

> Colombia



General data 2020



CemBR region
Americas



Area in square KM
1,142,000



Population
50.9 million



Comparative economy size
44/193



GDP per capita in US\$
5,336

Current clinker asset overview

Number of integrated plants	14
Clinker capacity (MT)	10.4
Number of kilns	20
Average kiln size (TPD)	1,631

Cement market data 2020

Cement consumption (MT)	11.3
Consumption per capita (Kg)	222
Cement trading net (MT)	0.5
Cement production (MT)	11.8

Current clinker asset configuration

Colombia is the 7th largest clinker industry out of the 13 countries that make up the Americas region. The industry represents 3.9% and 5.6% of the regional totals for clinker capacity and number of kilns. The age of the assets in the industry is above the average for the region. Colombia has 57% of its kilns installed before 1990 whereas the region has almost 50% of its kilns installed at the same time. In terms of kiln size, Colombia's average is much smaller than the regional average (2,368 TPD). Around 65% of kilns are preheater/precalciner (5 stages).

> Asset configuration by time period



Legend

■ # Kilns ● Clinker capacity (MT)

> Number of kilns by size (TPD)





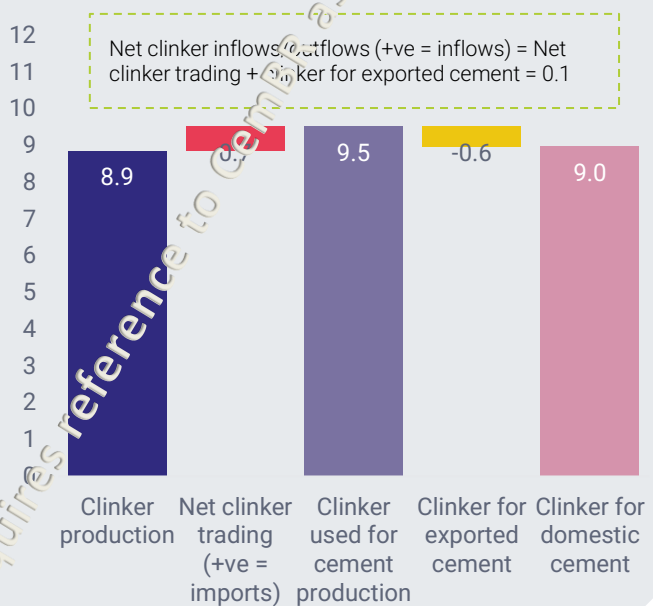
Current clinker statistics

2020 Clinker utilization rate	85%
Last 5Y clinker utilization rate	94%

In 2020, clinker production stood at 8.9 million tonnes resulting in a 85% clinker utilisation rate.

Colombia's cement consumption experienced a spectacular growth in the first part of 2010s. Since that time, the country has experienced significant net clinker inflows culminating at 520,000 tonnes in 2017. In 2020, cement consumption saw a significant decline of around 11%, easing the pressure on the industry to produce clinker.

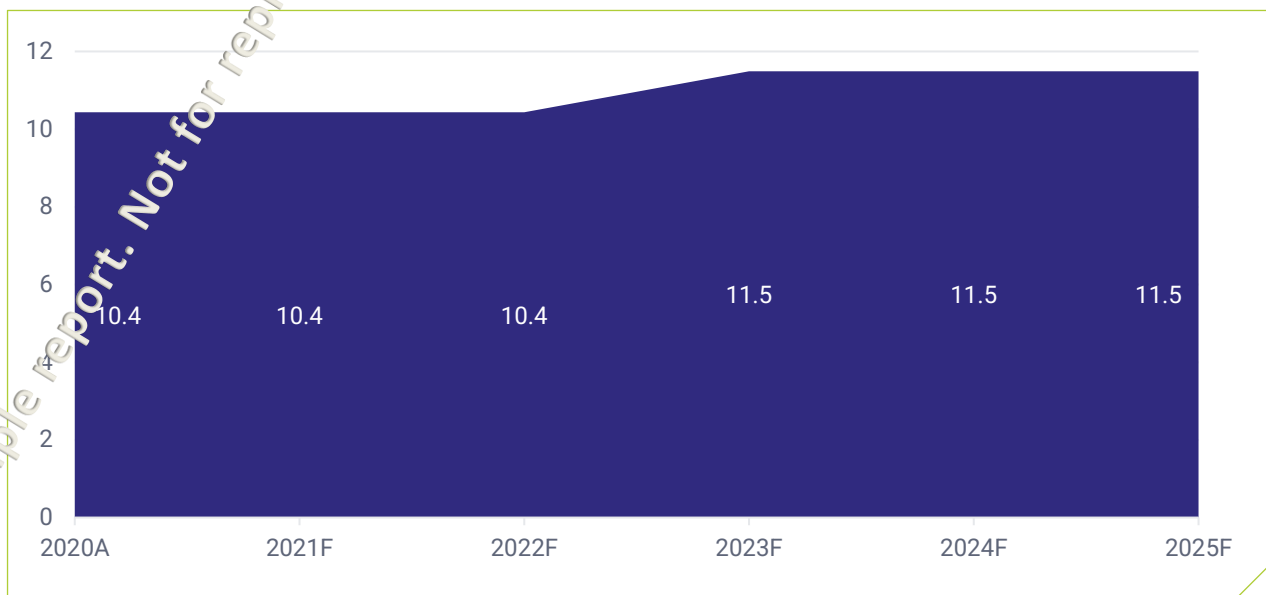
> Clinker balance 2020



Clinker supply

There is a new plant expected to be commissioned in 2023 in Colombia. This will add around 1.1 million tonnes of clinker to the market. There was another integrated plant announced recently, but it has been put on hold at this time.

> Clinker supply curve 2020A-2025F

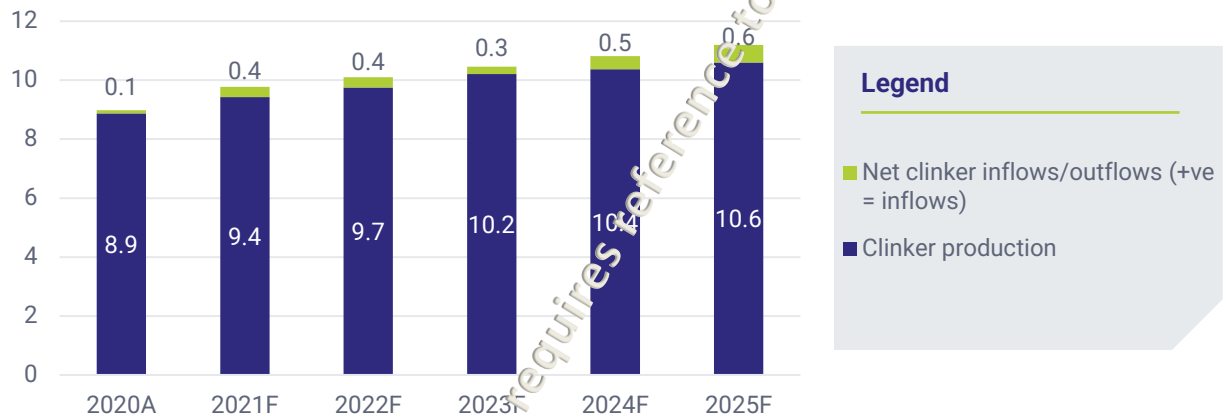




Clinker estimates 2020A – 2025F

Colombia's domestic cement consumption is expected to recover in 2021 and beyond returning to the 2015 highs at the end of the forecasting period. This will necessitate a growing net clinker inflows trajectory going forward. By 2025 the industry is expected to have reached net clinker inflows of the order of 600,000 tonnes.

> Clinker production forecasts in MT 2020A – 2025F



NB: Net clinker inflows/outflows is the sum of net clinker trading and clinker for exported cement.

Clinker supply-demand balance and trading 2020A – 2025F

Net clinker inflows are projected to increase over the forecasting period to cover increasing domestic demand growth. Despite this and the expected new clinker capacity coming on stream in 2023, the industry will continue to experience clinker utilisation rates around the 90% mark.

This may encourage local players to reinvigorate their investment plans for new clinker capacity to ease the industry's high utilisation rates. Given the nature of the existing clinker manufacturing facilities, a new plant will assume the competitive high ground and thus be able to capture the growth in the market in an efficient way.

