

News and events that affect our industry

January 2024



The ultimate "intelligence" provider in the global cement sector

cembrgroup.com

Week ending: 7-01-2024

SUPPLY:

- **India:** Wonder Cement has completed the construction of its new Tulsigam grinding plant in Gujarat, raising the company's capacity to 18Mt/yr.
- **Spain:** Cementos La Cruz plans to build a new unit to produce reduced-CO2 cement at its 1.5Mt/yr Abanilla grinding plant in Murcia. The new unit will produce cement using supplementary cementitious materials (SCMs) derived from industrial waste streams. It will also source 100% of its electricity consumption from biofuel-fired generators. The company has secured Euro4.5m in European Union funding for the project.
- **Senegal:** Sococim Industries of Senegal (Vicat group) has announced its expansion project with the doubling of production capacity with the Kiln No 6 project in order to support the evolution of the market. The Rufisque plant currently has a cement capacity of 3.5Mta.
- **Nigeria:** Construction of Dangote's 6Mt/yr Itori cement plant has started.

PRICING:

- **Russia:** Cemros has warned that growing gas prices, logistic costs and the interest rate set by the Central Bank of the Russian Federation will "significantly" increase input costs for cement producers in 2024. Tariffs on gas and railway transport both rose by around 10% in December 2023, with a further gas rate rise scheduled for July 2024.

- **Vietnam:** The Ministry of Construction is reportedly contemplating extending a 2% reduction in the rate of VAT on cement in order to stimulate sales. Additionally, it has called for a reduction in the export tax on clinker back down to 5%, following a rise to 10% in 2023.
- **Saudi Arabia:** Utilities provider Saudi Aramco has notified Saudi Arabian cement producers of a rise in the price of its feedstock and fuel products from 1 January 2024. Saudi Kayan Petrochemical Company forecast the effect of the price rise to be a 1.2% increase in producers' cost of sales in 2024.
- **Nigeria:** BUA Cement has confirmed cement prices will be held at NGN3500 per bag (US\$3.90) from January 2024.

M&A:

- **China:** China National Building Material (CNBM) has divested control of Qilianshan Cement to China Communications Construction (CCC) and China Urban-Rural Holding Group as part of an asset restructuring agreement agreed in May22. Following the transaction, CCC holds an 85% equity interest in Qilianshan Cement and China Urban-Rural controls the remaining 15% portion.
- **Regional:** China-based Huaxin Cement completed its acquisition of Brazil-based InterCement's business in South Africa and Mozambique on 27 December 2023. The deal has been concluded upon receipt of the provisional price of USD231.6m.
- **Iraq:** Al-Diyar Al-Iraqia for Investments Company and Northern Region Cement have concluded a deal under which the former will acquire a 49% stake in the cement producer's business in Iraq. The value of the deal has been reported as US\$44m.

DEMAND:

- **Saudi Arabia:** Saudi Arabia's cement demand in 2024 is forecasted to grow by 3% in terms of volumes, reports Aljazira Capital.
- **Morocco:** Cement deliveries by APC members in 2023 +0.2% YoY to 12.511Mt, according to the Ministry of National Territory Planning, Land Planning, Housing and City Policy.

IMPORTS/EXPORTS:

- **Vietnam:** Vietnam's cement and clinker exports in 2023 -2% YoY to 32.6Mt.

Week ending: 14-01-2024

SUPPLY:

- **Saudi Arabia:** Eastern Province Cement has awarded a contract for the expansion of its Al Khursaniyah cement plant. This includes the construction of a new 10,000t/day line, which will more than double the plant's capacity to 7.15Mt/yr and cost US\$271m.
- **India:** Ambuja Cements has signed new memoranda of understanding (MoU) with the government of Tamil Nadu for the construction of three grinding plants in the state, which is part of US\$5.14bn in planned capital expenditure (CAPEX) investments in Tamil Nadu by parent company Adani Group.

- **India:** Ratna Cements has inaugurated its Mudhol cement plant in Karnataka after completing modernisation work. The previous upgrade occurred in 2016. Parent company MRN Group announced that it plans to build a new 1Mt/yr cement plant adjacent to the existing one in Mudhol.
- **USA:** Sublime Systems has acquired a site in Holyoke, Massachusetts, to build its first commercial-scale cement plant. The planned unit is expected to be commissioned in 2026 and will eventually have a capacity of 30,000t/yr.
- **Oman:** Middle East Calcined Clay and Netherlands-based Kaolin Group International plan to build a limestone calcined clay cement plant in Oman. No further details are currently available.
- **Iraq:** Al-Douh Iraqi Company for Cement Industries plans to expand its Al Douh cement plant's capacity by 58% to 3Mt/yr. The expansion is part of an upgrade involving the installation of a new kiln, a gas-fired captive power plant and a new waste heat recovery (WHR) plant, which will provide 30% of the plant's energy. IFC has loaned the company US\$130m on a long-term basis for the project.

CARBON:

- **Latvia:** Schwenk Latvija plans to build a 750,000t/yr carbon capture system at its 2Mt/yr Brocēni cement plant. The producer is about to conduct a carbon capture feasibility study at the plant.

M&A:

- **India:** ACC has completed its acquisition of the outstanding 55% stake in Asian Concrete and Cements for US\$93.2m.
- **India:** Anjani Portland Cement has completed the amalgamation of Bhavya Cements into itself. The latter operates the 1.4Mt/yr Bhavya cement plant in Andhra Pradesh.
- **Philippines:** Petra Cement has concluded a manufacturing and sales agreement with industrial conglomerate Phinma Corp. The agreement reportedly gives Phinma Corp. operations control over Petra Cement's Zamboanga grinding plant on the island of Mindanao.

DEMAND:

- **Vietnam:** Vietnam's 2023 cement and clinker sales -6% YoY to 89Mt.
- **Brazil:** Brazil's 2023 cement demand -1.7% YoY to 62Mt, according to SNIC. This marks the second successive year of decline.
- **Switzerland:** Cement deliveries in Switzerland, including Liechtenstein, in 2023 -10% YoY to 3,729,872t, according to cemsuisse, the Swiss cement association.
- **Brazil:** Brazil's 2023 local dispatches -1.4% YoY to 61.77Mt.
- **Argentina:** Argentina's cement shipments -3.2% YoY in 2023.

IMPORTS/EXPORTS:

- **Brazil:** Cement exports from Brazil in 2023 -50% YoY to 203,000t, according to SNIC.

PRICING:

- **Uzbekistan:** The government has reduced the tax on limestone for use as a raw material in cement production. The tax rate has reportedly been dropped by 73% to US\$0.48/t.

CONSTRUCTION:

- **Switzerland:** 2023 was a year of uncertainty for the Swiss construction industry, which found planning construction projects challenging in view of unstable interest and inflation rates.

Week ending: 21-01-2024

SUPPLY:

- **Bangladesh:** Crown Cement officially commenced production from its Munshiganj grinding plant's new Unit 6 on 14 January 2024. The new unit reportedly increases the Munshiganj plant's capacity by 72% to 5.7Mt/yr.
- **India:** Ambuja Cements has signed a memorandum of understanding (MoU) with the government of Telangana for the construction of a new 6Mta cement plant in the state. The producer reportedly plans to invest US\$168m in the project. The MoU is part of an agreement between parent company Adani Group and the state of Telangana covering investments worth US\$1.49bn.
- **Saudi Arabia:** Yamama Cement has hired Sinoma Overseas Development to build a new 12,500t/day production line at its Riyadh cement plant. The supplier is already engaged in relocating a 10,000t/day line from Yamama Cement's previous plant to the Riyadh plant. Once both lines are operational, the new plant will command a clinker capacity of 8.2Mt/yr.

IMPORTS/EXPORTS:

- **Argentina:** Argentina's cement exports in 2023 -29.7% YoY to 61,530t, imports increased to 2,593t from zero YoY. All according to the AFCEP.
- **Peru:** Cement exports from Peru in 2023 -22% YoY to 143,000t, clinker exports +28% YoY to 669,000t, cement imports -22% YoY to 211,000t, clinker imports -31% YoY to 673,000t. All according to ASOCCEM.
- **Turkey:** Turkey's cement exports in 2023 -15.5% YoY to US\$4.6m.

M&A:

- **USA:** Summit Materials and Cementos Argos have successfully combined their operations in the US under a single entity. Summit Materials acquired Argos North America Corp. for US\$1.2bn, and conversely issued 31% of its shares to Cementos Argos.
- **Saudi Arabia:** Qassim Cement Company has informed investors of its intention to acquire Hail Cement Company outright. As part of its offer, the company plans to increase its own share capital by 23%, in order to issue some of it to Hail Cement Company's shareholders.
- **China:** Tianshan Cement acquires Ningxia Building Materials' cement business.

DEMAND:

- **Kazakhstan:** National cement consumption volumes -0.9% YoY to 11.5Mt in 2023.

- **Argentina:** Argentina's cement demand in 2023 -3% YoY to 12.498Mt, supply -3.2% YoY to 12.557Mt. All according to the AFCP.
- **Peru:** Cement dispatches in Peru in 2023 -11.5% YoY to 11.985Mt, domestic cement production by Asocem members -13.6% YoY to 11.404Mt. All according to ASOCEM.
- **China:** Chinese cement production declined 0.7% in 2023.

PRICING:

- **Saudi Arabia:** Arabian Cement Company has estimated that its production costs will rise by 14% after Saudi Aramco raised its fuel prices, while Najran Cement expects its cost of sales to rise by 13%. The latter also noted that the waste heat recovery (WHR) system installed at its Najran cement plant has partly reduced the anticipated impacts on costs.

CONSTRUCTION:

- **Argentina:** The Construction Index dropped by 7.9% YoY in 2023.

Week ending: 28-01-2024

SUPPLY:

- **India:** Shree Cement's Nawalgarh cement plant has reportedly entered production (cement capacity at 4.2Mt/yr).
- **India:** Adani Group has announced plans to build a new cement plant, possibly at Godda, in Jharkhand's Santhal Pargana Division. No further details are currently available.
- **Brazil:** Votorantim Cimentos plans to invest US\$1bn in expanding its Brazilian operations in the period up to the end of 2028. US\$304m-worth of the investments are already underway at the start of 2024. The investments reportedly include cement plant projects to raise the company's Brazilian cement production capacity by 8.8% to 37Mt/yr, including a US\$162m investment in a 20% capacity expansion to its Votorantim cement plant and a US\$60.8m, 1Mt/yr expansion to its Salto de Pirapora plant.
- **India:** JK Cement has approved a 6Mta expansion plan, including a brownfield expansion in clinker capacity at Panna by 3.3Mta, along with 3Mta of cement grinding capacity at Panna, Hamirpur and Prayagra (1Mta each). A further 3Mta of greenfield cement grinding capacity at Bihar is to be commissioned in phases.

CARBON:

- **USA:** Holcim US, in partnership with The Ohio State University and GTI Energy, will install membrane carbon capture technology at its Holly Hill, South Carolina, cement plant. The project is partly funded by US\$7m from the US Department of Energy. The partners aim to capture 99% of the plant's CO₂ emissions.
- **China:** Chinese government mandates 50% ultra-low emissions clinker production by 2025 and 80% by 2028. The standard encompasses the whole value chain, from raw materials

production to transport of the finished product. The new requirements will intersect with the upcoming emissions trading scheme (ETS), which is expected to come online by 2025.

- **UK:** Aggregate Industries is investigating a carbon capture project at its Caudon cement plant. Upon commissioning, a carbon capture system will support the storage of up to 600,000t/yr of CO₂ from the Caudon cement plant under the Irish Sea as part of the cross-industry Peak Cluster CCS project.

M&A:

- **South Africa:** Afrimat says that further regulatory conditions as part of its ongoing acquisition of Lafarge South Africa have been met. Approval by the Competition Commission is still outstanding.

DEMAND:

- **Philippines:** National cement production capacity is reported to be 53Mt/yr in 2024 compared to anticipated demand of 34.5Mt, according to CEMAP.
- **Azerbaijan:** 2023 cement production +4.6% YoY to 3.73Mt, clinker production +37% YoY to 3.87Mt. All according to the State Statistics Committee.
- **Vietnam:** Domestic cement sales in 2023 -16% YoY to 56.621Mt, clinker sales -28% YoY to 10.932Mt, according to VNCA.
- **Iraq:** Private sector cement production in 2023 +36% YoY to 34Mt (65% of total Iraqi production). The surge in demand, according to CNBC, is being driven by the government's ambitious infrastructure development plans, which include hundreds of new projects each year and investment incentives for the private sector.

IMPORTS/EXPORTS:

- **Philippines:** CEMAP says national cement imports in 2023 were at 7Mt, despite selected anti-dumping tariffs. It also expects this to rise in 2024 due to a contraction in the Vietnamese market.
- **Vietnam:** Vietnam's 2023 exports -1% YoY to 31.245Mt, according to VNCA.