

News and events that affect our industry

November 2022



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Week ending: 6-11-2022

SUPPLY:

- **India:** JK Cement has commissioned its new 2Mt/yr Hamirpur grinding plant in Uttar Pradesh
- **Malaysia:** Makin Teguh plans to start operations at its new 0.22Mt/yr integrated plant in Sabah in early 2023
- **Saudi Arabia:** Yamama Cement has commissioned a new plant in eastern Arabian Desert with 20,000tpd capacity over two clinker lines
- **Australia:** Hallett Group plans to commission its upcoming US\$13.4m Port Augusta slag cement grinding plant in 2023
- **Australia:** Cement Australia is planning a carbon capture installation at Gladstone, Queensland, commissioning expected by mid-2028
- **India:** Ultratech Cement sees expanding cement capacity by 8.2% by Mar23 to 131Mt/yr. This includes the start of operations at the 3.5Mt/yr Pali plant in Rajasthan and expansion by 4.2Mt/yr at its Dhar plant in Madhya Pradesh. It is reportedly expected to increase capacity further to 160Mt/yr by 2026 fiscal year
- **Uzbekistan:** Deha Tech expects to commission a new grinding plant in Tashkent in Jan23
- **Turkey:** MEDCEM plans to expand clinker capacity at its Silifke plant by 90% to 6.5Mt/yr. Commissioning is expected in Jan23

- **China:** Dalian Onoda Cement, owned by Taiheyio Cement, plans to suspend cement production and subsequently close its Dalian Cement plant in Liaoning in Dec22 after its lease expires
- **Pakistan:** Dandot Cement's balancing modernisation and replacement plan of 0.5Mt is expected to be completed by Mar23. Production at the plant at Jehlum has remained suspended since 2019 as the project is in progress. Following completion clinker capacity is expected to rise to 1600tpd
- **India:** Lucky cement's brownfield expansion at Pezu of 3.15Mt/yr capacity is on track for commissioning in Dec22

M&A:

- **Spain:** Votorantim Cimentos Spain has completed the acquisition of Heidelberg Materials' business in south Spain which includes FYM's 1.6Mt/yr cement plant in Malaga as well as aggregates quarries and ready-mix plants
- **Malaysia:** Borneo Oil has entered into an agreement to increase its stake in Makin Teguh from 29% to 60%
- **Japan:** Taiheyio Cement has agreed to acquire Denka's cement business which includes the Omi integrated plant in Itoigawa
- **China:** China Resources Cement plans to sell its subsidiary CRC Changzhi which operates a 2Mt/yr plant in Changzhi City in Shanxi

DEMAND:

- **China:** China's cement production in 09M22 was -12% YoY to 1.56Bnt, however in September it increased by 1% YoY

Week ending: 13-11-2022

SUPPLY:

- **India:** Ramco Cements plans a second line at its Haridaspur grinding plant of 0.9Mt/yr capacity, doubling the total plant capacity to 1.8Mt/yr
- **Bangladesh:** Crown Cement plans to build a sixth plant with \$25m financing provided by government-owned Infrastructure Development Company. No further details were announced
- **Saudi Arabia:** Sinoma and Yamama Cement signed a contract for the construction of a 10,000tpd clinker line at the latter's new plant. Yamama Cement also signed a contract for the transfer of the seventh production line from the old plant to the new location. The project will start in 1Q23, to be completed in 2H25 and is estimated to cost \$220m
- **Namibia:** Cheetah Cement reached a wage agreement with the Mineworkers Union to end a three month strike at its Otjiwarongo plant
- **Pakistan:** Maple Leaf has started production of a 7000tpd clinker line 4 at Iskanderabad in Nov22. The company is also considering enhancing the white cement line in the future

- **Ukraine:** Buzzi Unicem keeps production running at the Volyn plant , while production at the plant in Nikoljev is still suspended. Its net sales in EUR terms in Ukraine are down by 48.5% YoY in 09M22

IMPORTS/EXPORTS:

- **Philippines:** The Department of Trade and Industry backed the Trade Commission's recommendation to do away with cement import duties that were imposed in 2019 for 3 yrs

CARBON:

- **Germany:** An oxyfuel pilot will be built at Schwenk Zement's Mergelstetten plant. A 450 tpd production line will be built for EUR120m investment. Commissioning is planned for mid-2024

DEMAND:

- **Argentina:** AFCP's provisional FY22 production estimate is 13.2Mt, +8.9% YoY

Week ending: 20-11-2022

SUPPLY:

- **USA:** Lehigh Hanson will commence closure of Glen Falls plant in 2023
- **USA:** Lehigh Hanson plans to stop production at its Permanente plant in Cupertino, California and convert it to a distribution centre. Clinker production at the integrated plant has stopped since 2020
- **Bolivia:** ECEBOL's new 1.3Mt/yr cement plant at Potosi is expected to commence production in 1Q23 according to the government. Clinker production is estimated at 3000tpd
- **Bangladesh:** Crown Cement estimates the cost of unused cement capacity in Bangladesh at \$1.46bn. Cement capacity over the last 15yrs has quadrupled to 83.3Mt/yr from 22.4Mt/yr. The company estimates a cost of \$40m per 1Mt/yr of new capacity over the period
- **Pakistan:** Cherat Cement's balancing, modernisation and replacement project of its Line 1 is expected to be completed in Jan23. The company also plans a production line 4 at Dera Ismail Khan but has not provided details of capacity and costs
- **Iraq:** IFC is considering a \$65m loan to Al Douh Cement to finance expansion of production capacity by 2Mt/yr at the same site as its existing 1.5Mt/yr line at Muthanna province
- **India:** JK Cement plans an expansion by 5.5Mt/yr over the next two years for an investment of INR11.61bn. Of this capacity, 3.5Mt/yr will be at JK Cement Ltd and 2Mt/yr will consist of a greenfield grinding plant at JayKayCem Ltd subsidiary
- **Russia:** Vostokcement entered the Sakhalin market after the start of production at its Yuzhno-Sakhalinsk grinding plant. The plant aims at 4500t sales per month with plans to ramp up production to 100Kt/yr in the future

IMPORTS/EXPORTS:

- **Russia:** Cement import to Russia from Belarus increased by 61% in September and October 2022 compared to last year. Eurocement sees Russia's total cement imports rising to 2.2Mt in 2022, of which 1.5Mt could be from Belarus. Also sees imports rising potentially to 5Mt in

2023, mostly from Belarus and Iran. This rise in imports may push some domestic cement plants out of the market and lead to shutdowns of domestic production, according to Eurocement

CARBON:

- **South Korea:** A commercial CCUS installation at Asia Cement's plant in Jaechon is planned for 1Q23. Initial capture target is 30kt/yr of CO₂, expanding it to 120Kt/yr by mid-2024

CONSTRUCTION:

- **UK:** The MPA has expressed relief that the Autumn Statement by the Chancellor of the Exchequer did not include capital spending cuts for infrastructure. Capital spending on infrastructure is estimated at GBP600bn for the next 5yrs

Week ending: 27-11-2022

SUPPLY:

- **Ghana:** The High Court in Ghana has ordered Empire Cement to stop operating its unlicensed McCarthy Hills cement plant until a lawsuit by the McCarthy Hills residents is finalised
- **Germany:** Zementwerk Lübeck is reportedly operating its 0.3Mt/yr grinding plant at nights and weekends only because of high energy prices. It has also been reported that it has suspended production altogether a few times
- **India:** Wonder Cement has started Line 4 of its Nimbahera cement plant on 18 Nov 2022. No further details have been released
- **Australia:** Cockburn Cement is consolidating cement production at Munster and Kwinana at an upgraded 1.5Mt/yr grinding cement plant at Kwinana for a cost of \$152m. It is expected to be operational in 2023. A new 40Kt/yr terminal will receive clinker for the plant's production operations
- **Pakistan:** Kohat Cement's new cement greenfield project in Khushab is expected to come online in 1QFY25, estimated cost \$165m. Estimated capacity has been previously reported at 7800-10000t/day. The company's BMR project of Line 3 in Pakhtunkhwa is expected to come online by 4QFY23
- **Turkey:** Bursa Cimento expects to complete its new production plant in 1Q23, the new facility will increase production capacity to 3.0Mt/yr from 2.85Mt/yr. The older facility will either be halted or improved. Estimated cost ER110m

M&A:

- **Turkey:** Safi Cimento has acquired Sancim Bilecik Çimento, which operates the 2.2Mt/yr Bilecik integrated plant

IMPORTS/EXPORTS:

- **Vietnam/Philippines:** VICEM has entered into an agreement with two companies to export 6Mt of cement and clinker to the Philippines over the 2023-2025 period. It is estimated that VICEM exports around 1.5Mt/yr to the Philippines currently

PRICING:

- **Pakistan:** Pakistan's Association of Builders and Developers has accused the cement sector of cartel practices and asked the government to intervene after cement prices have risen even as demand has dropped

CARBON

- **USA:** Cemex will install a trial CCUS project at its Balcones cement plant in New Braunfels, Texas. It is estimated that CO2 capture capacity will be 670Kt/yr
- **UK:** Hanson has run a carbon capture trial at its Ribblesdale cement plant using recycled concrete paste (RCP) in the wet scrubber
- **Europe:** CCUS represents around 42% of the projected reduction in emissions for the cement sector by 2050, according to the CEO of Cembureau. He said that the EC's proposal to phase-out the use of CO2 from industrial sources after 2035 creates uncertainty and comes at odds with business realities. First because over 200 kilns in Europe are landlocked and unable to store CO2, so reusing CO2 instead would be important for them. Secondly because CCUS projects require significant capital and return on the investment is over several decades

CONSTRUCTION:

- **Europe:** Euroconstruct sees European construction output growth of +0.2% in 2023 and 0% in 2024. It sees negative growth in 2023 in several European companies including UK, Sweden, Finland, Germany and Italy (weakness is expected to extend into 2024 for the latter two). Spain and France on the other hand are projected to stay on a positive growth path until 2025.