

News and events that affect our industry

March 2023



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Week ending: 08-03-2023

SUPPLY:

- **Pakistan:** Dandot Cement's balancing, modernisation and replacement project at its Lahore cement plant is expected to be complete by mid-2023
- **Oman:** Oman Cement Company plans to expand capacity of its Misfah plant by 25%, from 4000tpd to 5000tpd. Furthermore, a new line is planned at a later stage at the plant, which is expected to triple production capacity to 15000tpd
- **Oman:** Oman Cement Company is reviewing plans for a new 5000tpd cement plant at Duqm, including possible relocation of the site due to gas supply issues
- **India:** The Adani Group plans two new cement plants in Andhra Pradesh for a total production capacity of 10Mt/yr. These would be the first plants of the group in the province
- **Uzbekistan:** Construction of Anhui Conch's new cement plants in Tashkent and Brakbash District is under way. Details on estimated time of completion are not available
- **Portugal:** Secil expects the new line of its Outão cement plant to be commissioned in mid-2023
- **Vietnam:** Xuan Thien Group plans a 10Mt/yr cement plant in Hoa Binh Province for an estimated cost of \$1.25bn

- **China:** Jiangnan-Onoda Cement has suspended cement production at the end of Feb23. Japan-based parent company, Taiheyio Cement which owns 88% of the local company, said the decision was taken because of a tough competitive environment in China
- **Australia:** AdBri expects the upgrade of its Kwinana plant to be completed in 2024. Previously the company had expected completion by mid-2023, but project costs have been revised higher recently pushing the completion date out into the future
- **Mozambique:** Dugongo Cimentos plans to build a new 6000tpd cement plant in Nacala-Porto for \$192m

DEMAND:

- **Oman:** The CEO of Oman Cement sees demand remaining stable at 2022 levels in 2023
- **Sub-Saharan Africa:** Dangote Cement's FY PanAfrican sales of cement and clinker were 10Mt, -8.1% YoY

CARBON:

- **France:** Eciom expects to complete its CCS system and kiln upgrade at its Lumbres plant by 2028
- **Australia:** AdBri has requested that the government of Australia considers a carbon border adjustment mechanism on imported cement, otherwise lower emitting plants such as the Birkenhead plant, may switch to importing clinker or consider closing altogether
- **Western Europe:** Compliance buying by power producers and market participants which has to be completed by Apr23 has recently pushed EUA prices to as high as EUR97, near its all time highs. Emissions levels are reportedly 18% lower YoY in 2023 so far

M&A:

- **Ethiopia:** Ownership of Abyssinia Cement has passed to the founders of taxi service Zayride for around \$11.2m. The company operates a 0.85Mt/yr integrated plant at Chanco

IMPORTS/EXPORTS:

- **Mexico:** Mexico is reportedly planning to increase cement imports as national production is not enough to cover demand

PRICING:

- **Peru:** Competition Authorities in Peru have fined Yura and fellow Grupo Gloria for abusing their dominant position. Specifically Yura has reportedly engaged in anti-competitive practices, such as restricting cement supply, in areas where it holds 90% market share for the period 2014 and 2019

Week ending: 17-03-2023

SUPPLY:

- **Kenya:** Devki Group (Simba Cement) plans to open its new integrated plant in West Pokot, capacity 2.5Mt/yr, in Sep 2023. It is reported that the group's capacity will rise to 7.5Mt after the plant's opening

- **Kenya:** Devki Group (Simba Cement) is reportedly planning to restart its Athi River integrated plant at Bondora by Apr 2023 after five months of trial runs. The company had taken over the plant in 2019 after the breakup of ARM Cement
- **Russia:** Cemros (former Eurocement) is upgrading its Lipetsk integrated cement plant for a cost of EUR3m, aiming for an increase in capacity by 20%, commissioning expected in 2023
- **Croatia:** Nexe plans a new clinker line and CCS installation at its Nasice plant for a cost of EUR400m, expected commissioning in 2029, capture estimated at 700Kt CO2 per year
- **Bolivia:** After an inspection by Potosi's governor of the cement plant in Chuitara, it has been reported that the project is 91% complete. Production is estimated to start in Nov23 with sales in the market by 2024

M&A:

- **Oman:** Huaxin Cement has agreed with the Omani Investment Authority to acquire 60% of Oman Cement for \$193m
- **India:** Adani Group is in discussions to sell 4% to 5% stake in Ambuja Cements (currently holds 63%) for around \$450m. US based GQG Partners is reported as a probable buyer.
- **Pakistan:** Maple Leaf Cement and its CEO have acquired shares in Pioneer Cement, raising the combined stake to 15.08%

CONSTRUCTION:

- **Pakistan:** The Association of Builders and Developers in Pakistan urged the government to take measures to contain the soaring prices of steel bars, which have risen by more than 50% during the last month. According to the Association, 50% of current projects in construction have stopped

Week ending: 24-03-2023

SUPPLY:

- **Brazil:** Secil Supremo Cimentos plans to upgrade its Adrianopolis cement plant in Parana and expand its capacity to 1.42Mt/yr
- **Saudi Arabia:** Eastern Province Cement plans a 10,000tpd plant at Najibiyah and has invited contractors for bids. It also plans to upgrade some decommissioned lines
- **Belgium:** Holcim Belgium has obtained environmental clearance for the upgrade of its Obourg plant. Construction is expected to start towards the end of 2023. When completed, it is expected to have 40% lower CO2 emissions/tonne of clinker and 40% lower thermal needs
- **Bolivia:** ECEBOL expects to commission its 1.3Mt/yr plant at Potosi in Jun23
- **Vietnam:** The Vietnam Cement Association has lobbied the government to stop issuing licenses for new cement plants, adding that there is regional capacity imbalance in the country with higher capacity in the North compared to the South in relation to respective demand. Cement capacity is projected to reach 121Mt/yr in 2023

DEMAND:

- **Mexico:** Mexico's cement production in FY22 was reportedly 43.9Mt, down from around 45Mt in FY21
- **USA:** FY22 total Portland and blended cement shipments were 110Mt, slightly up YoY, while clinker production was stable at 79.6Mt

IMPORTS / EXPORTS:

- **USA:** FY22 clinker and cement imports into the USA increased by 19.6% YoY to 26.6Mt
- **Mozambique:** The Ministry of Industry and Trade is reportedly considering easing the law in order to allow the import of cement in Mozambique

CARBON:

- **UK:** The UK government will commit EUR22.8bn of investments in carbon capture projects

PRICING:

- **Germany:** The German Statistical Office said that cement prices in Germany increased by around 52% YoY in Feb23, to as high as EUR65/t

Week ending: 02-04-2023

SUPPLY:

- **Pakistan:** Bestway Cement has started kiln 1 of its Mianwali cement plant in Punjab, which has capacity 2.3Mt/yr. The plant includes a 20MW solar power plant, a 9MW WHR unit and will run on 50% renewable energy
- **Tanzania:** Huaxin Cement commenced the second stage of construction of a 4000tpd clinker line at its Maweni cement plant in Tanzania in Jul22
- **Saudi Arabia:** Southern Province Cement is at the stage of drafting the contract for the construction of its 10,000tpd Jazan cement plant
- **Portugal:** The District Council of Setubal has advised against the expansion of Secil's Arrábida quarry as part of a consultation process. The quarry serves the company's Outao cement plant
- **India:** JK Cement has expanded capacity at its Mangrol plant from 3.25Mt/yr to 3.75Mt/yr, at its integrated Muddapur plant from 3.0Mt/yr to 3.5Mt/yr, at its Jharli grinding plant from 1.5Mt/yr to 2.0Mt/yr and at its Aligarh grinding plant from 1.5Mt/yr to 2.0Mt/yr. The company's capacity has reportedly risen to 20.7Mt/yr after these expansions
- **Ethiopia:** Lemi National Cement plant is estimated to start in Jan24 and is expected to produce 4.5Mt/yr of cement
- **China:** Huainan Shunyue plans a new 4500tpd production line in Anhui Province
- **Turkey:** Turkcimento said Turkey's cement capacity reached 120Mt/yr in 2022

M&A:

- **China:** Anhui Conch completed the acquisition of Naimanqi Hongji Cement and Chifeng Hahe Cement in 2022

DEMAND:

- **Vietnam:** Cement production in Vietnam in FY22 was reportedly 116Mt, +5.8% YoY, according to Viet Nam News

- **China:** Cement production in China in FY22 dropped by 9.8% to 2.13Bnt. This was the lowest level of the last decade and the largest decline since 1969. Clinker production utilisation rate was 65% down by 10% YoY
- **China:** The China Cement Association said that FY23 cement demand would be flat to slightly down YoY
- **Indonesia:** Indonesia's FY22 domestic sales volumes -3.4% to 63.03Mt, led by contraction of the bagged market which more than offset the increase in the bulk market

PRICING:

- **Cyprus:** Cyprus' Competition Commission has fined Vassiliko Cement EUR5.1m for unfair sales practices using its dominant market position during the period 2013-2018

CARBON:

- **USA:** Mason City Cement plans to upgrade its kiln line to achieve an AF rate of 50% by 2026
- **Mexico:** Cemex' group CO2 emissions in FY22 dropped by 9% from 2020 levels and by 30% from 1990 levels, achieved AF rate of 35%
- **Brazil:** Votorantim Cimentos reduced CO2 emissions by 3% YoY in FY22 to 579kg/t of cement, and by 25% since 1990, FY22 thermal substitution rate was 26.5% compared to 22.4% in 2021, with a target to raise to 53% by 2030
- **Switzerland:** Holcim aims to reach CO2 emissions of 420Kg/t of cement by 2030, plans to invest CHF2bn in CCS projects to capture 5Mt/yr of CO2