

News and events that affect our industry

1st half May 2022



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News and events that affect our industry – April 2022

Week ending: 1-5-2022

SUPPLY:

- **India: Lucky Cement said the expansion by 3.15Mt/yr of the Pezu plant in Khyber Pakhtunkhwa is scheduled for completion within 2022**
- **India: The National Company Law Tribunal has commenced insolvency proceedings against Andhra Cement. The company has been reportedly operating below 60% cement capacity due to shortage of working capital**
- **USA: The Argos Roberta and Atlanta cement plants will transition to 100% EcoStrong PLC production in 2022. The branded EcoStrong PLC can reduce carbon emissions by 10%. The company plans to convert all production facilities to PLC within 2023**
- **Nigeria: BUA Cement expects to commission the 3Mta plant at Edo State and the 3Mta facility at Sokoto both in 2023**
- **India: Ramco Cements is ready to commission an integrated plant with 3.15Mta capacity at Kolimigundla , Kurnool District**
- **Belgium: The construction of a new 1.68Mt/yr kiln at Holcim's Obourg plant may start at the end of the summer of 2022, after environmental authorisation is obtained. According to Holcim, GHG emissions are expected to drop by 23% by 2026, as a new dry-process kiln design will use oxygen as fuel and enable higher rates of capture of CO2. Commissioning is planned for 2025**

- **China: Xinjiang Tianshan Cement has acquired mining rights In Guichi District, Anhui, for \$376m and will invest a total \$1.38bn. The mines have estimated limestone reserves of 513Mt and are expected to be operational until 2043**

IMPORTS/EXPORTS:

- **Kenya: Bamburi Cement's Managing Director sees possible export growth arising from the admission of DR Congo to the East African Community in March 22**
- **Cameroon: The government has banned exports of cement from the East Region as the war in Ukraine has further strained commodity supplies which started with Covid-19**

CARBON:

- **Europe: EU ETS verified emissions rose by 9% YoY in 2021 for the first time since 2017 as coal usage for energy generation increased**
- **Mexico: Cemex's group CO2 emissions dropped by 4% YoY in 1Q22**
- **Denmark: FLSMidth has formed the EcoClay partnership which includes Vicat and Cementos Argos to further reduce emissions of calcined clay cement by 10% through the electrification of the process. The partnership plans to start building the first full-scale electric clay calcination facility by the end of 2025**

M&A:

- **India: Aditya Birla Group may consider buying Holcim's Indian assets. However analysts believe that the company may have to divest some of its existing assets, if a potential bid is to satisfy competition authorities. Aditya Birla/Ultratech has 117Mta installed capacity, while Holcim India 66Mta. The Adani Group is reportedly also looking into the potential acquisition of Holcim India's assets**
- **Spain: Cementos Molins' acquisition of the aggregates and ready-mix concrete business of Hanson Hispania in Catalonia was closed in March 2022**

DEMAND:

- **China: In 1Q22 China's cement production was 386.98Mt, -12.1% YoY. In March 2022, production fell by 5.6% YoY**
- **Argentina: Loma Negra says that cement output in Argentina in 2022 could surpass the 2017 record**

PRICING:

- **Argentina: An investigation by the National Commission for the Defence of Competition concluded that the Argentinian cement industry has a high degree of concentration, reduced competitive dynamics and that cement companies exercise localised market power. This results in price differences of 15% to 44% across the country. The report estimates cost overruns of around 14% in 2018 due to the pricing practices**
- **Russia: Cement prices in Russia increased by 2.5% MoM in March 2022**

Week ending: 8-5-2022

SUPPLY:

- **Canada:** The Government of Quebec will allocate USD36m out of USD110m total required for the upgrade of Ciment Quebec's St Basile plant, which includes a new grinding workshop and two new grinding mills. The new installation is expected to reduce CO2 emissions by 66.2Kt/yr. Commissioning is expected in the beginning of 2024
- **India:** Tamilnadu Cements plans a new grinding plant in Alangulam, to serve the nearby Arasu plant and double its capacity from 0.28Mt/yr to 0.56Mt/yr for a cost of \$5.22m
- **USA:** Maryland, Arizona and Vermont have approved the use of PLC cement, raising the number of states that have approved the use of PLC to 44
- **Turkey:** Cimsa Cement will expand capacity of calcium aluminate cement at its Mersin plant for a cost of \$45m. Completion of the project is expected in 3Q23
- **Russia:** At Lipetsk cement a rotary kiln was launched ahead of schedule. When it reaches new capacity, the renovated furnace will produce at least 2,000tpd
- **Russia:** An upgrade at Nevyansky Cementnik has expanded the kiln production capacity to 2900tpd of clinker
- **Vietnam:** The Nam Dong Cement project remains abandoned for 13 years and is currently under review by consulting departments and agencies

M&A:

- **India:** Holcim has received non-binding bids for its subsidiary Ambuja Cements from JSW Group and Adani Group. JSW Group has reportedly received commitment of funds of \$11bn from lenders and PE firms. Ultratech is reportedly also preparing a bid
- **France:** Holcim has acquired six quarries in Eastern France from the FAMY Group, expanding its aggregates business in the Eastern France and Geneva regions
- **Czech Republic:** HeidelbergCement has acquired six ready-mix concrete plants in the Czech Republic from Kámen Zbraslav raising the number of ready-mix plants it operates in the country to 80

CARBON:

- **UK:** Cement and lime producers in the UK have been effectively excluded from the government's scheme which is aimed at compensating energy intensive industries from indirect costs associated with UK ETS and Carbon Price Support (CPS). This resulted after changes in the criteria for eligibility in the scheme. The MPA expressed disappointment and noted that this result places UK companies in the sector at a competitive disadvantage in international markets and makes the sector less attractive for investment from overseas

IMPORTS/EXPORTS:

- **Vietnam:** Clinker export tariffs are set to double to 10% from 1st January 2023

Week ending: 15-5-2022

SUPPLY:

- **India:** Dalmia Cement plans to upgrade its 2.5Mt/yr Belagavi cement plant for a cost of \$38.9m. Commissioning is expected in Mar 2024. The company plans to increase its total cement capacity to 48.5Mt by 2024 from 36.9Mt currently, and then to 100Mt by 2031
- **Mexico:** Cementos Fortaleza plans to build a second production line at its integrated 1Mt/yr El Palmar plant for a cost of \$210m
- **USA:** Cemex USA has applied to continue mining at the Dowe Flats mine to support operations of its integrated Lyons cement plant. The company asked for an extension of the permit, which expires later in 2022, until 2037, after which it plans to close the cement plant
- **Namibia:** Namibia's Labour Ministry has ordered the closure of Cheetah cement's Otjiwarongo plant on health and safety concerns until improvements are effected
- **Greece:** An installation of a precalciner in Kamari plant is due for completion in 2023. A pilot carbon capture installation is also installed at the plant
- **Ethiopia:** Cement plants have been ordered to sell their cement directly rather than using agents. The Ministry of Industry who issued the order said agents have been selling to wholesalers at increased prices, leading to a 3 times rise in price between factory and final customer

M&A:

- **India:** Ultratech is willing to divest assets of capacity 15Mt/yr as part of an effort to bid for Holcim India's assets. It has been reported that the Adani Group has offered more than \$10bn. ArcelorMittal is also reportedly in talks with Holcim regarding these assets
- **India:** JSW Group is planning to submit a bid for Holcim India's assets at \$7bn, \$4.5bn provided by JSW and \$2.5bn by private equity partners. If successful in acquiring the assets, JSW Group would become the second largest cement manufacturer in India
- **Australia:** Adbri's CEO said the company is interested in buying parts of BGC. The latter reportedly started a process to sell the company in April 2022. A bidding round is expected in June 2022.
- **France:** Holcim completed the acquisition of specialty building solutions provider PRB Group
- **Poland:** Holcim acquires Izolbet to strengthen business in renovation and thermal insulation segments

CARBON:

- **Germany:** Holcim Deutschland said that preliminary tests of carbon capture at its Hover plant were successful. The next stage of the project will last until late 2024, so that after a final expansion, around 90% of CO2 emissions can be captured