



News and events that affect our industry

January 2022



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Events and news that affect our industry – January 2022

Week ending: 2-01-2022

Supply:

- Cambodia: A new cement factory is proposed in Battambang province, backed by Chinese investors. No further details were available
- Saudi Arabia: Arabia's Cement new cement mills at Rabigh plant are expected to be commercially operated in 4Q22
- Bangladesh: Premier Cement Mills has installed a 460tph mill at its Dhaka Munshigonj plant and a second 290tph mill at its Chattogram plant
- Vietnam: Thanh Thang Cement has put line 4 in Thanh Nghi into operation. Kiln capacity is 6000tpd (2.3Mt/yr)

Demand:

- Vietnam: Vietnam's cement production is estimated at 101.2Mt in 2021, +2.6% YoY

M&A:

- Costa Rica: Cemex has signed an agreement for the sale of operations in Costa Rica and El Salvador to Guatemala's Cementos Progreso Holdings for \$335m. The assets include an integrated cement plant and a grinding station in Costa Rica. The sale is subject to approval from competition authorities

Imports/exports:

- India: South Indian cement manufacturers have asked for an increase on clinker and cement import duties

Other:

- Zambia: Zambezi Portland Cement is facing legal proceedings over its ownership status

Week ending: 9-1-2022

Supply:

- Senegal: SOCOCIM is to upgrade the Rufisque cement plant with a new 6500tpd kiln line
- Saudi Arabia: Qassim Cement will construct a 300t/hr cement mill at its integrated Buraydah plant. Investment budget is \$40m with 15 months expected completion time
- Ethiopia: Minister of Mines and Petroleum has cautioned cement companies to complete outstanding deliveries of 2.6Mt which are owed, to prevent further supply and inflation pressures
- Kenya: Savannah Cement to invest in a clinker plant in 1Q22 to end reliance on clinker imports. The project is expected to take 2.5 yrs to complete. Clinker supply for cement production was disrupted in 3Q21 due to a shortage of vessels according to the company

M&A:

- Uzbekistan: United Cement Group has agreed to acquire 86.92% of Qizilqumcement held by the Uzbek government, for \$174m (UZS1.89trn)
- Chile: Peru's UNACEM has bought CBB's Cement San Antonio grinding plant in Valparaiso for \$30.8m
- Angola: The Angolan govt intends to privatize its 49% stake in Secil Lobito. Secil Group, the other shareholder in the company, is considering the purchase of the govt's stake

Imports/exports:

- Indonesia: Indonesia's cement exports in Nov -25% YoY to 0.505Mt. Coal supply availability in Indonesia has fallen from the usual 21-30 days to just 5-10 days in Dec 2021, which resulted in cement producers cutting down on allocation of production for exports in order to prioritize domestic demand. Coal price is still 50% higher than the beginning of 2021, despite an imposed price cap of \$90/t

Pricing:

- South Korea: Ssangyong and Halia Cement plan a price rise for wholesale by 18% in Feb 2022 (Ssangyong KRW93,000/t from KRW78,800/t). This follows a 5% price increase in Jul 2021. This will be the second price rise in a year, following a period of price freeze since 2014

Demand:

- Morocco: Cement deliveries in Morocco +14.8% YoY in FY2021 to 13.97Mt

Week ending: 16-1-2022

Supply:

- India: Ultratech Cement has commissioned its 2Mt/yr Line 2 at its Bara grinding plant in Uttar Pradesh

- India: Sagar Cements has commissioned its 1.5Mt/yr Jaipur grinding plant in Odisha. Operations started in Jan 2022
- Oman: Oman Cement Company has opened tenders for the construction of Line 4 and an upgrade of Line 3. Line 4 will have clinker capacity 10,000tpd, while Line 3 will be upgraded to 5,000tpd from 4,000tpd

M&A:

- Russia: Russia's Federal Antimonopoly Service (FAS) has blocked the acquisition of Atakaycement by AO Actual Investments and OAO Novoroscement, as the aggregate market share of the combined group in the Northern and Southern Caucasus districts would exceed 50%

Imports/Exports:

- Azerbaijan: The government decided not to extend custom duties on white cement imports

Demand:

- Brazil: Cement domestic sales 64.3Mt in 2021, +6.3% YoY
- Kazakhstan: Cement consumption in 2021 was 11.6Mt from 9.4Mt in 2020 (+23% YoY)
- Argentina: FY 2021 cement consumption 12.01Mt, +23.3% YoY
- Switzerland: FY 2021 cement deliveries +0.6% to 4.18Mt
- Saudi Arabia: FY 2021 local deliveries 51.7Mt, +1.2% YoY

Pricing:

- China: Cement prices in China have dropped by 17% between Oct 2021 and Jan 2022
- India: Pan-Indian cement prices declined by an average 5% MoM in Dec2021. As demand is recovering, companies have announced price hikes of INR10-30/bag starting Jan 2022
- Mexico: Cement companies in Mexico announced cement price increases, which may reach 25% in some cases
- South Korea: Cement prices in South Korea are expected to increase by average 1% to 2% from Feb 2022

Week ending: 23-1-2022

Supply:

- Kenya: Savannah Cement plans to build a clinker plant of 2.7Mt/yr capacity (8000tpd) in Kitui. It is expected to be completed by mid-2024. The company plans to build a 0.7Mt/yr grinding plant at the same location
- Kenya: National Cement is planning to increase its clinker capacity by 2Mta. Bamburi will expand capacity by 1.6Mta. Rai Cement plans 1.3Mta expansion, Karsani Ramji 1Mta and Portland Cement 0.096Mta
- France: Lafarge France has commissioned its new kiln line at the Martres cement plant
- Morocco: Ciments du Maroc plans to commission its new 0.7Mt/yr grinding plant in Nador in July 2022. Cost is \$36m
- India: UltraTech Cement plans to invest \$129m to expand capacity for its Birla white cement product to 12.5Mt/yr from 6.5Mt/yr currently
- India: Dalmia Cement has commenced cement production at its upgraded 2.9Mt/yr Murli cement plant in Maharashtra

Imports/Exports:

- Ghana: The Chamber of Cement Manufacturers Ghana says that the current clinker import tariff is taking a serious financial toll on cement producers, warning that cement prices are likely to rise further

Demand:

- China: Cement output in China was 2.36bnT in 2021, -1.2%YoY from 2.39bnT in 2020. Output in 3Q21 was lower than in 3Q20 and 3Q19, while in 4Q21 it was lower than 4Q20, 4Q19 and 4Q18
- Peru: In FY2021 demand was 14.4Mt +37.4%YoY, ASOCEM cement production +41% to 12.9Mt, clinker production +79% to 9.9Mt from 5.5Mt

Pricing:

- Japan: Sumitomo Osaka Cement plans to raise the price of its cement related products by 20% in April 2022, to offset price rises of raw materials, energy and logistics

Week ending: 30-1-2022

Supply:

- India: Ramco Cements plans to commission a new 2.5Mt/yr clinker line at its new plant near Kurnool in Feb 2022. Also a 1Mt/yr grinding unit is expected to be commissioned in the 2022-23 financial year. Finally it plans to commission a new 300tpd kiln at its Nagar cement plant in the 2023-24 financial year. Cost \$63m
- India: Birla Corp started the new 3.9Mt/yr Mukutban cement plant at Nagpur, cost was \$370m
- Nigeria: BUA Cement's 3Mta Line 4 at Kalambaina, Sokoto was inaugurated on 27th Jan 2022
- Uzbekistan: Akhangarancement reportedly started a new 2.5Mt/yr dry process production line in late 2021

M&A:

- UK: Holcim sold its cement business in Northern Ireland to Cookstown Cement for EUR67m. The transaction includes the 0.45Mt/yr Cookstown cement plant. The new owners will invest EUR14m for environmental upgrades
- Uzbekistan: Akkerman Cement acquired a 98.6% stake in Akhangarancement. The value of the deal has not been disclosed
- Russia: Ulegorsk-Cement's Donskoy plant in the Rostov region was sold to AlfiGroup for RUB405m through an auction by the creditor bank

Demand:

- Azerbaijan: Cement production in Azerbaijan +6.3% YoY in FY2021 to 3.4Mt
- USA: The PCA expects that the country's \$1trn infrastructure program will consume 46Mt cement over 5 years
- Vietnam: FY total cement sales 62.707Mt, -2% YoY

Pricing:

- Mexico: Average bagged grey cement price +14.5% in Jan 2022, bulk prices +20% MoM. Cemex mentioned that price rises seek to recover part of the cost inflation. GCC has indicated that its cement prices rose by 5.1% in Mexico in 2021
- Mozambique: The price of cement from Dugongo plant increased again for a third time since its opening in May 2020. The price of 32.5 cement has increased from MZN230 in 2020 to MSZ360 now. A bag of 42.5 cement has increased from MZN250 to MZN340

Carbon:

- Czech Republic: Czech cement producers are under pressure from rising EU ETS prices, say they can no longer absorb the rising cost of buying extra allowances (source Lafarge Cement sales dept)

- Regional/Europe: Calls for measures against market speculation of carbon prices led to a temporary drop in prices, but the uptrend resumed after a report concluded that no manipulation had been taking place. Poland had called for a curb on financial trading either on volumes traded or time traders can keep a position

