

# News and events that affect our industry

1<sup>st</sup> half June 2022



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## Week ending: 5-6-2022

### SUPPLY:

- **Namibia:** Whale Rock Cement was granted permission to resume operations at its Otjiwarongo plant after inspections led to a lifting of the suspension which was imposed on 10th May 2022 on safety issues
- **USA:** Buzzi Unicem USA plans to switch to PLC production at all of its plants by the end of 2022
- **India:** The Jindal Group is planning an integrated plant at Raigarh, Chhattisgarh. The plant is expected to have cement capacity of 2.5Mt/yr and clinker capacity of 2.5Mt/yr
- **India:** JK Cement is set to start its second grinding unit in Hamirpur in Aug 2022, estimated capacity 2Mt/yr
- **Saudi Arabia:** Southern Province Cement has started construction of a new 5,000TPD line at its Jazan cement plant and will also start another 5,000TPD line at the site. These two new lines will gradually replace the existing lines at the plant, once completed
- **France:** Hoffmann Green is planning to build its third production line at Dunkirk port area. The company signed a 4oyr Temporary Occupation Permit for the plot of land where the plant will be located
- **Colombia:** Cementos San Marcos plans to expand grinding capacity to 1.2Mt/yr by 2024 at its existing plant for \$20m cost

## IMPORTS/EXPORTS:

- **Ecuador:** Ecuador has exported cement for the first time with a shipment of 32,660t by Holcim Ecuador to Peru
- **Philippines:** Local cement manufacturers warn that continued cement imports from Vietnam at dumped prices is a risk for the local cement industry. CeMAP warned that imports from Vietnam are growing at a higher rate than the rate of growth of local cement demand

## DEMAND:

- **Brazil:** SNIC's president sees cement demand for 2022 as stagnant at best

## CARBON:

- **Sweden:** Cementa has completed the feasibility study for CCS at the Slite plant and will now proceed to the next stage of the project, aiming to produce low carbon cement by 2030, with a capacity four times that of Norcem's Brevik CCS. The installation will reduce Sweden's total CO2 emissions by 3%
- **UK:** Hanson plans to install a carbon capture system at its Ketton plant, Rutland. The solvent-based technology that will be used reduces energy requirement per tonne of CO2 by 40% compared to other capture systems

## Week ending: 12-6-2022

## SUPPLY:

- **Germany:** An oxyfuel kiln is planned at Schwenk Zement's Mergelstetten cement plant. Dates for the start of construction and expected commissioning of the trial installation were not provided
- **Sweden:** HeidelbergCement will build a 1.8Mt/yr CCS installation at Slite, aiming for 100% CO2 capture by 2030
- **India:** Ultratech Cement plans to expand capacity to 159Mt/yr by investing \$1.67bn. This constitutes a capacity increase by 22.6Mt/yr. Commercial production of the new projects will start by the end of FY2025
- **India:** Star Cement plans to build a new 3Mt/yr clinker line for a cost of \$129m in Northeast India, estimated to start in April 2024. It also plans to invest more than \$90m to build two new grinding units as follows: double the capacity at the grinding plant in Guwahati and add another unit of 2Mta at Silchar
- **India:** Ramco Cement's Kurnool plant has commenced clinker production, with the grinding unit expected to be commissioned in 2QFY23. The company is also in the process of acquiring land at Karnataka for the purpose of building an 1.0 to 1.5Mt/yr grinding unit
- **Philippines:** CeMAP projects capacity growth of 55% to 54.8Mt/yr by the end of 2025

## PRICING:

- **Ethiopia:** Oromia State, the Ministry of Mining and 20 cement companies have signed a Memorandum of Understanding to regulate the price of cement, following the recent sharp price increases

#### DEMAND:

- **Philippines:** CeMAP projects cement demand to rise to 66Mt/yr by the end of 2025
- **India:** Ramco Cement sees demand growth of 10% in FY23 for the broader market

#### M&A:

- **Canada:** CRH will acquire Barrette Outdoor Living, producer of residential railings and fencing, for US\$1.9bn

#### CARBON:

- **UK:** Cemex's Rugby cement plant will run fully on alternative fuels following the inauguration of its Climafuel facility

### Week ending: 19-6-2022

#### SUPPLY:

- **Pakistan:** Fauji Cement has ordered two 180t/hr cement grinding mills for its upcoming Salar Cement plant in Dera Ghazi
- **India:** Shree Digvijay Cement plans to increase capacity of its Digvijaygram plant in Jamnagar District of Gujarat to 3Mt/yr from 1.2Mt/yr and will include a WHR plant. Construction will start in mid-2023
- **India:** Dalmia Bharat plans a cement production capacity expansion from 35.9Mt/yr currently to 48.5Mt/yr in FY24. Over the next decade it plans to expand to 110-130Mt/yr
- **Russia:** Altai Cement is reportedly planning to restart kiln 2 at its Altai plant, which would double the plant's capacity to 2400tpd
- **USA:** CIM Group acquired real estate properties which include Cemex's West Hollywood cement plant for \$47m. Cemex will continue operating the plant while future plans for the site are developed
- **South Korea:** The truck driver strike in South Korea has ended after 7 days with an estimated cost for the cement industry of \$70m

#### PRICING:

- **Argentina:** The investigation by the National Commission for the Defence of Competition has found that all four Argentinian cement producers colluded to maintain high prices between 2013 and 2018. Cost overruns for the period 01/07/2017 to 30/06/2018 have led to an increase in revenues by \$178m by the four companies

- **Japan:** Taiheiyo Cement will apply a coal surcharge on its sales of cement products starting September 2022 for a period of one year. The charge will be adjusted every two months
- **Pakistan:** Cement price index in Pakistan increased by 51% in two years to May 22
- **Ghana:** The price of a 50kg bag of cement in Ghana is set to increase by GHS55 to GHS66 in mid-June
- **Vietnam:** Cement prices in Vietnam, increased by VND40,000 to VND80,000 per tonne

## DEMAND:

- **India:** Fitch expects cement demand in India to increase by mid to high single digits in the medium term and by mid-teens in FY22
- **Pakistan:** Pakistan's cement market is expected to contract by 10% in FY22 ending June, according to local reports, as opposed to 10% to 15% annual growth forecast by industry. The rise of cement, coal and steel prices has increased costs for homebuilding in Pakistan, and together with the government's cut to its Public Sector Development Programme have pushed back the government's housing development plans. Although the government has set a public Sector Development Programme (PSDP) target of PKR800bn (US\$3.95bn) for FY23, only PKR466bn of the PKR900bn announced in FY22 has been spent to date

## M&A:

- **Turkey:** Cimsa Cimento has sold the 1Mt/yr Kayseri and 1.2Mt/yr Nigde integrated plants as well as its grinding plant in Ankara to Ferpa Insaat. The deal value is reportedly \$110m

## CARBON:

- **Europe:** The EU parliament voted against an amended proposal to introduce CBAM and to phase out ETS allowances from 2028 to 2034, against a previous proposal of 2025 to 2030. Cembureau expressed disappointment for the uncertainty that the delayed regulation poses for the cement industry in Europe. Talks continue so that a revised bill may be brought to a new vote this month

## IMPORTS/EXPORTS:

- **Pakistan:** DG Khan Cement will start exporting cement to the USA. The first shipment is 50Kt and is part of a 100Kt order. This is the first cement export to the USA by a cement producer based in Pakistan
- **Indonesia/Philippines:** Indonesia's government said that it will seek compensation if the Philippines Tariff Commission extends tariffs on cement, adding that measures should be more targeted against countries involved in cement dumping