
Slowdown signs - Cemex shuts down US plants

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Reuters reported that Cemex is shutting another US plant and laying off workers as the US recession deepens. Cemex has been hurt by a sharp decline in new home construction in the state and cement demand is expected to further decrease.

Cemex said in statement that "Based on the current recession and these market conditions, we have had to make some hard decisions and will be temporarily ceasing operations at the plant effective March 9th 2009 until conditions improve. As part of this, we will be forced to temporarily lay off employees. While we will maintain employees on an active pay status until March 9th 2009, lay offs could begin sooner."

Citing California Building Industry Association data, Cemex said that new home construction in California last year fell to its lowest level since records began in 1954, and was expected to get worse in 2009. It added that it was not permanently shutting the Davenport plant, and that it aimed to call employees back to work when cement demand rises again.

It may be note that Cemex is struggling with a USD 16.4 billion debt load since the Rinker takeover, as well as tight credit conditions because of the global recession and seizure of its assets in Venezuela.

(Sourced form Reuters)

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