

News and events that affect our industry

2nd half June 2022



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Week ending: 26-6-2022

SUPPLY:

- **India:** Shree Cement plans to establish cement plant in Guntur, Andhra Pradesh, for \$321m. Cement capacity is expected at 3Mt/yr while clinker capacity at 1.5Mt/yr. Completion is scheduled for Q4 2024
- **India:** Kesoram Industries plans to increase capacity to 15Mt/yr from its current 11Mt/yr. The plan is to complete expansion in 3-4yrs for an investment of \$45 to \$65m. First stage is to add 1Mt/yr capacity by debottlenecking and then add a kiln to the existing facility
- **Russia:** Akkermann Cement plans to complete its 3.5Mt/yr Kaluga cement plant in late 2027, investment cost \$442m. The site was acquired in Apr 2022
- **Belgium:** Holcim Belgium plans to complete its Obourg oxyfuel kiln conversion and CCS project by 2025
- **Vietnam:** The Ministry of Construction has suggested that Thanh Hoa's provincial authorities review the construction of lines 3 and 4 at Dai Duong to avoid a supply glut. If completed, the two lines will raise the country's cement capacity to 150Mt/yr by 2025, which is above the government's targets. Construction of lines 1 and 2 with capacity 4Mt/yr commenced in 2020
- **Canada:** Lafarge Canada's Bath cement plant is converting production to PLC
- **Australia:** Boral has cut back on production levels in response to high energy costs

- **France:** Holcim France has managed to produce 100% recycled clinker at an industrial scale at its Altkirch cement plant. The clinker was produced from locally sourced waste materials
- **Spain:** Malaga's city council has given approval for the extension of La Araña cement factory which was halted as illegal 8 yrs ago. The approved plan includes the construction of a 115m high chimney

IMPORTS/EXPORTS:

- **Pakistan:** DG Khan Cement has exported 50kt of cement to the USA, the first dispatch of a total order of 600kt. The order could double to 1.2Mt
- **South Africa:** South Africa has extended anti-dumping duties on cement imports from Pakistan for another five years. The initial duty was 77.15% but it has now been reduced to a range of 25% to 68.87% depending on the source exporting company

PRICING:

- **USA:** Lhoist North America announced that it has raised prices on 13th June 2022 for its lime products by 45% in response to higher energy costs. Mississippi Lime Company has also announced price increases
- **Vietnam:** More than 10 companies in Vietnam announced cement price increases of up to VND140,000/t

CARBON:

- **Global:** A study by the CICERO Center for Climate Research has found that CO2 emissions from cement production have increased to 2.6bnt/yr from 1.2bnt in 2001 and that they have more than tripled in 30yrs
- **Western Europe:** The Cembureau has welcomed the adoption of the EU and CBAM reports by the EU parliament but expressed disappointment that implementation of CBAM will be delayed by one year. Data shows that cement imports into the EU have increased by 300% in the period 2016-2021, while in 1Q22 they have increased by 47%. Analysis also reveals spikes in imports at times of high EU ETS prices. Under the agreement reached, free allowances will be phased out from 2027 and completely by 2032. In 2032 they will be replaced by CBAM

CONSTRUCTION:

- **USA:** The PCA has warned that suspension of the US Federal gas tax may reduce a source of funding for infrastructure investment in the country

M&A:

- **Tanzania:** Some cement companies in Tanzania reportedly oppose the acquisition of Tanga Cement by Twiga Cement, arguing that it breaches competition laws.

Week ending: 3-7-2022

SUPPLY:

- **Cameroon:** Cimencam plans to expand capacity of its 1.6Mt/yr Figuil cement plant by 150kt/yr by early 2023
- **Morocco:** Lafarge Holcim Maroc's 1.6Mt/yr in Tidsi, Agadir, has been officially inaugurated. Investment cost was \$299m. It has been operational since the end of 2021 and has already exported clinker to West Africa
- **India:** Nuvoco Vistas is planning a 1.2Mt/yr grinding plant at its existing facility in Bhiwani, Haryana.
- **Russia:** Cement deliveries to Kaliningrad will be redirected by sea following the decision by Lithuania to disallow rail transport through its territory as part of broader EU sanctions. It is estimated that cement demand in Kaliningrad is 600Kt/yr

PRICING:

- **South Africa:** South Africa's government has asked local cement producers to commit to no price increases in return for its approval of more safeguard actions against cheap imports

DEMAND:

- **Vietnam:** VNCA's members FY2021 cement production was 101Mt

M&A:

- **India:** The India Cements Ltd has completed the acquisition of Springway Mining. The latter is planning a cement plant in Madhya Pradesh

IMPORTS/EXPORTS:

- **South Africa:** Cement imports into South Africa increased by 9% YoY in 2021 to 1.1Mt