# The experience of CEMEX Mexico: Opportunities for scaling up

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Background

- 44.7 ml people, i.e. 42% live in moderate poverty
- There is a shortfall of ca. 14.3 ml houses
- 10.9 ml, i.e. 76%, of them have no access to public financing

CEMEX - Approach - PH

1990´s: Awareness of the Importance of the Low-Income Segment
1998: Social Study of the Auto-construction Process
2000: Operational Beginning of Patrimonio Hoy
PH - Key Elements

- Affordable Access
- Building Material
- Technical Support
- Public Schools
- Frozen Prices
- Promoters

PH - Main Stages

1. Promotion
2. Sales Session
3. Registration
4. Technical Advisory
5. Material Delivery
Patrimonio Hoy provides a 70-week credit and saving program

- Weekly payments: 16 USD
- Delivery of material: Five times

Achievements

- Almost 200,000 families in 45 cities have improved their living conditions
- Construction of 1 million m²
- Loans for more than USD 87ml
- PH improved the infrastructure of 206 public schools
- Presence in 23 of 32 Mexican States and 86 local offices

Initial Replication:
- Nicaragua 2 offices
- Costa Rica 1 offices
- Venezuela 7 offices
- Colombia 11 offices
Impacts

- **Time and cost:** Families build 3 times faster at a cost decreased by 1/3
- **House value:** Increased house value, improving quality and functionality of housing
- **Local economic development:** Generation of local employment and business
- **Social Impacts:** Improved quality of life and building up capabilities

> Participants get empowered

Key Challenges

**FINDINGS**
1. Need to increase productivity and size of sales force
2. Need to improve the technical advisory
3. Need to develop new product offerings
4. High investment cost to expand network of service centers

**Need of:**
- Capability Building
- Technical Assistance and Development
- Innovation

→ Substantial Partnership to reach
Key Strengths

A RELIABLE & SOLID CHANNEL
→ A delivery channel & associate network at national level

SOLIDITY & PRESTIGE
→ National and international identity & credibility

MULTIDIMENSIONAL IMPACTS
→ Contribution to the reduction of poverty

Thank You!

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