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global **MAINTENANCE & OPTIMISATION**
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19 JANUARY 2021 **CONFERENCE & 'EXHIBITION'**



Global cement trends 2020 - 2025: Data, projections, and major issues

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Welcome to CemBR – Cement Business Research



Services & Products:

Reports – Multi client:

Bespoke Research:

- Client defined scope and requirements

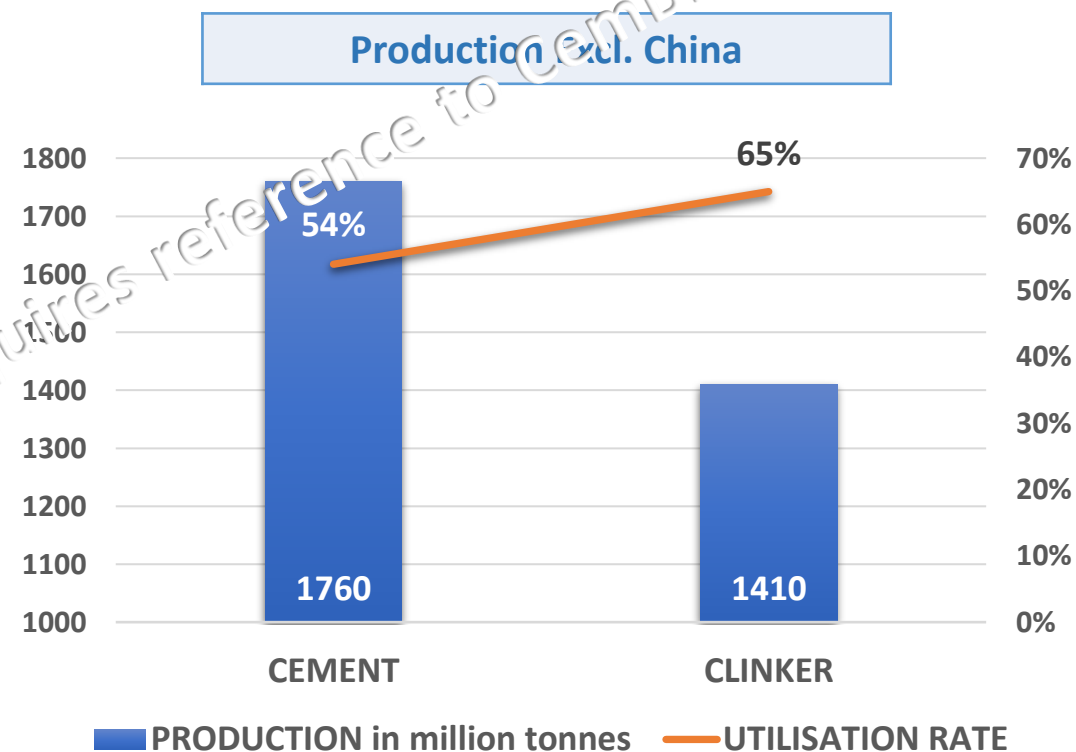
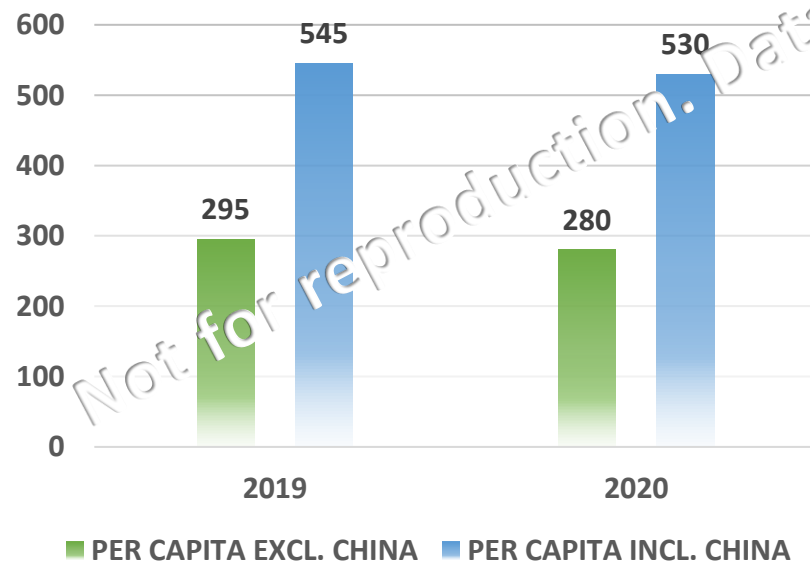
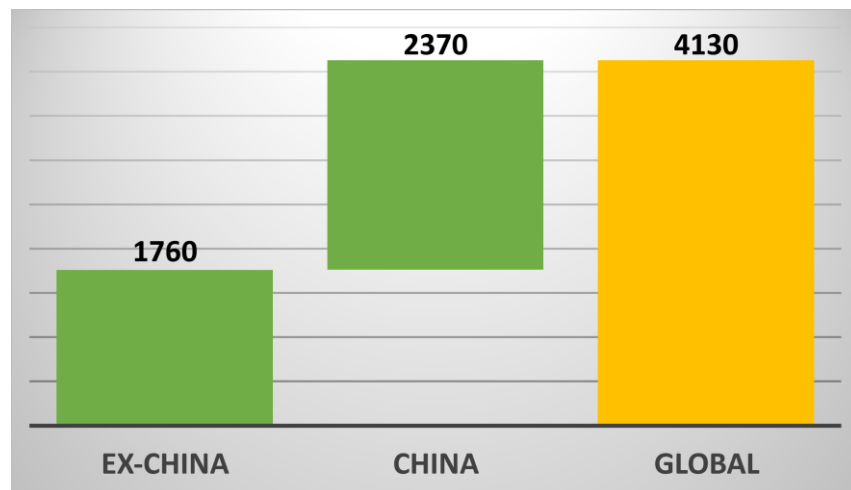
CemBR Intelligence Platforms:

- The CGC™ and
- The CemBR Forecasts

Coming soon:

- CemBR Plant Performance Simulation Tool (CemSim™)

2020 Estimates



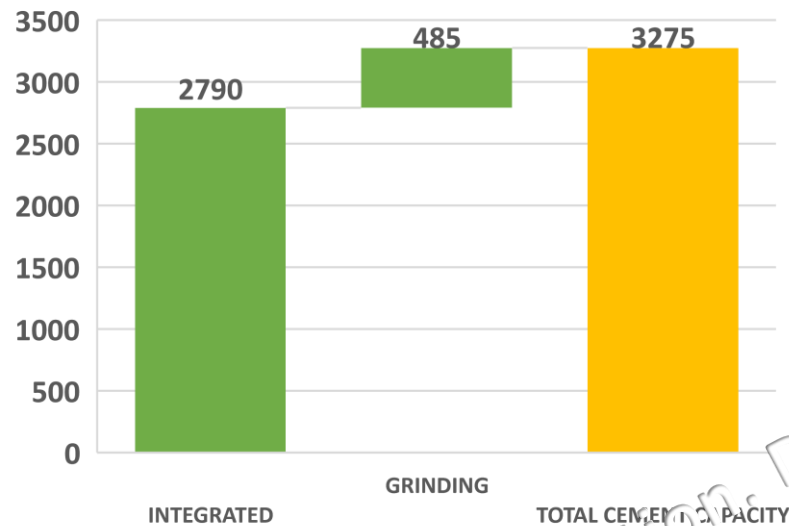
Cement UR in 2020 will be 4% lower than in 2019

Clinker UR in 2020 will be 5% lower than in 2019

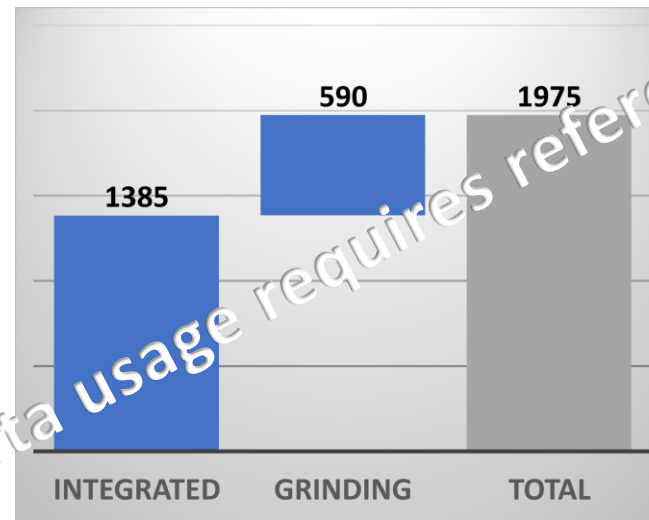
Both URs dropped more than demand as 2020 saw new capacity

Current Capacity data: WORLD EXCLUDING CHINA

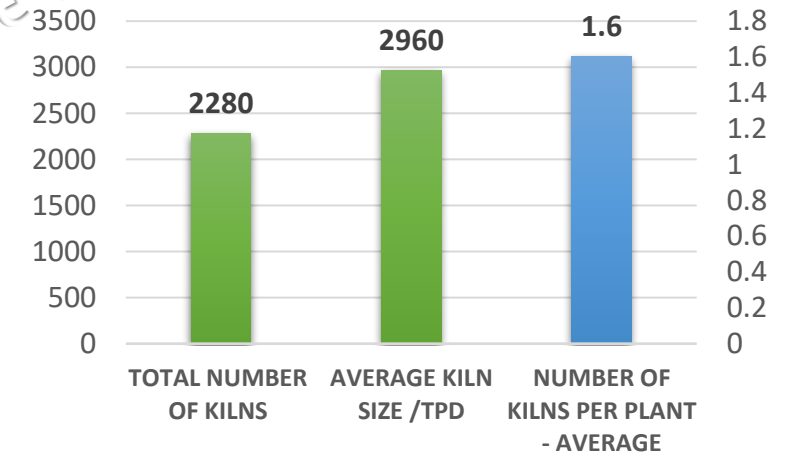
Cement capacity in million tonnes



Number of cement plants



Kilns data

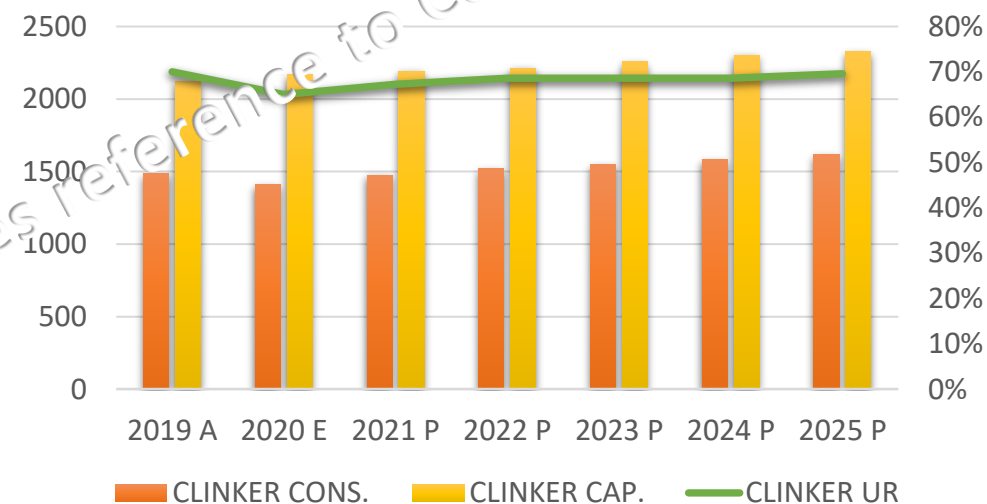
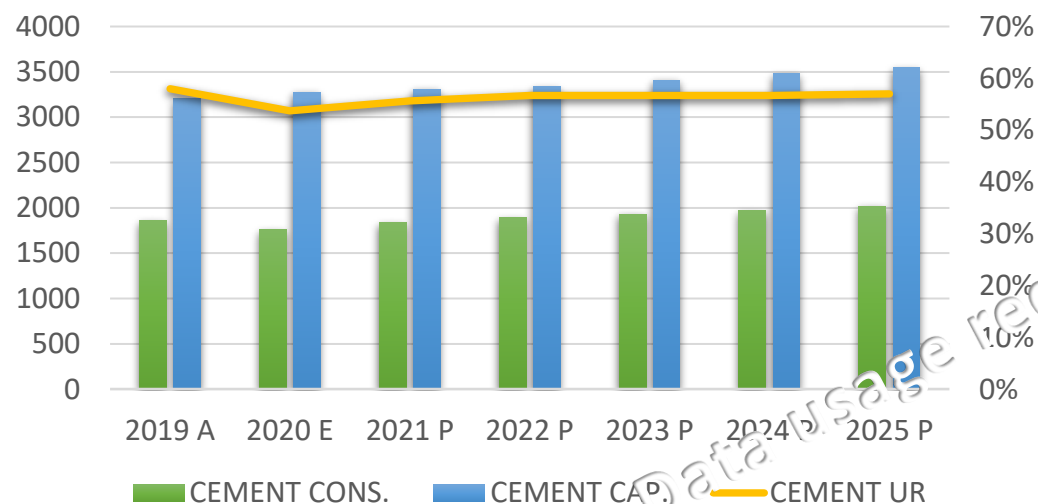


Around 15% of total cement capacity is in grinding plants

Nearly 30% of all cement plants are grinding

Average kiln size is around 3,000 TPD

2019 – 2025 projections and industry issues: WORLD EXCLUDING CHINA



There may be some upside if demand accelerates faster and/or mooted new capacity is put on hold

Capacity utilisation rates will remain subdued for the next five years

Clinker URs are naturally better than cement, but uninspiring only reaching 2019 levels in 2025

ISSUES IN THE GLOBAL CEMENT SECTOR – NEXT TEN YEARS



TOP THREE ISSUES – CEMENT SECTOR

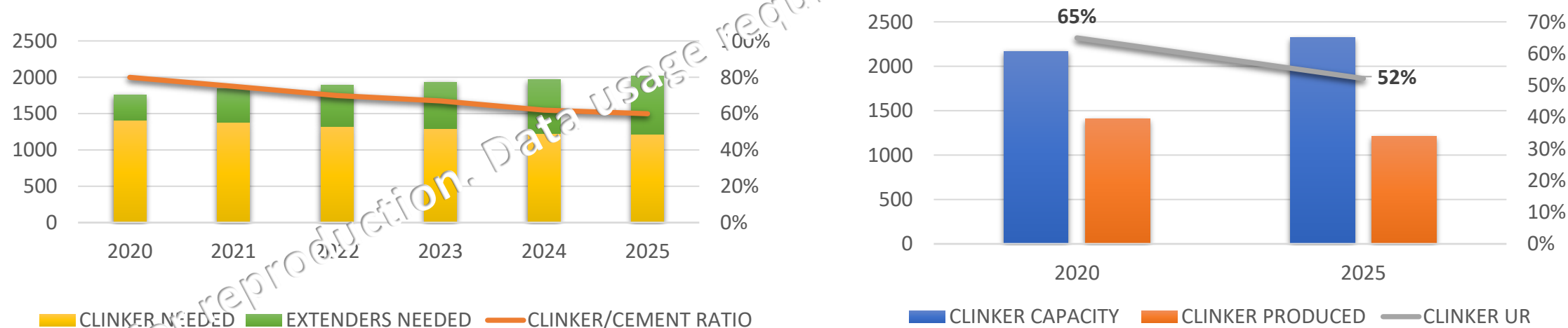
CARBON DIOXIDE

MANY MARKETS EXPERIENCE OVERCAPACITY

MANY INDUSTRIES HAVE BECOME MORE FRAGMENTED

SCENARIO: REDUCE CLINKER/CEMENT RATIO FROM 80% CURRENTLY TO 60% BY 2025

Assumptions: Adequate volumes of extenders can be supplied to the sector; Specifications are adjusted to facilitate such reduction in Clinker/Cement ratio

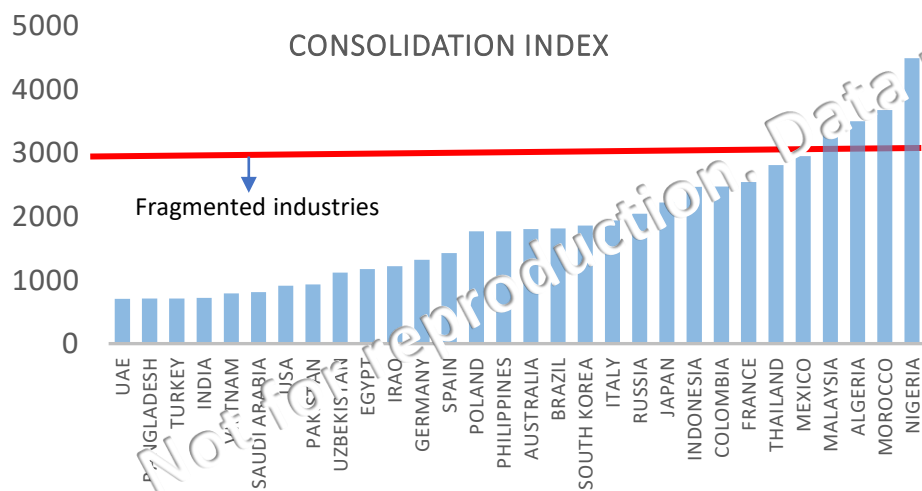
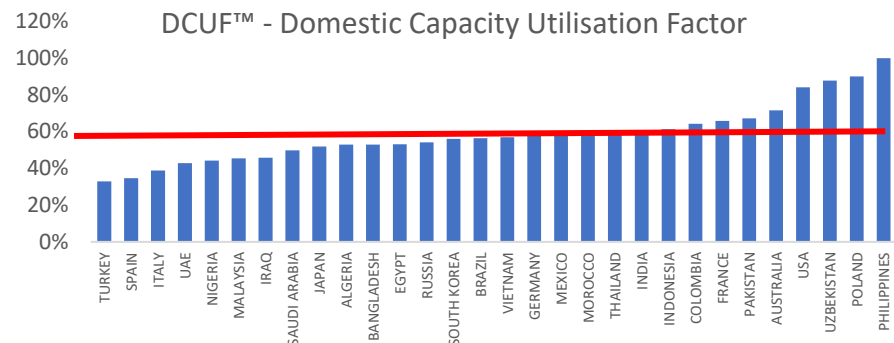


This impacts the industry...

It represents a significant drop in utilisation rates, possibly at economically unsustainable levels or...

If utilisation rates are to remain at 2020 levels, there will be a need for the closure of 200 integrated plants (based on average size of plant)

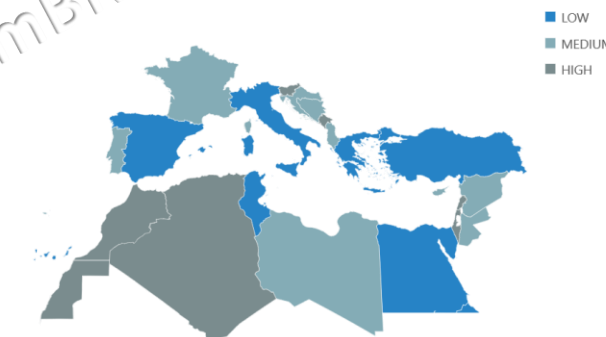
GLOBAL CEMENT – ISSUES AND TRENDS



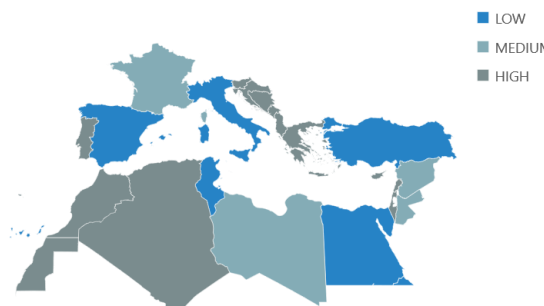
EXCESS CAPACITY



PROFITABILITY



CONSOLIDATION



Correlation between:

Consolidation / Profitability
is High

Excess Capacity / Profitability
is Medium/High

Other sector issues: Low influence on energy costs, high CAPEX costs per tonne, and increasing carbon costs

CONCLUSIONS

Uncertainty, lack of pricing power, and inability to influence major costs

Base Case suggests return to 2019 conditions by 2025; there may be some upside

Many markets are highly fragmented and / or operate at low capacity utilisation rates

Carbon reduction initiatives may carry significant costs for the industry

What's the industry to do?

Improve Consolidation

M&A
Asset swaps

Reduce excess capacity

Plant closures
Exports

Carbon & Cement

Have open discussions regarding costs of carbon reduction
Set realistic medium term targets

Keep lowering both OPEX and CAPEX per tonne. New capacity additions must be assessed carefully.

[Select a country](#)[Country dashboard](#)[Market and economic data](#)[Manufacturing facilities data](#)

Welcome to the CGC™

(CemBR Global Compendium)

The CGC™ is a most comprehensive, up to date and accurate cement-related database and intelligence platform.



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