

News and events that affect our industry

February 2022



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Events and news that affect our industry – February 2022

Week ending: 6-2-2022

Supply:

- India: The High Court of Andhra Pradesh has granted Dalmia Cement clearance to resume operations at Kadapa cement plant. Previously the Andhra Pradesh Board Control had ordered suspension of operations on 29th Jan 2021
- India: Shree Cement has started commercial production at its 3Mt/yr Patas grinding plant in Pune district, Maharashtra. Investment cost \$80m
- India: Prism Johnson has decided to move its planned increase of grinding capacity from its integrated Satna plant to a location in Uttar Pradesh. Instead of building a 1Mt/yr grinding capacity at \$34m cost it will now build a 2Mt/yr grinding unit for \$67m. Commissioning expected by Dec 2024
- Russia: LafargeHolcim Russia plans to restart its integrated Voskresensk plant near Moscow, which was stopped in 2016. The company will spend EUR23m to restart the 1.3Mt/yr unit
- Kenya: Kenyan cement firms are expected to expand clinker capacity by 70% from 6.3Mta currently to 10.7Mta by 2023

Imports/Exports:

- Russia: The government has relaxed rules for cement imports from outside the Eurasian Economic Union. The 28-day inspection period has been reduced to cope with increased consumption demand. The Ministry of Industry said that if domestic producers increase local production (utilisation rate estimated at 62%) without price increases above the rate of inflation, additional imports will not be needed
- Algeria: Algeria's cement exports in 2021 were 5Mt valued at \$200m
- Spain: Spain's cement exports in FY2021 +10.2% to 6.7Mt. Imports +27.4% to 1.1Mt, clinker imports +107% to 0.551Mt (from Turkey, Egypt & Algeria)

Demand:

- Spain: Cement consumption increased by 11% in 2021 to 14.9Mt. Oficemen sees FY22 cement consumption at 15.6Mt, +4.7% YoY
- Algeria: Algeria's local cement production was reportedly 40Mt in 2021

Pricing:

- Spain: Oficemen estimates that cement production costs increased by 25% in 2021 compared to pre-pandemic levels, largely because of high electricity prices

Carbon:

- Spain: Oficemen estimates that each of the 33 plants in Spain will need to invest EUR50-80m to achieve carbon neutrality

Week ending: 13-2-2022

Supply:

- India: Nuvoco Vistas plans to increase cement production capacity by 21% to 26.9Mt. It will invest \$200 for the new 2.18Mt Kalaburagi plant in Karnataka and \$53m to upgrade its Bhiwani blending plant to grinding
- Philippines: Southern Concrete Industries has doubled planned capacity of upcoming Davao del Sur plant to 4Mt/yr. Commissioning expected Jul 2022
- Spain: Catalan court has ordered the closure of LafargeHolcim's Montcada I Reixac cement plant in Barcelona for failure to comply with new environmental regulations
- Belgium: Cementir plans to build a new production line at its integrated plant in Gaurain
- Germany: A new kiln is planned for Marker-Zement's Donau-Ries plant, to replace a 50yr old kiln

Demand:

- Colombia: Colombia's cement production +16% in FY2021 to 13.8Mt from 11.8Mt in 2020, dispatches +16% to 13Mt from 11.2Mt
- Vietnam: Vietnam's domestic cement consumption -5.2% YoY to 59Mt in FY 2021. Total cement sales 106Mt
- Chile: FY2021 cement consumption 4.39Mt, +15.6% YoY

Week ending: 20-2-2022

Supply:

- India: Ambuja Cement will invest \$469m to expand grinding capacity by 7Mt/yr. A new grinding plant at Barh Bihar is part of the plan, together with capacity expansions at Farakka and Sankrail grinding plants. It is also expanding capacity of its Bhatapara cement plant in Chhattisgarh by 3.2Mt/yr

- India: ACC has commissioned its Tikaria grinding plant in Uttar Pradesh. Capacity was expanded by 69% to 3.91Mt/yr (capacity addition 1.6Mt/yr). The company plans to increase clinker capacity by 2.7Mta and cement by 4.8Mta by 2024
- Ivory Coast: Société de Ciment de Côte d'Ivoire has inaugurated a second grinding plant in Abidjan, doubling its installed production capacity to 3Mt/yr
- USA: Santa Clara County Council is looking into a potential acquisition of Lehigh Hanson's Santa Clara cement plant and quarry with the intentions of closing operations if acquired. A report will be produced on the matter by the council by mid-May 2022
- USA: Argos USA is planning to convert its Roberta, Alabama cement plant to Portland limestone cement production (PLC Type IL). Conversion to 100% limestone production is planned by mid-2022
- Russia: Eurocement has completed modernisation of the kiln at the Mordovcement plant in Chamzinsky District
- Philippines: Solid Cement is advancing with construction of new integrated production line at Antipolo plant of 1.5Mt/yr capacity, despite a rise in expected costs from \$235m to \$323m. Scheduled start is planned for April 2024
- Philippines: San Miguel may double the capacity of its new Davao plant to 100m bags per yr to reduce reliance on imported cement. An expansion plan is also prepared for a construction of a new grinding unit

Carbon:

- Spain: Cementos Molins targets 20% reduction in CO2 emissions between 2020 and 2030. It aims to increase AF replacement to 40% and reduce clinker factor to 68%

Imports/exports:

- Algeria: Algerian clinker exports were 6.2Mt in 2021, up from 1.6Mt in 2019
- Algeria: Trucker strike and roadblocks in Algeria due to new strict overloading rules are threatening clinker exports, according to cement producers

Pricing:

- Malaysia: CMS is raising prices by 10% on 17th Feb, first price rise since 2016, due to an increase in raw materials, freight costs and packaging. Production costs have increased by 9%.

Week ending: 27-2-2022

Supply:

- Mexico: GCC will upgrade its Samalayuca plant to increase capacity and raise AF usage. Project completion is expected in 2Q23. Previous reports estimated increase of capacity of 200kt/yr at the plant
- Kazakhstan: A new 0.58Mt/yr plant is considered in West Kazakhstan Province. Investment estimated at \$170m
- Kenya: Line 3 for cement grinding at Mombasa's Cement plant at Vpingo has been commissioned
- Ukraine: Balcem said that the Balakleya plant resumed full cycle production in March 2021 when it restarted kiln two. Kiln one was restarted in June 2021 after a down period since 2008. The plant currently has a production capacity of around 1Mt/yr

Demand:

- Tanzania: Tanzania's cement production 6.436Mt in 2021 vs 6.496Mt in 2020
- Ukraine: Cement production in Ukraine in 2021 was 11Mt, clinker production 8.11Mt. Ukrcement had forecasted 11.5Mt production for FY 2021



Imports/exports:

- Algeria: Algeria is targeting cement and clinker exports of 10Mt in 2022

Pricing:

- Mexico: The State of Nuevo Leon has imposed a new environmental tax on mining activity. Cemex which operates a quarry in the state and supplies cement to North-eastern Mexico said that its production costs have increased because of the new tax

Carbon:

- China: China's cement industry CCS demand is forecast to reach 200Mt/yr by 2060