

News and events that affect our industry

1st half September 2022



The ultimate “intelligence” provider in the global cement sector

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Week ending: 4-9-2022

SUPPLY:

- **USA:** The Boulder County Planning Commission has recommended that the application by Cemex USA to extend license for mining limestone at the Dowe Flats quarry until 2037 is rejected. The company has stated that it will be able to operate the Lyons cement plant without the license, having said previously that it intended to shut it down in 2037
- **South Korea:** Ssangyong Cement is modernising clinker line 5 at its Donghae plant with commissioning expected in 4Q23. Modernisation of line 4 is in commissioning stage
- **South Korea:** Halla Cement will modernise line 2 at its Okke plant. Commissioning is planned for 1Q24. Commissioning of modernised line 3 is scheduled for 1Q23

M&A:

- **Costa Rica:** Cementos Progreso's acquisition of Cemex's cement assets in Costa Rica and El Salvador has closed for \$329m

CARBON:

- **USA:** Lehigh Hanson has secured funding from the US government for its carbon capture installation at the Mitchell plant, Indiana

- **Switzerland:** A joint report on the Swiss cement sector estimated an annual decarbonisation cost of around US\$300m/yr to reach net zero by 2050. The report suggests that decarbonisation cannot be achieved without CCUS and that current CO2 prices do not justify expensive CCUS installations

Week ending: 11-9-2022

SUPPLY:

- **Senegal:** SOCOCIM has reportedly stopped production at its Rufisque plant and Dangote Cement put its staff of its Thies plant on leave for August. It is reported that plants cannot operate at current increased raw materials prices, while cement prices are frozen by the government
- **Sweden:** The Environmental Protection Agency and the county administrative board of Gotland have recommended that an extension of Cementa's operating license for the Slite plant for four years is rejected. The current temporary permit expires at the end of 2022. A hearing is planned for October 2022, while a final decision will be made near the end of the year
- **India:** Birla Corp plans to raise production capacity to 30Mt/yr by 2030 from 20Mt/yr currently
- **India:** Birla Corp plans to expand cement capacity at its Kundanganj grinding plant to 3Mt/yr from 2Mt/yr
- **India:** Birla Corp plans to build a new grinding plant of 1.2Mt/yr in Gaya, Bihar
- **Mexico:** Cruz Azul's Tula cement plant receive electricity supply again on 07 Sep, after being cutoff since mid-August. State police intervened in late Jul22 during a confrontation for control of the plant
- **Czech Republic:** The Cement Association said that high electricity spot prices will lead to suspension of cement production soon, while if gas supply runs out next year, there will be no cement production at all
- **Pakistan:** Cherat Cement said that the greenfield project at Dera Ismail Khan will be delayed because of delays at opening of the letter of credit. The project is estimated to have capacity 8000-9000tpd
- **Vietnam:** By the end of 2022, three more cement lines will be in operation in Vietnam: Xuan Thanh 3 project (4.5Mt/yr), Long Thanh Cement (2.3Mt/yr) and Long Son Cement (2.5Mt/yr). The Ocean 1 cement project with 2Mt/yr capacity was supposed to operate by the end of 2022, but is now expected in 2023. Total capacity at the end of 2022 is estimated at 117Mt/yr

PRICING:

- **Western Europe:** Cembureau said that the sharply higher electricity prices in Europe are raising electricity costs to EUR70/t-EUR110/t and production costs have tripled. It called for urgent action by governments to avoid widespread closure of plants
- **Cameroon:** Cement prices in Cameroon fell by up to 12% according to the Ministry of Trade, after capacity of Mira's plant was increased to 1.5Mt/yr from 0.5Mt/yr

- **Pakistan:** Attock Cement says that the cost of cement production has increased by around 50% in the last 18 months
- **Ghana:** Dzata Cement has urged the government to waive VAT on cement raw materials. Cement prices in Ghana rose to GHS73 per 50kg bag due to the depreciation of the cedi which has resulted in higher raw materials prices

M&A:

- **Australia:** BGC has cancelled its second attempt to sell the company on poor market conditions

DEMAND:

- **Czech Republic:** Cement demand in 2021 +5.2% to 4.68Mt, cement production +4.6% YoY to 4.72Mt

IMPORTS / EXPORTS:

- **Czech Republic:** Cement demand in 2021 +5.2% to 4.68Mt, cement production +4.6% YoY to 4.72Mt

Week ending: 18-9-2022

SUPPLY:

- **Russia:** JSC Oskolcement has started a new kiln line at Belgorod
- **China:** Liangtian Cement's 5000tpd upgraded production line at Liangtian Cement plant is scheduled to start operating in July 2023

M&A:

- **India:** Holcim has closed the sale of its India business to Adani Group. The latter has also increased its stake in ACC by 2.2% and in Ambuja Cements by 0.4% through a tender from prior shareholders

DEMAND:

- **South Africa:** PPC sees demand growth of +2.5% in 2022
- **Pakistan:** Cherat cement sees cement consumption in Pakistan dropping by 3% to 4% in FY23 ending Jun23
- **Vietnam:** VNCA sees FY22 cement production at 108Mt and local demand at 65Mt
- **India:** Shree Cement sees a slow September quarter for the market because of cost pressures, but a strong fourth quarter
- **Russia:** Russian cement manufacturers expect double digit drop in domestic demand in 2023 (-15% to -20% or 10Mt at least). Imports are expected to increase

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