

News and events that affect our industry

2nd half May 2022



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Week ending: 22-5-2022

SUPPLY:

- **Malaysia:** Makin Teguh is planning to establish an integrated cement plant in the state of Sabah
- **India:** Cement Corporation of India plans to permanently close and decommission the Adilabad cement plant which has been mothballed since 1998
- **India:** Ultratech Cement has commissioned clinker line 2 with capacity 2.7Mt/yr at its Hirmi cement plant in Chhattisgarh. By mid-2022, a new 1.3Mt/yr grinding unit is also expected to be commissioned at the plant
- **India:** Chettinad Cement is planning a new production line at its integrated Kallur plant in Karnataka
- **Tanzania:** Burundi's Intracom is planning to build an integrated plant in Kigoma region, Tanzania, aiming for the markets of Northern Tanzania, Burundi, Rwanda and Democratic Republic of Congo. Cement production capacity is expected to be 0.6Mt/yr and clinker capacity 1Mt/yr. Commissioning is expected in mid-2024. Cost is estimated at \$250m
- **Uzbekistan:** Anhui Conch has commissioned a new 1.2Mta cement plant in Kashkadarya. The plant is intended to export around 30% of production, mainly to Kazakhstan, Kyrgyzstan, Afghanistan and China. Cost exceeded \$150m. The company also started construction of a

2.5Mta cement plant in Akhangaran, Tashkent, in Dec 2021. Total cost is expected to exceed \$200m

- **Mexico:** GCC's cement plant in Samalayuca will convert to 100% PLC production in July 2022. GCC estimates that the conversion will reduce CO2 emissions by 40kt/yr
- **Brazil:** ABG Mineração plans to construct a new cement plant in Mossoro, in Rio Grande do Norte

IMPORTS/EXPORTS:

- **Cameroon:** Cameroon has provisionally authorised cement imports from Congo and the Democratic Republic of Congo to cover demand as local production does not suffice

DEMAND:

- **Vietnam:** Domestic consumption in Vietnam in FY21 is estimated at 62.7Mt, +0.95% YoY
- **Cameroon:** Dangote Group estimates that the size of Cameroon's cement market grew by around 14% YoY to nearly 4Mt in 2021 from 3.5Mt in 2020

CARBON:

- **Australia:** Boral will conduct a carbon capture feasibility study at its Berrima cement plant. The study will be in partnership with Calix and has received AUD30m government funding. Boral intends to install an 100kt/yr carbon capture facility at the plant. The first phase of the project is expected to be completed by June 2023
- **Austria:** The Austrian Cement Industry Association has published a carbon neutrality roadmap to 2050. One of the targets is to reduce clinker factor to 52% by 2040 from 70% in 2020

M&A:

- **India:** Holcim has agreed to sell its India assets to Adani Group for US\$6.37bn. This is equivalent to a purchase value of just below US\$100/t of cement production capacity. The assets consist of 63.11% direct stake in Ambuja Cement, which owns 50.05% of ACC, and a 4.48% direct stake in ACC. The two entities operate 31 cement plants of 66Mta production capacity and 78 ready-mix concrete plants in India
- **Ghana:** HeidelbergCement has agreed to acquire 50% of CBI which controls CBI Ghana. The two partners have committed to explore calcined clay projects in West Africa, beyond CBI Ghana's current project
- **Malaysia:** Borneo Oil has agreed with MT23 resources to acquire a stake of 22.49% in Makin Teguh, raising the total holding in the company to 38%
- **Russia:** Holcim said it has received interest from 30 potential buyers for its Russian business, which includes three cement plants (Volskocement, Kolomna and Ferzikovo) and white cement production in Kolomna. Russia accounts for less than 1% of global sales of the company
- **USA:** Holcim, HeidelbergCement and Haci Omer Sabanci Holding are reportedly interested in Sika's US admixtures business, which is believed to be valued at US\$800m-US\$1bn. Sika is selling the business to satisfy regulatory requirements attached to the approval of its own acquisition of MBCC, formerly BASF Construction Chemicals, in Nov2021

Week ending: 29-5-2022

SUPPLY:

- **Chile:** Cementos Melon inaugurated a new 0.25Mt/yr grinding plant in Punta Arenas for an investment cost of \$45m. Production of 80kt is planned for the first year of operation. The company may double capacity of the plant by building a second mill if market demand supports the investment
- **Uzbekistan:** UCG has completed the modernisation of the grinding units of the Kuvasay cement plant
- **Uzbekistan:** Uzbekistan's cement capacity is expected to increase to 31Mt in 2022 from 21.3Mt in 2021
- **Vietnam:** Vietnam's cement capacity is expected to rise by 8% in 2022 to 115.4Mt with three new integrated lines added (Dai Duong 1, Long Thanh and Xuan Thanh 3) of 8.8Mt/yr
- **India:** Shree Cement's new 9000tpd Line 3 at Raipur Cement plant started cement production in March 2022
- **India:** Shree Cement is planning a 3.5Mta integrated plant in Nawalgargh, Rajasthan. The plant is expected to have clinker capacity of 3.8Mt/yr and cement capacity 3.5Mt/yr. Commissioning is expected in March 2024. The company is also planning a 3Mta grinding unit at Purulia, West Bengal
- **India:** Nuvoco Vistas plans clinker expansion at Risda and Nimbol and a new grinding unit of 2.4mta at Bhiwani. The company also plans a greenfield expansion of 6000tpd clinker capacity at Gulbarga
- **Pakistan:** Bestway Cement plans a greenfield cement plant with 7200tpd in Mianwali, Punjab

PRICING:

- **India:** India's government has formed a special panel to examine possible measures to reduce cement prices in certain parts of the country. Among the measures examined is the potential shipment of cement from Southern areas where plants operate under capacity to areas with shortages. The government has also reduced the fuel duty. In April 2022, cement prices increased 8.3% MoM and a further increase was expected in May 2022. Some companies like Shree Cement hope to pass-on any cost savings from the reduction of the duty to consumers, while others, like Ultratech and JSW Cement, haven't made any announcement yet on potential price cuts

IMPORTS/EXPORTS:

- **Colombia:** Cementos Argos' exports increased by 32% YoY in 1Q22 to a record of 297kt, mainly due to the new terminal at Cartagena. The company said it could export up to 1.3Mt in 2022, +38% YoY
- **Algeria:** Algerian clinker exports from the port of Skikda have already exceeded annual target of 275Kt, having exported 325Kt in the first four months of 2022

M&A:

- **Colombia:** Jaime Gilinski is seeking to acquire between 26% and 32.5% of Grupo Argos for \$698m to \$872m

CARBON:

- **Canada:** Canada's cement industry aims at reducing CO2 emissions by up to 40% by 2030