

4.3 Local Markets

With the inclusion of cement manufacturing, lime production at pulp mills, drywall, drywall filler compounds, glass and glass bottle manufacturing – industrial minerals production in BC is roughly estimated to be about 7.7 million tonnes/yr. with a sales value of about \$744.0 million/yr.

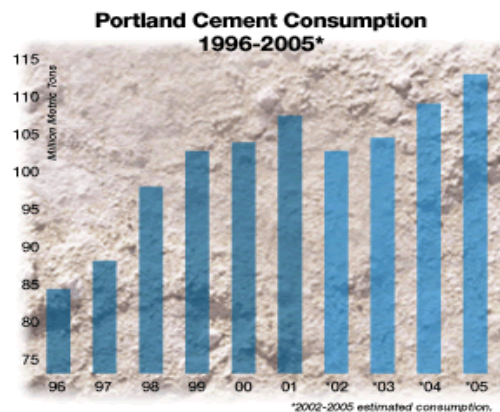
Approximately 73 percent of BC's cement is shipped to ready mix concrete plants, 12 percent to concrete product manufacturers, 8 percent to contractors, and 4 percent to building material dealers.



4.4 US Markets

The cement industry of the U.S. has annual shipments valued at around \$8.6 billion. In the United States, 39 companies operate 118 cement plants in 38 states. Worldwide, the United States ranks third in cement production, behind China — the world's leading producer — and India.

Total cement consumption for 2003 (portland and masonry) is expected to reach between 104 million and 105 million metric tons in the United States, according to Sullivan, a healthy increase over anticipated 2002 consumption levels of approximately 100 million metric tons. This increase is expected thanks to strong residential starts, nonresidential building, and government construction projects. Analysts are expecting an upturn in 2004 and continued improvement through at least 2005.



U.S. cement production is fairly consolidated with major players dominating the landscape. The largest company produces over 13% of the industry total, and the top five companies collectively produce around 53%. **Foreign companies now own approximately 81% of U.S. cement capacity, up from about 22% in 1980.** Investments during