



THE TIMES 100

BUSINESS CASE STUDIES

Sectors of industry - CEMEX

Concrete is the second most consumed substance in the world after water. It is made from aggregate, cement and water and can be mixed on building sites or supplied readymixed from a concrete plant. The UK's first readymixed concrete plant was set up by a company called Ready Mixed Concrete (RMC) in the 1930s. In 2005, CEMEX acquired RMC. Today CEMEX is one of the world's largest building materials companies. It is a leading supplier of **aggregates** (sand, gravel and crushed rock), cement and readymixed concrete. It also produces asphalt and concrete products. CEMEX UK has three cement plants, 60 quarries and nearly 230 readymixed concrete plants. CEMEX's customers range from multinational building companies to individuals building their own homes.

There are three main sectors of industry:

- ~ primary . involves extraction, processing and use of raw materials from the earth
- ~ secondary - manufacturing finished goods and construction activity
- ~ tertiary . providing services to business and consumers, e.g. retail, finance and transport.

CEMEX's business covers all three sectors of industry:

Primary	Secondary	Tertiary
Extraction of raw materials, e.g. sand, gravel, crushed rock, limestone and clay.	Manufacturing of construction products from the raw materials for customers.	Selling and distributing end products to construction customers.
<ul style="list-style-type: none"> • Quarrying – drilling or blasting a rock face to extract the raw materials. 	<ul style="list-style-type: none"> • Washing, grading and crushing of aggregates • Making cement, readymixed concrete, asphalt and concrete products in dedicated plants. 	<ul style="list-style-type: none"> • Business to business sales • Transportation via road, rail, sea and river.

In its primary activities, CEMEX extracts raw materials from the land or at sea. Before extraction can begin, CEMEX must obtain permission from local authorities. Its plans must include sensitive ways of working, restoration and after-care of sites. This ensures the quality of the environment is maintained and improved once extraction is complete. CEMEX's marine aggregates business involves extracting sand and gravel from the sea bed by **dredging**. Dredged aggregates are vital for the future development and maintenance of our hospitals, schools, housing and

transport infrastructure. They also help to replenish Britain's beaches and protect the coastline from erosion. The UK government regulates marine dredging to minimise impact on the environment.

As part of its secondary activities, CEMEX has three plants making cement. Heating clay and chalk fuses the raw materials together. The resulting materials are ground to powder as cement. The cement plants need permits from the industry regulator, the Environment Agency. CEMEX also produces readymixed concrete, asphalt and concrete products in specialist plants.

In the tertiary sector CEMEX is one of the UK's top 20 **logistics** operators. It makes more than four million deliveries each year by road, rail, sea and inland waterways. CEMEX distributes raw materials and finished goods to customers for the construction of houses, schools, hospitals, bridges, offices and transport links:

- ~ Aggregates provide the base for all types of construction products.
- ~ Cement is sold in bulk to make readymixed concrete and concrete products and in bags to builders/merchants for individuals to buy.
- ~ Readymixed concrete and concrete products are sold to residential, commercial and public contractors.



THE TIMES 100

BUSINESS CASE STUDIES

Questions

1. What is the primary sector of industry?

2. Give examples of CEMEX activities in the secondary sector.

3. What do you think has happened to the importance of the tertiary sector in the UK over the last few decades?

4. Explain why the different sectors of industry are interdependent.

Task

Think of ten different businesses in your local area. Now categorise them depending on whether they operate in the primary, secondary or tertiary sectors. Some of the businesses may, like CEMEX, operate over more than one sector.

What have you learned?

Split sentences . working in pairs, one person starts a sentence about sectors of industry but stops half way through. The second person in the pair has to finish it off. They then start the next sentence...and so on. Carry on until you have come up with at least six sentences.