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EMC Corporation Q4 2008 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator Instructions). Your first quarter comes from the line of Kevin McCarthy from Banc of America.

Kevin McCarthy - Banc of America Securities

Yes, good morning. Would you elaborate on the soda ash price realizations in the U.S. versus international markets and just wondering specifically in Asia if you're able to achieve increases there and how far into 2009 you might have visibility on the pricing? Thanks.

D. Michael Wilson

Hi Kevin, this is Michael Wilson, I guess in the past, I really don't want to delineate between domestic and ANSAC pricing. Typically we've just given the overall number for competitive and commercial reason. Having said that, clearly the export pricing move was much higher substantially more than what we realized domestically to provide a bit of color. If you think about the export markets, and think of that regionally we saw the highest increases in Latin America particularly because, Latin American pricing is due to prior contracts had lagged the rest of world regionally.

And then ultimately, Asian prices were impacted by the slowdown in the economy in the fourth quarter and then also the situation in China with capacity there and falling prices that I talked about in my prepared remarks.

Kevin McCarthy - Banc of America Securities

Follow-up there briefly on the volume side, I think you mentioned that you would anticipate some increases derived from traditional users of caustic soda. What is the magnitude of volume you think you can pick up there in another words when you say volume might be flat in '09 what it would underlying and how much could pick up to offset?

D. Michael Wilson

Well, domestically the market volume opportunities is about 250,000 tons in terms of just how much of that we'll get -- we'll have to see as we proceed, its something that we're actively working on. There'll also be opportunities outside the U.S.

Kevin McCarthy - Banc of America Securities

Okay. And then finally with regard to costs I think you mentioned for the segment I believe you anticipated 50 million of incremental costs half of which is phosphate rock, what is in the other half. What's source of input costs are inflating on your at this point and how much might royalties be up that sort of thing?

D. Michael Wilson

Without getting to a lot of specifics, the other input costs are energy which are in some cases are higher. We also have raw material costs in other businesses for example the Foret business in addition to phosphate rock by soda ash and also by caustic soda.

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