of limestone per year from 20 hectares of land or 50 acres. The quarries are roughly 8.5 kilometres apart.



## Cement company grants \$1.9 million in scholarships



In continuing its commitment to building a brighter future for Jamaica, Caribbean Cement Company Limited (CCCL) has awarded 44 scholarships valued at \$1.9 million to students for the 2018-2019 academic year. Seventy per cent of the scholarships were granted to students from communities neighbouring the plant based in Rockfort, Kingston; while 30 per cent were granted to children of staff members. The successful applicants met the requirements and excelled during the interview phase. In a brief ceremony held at CCCL's Sports Club on Wednesday, August 22, Peter Donkersloot, general manager, encouraged the candidates to continue to perform well, make their families proud and to, in the future, give back to their communities. Here Donkersloot interacts with Shanna-Lee Clarke, Shadah McDonald, Ramona Smith and Jordan Williams who are pursuing first degrees in Business Administration, Marine Biology and Electrical Engineering at the University of the West Indies, University College of the Caribbean, and the Caribbean Maritime University.

CONTRIBUTED



## Cement company cleans Palisadoes coastline



Marchell Burrell, health and safety manager at Caribbean Cement Company Limited (CCCL), was among volunteers from the company Limited who participated in the annual International Coastal Cleanup (ICC) Day on Saturday. This continues the company's ongoing support of environmental programmes and coastal clean-up efforts. CCCL donated funds toward Recycling Partners of Jamaica's mobilisation costs for the ICC activities and helped with ridding a section of the Palisadoes coastline of garbage. Caribbean Cement Company has also provided 70 gigantic bags to assist Recycling Partners in its usual plastic-bottle-collection programme across Jamaica. As a member of the CEMEX group, Caribbean Cement is committed to preserving our environments in every corner of the planet and promoting a culture of appreciation and respect for nature not only among their own stakeholders, but within the global community.



The new paved road leading to Bermaddy Primary School in St Catherine.

## Bermaddy Primary thankful for new road

**T**HE TEACHERS and students of Bermaddy Primary School in St Catherine are glad that they now have a paved road that leads to the institution.

The addition was made possible by the combined efforts of the parent-teacher association (PTA), the Caribbean Cement Company, the North-South Highway and Councillor Sydney Rose.

According to PTA President Amoy Levers, the Caribbean Cement Company was contacted, and a donation of 30 bags was made. Councillor Rose also contributed 20 bags. The work was

completed courtesy of a team from the North-South Highway who constructed the 100-metre roadway.

"We are thankful for the effort the group has help to make. The teachers, students, and parents now have a new smooth concrete road. This is an improvement from the muddy track that we had," principal Melbourne Thompson said.

Meanwhile, several parents and students told the **Children's Own** that it is a great feeling to have a proper road.

*Rasbert Turner  
Children's Own Writer*



# NOTICE

The Management of the  
**Rockfort Mineral Bath Complex (RMBC)**

wishes to advise that the property will be **CLOSED** in order to accommodate private functions on the following days:

- ✓ **Saturday, October 6, 2018 - 12 noon**
- ✓ **Sunday, October 7, 2018 - all day**
- ✓ **Saturday, October 13, 2018 - 4:00 p.m.**

Regular business continues outside of those days during the following opening hours:

**Tuesday - Friday: 8:00 a.m. to 4:00 p.m.**  
**Saturday - Sunday: 7:00 a.m. to 6:00 p.m.**  
**Public Holidays: 7:00 a.m. to 5:00 p.m.**

\*Please note that we receive our last entrants 45 minutes before closing time on each day.

**RMBC apologies for any inconvenience which these closures may cause and look forward to hosting you soon.**



To participate, send captioned pictures of the projects you have sponsored to [editorial@gleanerjm.com](mailto:editorial@gleanerjm.com)

# Caribbean Cement plants 45 trees



Caribbean Cement Company Ltd planted 45 palm trees on National Tree Planting Day at its plant located in Rockfort, Kingston. The seedlings were placed in a section of a new green space that is being developed on the property. This effort, which is part of the company's ongoing beautification programme, contributes to the country's goal of planting one million trees by 2019. Holding some of the seedlings are staff members (from left) Quita-Ann Lamont, Sadiki McFarlane and Jennifer McLune.

CARIBBEAN CEMENT COMPANY LIMITED

# *Congratulates*

## **Norman Horne, CD**

Chairman and Managing Director  
ARC Manufacturing Ltd.

on being appointed a  
Member of the Order of Distinction  
in the rank of Commander for his contribution to  
entrepreneurship and community development.



**VISIONARY**

**NATION BUILDER**

**BUSINESS ICON**



Mr Peter Donkersloot (second right), general manager of Carib Cement, and Parris Lyew-Ayee (right), chairman of Carib Cement pour concrete to plant a signpost at the newly installed jogging and running track donated by Carib Cement at the Mona Heights community park. Assisting are (from left) Andrew Bellamy, councillor of the Mona division; Fayval Williams, minister without portfolio in the Ministry of Finance and the Public Service; Winsome Johns-Gayle, president of the Mona Heights Citizens' Association; and Dr Christopher Tufton, minister of health. **SHORN HECTOR/PHOTOGRAPHER**



Peter Donkersloot Ponce, general manager of Caribbean Cement Company Limited.

## Caribbean Cement debt to Cemex weighs on earnings

**C**EMENT SALES climbed at Caribbean Cement Company Limited but finance costs linked to debt owed to its ultimate parent as well as volatile currency movements led the Rockfort, Kingston-based to post lower profits. Quarterly sales at \$4.5 billion grew seven per cent year on year but profit declined by more than half to \$305 million at September 2018, down from \$748 million a year ago. "The reduction in profit before taxation compared to the same period in 2017 was impacted by foreign exchange losses of \$464 million and interest payments of \$227 million. Both are related to the loans received to finance the acquisition of Kiln 5 and Mill 5," stated the company. Due to the combined \$691 million in charges, the company was unable to sustain the gains in its earnings before interest depreciation, taxation and amortisation, or EBITDA, which at \$1.6 billion was nearly twice the year prior out-turn of \$966 million. Caribbean Cement's managers were said to be attending meetings in Trinidad and did not respond to requests for comment on the results as well as market developments from what could be impending competition from another regional company, GB Group, which wants to set up a cement manufacturing operation in Jamaica. However, its EBITDA performance aligns with the goals of the buyback of its production assets from immediate parent, Trinidad Cement Limited. For its September third quarter, Trinidad Cement reported a net loss of TT\$20.1 million on revenues of TT\$416 million. A year ago, the Claxton Bay-based operation netted a profit of TT\$42.5 million on revenues of TT\$427.4 million in the quarter. The buy back, which was funded by borrowings from ultimate owner, Cemex of Mexico, served to double Caribbean Cement's assets in the past year from \$7.7 billion to \$23 billion. But the Rockfort company now has to service new debt of \$11 billion. In April of this year, Caribbean Cement terminated its lease arrangement with Trinidad Cement and completed the acquisition of the Kiln 5 and Mill 5 assets at a cost of US\$118 million, or \$14.9 billion in local currency. The company said that the funds for the acquisition came from cash on hand, and two loan facilities negotiated with Cemex Espana totalling US\$82 million. Sales at Caribbean Cement over nine months topped \$13.2 billion, putting the company on track for another record year of revenue. Profit over the nine months at \$1.3 billion is ahead of the \$1.15 billion reported for the full year in 2017. During the September quarter, there was a negative movement in the net cash generated by operating activities of \$1.8 billion at Caribbean Cement. This was primarily due to the payment made to Trinidad Cement on the \$1.9 billion balance that was outstanding on the acquisition of Kiln 5 and Mill 5, the company stated. [business@gleanerjm.com](mailto:business@gleanerjm.com)



## Carib Cement names three Employees of the Year

From left: Ricardo Hemmings, laboratory technician; Mark Watson, dispatch and depot coordinator, and Jeremiah Kettle, patroller, pose with their awards after being named Carib Cement's Employees of the Year. The three were commended for outstanding leadership, performance and commitment at a ceremony recently.

## Caribbean Cement borrows \$3b to pay back USD debt

CARIBBEAN CEMENT Company Limited and its mining subsidiary have acquired a five-year loan from National Commercial Bank Jamaica that will be used mainly to repay older debt.

The \$3.096 billion loan proceeds will be distributed in the US dollar equivalent, to pay down debt denominated in US dollars, but repaid in Jamaican dollars at a rate of 7.45 per cent per annum.

Caribbean Cement also said some of the funds would be used for general corporate purposes. Its subsidiary, Jamaica Gypsum and Quarries Limited, which is a borrowing partner on the NCB revolving loan, is about to expand its gypsum and limestone operations at two sites. But it's unclear whether the



Caribbean Cement Company Limited at Rockfort, Kingston.

funds are meant to back that project.

When asked for clarification the cement maker said obliquely that, "Jamaica Gypsum is mentioned because that company is part of Caribbean Cement Company."

The bank loan follows other

borrowings by Caribbean Cement, whose ultimate parent Cemex of Mexico provided the funds for Caribbean Cement to reacquire its core assets from immediate parent Trinidad Cement Limited.

In April of this year, Caribbean Cement terminated its lease arrangement with Trinidad Cement and completed the acquisition of the Kiln 5 and Mill 5 assets at a cost of US\$118 million, or \$14.9 billion in local currency. The company said in recent filings that the funds for the acquisition came from cash on hand, and two loan facilities negotiated with Cemex Espana totalling US\$82 million.

The buyback served to triple Caribbean Cement's assets in the past year from \$7.7 billion to \$23 billion, but it left the Rockfort, Kingston-based company servicing new debt of \$11 billion.

[avia.collinder@gleanerjfm.com](mailto:avia.collinder@gleanerjfm.com)



From left: Parris Lyew-Ayee, chairman of Carib Cement; Councillor Leroy Mitchell of the Walderston division of the Manchester Municipal Council; Audley Shaw, member of parliament; and Peter Donkersloot, general manager of Carib Cement, unveil the sign marking the opening of the 530 metres of concrete road donated by Carib Cement to Litchfield, Manchester. CONTRIBUTED

THE GLEANER, TUESDAY, DECEMBER 18, 2018 | www.jamaica-gleaner.com | NEWS

A11

## Litchfield residents get paved road for Christmas

RESIDENTS OF Litchfield, Manchester, have received a newly rehabilitated road courtesy of the Caribbean Cement Company Limited.

According to Caribbean Cement, the 530 metres of concrete road addresses several social and economic development goals for the district, including better access for farmers to take their goods to market, an easier commute for students to school, and shorter distances for residents to other parts of the parish. The previous road had passed its design life and was in urgent need of repair.

The project provided men and women from the community with valuable work experience. More than 60 persons have been trained in the proper

techniques of preparing and laying concrete and in building a concrete road. Seventy-five persons as well as micro businesses in the area derived direct and indirect income-earning opportunities throughout the project, which was completed in five weeks.

Peter Donkersloot, general manager of Carib Cement, said that an outstanding feature of the project was the community spirit.

"Carib Cement is really proud to have partnered with a community that has such a great ability to organise and cooperate. You rallied around each other and with Carib Cement to finish this job in good time. Now, we hand it over to you to take care of the roadway, to respect the road code, to

promote the safety of all the users. Walk, ride, drive, cycle with care," Donkersloot said.

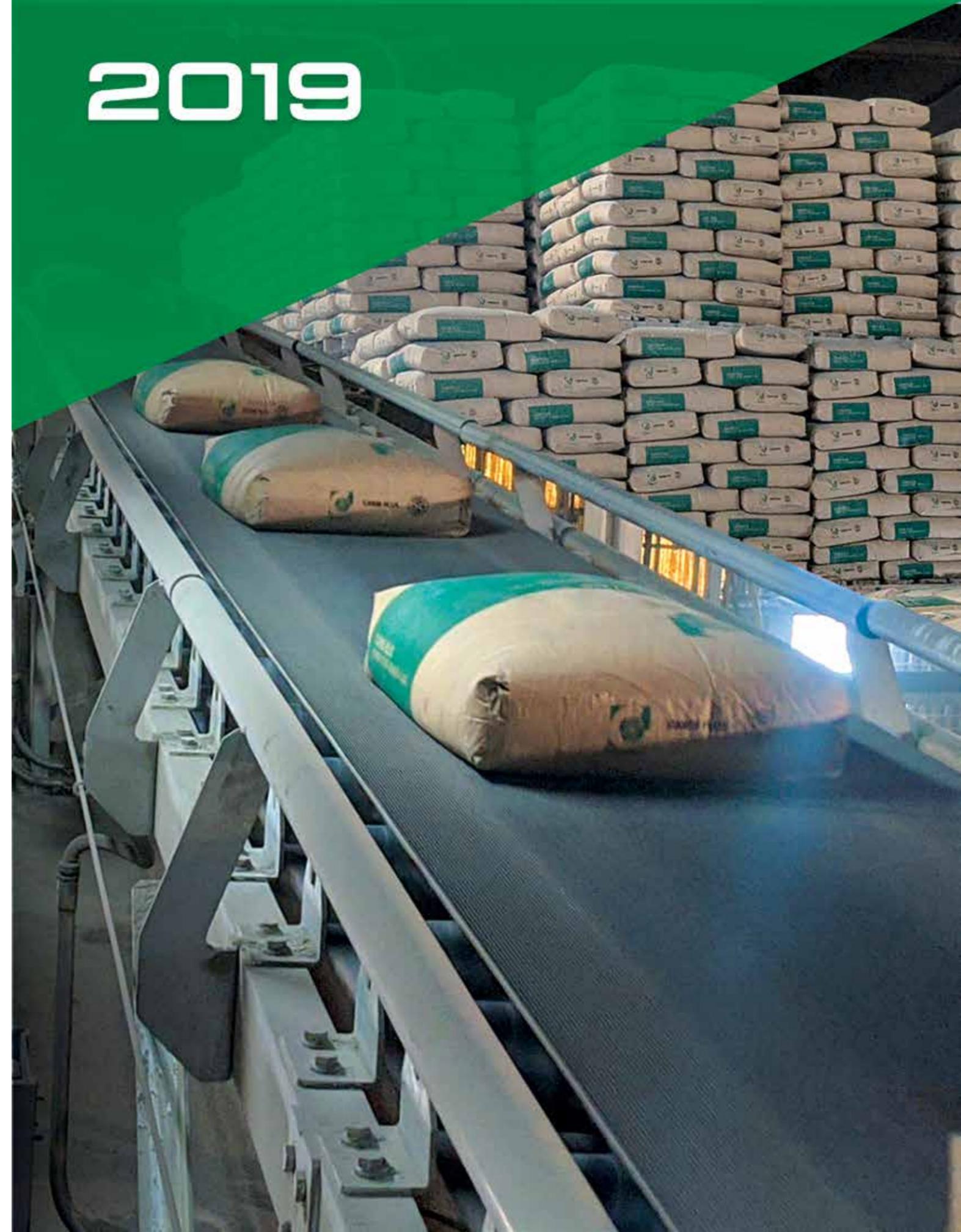
Community resident Collin Walters said the new road was a dream come true: "This is our road, and we are very excited about it, but I am imploring drivers to please be very, very, careful. Parents, please tell the children to be aware when they are walking, playing, riding bicycles to be very aware and very careful."

Completed at a cost of \$10.8 million, the development initiative is part of Carib Cement's Corporate Responsibility Programme, which, since 2016, has invested \$265 million in projects, scholarships, and training and has reached more than 230,000 Jamaicans.

# 2019



In this photo taken on December 1, 2018, Senior Mechanical Engineer Christopher Bryan (left) receives the award for Most Outstanding Employee-Maintenance Department at Caribbean Cement Company from General Manager Peter Donkersloot.



# Caribbean Cement blames rain for profit decline

**C**ARIBBEAN CEMENT Company profits were battered by heavy rains at the end of summer, and that, plus a large tax bill, caused the company's bottom line to shrink by three-quarters in the quarter ending September.

Earnings for the company amounted to nine cents per share, compared to 36 cents per share in the 2018 period.

Caribbean Cement said in its third-quarter earnings report that the "unusually heavy rainfall" negatively impacted sales volumes, and that the company also had to contend with higher operational expenses.

Some of its cost were associated with the demolition of a large obsolete structure at the Rockfort, Kingston-based plant, aimed at improving the aesthetics of the area. Caribbean Cement is highly dependent on its domestic market,

and its financial performance is tied to the level of activity in the local construction sector.

President of the Incorporated Masterbuilders Association of Jamaica Lenworth Kelly, said rain leads to delays in construction, especially for projects without roofing.

"Once the rain falls you basically cannot mix concrete," said Kelly. He adds, however, that the impact of weather on demand is momentary, as ongoing building projects would still require a set amount of cement for the job at hand.

"If contractors were to use 10,000 bags in September, they still need that amount. So they might bump up orders in October or November. You still need it anyway for projects," he said.

Caribbean Cement's sales revenue slipped in the quarter to \$4.38 billion, from \$4.46 billion in the quarter ending September 2018.

Profit before tax dipped 55 per cent to \$238 million from \$531 million in the same period. Profit after tax was down 75 per cent to \$76.8 million from \$305.1 million a year earlier.

Over nine months, profit at the cement plant is up, at \$1.57 billion or \$1.85 per share, compared to \$1.31 billion or \$1.54 per share the previous year.

Caribbean Cement otherwise reported that its pilot project is ongoing to assess the viability of converting old tyres into scraps of rubber for use as fuel within its energy-intensive kiln. The project started in July.

"During the pilot phase, approximately 200 truckloads of tyres will be transported from the Riverton disposal site to the Rockfort plant," the company said. "The trials are about to finish and the results will be made public."

On Wednesday, in the first full day of trading after the release of the



FILE

**Pallets with Carib Cement on display at a shop in Kingston.**

financial report, Caribbean Cement shares traded mostly stable at \$75. The shares are up nearly eight per cent for the week at just under \$77, but up 81 per cent year to date.

stevenjackson@gleanerjm.com

Its market capitalisation now stands at \$65 billion, which is around eight times the company's book value of \$7.9 billion.



FILE

**In this Gleaner file photo dated May 4, 2017, packages of Carib Cement are on display outside a shop in Kingston. Carib Cement is made by Jamaica-based Caribbean Cement Company, a subsidiary of Trinidad Cement Limited.**

## CEMENT

CONTINUED FROM 13

member states in respect of *prima facie* inconsistent domestic law. As has happened in previous cases, the court did not find it necessary to make a finding that Barbados' retention of domestic law specifying the 60 per cent rate to be applied to Rock Cement, was inconsistent with the CET zero to 5 per cent rate for 'other hydraulic cement' following the expiration of the derogation.

The court declined to make a finding of inconsistency because it noted that the determination of inconsistency depends on how a law is applied. Again, WTO case law may have been instructive: domestic law, even absent application, that is on its face inconsistent with a country's WTO obligations, can ground a finding of "as such" inconsistency. This ensures that a delinquent State has little room to revert to WTO - inconsistent behaviour permitted by its domestic law, and that private parties are not left in doubt as to the country's WTO-consistency.

In this case, a finding by the Court of inconsistency based on the domestic legislation would also have led to greater uniformity in the application of the CET, a point highlighted by the court as being in need of greater attention by Caricom member states.

### Economic implications

The economic implications are also considerable. During the protracted dispute, the court explained how the type of cement being imported to Caricom has

changed.

When the CET was first established, blended cements like rock hard cement were not in existence and their competitive impact on the regional market could not have been contemplated. This explains why such cement was ascribed a very low CET rate.

The court's rulings permit the importation of a cheaper cement product which could help lower building costs, and allow for greater competition within the regional cement market, which could benefit consumers.

There is concern, however, about whether indigenous cement manufacturers can compete with the influx of cheaper cement. As such, there is merit to the CCJ's suggestion for a study to be conducted on whether the CET for 'other hydraulic cement' ought to be raised. Such a study should take into account the potential economic implications of any such increase, including on consumers.

The rulings also raise the broader question of how "nimble" the Caricom structures are to adapt to the economic realities of the region - with implications beyond just the cement sector.

*Part 1 of this article was published September 11, 2019*

**Dr Jan Yves Remy is the deputy director Alicia Nicholls is a trade researcher with the Shridath Ramphal Centre for International Trade Law, Policy & Services.**

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## Road Safety Unit gets portable breathalysers

The operational capability of the Road Safety Unit has been further boosted with the addition of five portable breathalysers, valued at US\$2,500 (J\$329,100).

The devices were donated to the unit by Carib Cement Company Limited as part of their corporate social responsibility programme.

A portable breathalyser is a wireless, hand-held device that monitors a user's breath alcohol content.

Speaking at the handover ceremony at the Ministry of Transport and Mining, yesterday, Transport Minister Robert Montague said that the devices are welcomed and would support and enhance the operations at the unit.

Montague said that while the Road Safety Unit has been doing

a commendable job in promoting road safety and awareness, citizens need to take greater responsibility when using the nation's roads.

He said that with 25 road deaths since the start of the year, "we have to, as a country and a people, begin to decelerate the rate of road fatalities."

Last year, the country recorded 386 road fatalities.

Montague commended Carib Cement for the devices, as well as their initiative to establish their own safety driving school within the company this year.

"We want to encourage other fleet owners so to do, because every life we save on the road is worth every investment that we would have made," he said.



Peter Donkersloot (left), general manager at Carib Cement, hands over one of five new CCCL-Breathalysers to Robert Montague, minister of transport and mining, yesterday. **Lionel Rookwood**



Transport Minister Robert Montague (centre) is assisted by Cameal Stewart, education officer at the Road Safety Unit, in testing one of five new breathalysers during a handover ceremony yesterday. Sharing in the moment is Peter Donkersloot, general manager of Caribbean Cement Company, which donated the devices valued at US\$2,500. **LIONEL ROOKWOOD/PHOTOGRAPHER**

## New breathalysers to help put brakes on drunk driving

Carlene Davis/Gleaner Writer

**T**HE MINISTRY of Transport and Mining yesterday received five portable breathalysers to boost the campaigns and outreach programmes of its Road Safety Unit.

Speaking at the handover ceremony at the ministry's Maxfield Avenue offices in St Andrew, Transport Minister Robert Montague lamented that while the Road Safety Unit has been doing a commendable job in spreading the message of road safety, motorists have not been as open to behavioural change.

"We are aware that there is a serious problem with persons driving under the influence of alcohol. ... The end result is that you end up with a lot of families ... in grief. It affects every single Jamaican because another bed is used up in the hospitals that you ought not to have been used," said Montague.

The breathalysers, which are valued at US\$2,500, were donated by Caribbean Cement Company, whose general manager, Peter Donkersloot, said that with safety being a top priority for the company, they wanted to play a part in keeping the roads safe.

"Since 2018, we have been using the breathalyser to enter the [Carib Cement] plant and our employees feel very safe and proud that they know that the person next to them is not under the influence.

"That makes everybody feel safer. The same thing might be applied for the road, knowing that you are driving safe and the person driving next to you is not under the influence," said Donkersloot.

Since the start of the year, 25 persons have died as a result of traffic crashes.

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## Carib Cement gives breathalysers to Road Safety Unit



Minister of Transport and Mining Robert Montague (right) accepts one of five portable breathalysers from Peter Donkersloot, general manager, Carib Cement Company, during a ceremony on Tuesday at the ministry's offices in St Andrew. The devices will be used to strengthen the operational capabilities of the Road Safety Unit.

# SHUTDOWN!

*Bull Bay gangsters cause workmen to pull out of gypsum mine which supplies Caribbean Cement Company*

**Carlene Davis & Corey Robinson**  
Sunday Gleaner Writers

**M**EMBERS OF the security forces moved into Bull Bay in their numbers last Thursday, but that was three weeks too late for 63-year-old Cumi Daley and his colleagues who worked at a Caribbean Cement Company quarry in the hills of the community which straddles the St Andrew-St Thomas border.

Daley, also called 'Benji', a crusher operator and a resident of Tank Well in 11 Miles, was murdered about 7 a.m. on January 10.

He was reportedly awaiting company transportation to work at a gypsum Carb Cement mine when he was ambushed and shot in the head.

Since then, his colleagues and other contractors have laid down their tools in protest, rendering the quarry inactive.

Last Thursday, when *The Sunday Gleaner* ignored the warnings of residents who said the area was overrun with heavily armed men and ventured into the hills housing two quarries where gypsum is mined for use in the manufacturing of cement, the area resembled a ghost town.

It was clear that persons had left without planning as an empty guardhouse stood watch over two abandoned bulldozers, a backhoe, and mounds of crushed material.

"You see one tractor park around there. That tractor is to load up the material and then them would send a man come to pick it up. The material you seeing get crushed before Benji dead, and is just stockpiled them stockpiled."

"Nothing else no go on since Benji dead," said one of male residents of Tank Well, where residents have been living in fear in recent months.

"Is an innocent man that. Benji is an old Rastaman. Is him operate and oversee the crusher, and make sure everything is all right. Since him dead we don't see any more trucks come around here," said the second man.

He told *The Sunday Gleaner* that with the heavy police-military operation in the area last week, he finally felt a semblance of safety.

When our news team spoke with the general manager of Caribbean Cement Company, Peter Donkersloot, last week, he played down the suspension of the work on the mines.

Donkersloot told *The Sunday Gleaner* that the violence was not yet directly affecting the company as it is maintaining full operation in the hills of Bull Bay where it conducts mining operations. But, he admitted that the company is worried.

"The violence is affecting the community beside us. We are just concerned about our communities because, as you know, we are concerned about building a greater Jamaica. So we are concerned about our communities and no violence should be accepted," said Donkersloot.

Despite his fear that the violence could eventually affect how the company does business



LIONEL ROOKWOOD/PHOTOGRAPHER

Peter Donkersloot (left), general manager of Caribbean Cement Company, and Minister of Transport and Mining Robert Montague at a media briefing last week.

in the area, Donkersloot said he was confident that the authorities could put a lid on it.

"At the end of the day we are an operational company, we cannot have a stance in this issue, we are not the persons who will have to attack this issue, but it's affecting our communities and that could eventually impact us."

"As the minister mentioned, he understands that we have a mine in that area and the violence is escalating and he's taking precaution," added Donkersloot in reference to Minister of Transport and Mining Robert Montague, who has alleged that the gangsters are seeking to extort money from Caribbean Cement Company and its contractors.

## EXTORTION THREATS

"I just want to make an appeal to some persons who are insisting that Carb Cement bow to their threats of extortion," said Montague during a media event last Tuesday.

"Carb Cement is in danger of closing down one of its mining pits out in Bull Bay because there are some persons who believe they should go and disrupt the operations and are insisting that Carb Cement should be paying them. I want to say to them, cease and desist," added Montague.

According to Montague, he was in contact with the police and the Jamaica Defence Force (JDF) and they have taken an active interest in the situation.

"I am very confident in the ability of the police and the JDF to treat with the matter. I don't want

anybody to turn a blind eye to this situation, and I want to encourage the police and the JDF not to turn a blind eye, but to do what they have to do, so that decent, law-abiding people and investors can continue to invest in the country and to provide jobs for our brothers and sisters," said Montague.

He added that if the violence and extortion threats continue to escalate, Carb Cement might have no choice but to abandon its Bull Bay-based mine and import material, which will affect the country significantly.

"Carb Cement can import gypsum that they are mining, and if they do import it to go into their production, it is not only Bull Bay that will suffer, it's the whole country that will suffer."

"All nasty, dirty criminal must ... allow the people to do what they are doing so that the prosperity we are experiencing in this country can be extended to all Jamaicans," declared Montague.

Since late last year, gangsters in Nine, 10 and 11 Miles, Bull Bay, have been involved in a deadly war which has left several persons dead.

Among those killed are business operators who have refused to give in to the extortion demands of the gangsters.

Several houses and businesses have been set ablaze by the criminals, who have shown a level of savagery which many residents say they have never seen before in the community, which has seen sporadic outbreaks of violence for decades.

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Martin Henry

**W**HILE VISITING the UWI Research Days last Thursday, I stumbled upon a 'Crime Plan' panel discussion. It was a heavy panel, with a variety of meanings of 'heavy'. The current Minister of National Security, Dr Horace Chang, spoke. His announcement of a new approach to finer police promotions was the only point that RJR considered newsworthy in the five o'clock evening newscast.

Former Minister of National Security in the last PNP Administration, Peter Bunting, was on. So were former Police Commissioner and former head of the army Hardley Lewin; Director of Public Prosecutions, Paula Llewellyn; and INDECOM Commissioner Terrence Williams. Horace Levy of the Peace Management Initiative had a seat on the panel.

If murder is the measure, all of these public officials and anti-crime actors, present and past, are miserable failures.

A couple of *bona fide* researchers rounded out the Crime Plan panel. But there was the country's leading criminologist, Professor Anthony Harricott, standing on the fringes of a corked undercroft. He said he'd been invited but was unable to. This being a research event, one would have thought, and I expressed that, that these anti-crime actors would have been accorded VIP front seats to hear the researchers address the crime problem. But as I heard Rear Admiral (Ret) Hardley Lewin loudly put it as I wandered back to viewing real research in the Research Village, we really need no new research and formulations. The place is littered with study after study and plan after plan.

Actually, I was more than pleased to see The Five-Pillar

## Crime prevention and abortion



National Security Minister Dr Horace Chang

Crime Strategy, which had been promulgated under Bobby Montague at the security ministry before he was unfairly hounded out of the job, serving as a platform for the forum. Just to remind readers, the five pillars are: Effective Policing, Swift and Sure Justice, Crime Prevention through Social Development, Situational Crime Prevention, Rehabilitation and Redemption.

But like I said, I didn't visit Mona to endure another crime forum and one so heavily populated with heavyweight failures on the job. The event, however, provides a useful backdrop to my recent cogitations on a potent anti-crime measure that has received too little attention and support.

Recent events in Bull Bay have triggered the thinking. But let's start with August Town, a close neighbour of the University of The West Indies (UWI). Up to when I made the ascent to Mona as a student, and for some time after, August Town was little more than a sleepy village of Alexander Bodward fame on the edge of the capital city. And this was at the height of the political tribal war being waged in other places across Kingston.

How did August Town become organised for crime? Why did it?

We can go to Bull Bay now. If the media had not finally picked up the cry of Bull Bay residents covering under the guns of gangsters and extortionists, it is doubtful that the recent one-off police-military intervention would have taken place when it did. The people were bawling for murder. And nobody was listening to them. Not even media. Now, "Police swarm Bull Bay to quell violence" is a big headline in this newspaper. Gang activity, including the murder of a key employee on his way to work, has forced the closure of the Carb Cement gypsum mine in the area.

How did Bull Bay come to this? How did any of the communities organised for crime come to that? From the same St Thomas across the country to Hanover, quiet, peaceful, little backwoods places have become, and are becoming organised for crime.

Herbert Gayle, crime anthropologist at the UWI and who was on the panel, can do a cross-country map of emergent crime areas, advise the authorities about how communities get organised for criminal enterprise, and, if they don't know, tell them how to take pre-emptive steps to crush the crocodile in the egg. And this



Ronald Thwaites

doesn't have to mean brute force. We know the pattern and progress of organising communities for crime: unattached male youths, leadership emerging, guns injected, extortion for a steady supply of financial resources, enforcing silence ... This pattern and progress can be disrupted.

Two of the five pillars in Montague's very bankable crime strategy are Crime Prevention through Social Intervention and Situational Crime Prevention. A third is Effective Policing, which says, "A community-based approach to policing is essential".

And when the horse done gone through the gate, the rescue plan has to be the Zones of Special Operations - Clear, Hold, Build strategy - which right now is being implemented only quarter-heartedly. In fairness, citizens will have to help more and better. But it is still the responsibility of the public authorities to build the conditions for greater (and safer) cooperation of citizens with law enforcement.

Thursday gone, 'Scared Resident' of Havendale had a bail-out letter in the press, 'Havendale under siege!' - "The normally peaceful middle-class residential area of Havendale has come under siege with a spate of gun attacks and robberies," the writer wailed.

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conference on his arrival at the Sangster International Airport in Montego Bay.

In fact, abortions would be rare if there was general social acceptance of the sanctity of life, the debate on when human beingness begins notwithstanding, and if human reproduction took place within the perimeter of loving marriages.

Abortion is hugely a values and attitudes issue with the allegedly autonomous self at the centre.

If the precautionary principle, which has gained such prominence in the global warming/climate change movement, were to be applied to the debate on when human beingness begins, fetuses of all stages would enjoy great protection.

## 'INCONVENIENT PREGNANCIES'

Doctor Charles Royes, an anti-abortionist medical doctor, in his submission, told Parliament's Human Resource and Social Development Committee, which Rosmie Thwaites chairs, that "inconvenient pregnancies" account for up to 95 per cent of abortions islandwide. Rape, incest, foetal abnormality, and risk to the mother's life, all of which would be permissible as reasons for an abortion but not an absolute necessity by many anti-abortionists, account for only five per cent of national abortions. In Royes' estimation.

Now, all of these 'permissible' factors would have to be validated by the public authority for lawful abortions. How do you establish rape when a woman presents with a growing foetus and claims rape?

Rape is best established immediately after the event when evidence can be collected and established. And at the same time, medical actions for the prevention of pregnancy taken. Were this course of action to be pursued, pregnancy from rape would fall close to zero. How far are 'abnormalities' to be taken? What is to be the trigger point for risk to the mother's life?

Not an easy road. We live in a secular democracy, and at the end of the day, the national Parliament, balancing a range of interests and hard positions, and reflecting global trends, is likely to craft a new abortion law that will make some allowances for legal abortions but not open the floodgate for abortion-on-demand for inconvenient pregnancies, like getting boob and thigh plastic surgery done.

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■ **Martin Henry** is a university administrator. Email feedback to [columns@gleanerjm.com](mailto:columns@gleanerjm.com) and [mhenry@gmail.com](mailto:mhenry@gmail.com)

**Corey Robinson**  
Staff Reporter

**WORK HAS** resumed at Caribbean Cement Company quarries in the hills of Bull Bay, even as a major police-military operation in the St Andrew East Rural constituency has failed to nab anyone involved in at least five murders in the community since January.

Contractors at the two quarries laid down their tools in protest early last month after the macabre murder of 63-year-old crusher operator Cami Daley, also called 'Benji', a resident of Tank Well in 11 Miles.

Daley was reportedly awaiting company transportation to work about 7 a.m. when he was ambushed and shot in the head. He died on the spot, leaving his colleagues and neighbours shaking with fear.

"We started back on Tuesday last week. We have been pulling some material from up here," said the site supervisor, who declined to identify himself for the story. "We just want to see the officers more frequently."

"Cami was a good person. He was very easy to deal with on a daily basis. I never had any problems with him. He was a genuine person. We try not to think or talk about it too much, because each time we talk or think about it, it tends to break us down," added the supervisor.

**DAILY POLICE PATROLS**

The workers said they resumed operations with the reassurance of the police, who have conducted daily patrols in the area.

They said, however, that work usually starts at 7 a.m., hours before the first police patrol turns up in the misty bushes where residents claim heavily armed gangsters have sought refuge from security dragnets.

One service vehicle with four cops oversaw operations at one of the quarries while workmen toiled in the rain last Tuesday.

Last Friday, commanding officer for the Kingston East Division, Superintendent Victor Hamilton, described the operation as a success, despite no arrests of any of the gangsters wanted for recent murders.

However, the police collared five persons wanted for a range of other offences, he said, and have secured critical information about violence producers and other crimes committed in the division.

The operation involved members of the military, as well as police personnel from several divisions.

"We have not gotten to the stage where we can have police full time there (quarries). We still have to be doing displacement," said Hamilton. "We are in pursuit of the



# Bull Bay quarries reopen

*Security forces quell violence but flare-up fears linger*



Police patrol a quarry in Bull Bay on Wednesday in a bid to drive away criminals who have targeted the worksite.

PHOTOS BY IAN ALLEN/PHOTOGRAPHER

Heavy-equipment crewmen got back to work at a quarry in Bull Bay, eastern St Andrew, last Wednesday, weeks after gun violence and extortion ground operations to a halt.

sure, must be reassuring to residents," he said. "The operation was very successful. We have normalised the area and displaced the criminals, and there are a lot of positives from that."

**MAIN CONCERN**

Last week, general manager of Caribbean Cement Company, Peter Donkersloot, expressed condolence to Daley's loved ones and empathised with other residents directly affected by the violence.

"Our main concern has been about the loss of lives and the impact of the violence on the community," Donkersloot told *The Sunday Gleaner*. "The situation continues to be monitored and addressed by the

authorities, and we are confident in their management of the issues."

He said that the disruption of work at the quarries did not affect operations at Caribbean Cement, as the company has a significant amount of inventory of raw materials to meet market demands.

Last week, residents of 11 Miles rejoiced at the lull in violence, but had little faith that it would last, especially with the heavy military presence now gone.

They said Daley had no known relatives in the area, and that they could not say when he would be buried.

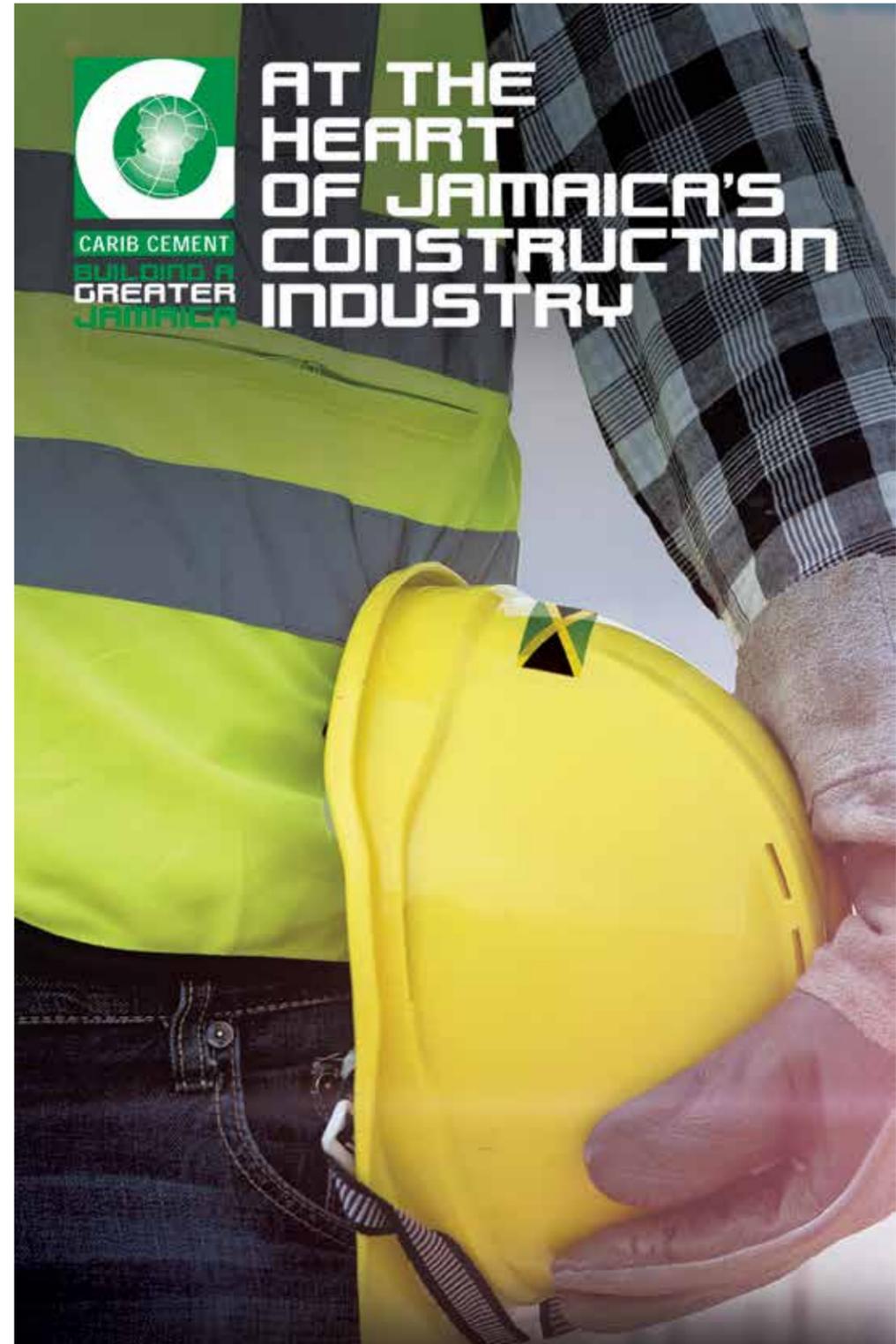
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criminals who are causing the problems and we have been successful so far in doing that. "The unfortunate killing of that employee and the withdrawal of the contractors ... of course, they must be concerned," he said,

noting that he recently met with contractors in the area to discuss simmering fears. "I think we have given the reassurance to the residents from the operation itself, and the continuous deployments in the space, I'm



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## Carib Cement doubles profit to \$2.5b

JAMAICA'S SOLE manufacturer of cement set another record for revenue in its last financial year, in which it posted a profit of \$2.47 billion.

The results follow the restructuring of inventory and manpower and other efficiency measures, as well as investments in the Rockfort, Kingston-based plant.

"The year 2018 marked the beginning of a period of stability for the company," Caribbean Cement Company said in its financial report released last week. "Planned investments yielded expected outcomes in health and safety, production and operational efficiencies."

Sales by the cement producer rose six per cent to \$17.5 billion, while its net profit more than doubled from \$1.1 billion or \$1.31 per share to \$2.47 billion or \$2.90 per share.

It's been five years since Caribbean Cement exited its dark period that was characterised by quarterly and annual losses from 2009 to 2013. The company and its parent were forced to restructure under debt refinancing programmes that Trinidad Cement Limited (TCL) negotiated with its creditors – deals that eventually resulted in TCL and Caribbean Cement coming under the control of Mexican construction giant Cemex.

Caribbean Cement regained control of its assets from immediate parent TCL last year, a US\$118-million buy-back of the Rockfort plant that was mostly financed by large loans from Cemex. Consequently, Caribbean Cement's fixed assets tripled from \$8 billion to \$24 billion.

But while the Kingston producer seems to have regained its footing and now has less than \$1 billion of accumulated deficits left to deal with, Trinidad Cement is still meandering.

TCL made a loss of TTS7 million on flat revenue of TTS1.7 billion for the year ending December 2018. Its earnings, however, were an improvement on the TTS257 million net loss of 2017.

"We have made significant progress on our restructuring programme designed to achieve a competitive cost structure," said TCL in market filings on the Port-of-Spain stock exchange. "While we expect some incremental restructuring costs to continue in 2019, we believe the majority of these investments are behind us," the company said.

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## Capable and confident: Carib Cement's Latoya Thomas breaks down barriers

Keisha Hill/Senior Gleaner Writer

THERE ARE many women in a variety of professions contributing to making a difference and delivering on their respective organisations' mission while helping to pave the way for other women in similar positions.

Latoya Thomas, senior mining engineer with Carib Cement, has been doing a phenomenal job in what can be considered a male-dominated industry since she began her career at the company in 2007.

With a first degree in earth science and a Master of Business Administration in general management, Thomas is among a group of women who have been working to change the status quo of women at the company.

"I am fascinated with the Earth and its spatial variabilities. I enjoy learning about and working with the equipment and seeing the different ways in which they can impact the Earth," Thomas said.

"It's been almost 12 years, but every day is almost new to me. I am challenged on a daily basis to impact change to a landscape responsibly and safely in ways that are in line with mining and environmental regulations," she added.

### FULFILLING WORK

For Thomas, every day on the job is fulfilling because she gets to do what she enjoys. "I have always wanted to work in my field of study because I have a passion for it. Every day is like going on a field trip, and it really is fascinating," she said.

Thomas believes that although her field is considered to be male-dominated, women can be effective and successful in it. "That idea is changing. I don't believe this field is a man's world or that I am a woman in a man's world," she said.

"Significant headway has been made by others who came before me, and I have continued to pave the way for females to come. The key

*'Significant headway has been made by others who came before me, and I have continued to pave the way for females to come.'*

is to be competent and to let your work speak for itself. I have seen that both male and female colleagues demonstrate respect for you once you can show that you are capable and competent," Thomas said.

Thomas' role is to plan and execute all activities involved in the extraction of raw materials for the cement-manufacturing process. She ensures that the extraction of raw materials is in accordance to the mining plans and that quality materials are supplied to internal customers at costs that are competitive on a global scale.

"All of this has to be done safely. Therefore, daily meetings and site visits with my team are held to ensure conformance to safety, technical and regulatory standards," she said.

Thomas is also required to keep abreast of best practices in material handling, equipment, drilling, and blasting and work on implementing these improvements.

"Last November I went to the CEMEX Global Quarry Academy in Texas, USA, and that was eye-opening as there were many colleagues, both men and women all working together to extract responsibly. I learnt a lot that could be applied here in Jamaica," she said.

keisha.hill@gleanerjms.com



Latoya Thomas, senior mining engineer, Carib Cement. CONTRIBUTED

## Carib Cement teaches students about truck blind spots

ON THURSDAY, February 21, a team from Carib Cement demonstrated to all the students at Wolmer's Prep School in Kingston the blind spots on trucks, as well as other risk factors. Students were shown the inside and the outside of the truck to get an understanding from both the driver's and pedestrians' perspectives. They were urged to avoid the four blind spots, which are the extreme front, the two sides of the cabin, and the extreme back. They also received other road-safety reminders.



Marcia Dixon, freight and fleet coordinator, delivers safety tips to Wolmer's Prep School students (from second left) Isabella Dixon, Giovanni Barrett, and Kemar Wilson.



Dejian Ho-Young got a chance to see what it's like from the cabin of a truck. CONTRIBUTED PHOTOS

# CG [ CAREERS ]



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Lexford Johnson (right), principal of Norman Gardens Primary School, is introduced to Peter Donkersloot, general manager of Caribbean Cement Company, by Dr Margaret Bailey, principal of Rollington Town Primary School, during a school tour on Monday, March 11. Caribbean Cement donated \$724,000 to help fund a reading programme that benefits seven primary schools and 300 students in the east Kingston area. **CONTRIBUTED**

## <<< NEWS ON THE GO >>>



Both Peter Donkersloot (left), general manager of Caribbean Cement Company Ltd, and Phillip Paulwell, member of parliament for Kingston Eastern and Port Royal, joke with students from Rollington Town Primary School recently. Carib Cement contributed to the continuation of a reading programme for schools in east Kingston through the donation of \$724,000.

# CENTRAL STAR



Students at Hazard Primary listening to the road safety tips.

## Carib Cement takes road safety awareness to Clarendon schools

**CECELIA CAMPBELL-LIVINGSTON**  
STAR Writer

In February, when Carib Cement head of communication Klao Bell Lewis read the heart-breaking story about 11-year-old Aldrena Rowe, who was struck down on the Bustamante Highway in Clarendon, she said she cried.

"I immediately called my colleague and said, 'We need to go to Clarendon,'" she said, referring to the company's road safety campaign.

Lewis said that having made the decision, she wanted other schools to share in the safety campaign.

The mission was completed last Tuesday when the team visited Cross

Primary and Infant, and Denbigh and Hazard Primary schools.

Freight and Fleet Coordinator at the company, Marcia Edwards Dixon, as well as Jason Stewart from the Road Safety Unit had interactive discussions with the children on road safety, including obeying the stoplight signs and crossing the road.

Lewis said the day's initiative is part of the global Cemex supply chain vulnerable road users programme; Carib Cement is a member of the Cemex group.

Commenting on the safety awareness drive in the schools, Lewis said the initial target was 2,000 students but they have already surpassed that.

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## Carib Cement stock rewarded for earnings beat

Steven Jackson/Senior Business Reporter

CARIBBEAN CEMENT Company Limited beat expectations when it tripled first-quarter profit in results released on the weekend, and the market has rewarded the company with a record stock price near \$80.

Earnings per share at the cement maker totalled \$1.33 for the March quarter, compared with \$0.39 a year earlier.

"Peter Donkersloot, Carib Cement's general manager, has done a tremendous job turning around the company. We expect the earnings will continue to

increase as the efficiency gains continue, coupled with increased demand for cement," said Gary Peart, CEO of brokerage house Mayberry Investments Limited.

Last year, Caribbean Cement bought back

its manufacturing assets from immediate parent company Trinidad Cement Limited, a transaction financed by a loan from ultimate parent Cemex of Mexico. The company attributed a fall in operational expenses in March to the buy-back.

Mayberry had championed the call for Caribbean Cement to refinance its debt for increased operational efficiency.

Other brokers, including VM Wealth and JMMB Investments, in January and February, respectively, advised clients to hold the stock based on research analysis which factored in expected cost savings related to the asset buy-back. They separately expected the low-end value of the stock to remain in the mid-\$40 range in the short term. The stock traded at a year's low of \$38.

"It is anticipated that this is fair, due to the additional gains expected from the removal of the lease agreement as well as continued synergies between Cemex and Carib Cement in its operations," said VM Wealth, which put its target price for the stock within a range \$46.05 to \$50.92 over the mid-term. JMMB's target also begins in the \$40 range, but extends at the high end to nearly \$80.

"If the stock trades towards the high end of our forecast of \$79.71, there would be meaningful upside," said JMMB in its research note, that also cautioned that the March quarter could see lacklustre growth due to external factors, but projected that growth will persist beyond that period. Peart also said Mayberry both "expected the increased earnings" and "expect it to continue".

On Tuesday, Caribbean Cement shares traded at an all-time high over \$79.50, but lost some ground to close at \$77.36. On Friday before the release of the earnings report, the stock traded below \$65.

The Rockfort, Kingston-based cement

PLEASE SEE BEAT, D3

Peter Donkersloot Ponce, general manager of Caribbean Cement Company Limited.  
RUDOLPH BROWN/  
PHOTOGRAPHER



## BEAT

CONTINUED FROM D1

maker reported modest revenue growth of two per cent in the quarter to \$4.45 billion. But last year's debt refinancing and buy-back of Kiln 5 and Mill 5 resulted in big savings which went straight to the bottom line.

Caribbean Cement made \$1.13 billion in net profit, up 237 per cent from \$334 million a year earlier and its highest profit outturn for at least 12 straight quarters.

Consequently, the company has now wiped out all its accumulated deficits.

Its net book value, or shareholder, equity now stands at \$7.5 billion.

On the downside, its working capital deficit expanded to \$1.2 billion, compared to \$91 million a year earlier. The deficit was due to the current payments on the redemption of preference shares held by TCL.

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From left: Olivia Grange, minister of culture, gender, entertainment and sport; Major Clive Davis, director general of the Office of Disaster Preparedness and Emergency Management; Prime Minister Andrew Holness and Peter Donkersloot, general manager of Carib Cement, at the 2018 donation of 3,000 bags of cement to Labour Day and national disaster-recovery efforts. CONTRIBUTED

## Carib Cement backs 50 Labour Day projects

THE CARIBBEAN Cement Company Limited is supporting Labour Day by way of donations that will go towards projects in more than 50 communities across the country.

Through its corporate social responsibility programme, the company contributes to projects that will enhance infrastructure in communities. As such, some 3,000 bags of cement will go towards repairing schools, sidewalks, rural roads, fencing, and indigent housing in 11 parishes.

Peter Donkersloot, general manager of Carib Cement, said that Jamaica has a lot to teach the

world about community cohesion and volunteerism.

### FANTASTIC JOB

"Jamaicans do a fantastic job of supporting Labour Day. The enthusiasm and high level of participation is really impressive. It is a public holiday that Jamaicans take seriously as they give generously of their time to work together and improve their neighbourhoods," said Donkersloot.

Volunteers from the staff of both Carib Cement and CEMEX Jamaica will be effecting repairs to a basic school in Clarendon and a fire station in Kingston.

The company is also contributing to the national Labour Day projects that will take place at Holland Primary School in St Elizabeth; Fair Prospect Primary School in Portland; Barrett Town Primary School and John Rollins Success Primary School in St James; as well as Papine High School in St Andrew.

In 2018, Carib Cement donated 3,000 bags of cement to assist with Labour Day and recovery efforts that followed heavy rains in May.

The company's corporate social responsibility projects have reached more than 180 communities by way of infrastructure development valued at \$265 million since 2016.

# How Carib Cement founder inspired James Bond

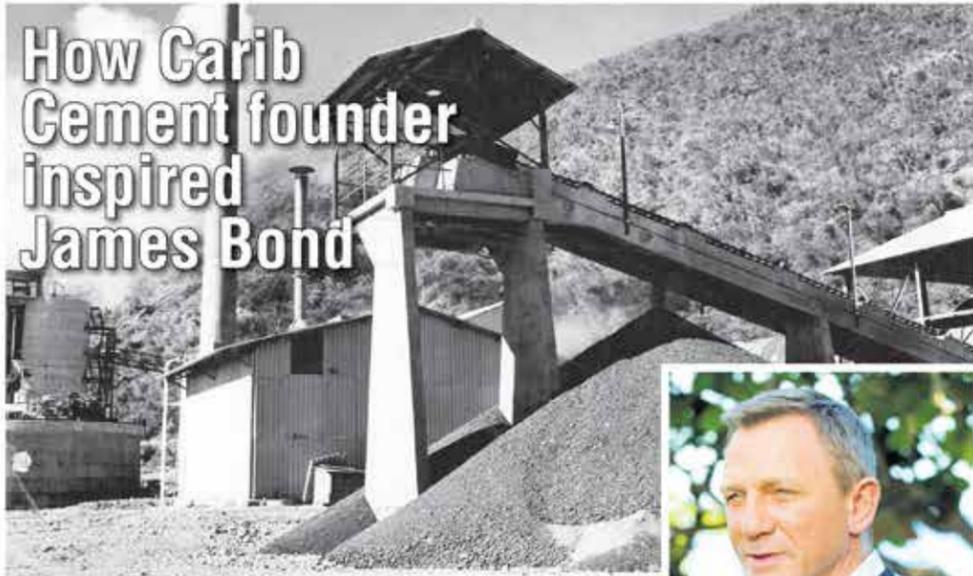


Photo of the Carib Cement Factory taken in 1952.

**WHAT DOES** the rediscovery of a painting stored away for safe keeping have to do with the Caribbean's largest cement manufacturer and the famous fictitious spy character James Bond?

Very few people know that one of the founders of The Carib Cement Company (Carib Cement) was a Canadian man whose work in a secret World War II spy also inspired British author Ian Fleming to create the James Bond character.

Coincidentally, the first film in the series — *Dr. No* — included the filming of a hair-raising car chase through Carib Cement's quarries.

As the 25th James Bond film is now being shot in Jamaica, the story of the man who was the catalyst for the creation of the legendary Bond character is an intriguing one in the series, woven by Fleming from Goldfinger, his villain Oracabessa on Jamaica's north coast.

Fleming was himself a high ranking officer in British Naval Intelligence before turning first to journalism and then to writing novels.

When Carib Cement was founded in 1952, one of the key players was Sir William Stephenson, a Canadian-British industrialist who was given the mandate to assess importance of cement to Jamaica.

**FIGHTER PILOT**  
Born in Manitoba, Canada, Sir William was a highly decorated fighter pilot in World War I. He was credited with shooting down 25 enemy planes before being captured by the Germans, wanting to benefit the weaker Allied — reportedly from Winston Churchill.



Sean Connery with Daniela Bianchi in 1963 James Bond film 'From Russia With Love'.

sending photographs by radio. As World War II wound, William Stephenson, while ostensibly running his own business operations in Nazi Germany, discovered that practically the whole of that country's steel production had been turned over to armament manufacture. It was clear to him that Germany was preparing for war.

According to Charles Howard Ellis, a British intelligence officer, Stephenson began "providing a great deal of information on German rearmament" to Winston Churchill, then an influential member of the British House of Commons.

Churchill became Britain's prime minister in May 1940. He realized that it would be vital to inform the United States on Britain's ally.

He sent Stephenson to the United States to make contact arrangements on intelligence matters. With America's entry into the war, he became British security coordinator for the Western Hemisphere, serving as a link between Churchill and President Franklin D. Roosevelt. He supervised the training of Americans for intelligence work, operating a spy network that uncovered the activities of German agents and providing valuable information to Washington and London on their movements.

**CHRONICLES**  
The book *M60 The Story of The British Intelligence Centre in New York During World War II*, authored by H. Montgomery Hyde, chronicles the story of Sir William's contribution to Anglo-American intelligence efforts. In the foreword, which he authored, Ian Fleming noted:

"People often ask me how closely the hero of my novels, James Bond, resembles a man, the man upon whom I began with James Bond is not in fact a hero but an efficient and not very attractive first appointment in the hands of government."

But the man sitting alone now at his study in New York is so much closer to the spy of

the action that the hearing of fact and fiction has great commercial potential.

Establishment of the Carib Cement Company was in response to the shortage of cement being experienced as a result of the war and the presence of a large local market. Before the war, cement was shipped from Britain at a cost four times the cost of producing it in Jamaica. Sir William remained as chairman for nearly 21 years.

And so, this is how his portrait ended up being among a small group of paintings found recently by staff members at the Carib

the paintings were of very high value because Sir William had sat for the renowned Jamaican painter Bartolomeo Watson. The portrait is being restored.

Such is man as... Sir William Stephenson, M.C., D.F.C. He is the man who became one of the great secret agents of the last war and it would be a British person who would argue his credentials. Fleming was clearly guided by

the action that the hearing of fact and fiction has great commercial potential.



Daniel Craig during the photo call of the latest installment of the James Bond film franchise, currently known as 'Bond 25', in Oracabessa, Jamaica.

the paintings were of very high value because Sir William had sat for the renowned Jamaican painter Bartolomeo Watson. The portrait is being restored.



FILE

Managing Director of JSE Group, Marlene Street-Forrest.

# JSE Group leads the pack

## 21 stocks make double digit gains at half-year

**TWENTY-ONE** STOCKS, representing about a quarter of ordinary listings on the Jamaica Stock Exchange (JSE) made double-digit gains between January and June, reflecting a continuation of the market's bull run.

The stocks gained between 12 per cent and 173 per cent over six months. Comparatively, the six-month Treasury bill rate is 1.8 per cent.

The market witnessed large and small-cap listings on the JSE during the half-year, including Wigton Windfarm and start-up iCreate, respectively.

Wigton, which garnered applications from more than 31,000 investors in its IPO in March, has gained 66 per cent and was still trending higher within the first week of July.

The top-performing growth stocks over the period belonged to the large main market stocks, which represented a shift from previous periods that were dominated by junior market gains.

Eleven main market stocks made double-digit gains, compared to seven junior market stocks.

Main market capitalisation stood at \$1.73 trillion, the junior market was valued at \$136.1 billion and the USD market US\$320.7 million.

The JSE Group, operator of the stock exchange, was the top performing stock at half-year ending June 28.

The top main market gains and closing prices were:

JSE Group	173.1%	\$28.02
Caribbean Cement	68.5%	\$79.94
Eppley	65.8%	\$17.00
Wisynco Group	73.5%	\$18.98
Wigton Windfarm	66%	\$0.88
Seprod	62%	\$48.54
Supreme Ventures	62%	\$27.99
Sagico Group	52.2%	\$57.01
Sygnus Credit	37.1%	\$15.04
Proven Investments	32.2%	\$35.00
PanJam Investments	32.2%	\$96.07

The leading junior market stocks included:

Honey Bun	74.4%	\$6.80
Elite Diagnostics	37%	\$4.00
iTech	18.7%	\$5.45
General Accident	15.8%	\$4.10
FosRich	15.7%	\$4.49
SOS	14.9%	\$9.49
Lasco Financial	12.4%	\$5.06

For the USD listing, the gains included:

Sterling Investments	85%	US\$0.037
Margaritaville Turks	25%	US\$0.25
Proven Investments	22.9%	US\$0.24

The main market Index closed up 23 per cent at 467,896 points at the end of June; the junior market

PLEASE SEE **JSE**, 6



CARIBBEAN CEMENT COMPANY LIMITED

## NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the SEVENTIETH ANNUAL GENERAL MEETING of CARIBBEAN CEMENT COMPANY LIMITED will held on Thursday, July 18, 2019 at 10:00 a.m. at "The Worthington" located at the Spanish Court Hotel, 16 Worthington Avenue, Kingston 5, to transact the following business and to consider and, if thought fit, pass the following Resolutions:

1. To receive and consider the Report of the Directors and the Audited Financial Statements for the year ended December 31, 2018.
2. To appoint Auditors and authorize Directors to fix the remuneration of the Auditors.
3. To elect Directors and fix their remuneration.
4. To transact any other business which may properly be transacted at an Annual General Meeting.

**Note:**

**Proxies**

Members of the Company entitled to attend and vote at the meeting are entitled to appoint one or more proxies to attend and vote instead of them. A proxy need not be a member. Where a proxy is appointed by a corporate member, the form of proxy should be executed under seal or signed by an officer or attorney duly authorized.

To be valid the Proxy Form must be completed and deposited at the registered office of the Company not less than 48 hours before the time fixed for holding the meeting.

**By Order of the Board**

  
Craig Neil  
Legal Counsel/Company Secretary

## Carib Cement competition reveals demand for parks, playgrounds

THE CARIBBEAN Cement Company Limited is in the final stages of its 'Build Your Community' competition which will soon be announcing the winner of an infrastructure project valued at \$5 million.

Staged for the first time, the competition has received strong response with 46 submissions from communities in 13 parishes. The highest number of submissions came from St Catherine followed by St Andrew, with St Thomas, Manchester and Kingston tying for the third-highest number of submissions.

The competition's website received more than 8,600 visits and 760 downloads of the application form.

Peter Donkersloot, general manager of Carib Cement, in expressing satisfaction with the response to the competition, stated: "Strong, cohesive communities help to build a greater Jamaica, and the aim of this competition is to reward a community that is able to work together to win and, thereafter, successfully maintain the infrastructure for the benefit of everyone in the neighbourhood."

### PROPOSED PROJECTS

What has unfolded is the clear statement from communities that green, open and communal spaces are in high demand. Parks, community centres, and playgrounds were the top three projects proposed. This has not come as a surprise to executives at the Social Development Commission (SDC), who have identified recreational spaces among the top needs of communities.

"The percentage of applications requesting support for parks and community centres suggest that there is a need for designated



Juanita Reid, deputy executive director, community research and national development planning, at the SDC. CONTRIBUTED

recreational spaces. This is in keeping with what we have found at the SDC, as our national listing of community issues ranks the lack of recreational facilities fifth among the top 10 development issues for communities," said Juanita Reid, deputy executive director, community research and national development planning at the SDC.

Reid further stated that the results of the competition affirm the work of the SDC's research and community development planning programme in building the capacity of communities to engage partners to assist with solving challenges.

By this competition, Carib Cement seeks to contribute to Goal One of Jamaica's Vision 2030 and Goal 11 of the United Nations Sustainable Development Goal, which both recognise the importance of safe, inclusive and accessible public spaces and their role in contributing to healthy lifestyles and communities.



Peter Donkersloot, general manager of Carib Cement, with residents of Litchfield in Manchester following the opening of a new road in that rural community in December 2018. CONTRIBUTED PHOTOS



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JULY 21, 2019

SECTION C



**Caribbean Cement to  
convert old tyres to  
ENERGY**

**C**ARIBBEAN CEMENT Company plans to spend US\$9 million (\$1.2 billion) on capital projects this year, one of which involves converting old tyres from waste to energy at its kiln.

The cement company has 35 projects planned for this financial year. The tyre project was pitched by outgoing General Manager Peter Donkersloot Ponce not as a money-making venture, but one meant to make a positive contribution to the environment.



Peter Donkersloot Ponce, general manager of Caribbean Cement Company Limited.

"We will be able to eliminate the tyres in Kingston, probably in four years," said Donkersloot Ponce at the company's annual general meeting on Thursday.

The cement maker, which is ultimately owned by construction giant Cemex of Mexico, said more details would be revealed this week following the signing of a memorandum of understanding with the Jamaican Government.

"It is going to replace some of my

PLEASE SEE **TYRES**, C3

# TYRES

CONTINUED FROM C1

fuel, and therefore reduce my fuel cost, but elevate my maintenance cost. So, virtually, I am not making money, but I am solving an issue and breaking even," said Donkersloot Ponce. "It is part of our corporate social responsibility."

The company has invested more than US\$500,000 so far to allow its facility to accommodate old tyres.

Over three years, Caribbean Cement's capital expenditure budget is estimated at \$2.9 billion. Over the short term, the company

plans to put aside \$2.6 billion to have cash available for "strategic investments" or acquisitions.

Of its many projects this year, the latest was a \$69 million investment in a palletiser robot, that is, a machine that moves bagged cement on to pallets in rapid succession. The palletiser was commissioned this month.

Most of its investments are aimed at increasing its output in a widening market, which demands more cement. The company expects to produce 1.2 million tonnes of cement by December 2020 or about one-third higher than its current annual production of about 950,000 tonnes.

But Caribbean Cement will also spend \$60 million over 10 years to refurbish the Rockfort Mineral

Bath to transform it into a world attraction.

Donkersloot Ponce became general manager at Caribbean Cement in 2016 and demits office this month. Over that period, he oversaw the buy-back of manufacturing assets that it leased. That buy-back of leased assets became pivotal in reducing costs and leading to higher profits over the last two years.

"Last year, we performed better than the last 20 years put together," he told shareholders, explaining that in 2014, accumulated losses totalled some \$7.3 billion but were reduced to roughly \$1 billion in 2018.

"Now, this year, we have cleared all the accumulated losses of the company. So we cleared that

negative to zero," he said.

Donkersloot Ponce plans to go back to his home in Panama and spend time with family. It ends speculation that he would be redeployed within the Cemex group.

"It has been three good years, but it has taken a toll on my family – and I am a family person," he said. "We have achieved a lot of things at Carib Cement, but you have to realise the sacrifice that comes with that, and I have decided to take some time for my family," he added.

Donkersloot Ponce will be replaced by Yago Castro Izaguirre, effective August 1.

**steven.jackson@gleanerjm.com**

A6

THE GLEANER, TUESDAY, JULY 23, 2019 | www.jamaica-gleaner.com

## [SOMETHING EXTRA]

   #GLNRSOCIAL

*It was a grand celebration that ushered out the old and welcomed the new as the send-off and welcome for Carib Cement's general managers (incoming and outgoing) took the form of an elaborate function held recently at The Jamaica Pegasus hotel in New Kingston.*



Chairman of Carib Cement Parris Lyew-Ayee (left) introduces incoming general manager of Carib Cement Yago Castro (second right) to his son, Parris Lyew-Ayee Jr (second left), while José Luis Seijo González, managing director of the TCL Group, looks on.



Peter Donkersloot and his lovely wife, Lilia Cucalón, are looking quite happy together. CONTRIBUTED PHOTOS



The mixologists at The Jamaica Pegasus hotel designed a special drink called the 'Cement' to mark the occasion. Taking a sip are Lilia Cucalón (second left) and Sherry DaRosa (second right), wives of Peter Donkersloot, outgoing general manager of Carib Cement (left), and Emanuel DaRosa, CEO of the Jamaica Public Service Company Limited, respectively.



In a little over one week, on August 1, Yogo Castro Izaguirre (left) will take over as general manager of Caribbean Cement Company Limited, replacing Peter Donkersloot Ponce (right), who says he will be returning home to Panama to spend time with his family. Castro is a chemical engineer who has worked in Israel, Ecuador, Nicaragua, Guatemala and Barbados. The men are seen here at a reception in their honour held on July 18, 2019, at The Jamaica Pegasus Hotel in New Kingston, the same day that Donkersloot made his last report to shareholders at the cement maker's annual general meeting.



Norman Brown of Pembroke Trucking (left), Garen Williams of Caribbean Cement Company, and Raymond O'Sullivan of Jamaica Premix turned out for Caribbean Cement's cocktail function held at The Jamaica Pegasus hotel on July 18, 2019, to mark the leadership transition at the company scheduled for month end.



**Gov't Partners With Carib Cement to Remove Tyres from Riverton**

THE GOVERNMENT is partnering with the Caribbean Cement Company to remove between 1.5 and two million tyres from the Riverton City landfill in St. Andrew.

This will be initially facilitated under a pilot project expected to last 40 days and, thereafter, fully rolled out over time.

A memorandum of understanding (MoU) was signed at Jamaica House on July 22 to undertake the activity, which is a collaboration of the Ministry of Economic Growth

and Job Creation, and the Ministry of Local Government and Community Development, through the National Solid Waste Management Authority (NSWMA).

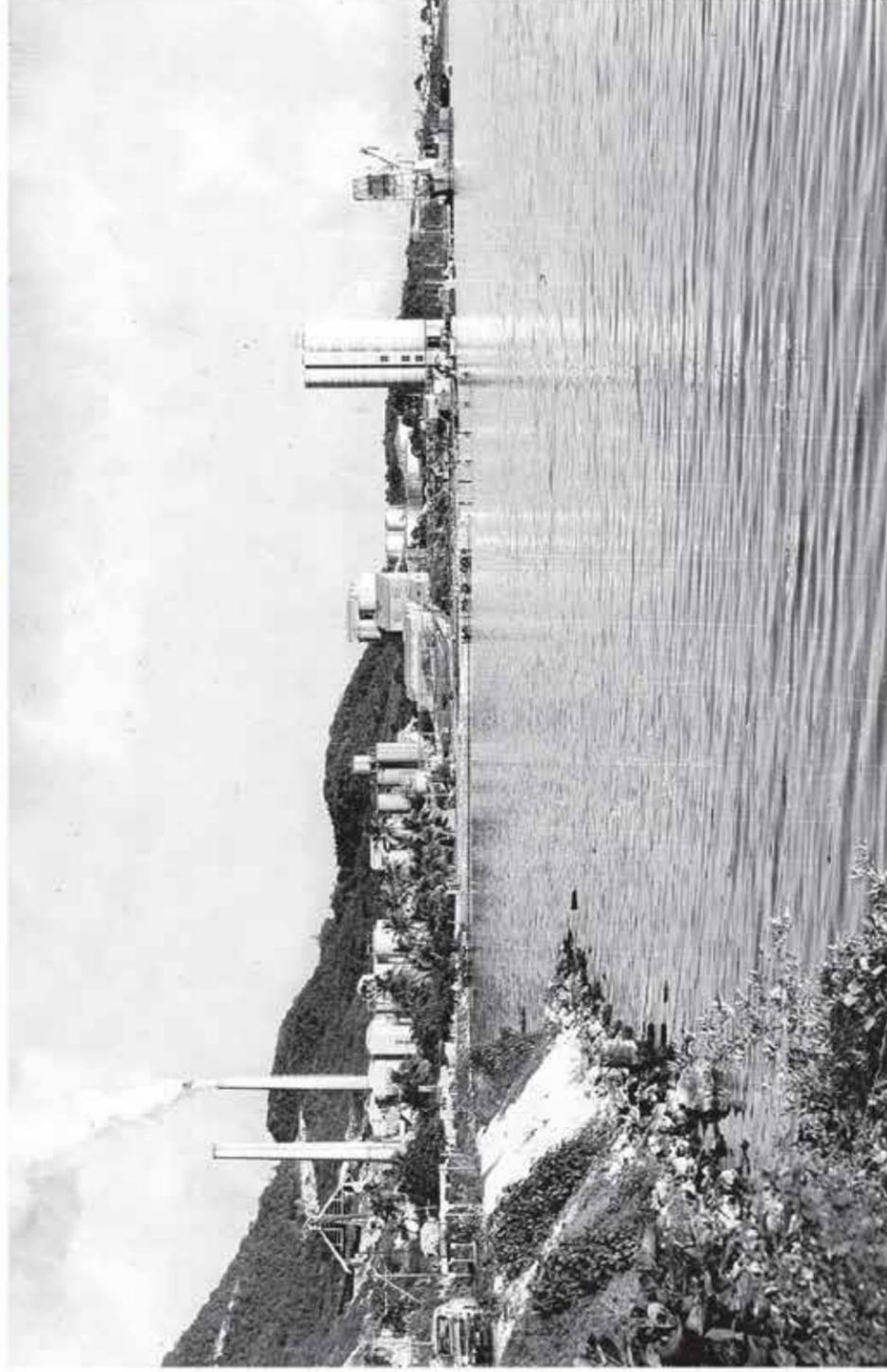
Prime Minister the Most Hon. Andrew Holness said the tyres, which have been accumulating for decades at Riverton as well as other landfills across the island, pose a serious threat to the environment, mainly due to the fire hazard, as when a fire occurs toxins are released into the atmosphere.

Mr. Holness noted that the project is imperative to the Government's environmental agenda, and will see the tyres being removed and transported to Carib Cement's location in Kingston, where they will be incinerated in a managed process in a kiln (to provide some form of energy).

"The Government is on a path; we are committed, and I think that this a synergetic solution to the problem of solid waste disposal, particularly those combustible types in the form of tyres," he said.



Prime Minister the Most Hon. Andrew Holness (3rd left) affixes his signature to a memorandum of understanding (MoU) that will see the Government and Caribbean Cement Company (Carib Cement) collaborating to remove and dispose of between 1.5 to 2 million tyres from the Riverton City Landfill. Also taking part (from left) are: Permanent Secretary in the Office of the Prime Minister, Audrey Sewell; Minister without Portfolio in the Ministry of Economic Growth and Job Creation, Hon. Daryl Vaz; Minister of Local Government and Community Development, Hon. Desmond McKenzie; Permanent Secretary in the Ministry of Local Government and Community Development, Marsha Henry Martin; and outgoing General Manager, Carib Cement, Peter Donkersloot. The signing took place at Jamaica House on July 22.



The Caribbean Cement Company in Rockfort, Kingston. GLEANER PHOTOS

# FLASHBACK TO '62

## Woodside wins the Carib Cement competition

*Keisha Hill/  
Senior Gleaner Writer*

WOODSIDE, A beautiful, rural district located on the border of central and western St Mary, is the inaugural winner of the Carib Cement Company Limited's Build Your Community Competition, earning the top prize of a development project valued at \$5 million.

Carib Cement will execute the project that will assist Woodside in developing an 'Ancestral Garden' that the community has identified as a step towards enhancing the potential of its community tourism programme.

Woodside is one of the Jamaican villages replete with history. It has connection to the Taino, the plantation era and Emancipation. The creation of the garden will include erecting amenities such as benches, a gazebo, and a pathway that will better define the space



Kiao Bell-Lewis, (second left) manager of communication and community outreach, and Parris Lyew-Ayee (right), Chairman of Carib Cement celebrate with Woodside community members at the announcement of the winner of the Carib Cement Build Your Community Competition at the Carib Cement Sports Club on Tuesday. RUDOLPH BROWN/PHOTOGRAPHER

build a greater Jamaica.

"We wanted to see sustainable community development and as such, we partnered with the Social Development Commission to make this a reality. We do not believe in giving hand-outs because we believe that in building strong communities we will see strong parishes, and, logically, bringing about a strong country," Lyew-Ayee said.

Peter Donkersloot, general manager of Carib Cement, in expressing satisfaction with the response to the competition, said the aim was to reward a community that is able to work together to win and thereafter successfully maintain the infrastructure for the benefit of everyone in the neighbourhood.

"What has unfolded is the clear statement from communities that green, open and communal spaces are in high demand.

Parks, community centres, and playgrounds were the top three projects proposed," he added.

The competition received positive responses from communities across the island with 46 submissions from communities in 13 parishes. The highest number of submissions came from St Catherine, followed by St Andrew, with St Thomas, Manchester and Kingston tying for the third-highest number of submissions.

According to Kiao Bell-Lewis, manager of communication and community outreach at Carib Cement, Woodside had been seeking development support for some time, and the win signifies the continued support of the company in its unwavering support to Jamaica.

keisha.hill@gleanerjm.com



FILE

The Trinidad Cement complex at Claxton Bay in Trinidad & Tobago.

# Cement case affirms CCJ importance to Caricom, Part 2

DR JAN YVES REMY AND ALICIA NICHOLLS

Guest Writers

IN AUGUST, the Caribbean Court of Justice (CCJ), upheld COTED's classification decision of rock hard cement as 'other hydraulic cement' and held that its decision was binding on all member states.

The court found that COTED was entitled to rely on the advice received by the World Customs Organization, WCO, because of that organisation's pivotal role in the administration of the Harmonised Code.

However, as a matter of public policy, the CCJ made several recommendations following the legal decision.

First, it recommended that COTED conduct a study to assess whether the Common External Tariff, the CET, for imported 'other hydraulic cement' be increased to provide additional protection to regional cement manufacturers in keeping with the obligation placed on COTED by the Revised Treaty to keep the CET under review.

Second, it suggested that Caricom member states consider more robust participation in WCO and similar bodies, and collaborate more when undertaking international trade commitments.

Third, the CCJ suggested the implementation of a project to harmonise the classification of goods based on WCO standards which would help to increase Caricom trade.

The court's decisions confirm that the CCJ has come into its own. After several judgements by the court in its original jurisdiction, there is certainly enough jurisprudence to warrant dedicated study – if not an entire workshop or symposium – to better understand their legal and economic consequences. Permit us to highlight just a few.

On the legal front, the CCJ's decision clarifies a number of issues, including The Bahamas, and its voting rights, under the CSME; the voting procedures and required majorities for Ministerial Councils; the role and powers of COTED in the maintenance and review of the CET, including the scope of its obligations and its duty to provide reasons for its decisions.

## Legal implications

Three specific issues deserve mention. First, as the CCJ highlighted, some of the issues decided by the court are likely to be moot because of the Protocol to the Revised Treaty adopted in 2015 which now provides that a member state may be exempted from applying the CET on goods 'for a period of time'.

In the Barbados dispute, the protocol could not be retroactively applied to the 2001 derogation granted to Barbados, which was not time bound. Going forward, however, COTED's decisions regarding suspensions and alternations will be governed by the Protocol and are therefore likely to be more specific.

The decisions also exposed the overlap of parties, and roles, in the administration of the CET.

The Court assigned a primary role for COTED, not just in the ascription of CET rates but also the classification of products, under the CET; the CCJ confirmed its own (indirect) role, through judicial review of COTED's classification decisions; the role of Member States who ultimately implement and apply the CET; and finally, the role of an external body, the WCO.

While it makes eminent sense for COTED – comprising ministerial representatives – to rely on technical experts to make classification decisions, it may strike some as peculiar that the court would entirely delegate that role to an extra regional body, the WCO, possibly at its own expense. Is it not the very business of a Court to interpret legal instruments affecting the operation of the CSME?

The court may have chosen instead to approach its task as the Appellate Court of the World Trade Organization, WTO, does, that is, to rely on the WCO's advice only as a matter of fact in resolving classification disputes, and to support its own interpretation using the tools of treaty interpretation provided under the Vienna Convention of the Law of Treaties.

## Missed opportunity

It is also strikes us as a missed opportunity for a Caricom member state to have requested that the court provide an advisory opinion, under Article 212 of the Revised Treaty, to aid in the COTED decision.

The third issue concerns the obligation of

PLEASE SEE **CEMENT**, 14



FILE

In this Gleaner file photo dated May 4, 2017, packages of Carib Cement are on display outside a shop in Kingston. Carib Cement is made by Jamaica-based Caribbean Cement Company, a subsidiary of Trinidad Cement Limited.

## CEMENT

CONTINUED FROM 13

member states in respect of *prima facie* inconsistent domestic law. As has happened in previous cases, the court did not find it necessary to make a finding that Barbados' retention of domestic law specifying the 60 per cent rate to be applied to Rock Cement, was inconsistent with the CET zero to 5 per cent rate for 'other hydraulic cement' following the expiration of the derogation.

The court declined to make a finding of inconsistency because it noted that the determination of inconsistency depends on how a law is applied. Again, WTO case law may have been instructive: domestic law, even absent application, that is on its face inconsistent with a country's WTO obligations, can ground a finding of "as such" inconsistency. This ensures that a delinquent State has little room to revert to WTO – inconsistent behaviour permitted by its domestic law, and that private parties are not left in doubt as to the country's WTO-consistency.

In this case, a finding by the Court of inconsistency based on the domestic legislation would also have led to greater uniformity in the application of the CET, a point highlighted by the court as being in need of greater attention by Caricom member states.

## Economic implications

The economic implications are also considerable. During the protracted dispute, the court explained how the type of cement being imported to Caricom has

changed.

When the CET was first established, blended cements like rock hard cement were not in existence and their competitive impact on the regional market could not have been contemplated. This explains why such cement was ascribed a very low CET rate.

The court's rulings permit the importation of a cheaper cement product which could help lower building costs, and allow for greater competition within the regional cement market, which could benefit consumers.

There is concern, however, about whether indigenous cement manufacturers can compete with the influx of cheaper cement. As such, there is merit to the CCJ's suggestion for a study to be conducted on whether the CET for 'other hydraulic cement' ought to be raised. Such a study should take into account the potential economic implications of any such increase, including on consumers.

The rulings also raise the broader question of how "nimble" the Caricom structures are to adapt to the economic realities of the region – with implications beyond just the cement sector.

Part 1 of this article was published September 11, 2019

Dr Jan Yves Remy is the deputy director Alicia Nicholls is a trade researcher with the Shridath Ramphal Centre for International Trade Law, Policy & Services.

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**JSE adds another sector index**

The Jamaica Stock Exchange added a new sector index on Tuesday that will track manufacturing and distribution companies listed on the market.

It follows the introduction of a financial index earlier this year.

The JSE Manufacturing & Distribution Index was launched with a base value of 100, and tracks 30 stocks, 21 of which are listed on the Junior market.

The manufacturing stocks to be tracked are: AMG, Blue Power, Berger, Caribbean Cement, Caribbean Flavours, GraceKennedy, Honey Bun, Jamaican Teas, Jamaica Broilers, Jamaica Producers, Kremi, LASCO Manufacturing, Paramount, Purity, Salada, Seprod, Sweet River, and Wisynco.

The distribution stocks to be tracked are: Caribbean Producers, Derrimon, FosRich, Jetcon, LASCO Distributors, Medical Disposables, Indies Pharma, EFresh, Fontana, SOS, Carreras and CAC 2000.

The JSE expects the sector index



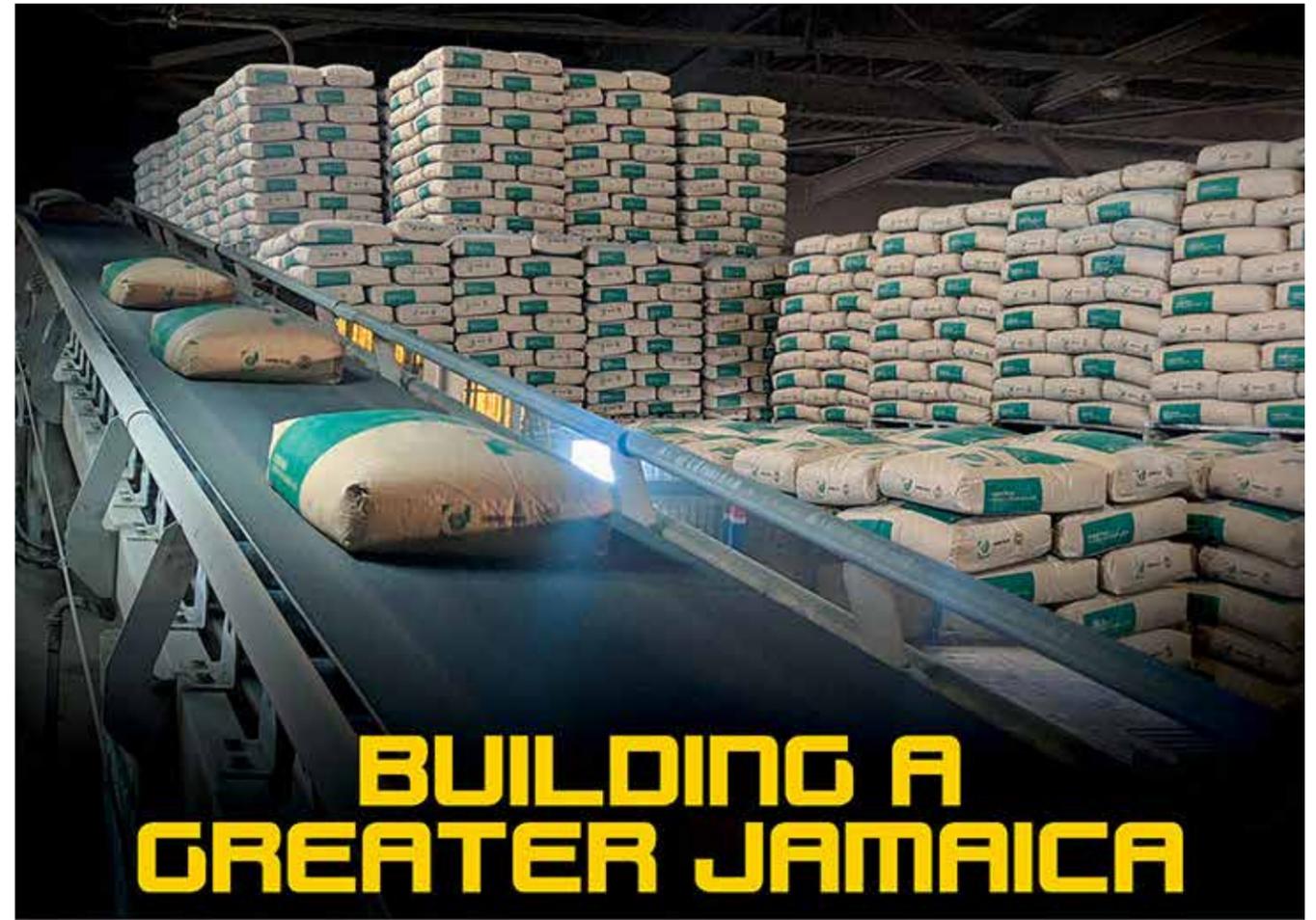
Managing director of JSE Group, Marlene Street Forrest. FILE

will lead to more innovative products and attract new investors to the market.

“Specific funds can now be created utilising this index, thereby allowing investors to invest in all manufacturing and distribution companies,” said JSE Group Managing Director Marlene Street Forrest in a statement on Monday.

Since its launch, the JSE Financial Index has increased from 100 to 142.56 points as at Monday.

[business@gleanerjm.com](mailto:business@gleanerjm.com)



**BUILDING A GREATER JAMAICA**

**THROUGH CEMENT MADE RIGHT HERE ON THE ROCK.**

**\$8.3B\***  
 paid in TAXES  
 (2015 - 2018)

**300**  
 full time  
 Jamaican employees

**+200,000**  
 Jamaicans benefited from  
 our community projects

**\$295M\***  
 investment in  
 CSR projects  
 (2016 - 2019)

**+1300 HOURS**  
 devoted by employees  
 to voluntary activities  
 (2018 - 2019)

**8% LESS** FOSSIL FUELS USAGE

**\$7.2B\***  
 invested in the company  
 (2015-2018)  
 (largest manufacturing company in Jamaica)

**60%**  
 of all purchases  
 are from local suppliers

**750**  
 LOCAL SUPPLIERS  
 (between 2015 - 2018)

**18,000**  
 SHAREHOLDERS

Since 1952, we have worked hard, with vision and focus to produce world class cement from 100% local raw materials. From an idea, the size of a mustard seed, we have grown to become the largest Jamaican manufacturing company. We are grateful to our customers, suppliers, employees, shareholders and communities for your support and confidence. You inspire us every day to work smarter and harder in order to continue to create significant value for Jamaica and the Region. Thank you for being our partner in building greater Jamaica.



**BUILDING A GREATER JAMAICA**

**100% locally manufactured cement**

\*'M' MEANS: MILLION - 'B' MEANS: BILLION

[www.caribcement.com](http://www.caribcement.com)

## Carib Cement dividend disgrace

**THE EDITOR, Sir:**

CARIBBEAN CEMENT Company, manufacturer of cement to the country, prided itself as a source of good investment.

I believed this and put hard-earned cash into its hands. At first, we received small dividend payments. This situation changed when Caribbean neighbours Trinidad got their hands on it.

Revenues increased, especially when by-products such as clinker found an external market, including bulk cement.

Invoicing was all external to Jamaica, as were payments. This did not stop the boasts of mega profits. Yet still, no dividends have been provided to Jamaican investors. This situation is a disgrace.

**JOHN W. GEORGE**  
Kingston 8

**CARIBBEAN CEMENT COMPANY LIMITED**

*Congratulates*

**Bruce Bicknell, CD**

Managing Director

**TANK-WELD METALS**

On being conferred with the Order of Distinction in the Rank of Commander for significant Community Service in support of Social Development and Education in the Inner City



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GREATER  
JAMAICA**





# Riverton tyres stuck on site

... despite interest from potential buyers

Corey Robinson  
Staff Reporter

PRIVATE ENTITIES are lining up to purchase used tyres that for decades have been catalysts for deadly fires at disposal sites operated by the National Solid Waste Management Authority (NSWMA), but the company's enterprise team is reportedly dragging its feet on getting rid of them.

At least two major companies have approached the NSWMA's administration asking to purchase hundreds of discarded tyres but, according to Audley Gordon, the authority's executive director, no arrangement can be made with them at this time.

"There is a lot of private interest in the used tyres but the enterprise team kind of ties us to what we can and cannot do," said Gordon, who was addressing a recent Gleaner Editors' Forum at the newspaper's North Street, Kingston offices.

"One group that met with us, they could take all the tyres we have and more. We can't find tyres to give them. But we can't touch it yet," he said, limiting his criticism of the body which has in the past come under fire from himself and the NSWMA's chairman, Dennis Chung.

Questioned about what operators of disposal sites, such as that at Riverton City in Kingston, do with the used tyres, Gordon said the state body currently has an arrangement with the Caribbean Cement Company, which uses them

to fuel their kilns.

"We have a memorandum of understanding currently with the cement company, where we are moving tyres to them, in a pilot project of course. We believe that, based on where it is going, it will pretty much become a permanent thing," said Gordon, adding that several measures have been taken in recent years to secure the tyres at the disposal facilities.

**The Gleaner EDITORS' FORUM**

Plumes of smoke from burning tyres, including during a 2015 fire which lasted for more than a week at the Riverton site, has repeatedly impacted nearby communities.

Most of the fires are reportedly started by protesting residents from nearby communities who use the dump as a means to make a living. Millions of dollars are spent on material and equipment to extinguish such fires, and also prevent further combustion.

Gordon's sentiments came four years after then local government minister Noel Arscott promised the full removal of all tyres from the Riverton City disposal site to a location approved by the National Environment and Planning Agency.

Arscott said at the time that the NSWMA was partnering with the Ministry of Agriculture and Fisheries to remove 5,000 tyres that were slated to be used to construct artificial reefs.

corey.robinson@gleanerjm.com

2008 FILE PHOTO

Tyres piled up in the vicinity of the Riverton City disposal site.



## Caribbean Cement Company Ltd.

### Notice to Retirees

Please be advised that there is a new process regarding the company's health insurance benefit to retirees. We therefore require that all retirees visit the Rockfort office in person for discussions with our HR representatives from:

**October 22 – November 22, 2019  
between the hours of 9:00 a.m – 4:00 p.m.**

**For further information you may contact  
(876) 928-6231 EXT 9634 Or 9624**



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### CONDENSED CONSOLIDATED UNAUDITED INTERIM FINANCIAL REPORT FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2019



CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME					
ITEM	UNAUDITED			AUDITED	
	Three Months Jan to Sep	New Months Jan to Sep	2018	Year Jan to Dec	2018
	2019	2019	2018	2018	2018
<b>Revenue</b>	<b>4,984,061</b>	<b>4,484,724</b>	<b>13,613,201</b>	<b>13,729,251</b>	<b>17,673,001</b>
Earnings before interest, depreciation, impairment, amortisation, stockholding and inventory and manpower restructuring costs and taxation (Note 5)	1,271,282	1,352,252	4,966,124	3,866,620	5,318,949
Depreciation, impairment and amortisation	(450,540)	(471,343)	(1,798,098)	(850,094)	(1,744,761)
Stockholding and inventory restructuring costs	-	6,303	-	-	-
Manpower restructuring costs	(82,743)	-	(45,745)	-	-
Operating profit	738,000	887,212	3,123,381	3,016,526	4,574,189
Finance income	101	2,017	8,529	8,684	13,442
Finance cost	(699,535)	(399,523)	(1,448,238)	(1,277,178)	(2,072,343)
Profit before taxation	338,566	489,706	1,683,672	1,748,032	2,515,298
Taxation charge	(101,280)	(220,540)	(711,516)	(700,000)	(823,369)
<b>Profit for the period</b>	<b>237,286</b>	<b>269,166</b>	<b>972,156</b>	<b>1,048,032</b>	<b>1,691,929</b>
Other comprehensive loss	-	-	-	-	-
Items that are or may be reclassified subsequently to profit or loss	-	-	-	-	-
Loss on hedge of net assets	-	(10,508)	-	(6,874)	(73,473)
Items that will not be reclassified to profit or loss	-	-	-	-	-
Reassessment of employee benefits obligation	-	-	-	-	(1,149)
Revised defined cost charge	-	-	-	-	(1,363)
Other comprehensive loss, net of tax	-	-	-	-	(2,512)
<b>Total comprehensive income attributable to equity holders</b>	<b>237,286</b>	<b>269,166</b>	<b>972,156</b>	<b>1,048,032</b>	<b>1,689,417</b>
Earnings per share (expressed in \$ per share) (Note 5)	0.09	0.09	0.06	0.06	0.09

CONSOLIDATED STATEMENT OF FINANCIAL POSITION					
ITEM	UNAUDITED			AUDITED	
	Sep 30, 2019	Sep 30, 2018	Sep 30, 2018	Dec 31, 2018	Dec 31, 2018
<b>NET ASSETS</b>	<b>22,481,308</b>	<b>23,461,181</b>	<b>23,753,621</b>	<b>23,753,621</b>	<b>23,753,621</b>
Non-current assets	1,201,094	1,762,294	1,732,266	1,732,266	1,732,266
Property, plant and equipment	1,141	260,942	177,028	177,028	177,028
Intangible assets	43,072	160,222	54,239	54,239	54,239
Due from parent and related companies	1,057,021	838,217	878,123	878,123	878,123
Due from other parties	163,900	482,913	422,793	422,793	422,793
Current assets	21,280,214	21,698,887	22,021,355	22,021,355	22,021,355
Current liabilities	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)
Due to parent and related companies	(48,758)	(1,007,500)	-	-	-
Current portion of loan obligations	3,027,319	2,719,076	2,872,361	2,872,361	2,872,361
Provision and accruals	(1,000,000)	-	-	-	-
Current portion of finance lease obligations	(1,000,000)	-	-	-	-
Current portion of convertible preference shares	(1,000,000)	-	-	-	-
Current portion of subordinated preference shares	(1,000,000)	-	-	-	-
Current portion of subordinated preference shares	(1,000,000)	-	-	-	-
<b>Working capital deficit</b>	<b>(1,000,000)</b>	<b>(1,000,000)</b>	<b>(1,000,000)</b>	<b>(1,000,000)</b>	<b>(1,000,000)</b>
Non-current liabilities	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Long-term subordinated preference shares	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Long-term portion of loan obligations	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Long-term portion of finance lease obligations	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Deferred tax liability	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Long-term portion of subordinated preference shares	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
<b>TOTAL NET ASSETS</b>	<b>21,481,308</b>	<b>22,461,181</b>	<b>22,753,621</b>	<b>22,753,621</b>	<b>22,753,621</b>
<b>SHAREHOLDERS' EQUITY</b>	<b>7,000,000</b>	<b>7,000,000</b>	<b>7,000,000</b>	<b>7,000,000</b>	<b>7,000,000</b>
Share capital	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Reserves	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000
Retained earnings	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Accumulated profit/loss	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>7,000,000</b>	<b>7,000,000</b>	<b>7,000,000</b>	<b>7,000,000</b>	<b>7,000,000</b>

CONSOLIDATED STATEMENT OF CASH FLOWS					
ITEM	UNAUDITED			AUDITED	
	Three Months Jan to Sep	New Months Jan to Sep	2018	Year Jan to Dec	2018
	2019	2019	2018	2018	2018
<b>Cash flows from operating activities</b>	<b>76,000</b>	<b>306,004</b>	<b>1,879,000</b>	<b>1,879,000</b>	<b>2,466,000</b>
Adjustments for:	-	-	-	-	-
Depreciation and amortisation	450,540	471,343	1,798,098	850,094	1,744,761
Stockholding and inventory restructuring costs	-	(6,303)	-	-	-
Impairment in property, plant and equipment	-	-	-	-	-
Net recovery of employee benefits	(82,743)	-	(45,745)	-	-
Finance income	101	2,017	8,529	8,684	13,442
Finance cost	(699,535)	(399,523)	(1,448,238)	(1,277,178)	(2,072,343)
Change in due from parent and related companies	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)
Change in due from other parties	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)
Change in due to parent and related companies	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)
Change in due to other parties	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)
Change in due from convertible preference shares	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)
Change in due from subordinated preference shares	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)
Change in due from subordinated preference shares	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)
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Change in due from subordinated preference shares	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)
Change in due from subordinated preference shares	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)
Change in due from subordinated preference shares	(10,000				

# Carib Cement donates playing field to Constant Spring Primary and Junior High

STUDENTS AT the Constant Spring Primary and Junior High School now have a new and improved playing field, following recent renovations to the existing structure of just under \$3 million by Carib Cement Limited.

The 2,000-square-metre playing field that includes a 50-metre, four-lane, concrete running track is now enclosed by a modern chain-link fence designed to protect the students from a nearby ravine.

The playing field can now accommodate the 630 students for events, including training for competitive sports, and recreational play.

During the recent handover ceremony, General Manager at Carib Cement Yago Castro said the ability to freely play is an essential part of a child's healthy development. "Every child has the right to play

*'We hope that you will be able to do well in school and that those who want to participate in athletics will be able to perform even better, because you now have a safe place to train.'*

and to be safe. Safety is our number one priority at Carib Cement and keeping children safe is the responsibility of adults," Castro said.

"I am pleased that our company was able to create a better area for the children to play, train for

competitions, and just have fun. We hope that you will be able to do well in school and that those who want to participate in athletics will be able to perform even better because you now have safe place to train. Who knows, maybe the next Usain Bolt or Shelly-Ann Fraser Pryce will come from this school," he added.

Shay Dillon, principal of the Constant Spring Primary and Junior High, was particularly elated, as he said the school will now be able to host its own sports day activities at the school. In the past, venues in surrounding areas were sought to accommodate physical education and sports day activities.

China Harbour Engineering Company also contributed to the school by providing a drainage system.



## 6,000 tyres removed from Riverton dump

THE CARIBBEAN Cement Company has removed and burnt some 6,000 used tyres from the Riverton City dump over an 11-day period.

The announcement was made last week by Prime Minister Andrew Holness while giving an update on a memorandum of understanding between the Government and Carib Cement.

The pact, signed in July, will see the removal of two million tyres from the dump.

The prime minister said that the Riverton City dump was one of the Government's greatest challenges, with the tyres forming a large part of the combustible materials in the area.

"The best solution to them, which is now being practised worldwide, is to have them incinerated in a managed process," Holness said.

Darron Pinnock, production coordinator for the tyre-disposal

project at Carib Cement, said that the tyres are transported from Riverton to the Carib Cement plant at Rockfort in east Kingston.

"Once at the kiln, the temperature is set to 1,400 degrees Celsius and the tyres are burnt to ash. This step prevents any gases from being released into the environment," Pinnock explained.

He said that during the pilot phase of the initiative, 6,000 tyres have been burnt in 11 days. The representative said the company has the ability to burn 800,000 in a year and to rid the landfill of tyres in five years.

Carib Cement is responsible for the payment of costs relating to the offloading of the tyres, and both the Ministry of Local Government and the Ministry of Economic Growth and Job Creation will share equally in the cost of putting the tyres on the trucks and transporting them to the kiln.

The Gleaner  
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"In this business, the challenges will always be the same ... but the difference is made by the people and Carib Cement has great people," said Jorge Lizama, director of operations at the Caribbean Cement Company Limited, speaking on behalf of recipients who were recognised for long service to the company at a luncheon held at the Spanish Court Hotel on Tuesday, December 10. Here, Lizama, who has been with CEMEX for 30 years, poses with Kadian Willie (left) and Wayne Phipps (right), who have been with Carib Cement for 10 and 25 years, respectively. Carib Cement is a member of CEMEX group, a global building materials company with operations in more than 50 countries. CONTRIBUTED

# 2020



# CEMENT

CONTINUED FROM 5

affected purchases as builders would avoid mixing cement in rainy weather, according to the president of the Incorporated Masterbuilders Association of Jamaica, Lenworth Kelly, when quizzed by the *Financial Gleaner* at the time on the dip in CCC operational activity. He reasoned that one would expect demand to increase in the December quarter to make up for reduced demand in the September quarter.

Caribbean Cement's sales revenue slipped in the September quarter to \$4.38 billion, from \$4.46 billion in the year-prior period. Profit before tax dipped 55 per

cent to \$238 million from \$531 million in the same period. Profit after tax was down 75 per cent to \$76.8 million from \$305.1 million a year earlier.

Over nine months, profit at the cement plant continued to outpace the previous year at \$1.57 billion or \$1.85 per share, up from \$1.31 billion or \$1.54 per share.

JMMB said the CCC stock has increased at a constant annual growth rate of 104.80 per cent over a five-year period, or significantly higher than the 49.34 per cent growth of the main market over the same period.

The cement company's market capitalisation now stands at \$67 billion, which is around eight times its book value of \$7.9 billion.

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FILE

In this July 18, 2019 file photo, the cover of Caribbean Cement Company's annual report is displayed as a shareholder prepares to leaf through its contents at the cement maker's annual general meeting in Kingston.

## JMMB lowers rating on Caribbean Cement

JMMB SECURITIES Limited lowered its rating on shares of Caribbean Cement Company, CCC, and also set a new target price of \$67.05.

That's more than 15 per cent lower than its average price in January but higher than JMMB's previous target set last February at \$41.81.

"We are downgrading CCC's stock from marketweight to strongly underperform at this point, given that it currently trades at a premium to our price target," said the broker in its latest equity research note.

The broker arrived at its new target based on assessing CCC on the cash it would likely generate – price to earnings before interest tax depreciation and amortisation, or EBITDA; and also projected profit – price to earnings per share over fiscal year 2020.

The broker expects a weak December fourth quarter for the cement maker due to currency movements and taxes, particularly when compared with year earlier levels, which contained windfalls.

"This could trigger a decline

in investor sentiment towards CCC in the near term. However, our medium-term to long-term outlook remains neutral," JMMB said.

Last February, JMMB made a conservative assessment in its previous target at \$41.81 but conceded that it could hit \$79 in a best-case scenario. Within three months of issuing the research, the stock traded in the 1980s and actually hit an all-time high of \$100 during intraday trading on May 2 of last year.

Additionally, the broker's assessment comes amid increased activity in the stock, which climbed 10 per cent between November 6 and January 6.

The JMMB assessment follows CCC's weak third quarter ending September 2019, which the cement company blamed on unusually heavy rains plus a large one-off tax bill. Earnings for the quarter amounted to nine cents, share, compared to 36 cents per share in the 2018 period.

The heavy rains would have

PLEASE SEE **CEMENT**, 10

## High-level US government official for AMCHAM Awards

**CHIEF FINANCIAL** officer and assistant secretary for administration of the United States Department of Commerce, Thomas F. Gilman will be the guest speaker at the 34-year-old American Chamber of Commerce of Jamaica Business & Civic Leadership Awards tomorrow.

Gilman's visit comes days after Mike Pompeo paid a two-day working trip to the island, where several key issues, including commerce and trade, were discussed.

The AMCHAM Business & Civic Leadership Awards seek to celebrate, highlight and encourage those who inspire others with their vision, leadership and achievements.

### DUAL ROLE

Gilman has the dual role of overseeing all financial and management functions for the multibillion-dollar budget of the US government, as well as the administrative and personnel

functions for its approximately 47,000 employees.

Awards will be presented for Excellence for Corporate Social Responsibility, and Excellence for Civic Leadership.

AMCHAM said it received a diverse list of nominees for the awards.

Caribbean Cement, Sutherland Global, Jamaica Energy Partners, The Sagcor Group, The NCB Foundation, tTech Limited, Proven Investments and Chukka

Caribbean are nominated for the award for Corporate Social Responsibility.

Nominated for the Civic Leadership award (individual) are Donovan English, Marc Melville, Guna Muppuri, while Sagcor Jamaica Foundation and Digicel Jamaica Foundation have been nominated in the Large Foundation category.

Hoteller Kevin Hendrickson will receive the President's Award, which is given to a distinguished

business leader and philanthropist who has made significant contribution to Jamaica's development.

The Lifetime Achievement Award will go to Bank of Jamaica Governor Richard Byles. This award recognises individuals "who have made considerable and lasting contributions to economic and social progress in Jamaica through ethical leadership and community-building activities," AMCHAM said.



GILMAN

## New lease on peace

*Bull Bay residents look to block-making machine to calm gang rivalries*

**Corey Robinson**

*Senior Staff Reporter*

RESIDENTS OF warring sections of Bull Bay in St Andrew are hoping the completion of a multimillion-dollar block-making machine from Caribbean Cement Company Ltd (CCCL) will help bolster peace in the area ravaged by gang rivalries since last year.

Assembly of the machine and its housing in 10 Miles square started in 2018, but it was finally unveiled following a ceremony there last Thursday.

Dozens of persons have been murdered over the past two years, and residents are optimistic that the machine will bring renewed peace, unity and economic stability – elements they say are essential to cooling gang rivalries in Bull Bay.

"It is a very important project because the community really needs the zinc fences to come down. That is the first thing. Is a lot of shot a fire all 'bout innah di place. Man a pass through and a do a whole heap a thing," said Milton Stewart, one of 18 residents who graduated Thursday from a block-making training programme.

"Me nah hide and tell yuh; the place nuh pretty 'cause the likkle youth dem nah hear," he continued. "But we need the unity, we need the peace. This war thing not nice."

Stewart's niece was shot in the hip when gunmen chased and fired at each other during a birthday party for his younger sister on December 30 last year. "She got it (bullet) in her hip and it fly through her ... and is man a shoot after man and a run through people yard. A so the place a run," he explained.

### MORE INVESTORS NEEDED

"With this now, people who are interested in work, dem can get likkle work and, at the same time, we can get down some of the zinc fence dem. I think it will unite the people on some level because is not every man is going to want to come stand up in the sun and mix concrete and dem things there," he explained.

In the meantime, 10 Miles graduate Andrea Reid said she

is hoping the block factory can bring more investors to the area, adding that the women in the Bull Bay community are as hard-working as the men.

"More activities will go on in the community, more jobs. You know that when people nah work dem kinda frustrated. So we need more development here," she said, adding that women are an integral part of the community. "Is we run the ground. We watch the machine at nights 'cause the man dem 'fraid, so the woman dem affi stay out," she explained.

According to CCCL executives, seven women were among the graduates, which included youths from Nine, 10 and 11 Miles in Bull Bay. The machine and housing facility cost approximately US\$10,000 and brought with it a lot of lessons on how to implement a project of that nature, they admitted.

The Kingston East Police Division is the latest to be added to a list of areas placed under states of public emergency following a deadly flare-up in the area.

Residents point to a string of arsons, shootings and murders, including that of 23-year-old Chiyano 'Dwayne' Lewis, who was peppered with bullets on January 2, last year. He reportedly crossed a bridge that serves as the official borderline for warring factions in 10 and 11 Miles.

Hours later, 63-year-old machine operator Cumi Daley was shot and killed by gunmen while making his way to work. Daley's death sparked a protest by workers and subsequently the closure of two quarries that supply material to the cement company. Bartenders, shopkeepers and farmers also opted to go home early or turn a blind eye to the happenings.

Despite the violence, Member of Parliament for East Rural St Andrew Juliet Holness said on Thursday that she was confident residents would be able to unite to make the block-making initiative beneficial to all. She said it was the best fit for her constituents, based on location and demography.

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## CONTRIBUTED

With pallets of cement forming a backdrop, the Most Reverend Kenneth Richards, Archbishop of Kingston, goes through a ritual of blessing a new Ventomatic Polimat Palletiser commissioned by Caribbean Cement Company Limited on February 10, the first of two to be installed at the Rockfort, Kingston cement plant. Speaking at the ceremony, Caribbean Cement's General Manager, Yago Castro, said: "Our production capacity, as of today, with only this new palletiser, is now more than 100 per cent of the total Jamaican market. We are able to, right now, before installing the second palletiser, comfortably supply the whole Jamaican market. The implementation of the second palletiser will take us to a next level ... maybe soon we can begin exporting to other countries."

## Impact of non-metals on living systems and environment

yl: chemistry

Francine Taylor-Campbell  
CONTRIBUTOR

You should be able to:

- Discuss the harmful effects of non-metal and metal compounds to living systems and the environment.
- State the importance of the carbon, nitrogen and water cycles to living systems.

### QUICK POINTS

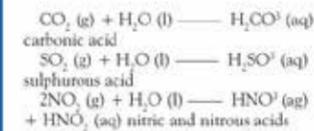
Harmful non-metallic compounds have been increased in the environment due to human activities. These result in the pollution of natural resources, such as air and water.

### NON-METALLIC COMPOUNDS IN THE ENVIRONMENT

Air pollution is caused by the release of waste gases and particulates into the atmosphere. These include carbon dioxide, carbon monoxide, carbon particles, sulphur dioxide, nitrogen oxides, and hydrogen sulphide.

Carbon monoxide, CO, is formed from the incomplete combustion of fossil fuels. Exposure to CO can result in death by suffocation, as it prevents the transport of oxygen around the body. CO will bind more strongly to haemoglobin than oxygen. This causes the cells to be starved of oxygen, leading to dizziness, unconsciousness, and death.

Carbon dioxide, sulphur dioxide and oxides of nitrogen (NO and NO<sub>2</sub>) are produced from the combustion of fossil fuels in power stations, industries, and motor vehicles. These are acidic gases and readily dissolve in rainwater to form acid rain.



Acid rain causes the acidification of water bodies, such as lakes and rivers, resulting in damage to aquatic organisms and the ecosystem. It also lowers soil pH, damages plants, and corrodes metals and buildings.

### QUICK CHECK

How could the impact of acid rain (on soils) be reduced?

Sulphur dioxide and nitrogen oxides can also combine with smoke and water vapours to form smog, which affects the respiratory system when inhaled, increasing incidences of asthma and lung infections. These gases also irritate skin and eyes.

Water pollution is caused by the release of nitrates and phosphates (NO<sub>3</sub><sup>-</sup>, PO<sub>4</sub><sup>3-</sup> and SO<sub>4</sub><sup>2-</sup>) from untreated sewage, detergents and fertilisers into water bodies, such as lakes, ponds and rivers. This results in the rapid growth of plants

and algae which use up dissolved oxygen as they decompose, leading to the death of aquatic organisms. This process is called eutrophication. Release of insecticides and herbicides used in agriculture can become toxic to animals and can become concentrated up the food chain. Consumers at the top of the food chain are harmed and can lead to reduction in the population of some animals.

Chlorofluorocarbons (CFCs) are used in refrigerators and air conditioners, and as a propellant in some aerosol sprays. CFCs are effective because they are inert (unreactive) in the atmosphere; however, they are broken down in the upper atmosphere (stratosphere) and react with ozone (in the ozone layer). This leads to the breakdown of the ozone layer, thereby

allowing harmful ultra-violet (UV) radiation to reach Earth. Increased exposure to UV radiation leads to increases in skin cancers and incidences of sunburns.

### FURTHER PRACTICE

- Chlorofluorocarbons are also greenhouse gases.
- (i) Name one other greenhouse gas found in the atmosphere. [1 mark]
  - (ii) State the origin of the greenhouse gas named in part (i). [1 mark]
  - (iii) Describe how the presence of CFCs in the upper atmosphere increases the amount of ultra-violet light reaching the Earth's surface. [2 marks]

*Francine Taylor-Campbell is an independent contributor.*



Ms Fatima Muwwakkil and son Aleem Maitland of Camperdown High School with Caribbean Cement Company General Manager Yago Castro.

# The role and types of capital – Cont'd

**Yvonne Harvey**  
CONTRIBUTOR

**W**ELCOME ALL. This week, we will begin by considering a question based on the information outlined in last week's lesson and then go on to tackle specific Objectives 5 and 6 of Section 5. These deal with the role of capital in production and differentiating between the different types of capital, respectively.

The question based on last week's lesson is:

(a) (i) Define the terms 'resources' and 'human resources'. (4 marks)

(ii) Give FOUR examples of human resources. (4 marks)

(iii) What do you understand by 'human resource development'? (2 marks)

(b) Discuss FOUR ways in which human resources are developed in your country. (8 marks)

(c) What is the link between improving the human resource and improving the productivity of labour and the entrepreneur? (2 marks)

Total marks: 20

(a) (i) Resources are factors or inputs into the production of goods and provision of services which fall under the heading of land, labour, capital, and entrepreneur.

Human resources refers to those resources provided in human form, i.e., labour and the entrepreneur.

(ii) Four examples of human resources are: accountants, agriculturalists, bank workers and managers.

(Please note that there are other acceptable examples.)

(iii) Human resource development refers to anything that is done to improve labour or the entrepreneur, and which results in their greater productivity and efficiency.

(b) Four ways to develop human resources in Jamaica include:

- More and improved education.
- Training and re-training.
- Greater health.

■ Improving the tools and equipment that the human resources have to work with. (Please note that there are other acceptable answers and that each way must be discussed. This means that you must go on to say how the factor will improve the human resources. See last week's lesson.)

(c) The link between improving the human resources and improving productivity of labour and the entrepreneur is that any improvement in the human resources will increase average output (productivity) and, therefore, efficiency of these factors will also increase.

Now, let us discuss the role of capital in production:



Scholarship recipients from the Bull Bay community with Carib Cement General Manager Yago Castro.

When dealing with capital as a factor of production, you will remember that that classification does not include money. Money is the means of purchasing the capital as a factor of production. For this topic, therefore, we define capital as any man-made item that can be used directly to produce goods and provide services. Examples of capital as a factor of production include tools and equipment, machinery, raw materials, factory buildings and plant, and semi-finished goods. A simple way of defining this type of capital is goods used to produce other goods and services.

Capital as a factor of production is very important as it allows production that might be impossible for labour alone to undertake, or it allows production to take place in a more timely manner than if it did not exist. With capital as a factor of production, output and productivity increases. Think of a garment factory. Output and productivity would be very low if there were no sewing machines. However, if sewing machines are used, then output and productivity will increase.

Let us now move on to differentiating between the different types of capital:

### FIXED CAPITAL

Fixed capital refers to fixed assets such as buildings,

machinery, tools, or vehicles. It is usually long-lasting and is acquired with financial or money capital.

### WORKING CAPITAL

This is capital used for day-to-day operations of the business. It is often defined as capital that can change its form, and it includes cash in hand and cash held at the bank, partly finished goods, and materials. Working capital is used to cover wages and other immediate expenses, such as utility bills.

### VENTURE CAPITAL

Venture capital is money invested in a new business or in a business that is being reconstructed, with the hope of making interest when the business is sold. This type of capital is seen as risk capital, as the investor risks losing what is invested.

Well, that is it for this lesson. Next week, we will cover a section of Objective 7 under Section 5. The topic will be the types of production. In the following week, Objective 7 will be completed with levels of production. Bye-bye for now.

*Yvonne Harvey is an independent contributor.*

A2

# J'can vounteer relishes role aboard 'Logos Hope'

**Judana Murphy/Gleaner Writer**

CHANTELL JOLLY was a picture of passion and fulfillment as she spoke to *The Gleaner* yesterday aboard the *Logos Hope* at the Caribbean Cement Company Port in Rockfort, Kingston.

The world's largest floating book fair was officially opened to the public yesterday and will run until March 15.

It was docked in the Second City, Montego Bay, earlier this month.

The 27-year-old Jamaican is among 400 volunteers from 60 countries and has been on board for two years.

In a bandana dress, she walked with pride to the platform to give a brief welcome as representatives paraded a few of the nationalities represented.

Jolly grew up in Harbour View, St Andrew, and attended the Convent of Mercy Academy (Alpha) before working in the loans department at Scotiabank.

"I felt like it was the direction that the Lord was leading me [to go] in because I am a Christian, and growing up, I knew at some point, I'd be involved in missions. I just didn't know when," she said.

Jolly said she had applied to Operation Mobilization (OM), the missionary operators of *Logos Hope*, but had not followed up on her application.

When the ship last visited in 2017, she felt a tug.

"I was going back and forth. Do I leave my job now and make this transition? It was a weird place to be in, but I felt like the Lord was calling me at that time," she said.

"I have no regrets. I feel

like this is the best thing I've done. It's the happiest I've been if I'm being completely honest. I have that peace," Jolly said.

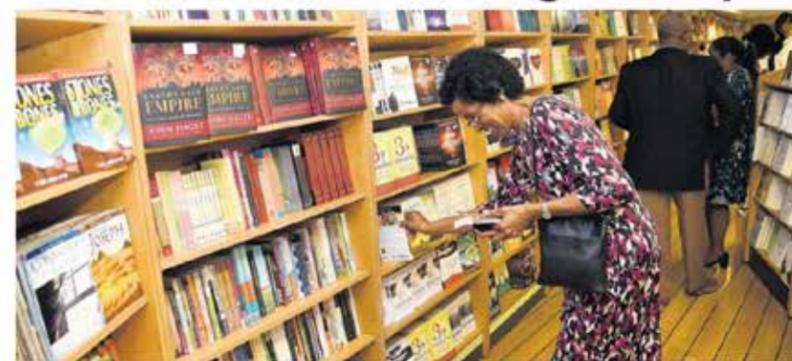
She started her journey in the library when the ship was docked in Colombia then transitioned to the role of travel coordinator after six months, where she was responsible for booking flights and organising ground transportation for volunteers.

### GOOD TO BE HOME

Jolly is currently a human resources administrator, a position she has held for little more than two weeks, and she relishes the opportunity to sail to Jamaica.

"I get to reconnect with friends and family ... and then for friends and family to actually experience what I'm doing on board, it's not something far and distant anymore," she said.

"Just to be able to share our three goals on board



Patrons shopping and browsing as the *Logos Hope* opened to the public at the Caribbean Cement Company Port in Rockfort, Kingston, yesterday. PHOTOS BY IAN ALLEN/PHOTOGRAPHER

– knowledge, health, and hope – in my home country, like I've done this in probably 15 other countries so far, but to be home is super, super special," Jolly said.

Family, food, and fellowship with her church community are what she misses most, but she finds comfort knowing that she is where she's supposed to be.

"I see God's hand in

### LOGOS NOTES

**Entry fee:**  
\$200  
(Entry fee is waived for children under 12 years and adults over 65 years)

**Opening hours:**  
Tuesday to Saturday:  
10 a.m. – 8:30 p.m.

Sunday: 2 p.m. – 8:30 p.m.  
(Closed on Monday)

**Prices:**  
100 units = J\$300

everything that I am doing," she said with a broad smile. "I want to focus more on the ministry aspect of stuff. In Jamaica, we are known more as the book ship, but we do so much more than that."

Minister without portfolio with responsibility for Education, Youth and Information Karl Samuda, who spoke on behalf of the prime minister, said the *Logos Hope* "brings a true sense of hope to the shores of Jamaica".

"It will enable so many of our Jamaican people, youngsters

particularly, to have a better appreciation for the importance of being able to read," Samuda said at the official opening ceremony aboard the vessel.

The minister expressed concern about the level of illiteracy among students.

"There are times when you see children being elevated in the school system, and you assume that they have reached a certain standard when, indeed, they have not," he said, adding that children and adults alike face frustration when they see others reading and are unable to comprehend what was read.

*Logos Hope* offers more than 5,000 different book titles at affordable prices, including educational, children's books, spiritual, academic texts, dictionaries, and atlases.

It also boasts a visitor experience deck, which introduces the vessel through a short movie and interactive display and an international café.

JOLLY



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**YL: PRESS RELEASE**

**VOLUNTEERS FROM LOGOS HOPE TO BRING HOPE AND GIFTS TO KINGSTON**



**W**HEN THE *Logos Hope*, the world's largest floating book fair, docks at the Caribbean Cement Company in Kingston from February 27 to March 15, 2020, it will bring 400 international volunteers from 65 countries on board who will engage in several social outreach programmes in various communities.

In addition to bringing 5,000 book titles for sale to the public at discounted prices, the crew will work with a number of local churches and organisations to distribute certain needed items. Among them will be 1,000 eyeglasses for residents of downtown Kingston, Trench Town and communities in the Blue Mountain area.

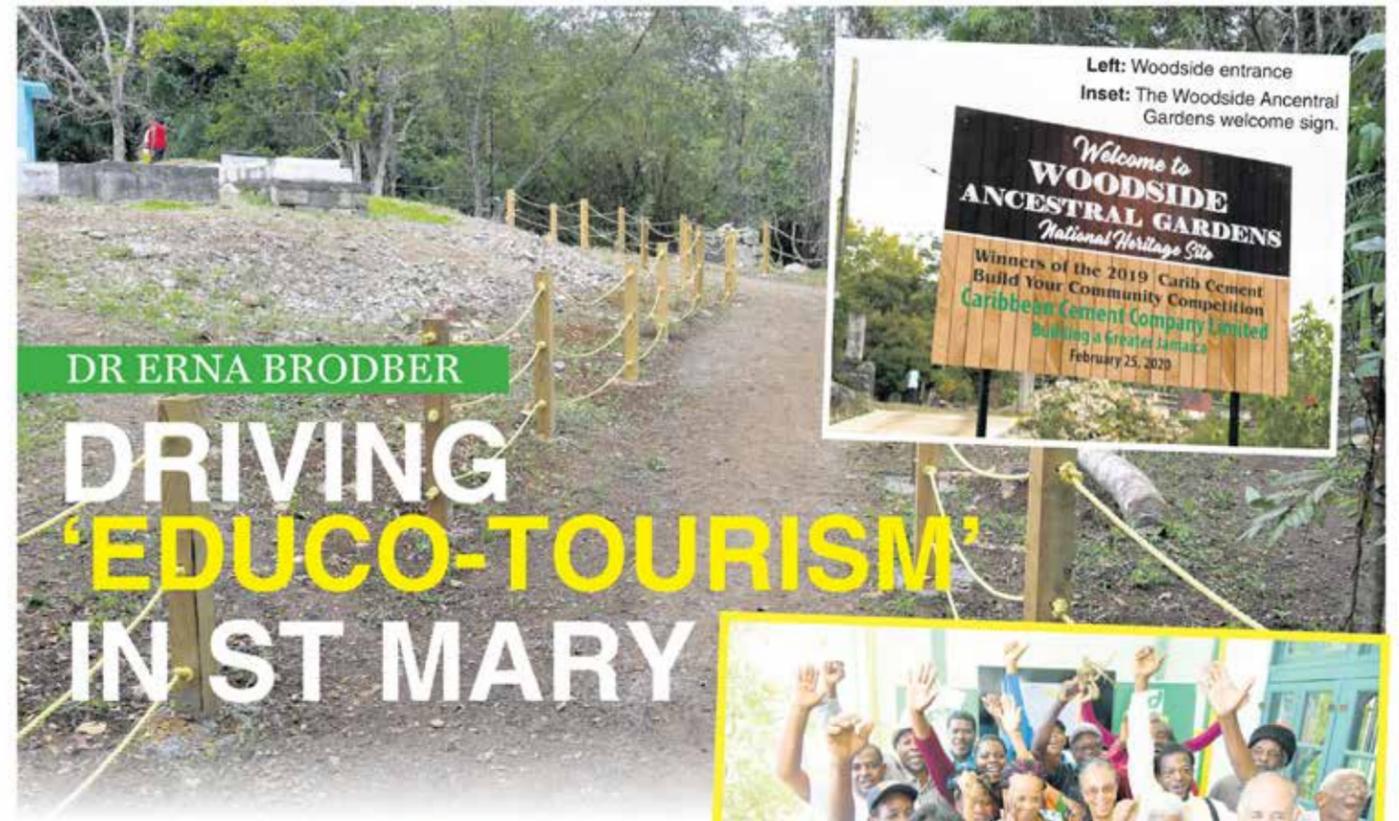
"We want to point out, however, that we will not be carrying out examinations to determine major eye issues, but mere sight

tests to prescribe the strength of lens needed for better reading purposes only," said Benaya Keppler, project coordinator, *Logos Hope*.

In addition, *Logos Hope* will be donating five sewing machines to a church in the Blue Mountain area, so members can generate income. Also, the crew from the floating book fair will be donating a special design of shoes for children that can be worn many years by changing the size through adjustment of the straps. A number of school bags for basic-school students will be distributed downtown Kingston as well.

"The gifts from *Logos Hope* will go to persons who have been preselected by the churches and organisations with which we shall be working to distribute the items," said Keppler.

The volunteers have plans to share the



**DR ERNA BRODBER**

**DRIVING 'EDUCO-TOURISM' IN ST MARY**

**I**T IS now a popular exercise worldwide for persons trying to find their ancestors; however, the community of Woodside in St Mary will tell you it does not need [ancestry.com](http://ancestry.com).

"For data on their ancestors, there exists a Wall of Honour, providing a jumping off point for further research," says Dr Erna Brodber, St Mary's pioneer of 'educo-tourism'.

The renowned academic, novelist, sociologist and anthropologist credits Carib Cement for making this possible.

Although she has travelled to many parts of the world to teach, give lectures and conduct research, her base remains Woodside, St Mary, the village where she was born and raised. Such has been her love and commitment to her community, that her skills and expertise have been directed at uncovering its history and advocating for its recognition and development. As she has moved forward, she has insisted on taking everyone in the community with her, and through this her village has become known as a centre for educo-tourism, heritage tourism and now, with the establishment of the Woodside Ancestral Garden, spiritual tourism.

Meant to be a sacred space, the Ancestral Gardens pays homage to the convergence of Taino, African and European presence.



**Dr Erna Brodber**

Dr Brodber hopes that visitors from Jamaica and around the world will come to contemplate their lives and learn from the history of those who once occupied the area.

The dream of the Ancestral Gardens, conceptualised more 15 years ago, became a reality when the Woodside Community Action Group emerged winners of the



Woodside community members celebrating at the announcement of being the winner of the Carib Cement Build Your Community Competition in 2019. CONTRIBUTED PHOTOS

Caribbean Cement Company Limited's Build Your Community Competition last year and earned the prize of a community development project valued at \$5 million dollars.

Acting on the specifications of the community's proposal, contractors commissioned by Carib Cement transformed an area which was mostly a roughly cleared space surrounded by bushes and which was accessible only by gingerly descent down a slope. The work crew, including tradesmen and labourers from the community, installed: concrete benches, a symbolic replica of a Taino hut, railings, concrete steps, concrete pathways, protective barriers, signage, and a wall of

honour on which names of enslaved persons who worked on the former coffee plantation in the area will be mounted. Carib Cement also renovated restrooms, provided a water tank, paved a section of the road entering the community, and donated a string trimmer (weed-whacker) to help with the ongoing clearing of bush and brush.

This and other improvements to the area make the space easily accessible and welcoming for either hosting events or for quiet individual reflection. It is hoped that the garden will increase the number of visitors to the area, reignite community tourism, provide employment for residents in the



Some of the names uncovered by Dr Erna Brodber's research which will be mounted on the Wall of Honour, a component of the Ancestral Gardens donated by Carib Cement.



Basil Walker, who grew up in Woodside, reviews the names of the enslaved persons which will be mounted on the Wall of Honour in Ancestral Gardens. Among the names is that of his ancestor, Mary Drew. Dr Erna Brodber's research has identified the names of enslaved persons and their descendants, some of whom still reside in Woodside. The Wall of Honour was built as part of Carib Cement's project in the community.

capacities of bed and breakfast hosts and tour guides.

In her own words, Dr Brodber expresses her hope: "There is no need for this sacred tourism to be a one-day experience only. There are other significant sites in Woodside with which one can also relate, such as Atabey, a Taino petroglyph discussed in the historical records since 1820. We also have caves, significant enough to attract the Leeds University in the UK and to be pictured in Fincham's **Jamaica Underground**. There are people in the village that can make some dollars leading tourists through these caves".

Situated within central and western St Mary, Woodside is a farming community located close to Highgate and Guys Hill. Four national heritage sites have been declared in the area by the Jamaica

National Heritage Trust, namely: Dryland or 'One/Long Bubby Susan', a cave with a petroglyph; St Gabriel's Anglican Church; Taino Steps, and 'Daddy Rock'.

Other intriguing features of the community make it highly attractive to researchers and students. "Since 1988, we have operated a tourism product in our village which we call "eduro-tourism", because it emphasises knowledge, and most of our clients are college and high-school students and their teachers. It is structured so that both locals and foreigners/visitors share knowledge," said Dr Brodber.

Usually, guests to the area stay in homes in the village learning, among other things, to eat and prepare their foods, while exchanging their culinary forms. "There is always a cultural session in which we teach each other cultural items

such as dances and songs, poems, stories and games. The main fare has been, however, visits to our historical sites, three of them now defined a sacred space," Dr Brodber said.

The Woodside Community Action Group is hoping for further developmental support to market and sustain its unique product, including the annual observation on August 1, when the emancipation is celebrated and the declaration reenacted. Also this year, a landmark activity will take place at Woodside with the staging of

a Taino peace-and-dignity run in which Tainos from outside of Jamaica will participate. The Anglican Church, owners of the property on which the heritage sites are located and who granted

permission for the establishment of the Ancestral Gardens, have proven to be visionary, innovating and very supportive of the community's developmental and advancement efforts.



Residents of Woodside and members of the Community Action Group show off their skills at carving letters for their special pickle, which was presented as a thank-you gift to Klao Bell-Lewis (centre), community outreach manager at Carib Cement.



Woodside Ancestral Gardens.



From left: Angela Heron of the Woodside Community Foundation; Ronald 'Kaikotekina' Pairman and her daughter Tanama-Areyto; Robert 'Kalaan' Pairman, kasike of the Jamaican Hummingbird Tribe; Dr Erna Brodber of the Woodside Community Foundation; and Reverend Father Seymour Hutchinson, pastor of St Gabriel's Anglican Church.

# Corporate HANDS

To participate, send captioned pictures of the projects you have sponsored to [editorial@gleanerjm.com](mailto:editorial@gleanerjm.com)

## Carib Cement gives to the fire service



Yago Castro (second left), general manager of the Caribbean Cement Company Ltd, and Superintendent Julian Davis-Buckle of the Kingston and St Andrew Division of the Jamaica Fire Brigade examine the plaque at the newly opened decontamination unit donated by the Caribbean Cement Company to the Rollington Town Fire Station. Looking on are firefighters. The decontamination unit is the only of its kind on the island and will improve the health and safety conditions of firefighters in that region. **CONTRIBUTED**

# Caribbean Cement resumes exports to Cuba

**C**ARIBBEAN CEMENT Company Limited grew export sales threefold to markets that included Guantánamo Bay in Cuba, but overall sales were flat.

Revenue for the group amounted to \$17.76 billion, which represented an increase of 1.0 per cent year-on-year. The bulk of those sales, \$17.57 billion, were made in Jamaica.

The lacklustre sales growth, plus a larger debt financing bill, saw the cement maker's bottom line shrink from \$2.47 billion, or \$2.90 per share, to \$1.88 billion, or \$2.21 per share.

Exports remained a minor part of the operation, but the company sold \$191 million of product abroad, compared to just \$58 million the previous year.

It follows on the company's pledge to

resume exports, which halted in 2018 when the company was focusing on meeting rising demand in its home market.

In 2018, "while there were exports to Guantánamo Bay" overall exports of cement declined as the company focused on the local market demand, according to Caribbean Cement's annual report.

During 2019, the company said it exported \$100.2 million worth of product to a "North American country", compared to zero sales to that jurisdiction the previous year. Those sales appear to have been executed through parent company Cemex. Its exports to the Caribbean totalled \$91.6 million, up from \$58.4 million the previous year.

The 2019 report did not name Guantánamo Bay, but a cement company representative told the **Financial Gleaner**



FILE

## Caribbean Cement Company Limited.

that Caribbean Cement resumed exports to that area, and that those sales would have positively impacted on total exports. Guantánamo Bay, which is located on the southeastern tip of Cuba, contains a US Naval Base and detention camp.

Carib Cement previously announced that it wanted to restart exports to The Bahamas, Bermuda, Grenada, and other unnamed countries in the Caribbean.

During the financial year, the plant operated more efficiently, with earnings

from operations totalling \$4.25 billion, compared to \$4.16 billion a year earlier. The gains were swallowed, however, by higher finance costs totalling \$881 million and losses from foreign currency of \$640 million. Roughly two-thirds of Caribbean Cement's \$9.15-billion debt is denominated in US currency.

The company owes \$6.07 billion to parent Cemex Espana and \$3.07 billion to National Commercial Bank Jamaica Limited.

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# Cemex signals cuts of US\$22m to Caribbean projects

**MEXICAN CONSTRUCTION** giant Cemex, the ultimate owner of Caribbean Cement Company in Jamaica, announced plans to review over US\$22 million in regional projects, amid pay cuts.

The company expects reduced demand arising from the ongoing COVID-19 pandemic and is cutting back on spending.

"We expected to make capital expenditures of US\$22 million during 2020 in Caribbean TCL. As of the date of this annual report, the expected capital expenditures to be made in our operations in the Caribbean TCL during 2020 are under review as a result of measures taken by Cemex to mitigate potential risks posed by the spread of COVID-19," stated Cemex in its report released this month.

Cemex's Caribbean capex has been declining over the past three years, from US\$32 million in 2017 to US\$29 million in 2018, and US\$21 million in 2019.

The report did not disaggregate the budgeted capex in the country markets operated under Trinidad Cement Limited.

Caribbean Cement Company meanwhile was vague about its ongoing plant upgrade programme, choosing to skirt the implications for the Rockfort project.

"We aim to transform this factory into a state-of-the-art one, placing it among best in

class in the region. However, during these extraordinary circumstances we are optimising our resources and postponing all non-essential expenses," the company said.

The adjustments being made by Cemex also affect its other markets in the region, including temporary shutdowns in several jurisdictions.

"In most of Cemex's South America, Central America and Caribbean region, the company's operations have been temporarily affected. As a result of different regulations, Cemex operations in Trinidad & Tobago, Barbados and Panama have been temporarily halted in most of its operations," the construction company said.

Caribbean Cement did not respond to requests for comment on what elements of its operations would be affected.

Last year, TCL contributed US\$248 million of Cemex's US\$14.5 billion group revenue. That's down from US\$254 million of revenue for TCL in 2018 and group revenue of US\$15.4 billion for Cemex.

Cemex executives have agreed to take a 25 per cent pay cut from May to July; board members have been asked to give up 15 per cent of their compensation; and workers 10 per cent, with "the deferred amount to be paid in full during December 2020".

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### STATE-OF-THE-ART TRANSFORMATION

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Olivia Grange (centre), minister of gender, culture, entertainment and sports with (from left) Garen Williams, sales manager infrastructure and distributors at the Caribbean Cement Company; John Valentine, managing director of Jamaica Pre-Mix Limited; André Nelson, industrial and builders manager, Cemex Jamaica; and Mayor of Kingston Delroy Williams, at the Nelson Mandela Park in Half-Way Tree, St Andrew, in support of the pre-National Labour Day 'wash-down' of the roadway and sidewalks, and other public space as part of the sanitisation to fight against COVID-19 on Sunday, March 25. The sanitisation was organised by the Caribbean Cement Company and Jamaica Pre-Mix. RUDOLPH BROWN/PHOTOGRAPHER

# Caribbean Cement predicts big drop in annual sales

CARIBBEAN CEMENT Company Limited, CCCL, expects its annual sales to drop by up to 20 per cent due to COVID-19.

The projected fall in sales comes with the economic slowdown and health measures to stem the spread of the coronavirus.

"The forecast we are seeing is a 10 to 20 per cent decline in annual terms," said General Manager Yago Castro at a virtual Mayberry Investor Forum last week. "We are factoring the first quarter which was normal, but the second quarter we saw a drop by one-third, and the third quarter we are also expecting a decline when compared with last year," he said.

Caribbean Cement reported \$17.8 billion of sales in 2019, a fifth of which would amount to \$3.6 billion. The more conservative fallout of 10 per cent of sales would equate to \$1.78 billion.

The cement market was already softening before Jamaica began counting COVID cases. The cement maker reported sales of \$4.5 billion in the first three months of the year, indicating a flat quarter compared with \$4.4 billion of sales in the similar period in 2019.

Market conditions changed radically in April, with sales down 35 per cent year on year, and about 10 to 20 per cent lower in May.

"The impact has been quite severe," Castro said.

Caribbean Cement in its March financials described the COVID-19 pandemic as "undoubtedly" one of the greatest challenges



Yago Castro, general manager of Caribbean Cement Company Limited. FILE

of our times.

"At Caribbean Cement Company Limited, we are acting decisively to properly analyse, develop, and execute measures to safeguard our company and our people, as well as our customers, suppliers, and communities," CCCL said in its earnings report.

Castro told the virtual Mayberry forum that prior to the onslaught of COVID-19, the macroeconomics of the country were solid and the country was on a path to further construction growth. He said Caribbean Cement had the capacity to produce cement to satisfy 150 per cent of local market demand, even prior to COVID-19; and that the company would under normal circumstances "turn off the mill 30 per cent of the time every day" so that its output would not exceed local demand.

Now with reduced local sales, the Rockfort, Kingston-based plant requires new markets to take up the shortfall. Consequently, the company plans to increase exports in the second half of the year to places such as Cayman Islands, Bermuda and The Bahamas.

Last month, Cemex, the ultimate owner of Caribbean Cement, indicated that its global subsidiaries would review capital expenditures for 2020 due to the COVID-19 fallout, for the Caribbean operations that includes a review of the planned US\$22 million in regional projects.

Cemex's Caribbean capex has been declining over the past three years, from US\$32 million in 2017 to US\$29 million in 2018, and US\$21 million in 2019. The report did not disaggregate the budgeted capex in the country markets operated under Trinidad Cement Limited, which is CCCL's direct parent company.

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# Seventeen join AGM court case

**I**N TWO weeks, the Supreme Court will hear arguments on whether 17 companies listed on the Jamaica Stock Exchange, JSE, can conduct their annual general meetings, AGM, via live-stream or electronic broadcast.

The representative action, which is slated to be heard in court on June 24, was organised by the Jamaica Stock Exchange after numerous letters and phone calls from listed companies currently challenged by the prospect of holding their AGMs amid the current restrictions on public gatherings imposed by the Government to no more than 10 persons at a time.

The JSE itself is one of the 17 companies. The others are Barita Investments, Berger Paints Jamaica, Caribbean Cement, FosRich, JMMB Group, Lasco Distribution, Lasco Financial, Lasco Manufacturing, Main Event Entertainment, Mayberry Investments, Mayberry Jamaican Equities, Sagcor Group, Supreme Ventures, Transjamaican Highway, Victoria Mutual Investments and Wigton Windfarm.

There are four AGMs scheduled to happen between June 17 and June 19, but none of those companies – Jamaican Teas and its



FILE

**Marlene Street Forrest, managing director of the JSE Group.**

subsidiary QWI Investments, and Jamaica Producers Group and subsidiary Kingston Wharves – has joined with the JSE on the court application.

The JSE will be represented by Michael Hylton, QC in court.

Since March, a number of companies have postponed their annual meetings,

with the exception of GraceKennedy Limited, GK, which held a remote meeting at the end of May.

Some 200 shareholders logged on to the meeting, which had five persons in the room from which the meeting was streamed. GK said it only needed three persons for a quorum.

But according to guidance from the Companies Office of Jamaica, a virtual AGM or an on-site meeting combined with a virtual AGM is not permissible under Jamaican law.

Any digression from what the legislation specifies has to be pre-approved through a special court order.

It means that GK runs the risk of having its meeting invalidated and that shareholders could bring an action against the company for limiting the number of shareholders in attendance.

Prime Minister Andrew Holness previously said at one of his COVID press briefings that the Government was considering adjusting the limit on the number of persons who can attend AGMs, but neither a number nor effective date has been specified.

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(2015-2018)  
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company in Jamaica)

**\$295M\***  
investment in  
**CSR projects**  
(2016- 2019)

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**17,000**  
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**500**  
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## Carib Cement presents health ministry with thermometers, gloves



Carib Cement recently presented 15 handheld thermometers and 2,000 gloves to the Southern Regional Health Authority (SRHA), to assist in the ongoing fight against the COVID-19 pandemic in Jamaica. Health and Wellness Minister Dr Christopher Tufton (left), accepts the donation on behalf of the SRHA from Yago Castro, general manager of Carib Cement Company, at the Ministry of Health offices. **CONTRIBUTED**

# Court approves virtual meetings for 16 listed companies

**KARENA BENNETT**  
Business Reporter

JAMAICA STOCK Exchange and sixteen listed companies Jamaica Stock Exchange were on Wednesday given approval by the Supreme Court to hold their annual general meetings by full or partial electronic means.

The representative action led by the JSE, and filed with the court on June 8, was considered necessary for companies to hold their meetings without breaching shareholder rights in the context of social-distancing protocols put in place by the Government that confined gatherings to no more than 10 persons at a time, since April, to contain the spread of COVID-19.

One solution was virtual meetings, but it needed the backing of the court.

The 17 companies that participated in the court application were: Barita Investments, Berger Paints Jamaica, Caribbean Cement, FosRich, JMMB Group, Lasco Distribution, Lasco Financial, Lasco Manufacturing, Main Event Entertainment, Mayberry Investments, Mayberry Jamaican Equities, Sagcor Group, Supreme Ventures, Transjamaican Highway, Victoria Mutual Investments, Wigton Windfarm and the JSE, which is also listed on its own exchange. They were represented by Michael Hylton QC and his firm.

The court order means that all but one of the 17 companies, Mayberry Jamaican Equities Limited, can hold virtual meetings by live stream or broadcast using electronic means and allow their shareholders to participate and vote electronically either before or at the meetings.

"Because Mayberry Jamaican Equities is an international [business] company, it would



File

**Marlene Street Forrest, managing director of JSE Group.**

not be held to the laws of the Companies Act. And so there was no need for them to be represented," Managing Director of JSE Marlene Street-Forrest told the *Financial Gleaner*.

Mayberry Jamaican Equities is registered offshore in St Lucia.

The other 16 can now serve notices and supporting documents to their shareholders by email or by postings on their websites, and the JSE's website. Any company of the listed group which might otherwise have missed their deadlines for 2020 AGMs now have up to December 31, 2020, to call these meetings.

Companies that were not

parties to the application will not be covered by the court order, and would have to convene their meetings as prescribed by statute.

Five companies have held their annual general meetings since the end of May, offering a mix of virtual and physical attendance options: GraceKennedy Limited; Kingston Wharves Limited; Jamaica Producers Group; Jamaican Teas Limited; and QWI Investments Limited.

The JSE has warned that the decisions made and business conducted at those meetings are subject to legal challenge.

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Mayor of Montego Bay Homer Davis (right) and Member of Parliament for Central St James Heroy Clarke scrub sidewalk along St James Street, during a sanitisation exercise in Montego Bay on Sunday, June 28.

## Montego Bay streets sanitised

ST JAMES Street and Sam Sharpe Square in Montego Bay have been sanitised by the parish's municipal authority as part of ongoing measures to combat COVID-19. The exercise was carried out on Sunday in partnership with Caribbean Cement Company Limited and Jamaica Pre-Mix Concrete Limited.

Mayor of Montego Bay Homer Davis said the activity started from the City Centre building, and the focus was on areas mostly traversed by pedestrians and vehicular traffic.

He noted that the stakeholders "are well pleased with how things progressed".

Davis, who was addressing a press briefing that took place after the sanitisation exercise, encouraged residents of Montego Bay to keep the city clean.

### 'WE CAN DO BETTER'

"We can do much better. Some three years ago, we installed some 350 receptacles along the streets of Montego Bay and I would like to ask our citizens to please start using them again," he implored.

For his part, general manager of Caribbean Cement Company Yago Castro Izaguirre said, "Once we were made aware of that need, we were very pleased to come."

He said that the company is looking to do much more in Montego Bay, and contributing to the sanitisation of the city is a good place to start. Caribbean Cement Company Limited and Jamaica Pre-Mix Concrete Limited provided two mixing trucks, with a combined 30,000 gallons of sanitiser, which was used to cleanse sidewalks, road surfaces, cobblestones and other areas in Sam Sharpe Square and St James Street.

## Clarendon club president: More cyclists in crashes than reported

Cecelia Campbell-Livingston/  
Gleaner Writer

DEON PALMER, president of the Clarendon Cycling Club, has expressed concern about the number of accidents involving bicycles in the parish, saying many of these incidents go unreported.

"Bicycle accidents are more regular than you think," Palmer said at a recent ceremony to accept a donation of reflector strips under the CEMEX Global Supply Chain Vulnerable Road Users initiative, a partnership between CEMEX Jamaica and Caribbean Cement Company Limited.

"Just this week, one friend of mine was hit off his bicycle by a minibus driver, who admitted he fell asleep," Palmer added.

He said that most cyclists make arrangements on the spot for compensation with motorists, if their bicycles are not badly damaged or they have not suffered serious injuries.

He added that, as such, police data would not capture a full picture, especially since most accidents go unrecorded if the cyclist survives the incident.

"There are more accidents in Clarendon involving cyclists than is being reported," Palmer insisted. "Motorists need to be more aware and to respect all road users. Some drivers behave as if cyclists do not have a right to be on the road. Many riders get knocked off their bicycles daily, but do not report it. Drivers need to take bicycle riders and the risks we face

seriously," Palmer said. The cycling club president expressed gratitude for the donation of reflector strips, which will be distributed to pedal cyclists who club members encounter without the safety device on their bicycles.

"With a gift like the reflector strip, that is important, but the highlighting of the safety measures is an even more important gift," said Palmer as he thanked the CEMEX team for a pep talk given with the club members just before a recent 192-kilometre ride from the parish of Clarendon to Montego Bay, St James.

CEMEX/Caribbean Cement's Driving School instructor Clinton O'Connor engaged the cyclists in a



Clinton O'Connor, CEMEX/Caribbean Cement Driving School instructor, demonstrates how to conduct a safety check on a bicycle to members of the Clarendon Cycling Club before they headed out on a ride to Montego Bay.

LEFT: Deon Palmer, president of the Clarendon Cycling Club, receives reflector strips from Marcia Dixon, freight and fleet coordinator of the Caribbean Cement Company. PHOTOS BY CECILIA CAMPBELL-LIVINGSTON

discussion, giving them guidance on personal protective equipment, including foot straps, helmets, and clothing. He also briefed them on the correct placement for reflector strips, how to detect blind spots of a truck; how to be mindful of other road users, including pedestrians; and on adherence to the road code and safe riding practices.

Palmer said that many persons

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Blockmaker Mark is among those anxious to see the machines working again. PHOTOS BY RUDOLPH BROWN/PHOTOGRAPHER

# Thieves cripple Bull Bay blockmaking project

Jason Cross/Gleaner Writer

**A** PROMISING blockmaking project in Bull Bay, St Andrew, aimed at empowering members of the community, has been indefinitely suspended after being targeted by thieves and other persons with malintent.

The project, which was given legs by St Andrew East Rural Member of Parliament Juliet Holness and Carib Cement, offered Bull Bay residents an opportunity to learn a new skill and earn a living, but after producing well over 1,000 blocks in just three days earlier this year, crooks plundered the storage area, removing hundreds of blocks.

Michelle White, one of the leaders of the project, said that Holness ordered that the project be halted until a perimeter fence had been erected to prevent theft and keep out intruders who were tampering with equipment donated by Carib Cement.

So early did the issue raise its ugly head that when the project was officially launched, not many blocks produced by the team were available for show.

"A whole heap we did mek and



The blockmaking equipment sits idly in the background of this Bull Bay, St Andrew, plant after the operation was shuttered due to theft and vandalism.

people tek and tek. When they came to do the ceremony, plenty wasn't here fi dem tek nuh picture fi put up. Di whole a here suh did full off wid blocks." White told **The Gleaner**, pointing to the storage area.

"We say might as well we just mek and sell and pay back whosoever work, but Mrs Holness decide seh dat cyaa gwan. She seh it nuh mek no sense we a mek block fi sell and di place wah fence

up," a frustrated White added.

She is convinced that persons accessing the property without authorisation and breaking equipment were doing it out of malice.

"A nuh pickney come break it. A big somebody," White said of a piece of equipment. "We did have a little issue out here. Who did deh pon di training, plenty a dem never did a go come back fi work because dem nuh need so many

persons. A man definitely pull it up and break it off. Bad mind inna it."

White said that the uncertainty surrounding the restarting of the operations had led some members of the team, including her son, who started working with her, to look elsewhere to earn a living. She added that although a tractor has dug up the area for the fencing, stakeholders have been complaining that for two months, nothing else has been done.

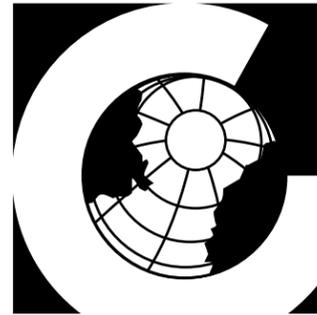
The open trenches now pose a hazard for children and the elderly, White said.

"Nuff people – all pickney – drop dung in deh. It dangerous," she told **The Gleaner**.

The seven-member team, which comprises three women and four men, is anxious to see the project – under which members of the community would be able to purchase blocks at a discounted rate – going again.

"Blockmaking nice, man," White said. "Since we stop mek, a nuff people come and want 1,000 or 2,000. Everybody a come to me or my son, asking if dem can't get block fi buy."

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CARIB CEMENT COMPANY LIMITED



## REQUEST FOR INTEREST (RFI)



Caribbean Cement Company/Cemex Jamaica Limited is seeking to engage the services of companies who can provide forklift, excavator and heavy-duty equipment rental. Interested contractors, please send company profile and other key information to [CCCLPurchasingGroup@tclgroup.com](mailto:CCCLPurchasingGroup@tclgroup.com)

# Cement market resilient

**STEVEN JACKSON**

Senior Business Reporter

**C**ARIBBEAN CEMENT Company Limited may resume cement exports to the region, but says if it does, it won't be at the expense of the Jamaican market.

The cement producer supplies the bulk of the local market from its production facility at Rockfort in Kingston. When the local market softens, it tends to look for supply deals with neighbours.

"Export is something we will be considering, but it will always come

behind the local market, which we prioritise," said General Manager Yago Castro in response to queries at the company's virtual annual general meeting on Thursday.

Castro said the Rockfort plant has excess capacity, despite sustained local demand for cement even during the pandemic.

"The good thing is that we have some production capacity surplus, so, eventually, if the local market allows us, then we can allocate different amounts to the export markets," he said.

Caribbean Cement made a profit of \$521 million in the June quarter, up from \$369 million a year earlier. The gain was due to a two per cent increase in sales, from \$4.7 billion to \$4.8 billion, as well as lower debt financing charges due to a reduction in its US dollar debt.

"While it is still very early to fully evaluate the long-term effects of COVID-19 on our operations, we believe that this event has made us a stronger and more efficient organisation, which is a testament to the resilience and commitment of our employees and the robustness of our systems and operations," Caribbean Cement said in its financial report.

The company, which distributes under the Carib Cement brand, is proceeding with its capital projects, with much of the expenditure geared towards improving

File

**Yago Castro, general manager of Caribbean Cement Company Limited.**



mill and modernisation of the packing plant.

A large local cement buyer told the Financial Gleaner this week that cement demand remains high despite COVID-19. He said that in order to source hundreds of bags daily, it requires his drivers to sleep overnight at the Rockfort plant in order to get in line early for the daily supply.

Castro told shareholders that the company has revamped its distribution methods, which now better facilitates small buyers collecting supplies directly from the plant.

Consequently, direct deliveries rose from 45 per cent to 52 per cent last year, while small deliveries climbed from 2.1 per cent to 10.1 per cent. Castro

also indicated that the new Carib Cement packaging offers a third layer of paper protection, up from two layers, leading, he said, to fewer complaints about burst bags.

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the facilities.

"Capital expenditure for the platform is basically US\$8 million to US\$10 million a year. That is a number that can go up or down," said Castro at the meeting.

"We are doing several things all around the plant, from the quarries to the packaging plant, and most of these projects are platform capex projects which mainly relate to upgrading the facilities," he said.

Caribbean Cement has invested more than \$20 billion on capital projects in the past five years, said Castro, adding that few companies can match that spend.

Last year, the company's capex was \$1.3 billion, which included setting up four jumbo loaders, upgrading the kiln to improve airflow, and new palletisers. The year before that, Caribbean Cement spent \$16.6 billion, which largely related to setting up a coal



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The Supreme Court, at King Street, Kingston.

FILE

# More companies head to court for virtual AGM approval

THE JAMAICA Stock Exchange, JSE, will return to the Supreme Court on November 25 seeking approval for another seven companies to conduct their annual general meetings via live-stream or electronic broadcast.

Following on a number of AGM postponements between March and June largely due to gathering restrictions in containing the spread of COVID-19, listed companies have been turning to the Supreme Court, either through representative action led by the JSE or individually, to get a special court order to hold their meetings virtually.

The first hearing took place on June 24, where 16 companies were given the nod for hybrid meetings, that is, on-site meetings combined with a virtual format. Key Insurance chose to petition the court on its own, and while its application was heard close to the date of the meeting, the company got the go-ahead in time for its AGM, which was held as scheduled on October 22 using the hybrid format.

The additional seven that now seek approval – Wisynco Group, NCB Financial Group, KLE Group, Everything Fresh, Ciboney Group, Caribbean

Assurance Brokers, and Jamaica Broilers Group – will bring to at least 24 the listed companies cleared by the court to have their meetings done electronically.

Several listed companies, such as Dolphin Cove, have otherwise convened in-person meetings but have been holding votes for shareholders to approve virtual meetings in the future, via amendments to their articles of incorporation.

The initial representative action was organised by the JSE, after numerous letters and phone calls from listed companies who were challenged by the prospect of holding their AGMs amid restrictions on public gatherings imposed by the Government to no more than 10 persons at a time.

After many requests to ease the restrictions, the Holness administration, under the Disaster Risk Management Act, increased the gathering limit for events such as AGMs to 50 persons. But it still did not resolve the challenges for listed companies, most of which have thousands of shareholders, and many of which wanted strong participation to vote on special resolutions, including the adjustment to articles, adjustments to capital via the creation of new authorised

shares, as well as share issues through additional public offers or rights issues.

Guidance from the Companies Office of Jamaica currently states that a virtual AGM or an on-site meeting combined with a virtual AGM is not permissible under Jamaican law. Any digression from what the legislation specifies has to be pre-approved through a special court order.

Decisions taken at meetings that do not conform to those procedures can, in theory, be challenged by shareholders in the future.

The 16 companies which previously got permission for virtual AGMs were Barita Investments Limited, Berger Paints Jamaica Limited, Caribbean Cement Limited, FosRich Company Limited, JMMB Group Limited, Lasco Distributors Limited, Lasco Financial Services Limited and Lasco Manufacturing Limited, Main Event Limited, Mayberry Investments Limited, Sagico Group Jamaica, Supreme Ventures Limited, the Jamaica Stock Exchange, TransJamaican Highway Limited, Victoria Mutual Investments Limited, and Wigton Windfarm Limited.

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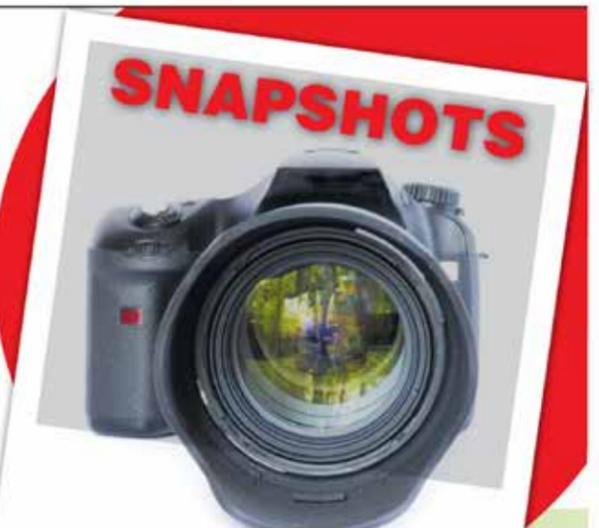


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## Carib Cement gifts communities with food items



Caribbean Cement Company Limited has included in its COVID-19 relief programme, the donation of food items valued at \$2 million to communities close to the company's plants and quarries in St Andrew, Kingston, and Clarendon for the benefit of some 320 families. In a handover held recently at the company's Sports Club, Yago Castro (left), general manager of the Caribbean Cement Company Ltd, hands over items to several community representatives, including Oswald Service of the Rockfort Development Council. CONTRIBUTED



Hope Programme national coordinator Colonel Martin Rickman (left) speaks with Caribbean Cement representatives, communications manager Kiao Bell-Lewis, and General Manager Yago Castro (right) following the handover of a block machine by the company to the HEART Trust/NTA for use in the Hope Programme, on November 12, 2020.



National coordinator of the HOPE Programme Colonel Martin Rickman (left) greets Jerome Cowans of Caribbean Cement Company, at the donation of a block machine by Carib Cement to HEART/NSTA Trust, on November 12, 2020.



**Caribbean Cement Company Limited  
Rockfort, Kingston**

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