

# News and events that affect our industry

February 2023



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**Week ending: 05-02-2023**

## SUPPLY:

- **Australia:** Hallett Construction Materials plans to commission its Port Augusta slag cement grinding plant in Jan 2024
- **Tunisia:** Ciments de Bizerte’s clinker production in FY22 was down by 24% due to forced stoppage during the year when there was disruption in the supply of raw materials
- **Nigeria:** Dangote Cement plans an integrated plant at Itori, having two clinker lines of 6000tpd each. Clinker production is expected to commence two years after the contract is signed with Sinoma, followed by commissioning a few months later. Estimated cost is around \$585m
- **India:** Mangalam Cement has won an auction for the lease of the 204Mt Ninama Dunia limestone mine in Rajasthan up to 2073

## M&A:

- **Russia:** The assets divested by Holcim in Russia have been rebranded as Cementum. Local management concluded the deal to buy the assets from Holcim in Dec 22
- **Oman:** Ultratech Cement’s UAE subsidiary, Cement Middle East Investments, has agreed to acquire 70% of Duqm Cement from Seven Seas Company

## DEMAND:

- **Colombia:** Cement dispatches in Colombia in FY22 were 13.5Mt (+3.6% YoY), cement production 14.6Mt (+5.9% YoY)
- **Pakistan:** Lucky Cement sees demand remaining under pressure in Pakistan in FY22/23 due to depreciating currency, high interest rates, economic slowdown and lack of development spending

#### IMPORTS / EXPORTS:

- **Chile:** Operations at Cementos Polpaicos' Mejillones terminal will remain suspended until Aug 23, after a fire in Oct 22 which has not allowed clinker unloading

#### CARBON:

- **Finland:** Finnsementti plans a carbon capture installation at the Lappeenranta cement plant. The system will capture 40Kt/yr and produce methanol as transport fuel. First methanol production is expected in 2026

#### PRICING:

- **USA:** GCC raised cement prices by 12% YoY in 2022

### Week ending: 12-02-2023

#### SUPPLY:

- **India:** JK Cement plans a 2.5Mt/yr grinding plant at Prayagraj, Uttar Pradesh. Cost estimated at \$60.6m
- **Australia:** A second mill at Boral's Geelong cement plant was commissioned in Dec22, raising total capacity to 1.4Mt/yr
- **USA:** Heidelberg Materials' new production line at Mitchell plant is on schedule for start in early 2023. As part of the upgrade three kilns are being replaced by a new one, raising production capacity to 2.8Mt/yr from 0.8Mt/yr
- **Senegal:** A new production line of 6000tpd has been commissioned at Ciments du Sahel's Kirene plant. The new line will replace the existing third production line of the plant
- **India:** Ultratech Cement has commissioned a new 1.5Mt/yr grinding unit at its Jharsuguda cement plant at Odisha. The plant's grinding capacity has doubled to 2.5Mt/yr
- **India:** The government of Himachal Pradesh has said that it will take legal action against Adani Group if it doesn't resume operations at its Darlaghat and Galgal cement plants. The plants have been closed after the company disagreed with truck unions on truck driver rates
- **India:** Star Cement plans two new grinding plants in Northeast India. No further information has been available
- **India:** Ambuja Cement expects the Ametha integrated plant to be commissioned in Jul23 (2.7Mt/yr) plus a 1Mt/yr grinding unit
- **USA:** Local protesters are seeking the revocation of Cemex Lyons' license for land use on environmental grounds

#### DEMAND:

- **Vietnam:** The Department of Building Materials sees FY23 cement demand in Vietnam at around 60-65Mt, slightly down YoY

- **USA:** USA cement production was 95Mt in FY22, +2.2% YoY, clinker production 80Mt, up from 79Mt in 2021
- **Global:** USGS estimates global cement production in FY22 dropped by 6.8% YoY to 4.1Bnt
- **Turkey:** USGS estimates Turkey's FY22 cement production +3.7% to 85Mt
- **Mexico:** USGS estimates Mexico's FY22 cement production -3.8% YoY to 50Mt
- **India:** USGS estimates cement production in India in FY22 at 370Mt up from 350Mt in 2021
- **Russia:** USGS estimates cement production in Russia in FY22 at 62Mt from 61Mt in 2021
- **Brazil:** USGS estimates cement production in Brazil in FY22 at 65Mt from 66Mt in 2021
- **Indonesia:** USGS estimates cement production in Indonesia in FY22 at 64Mt from 65Mt in 2021
- **Ukraine:** Buzzi Unicem's sales in Ukraine -50.4% YoY in USD value terms in FY22
- **Chile:** Cement dispatches in Chile in FY22 dropped by 13.4%
- **Pakistan:** Lucky Cement sees cement demand for FY23 ending in Jun23 falling by 18% to 19%
- **China:** cement production dropped by around 10% in FY22

#### M&A:

- **Colombia/LATAM:** CEMEX España has made a bid for the minority shareholders of Cemex Latam

#### CARBON:

- **USA:** Heidelberg Materials plans a study to evaluate the potential of subsurface storage of CO2 at the Mitchell plant, Indiana. The project would aim for 50Mt of CO2 stored over 30yrs

#### IMPORTS / EXPORTS:

- **USA:** cement and clinker exports reportedly at 900Kt in FY22, -4.3% YoY, cement imports 24Mt, +20% YoY

### Week ending: 19-02-2023

#### SUPPLY:

- **France:** Holcim has opened the first calcined clay unit in Europe at its St-Pierre-La-Cour plant with capacity 0.5Mt/yr. The unit is 100% powered by biomass
- **Pakistan:** A minister of the local Balochistan government said would go to court to cancel the allotment of land for a cement plant at Hub given by the Mines and Minerals Development Department
- **Bangladesh:** Aman Cement launched a second 5000tpd mill at its Siragonj grinding plant in Narayangonj, doubling the plant's production capacity to 10,000tpd
- **India:** Sagar Cements plans to nearly double the capacity of Andhra Cements to 3Mt/yr once the acquisition of the latter is closed
- **India:** Ultratech Cement has commissioned 1.3Mt/yr cement capacity at Hirni and 2.8Mt/yr at Cuttack, Odisha. This has brought the company's total capacity to nearly 127Mt

#### M&A:

- **Malaysia:** UEM Group is reportedly seeking to sell Cement Industries of Malaysia (CIMA) for valuation of around \$230m
- **India:** The Competition Commission of India has approved Dalmia Cement's acquisition of 9.4Mt/yr cement capacity and 6.7Mt/yr clinker capacity from Jaiprakash Associates for \$6.86bn
- **India:** The National Company Law Tribunal has approved Sagar Cements' proposal to acquire Andhra Cements for \$111m

### IMPORTS / EXPORTS:

- **Kenya:** Five cement producers in Kenya are opposing the increase of clinker import taxes from 10% to 25% as proposed by National Cement
- **Spain:** Cement exports from Spain in FY22 dropped by 16.8% YoY while imports fell by 5.4%
- **Vietnam:** Cement and clinker exports from Vietnam were reportedly lower by 29% in FY22 to 31.7Mt

### DEMAND:

- **Uzbekistan:** Uzbekistan's FY22 cement production reportedly fell by 3% YoY to 11.4Mt
- **Spain:** Spain's cement consumption in FY22 dropped by 1% YoY to 14.9Mt
- **Saudi Arabia:** Saudi cement sales reportedly dropped by around 2% in 2022

### CARBON:

- **Western Europe:** The Cembureau has warned against a proposed deadline to cut industrial CO2 emissions by 2041, saying that such a deadline would restrict the deployment of CCUS in the cement sector

## Week ending: 26-02-2023

### SUPPLY:

- **India:** The Adani Group will reopen the Darlaghat and Gagal cement plants after reaching an agreement with truck driver unions on reduced freight rates. The plants have remained closed since 15 Dec 2022
- **Pakistan:** Bestway Cement has commissioned line 2 at its Hattar cement plant with capacity 2.63Mt/yr
- **India:** Sagar Cements plans to increase clinker capacity of acquired Andhra Cements by 1.2Mt/yr and its grinding capacity by 0.6Mt/yr by 2025 for an estimated cost of \$56.8m
- **Saudi Arabia:** Yamama Cement sees its clinker production rising above 30,000tpd by 2H25 when the new factory becomes operational and the seventh production line is relocated from its old to the new facility
- **India:** Orient Cement has terminated an MoU signed with Adani Power Maharashtra for the setup of a grinding unit in Maharashtra, as the latter has notified the former that it was unable to obtain the required licenses for the land use
- **Bangladesh:** Mir Cement reportedly plans to increase its production capacity to 5000tpd by 2024
- **India:** Dalmia Cement aims to increase cement production capacity to 75Mt/yr by FY26/27 and to 110-130Mt/yr by 2031

- **Bangladesh:** Confidence Cement is constructing a cement mill in Dhaka, estimated to come into production in mid-2024
- **Kenya:** Simba Cement is expected to open its West Pokot cement plant in Jul23 with 2.5Mt/yr clinker capacity
- **Spain:** The Catalan Parliament has voted for a new tax on economic activities that produce greenhouse gases. Industry sources said that the double taxation, on top of the ETS system, may force companies to relocate cement production out of the region. The new tax is expected to charge EUR10/t of CO2 initially, rising to EUR30/t by 2025

## CARBON:

- **Germany:** Rohrdorfer has started carbon capture at its Rohrdorf cement plant, targeting to expand capture capacity to 1500t/day
- **Uzbekistan:** The Uzbek government has ordered a partial transition of cement plants to coal fuel from natural gas
- **USA:** HeidelbergCement (Lehigh Hanson) plans to capture 95% of CO2 at Mitchell plant by 2028
- **Sweden:** Cementa is accelerating its CCS project at Slite, aiming for full CO2 capture above 1.8Mt/yr when the facility is ready by 2030

## M&A:

- **India:** Sagar Cements has announced that it will acquire Andhra Cements for \$111m doubling its capacity to 8.25Mt/yr

## PRICING:

- **Taiwan:** The Taiwanese Fair Trade Commission has fined 18 companies including Taiwan Cement for fixing concrete prices since 2018
- **Gabon:** The government of Gabon has published a price list for cement for all provincial capitals, inline with the decree signed on 17th Feb 2023

## DEMAND:

- **Vietnam:** Domestic cement sales in Vietnam reportedly increased by around 8% in FY22 to 67.8Mt
- **Saudi Arabia:** Yamama Cement sees 4% growth in FY23 cement demand to 48Mt. Also sees demand at 49.4Mt in 2024, 50.9Mt in 2025 and 52.4Mt in 2026
- **Tanzania:** Cement production in Tanzania increased by 14.9% in FY22 to 7.6Mt while cement consumption rose by 9.8% to 7.5Mt

## IMPORTS / EXPORTS:

- **Philippines:** The DTI has issued a new Department Administrative Order, following the one in Dec22, with which the anti-dumping duties on imports of OPC Type 1 and Blended Cement Type 1P from Vietnam will be imposed for 5yrs. The company specific duties will range from \$1.61/t to \$16.42/t and will apply to 11 Vietnamese companies. All other exporters will be subject to duties of \$10.29 to \$16.42/t