

News and events that affect our industry

June 2023



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Week ending: 04-07-2023

SUPPLY:

- **USA:** Heidelberg Materials North America has inaugurated the Port Canaveral slag cement plant and terminal in Florida. Expects to increase its slag cement output by 25%. The plant adds 200,000t of capacity to support construction projects locally and beyond, cost is \$24-25m.
- **Peru:** Invercem has commissioned its new 220,000t/yr Pisco grinding plant (potentially to expand up to 330,000t/yr). Cost, \$30m to build.
- **Bangladesh:** Premier Cement Mills to upgrade West Mukterpur plant with new vertical roller mill.
- **India:** Adani Group to grow ACC and Ambuja Cements' capacity to 140Mt/yr by 2028 under a joint expansion strategy.
- **India:** Shiva Cement has commissioned its new \$185m Sundergarh cement plant in Odisha. Integrated capacity is 1.05Mt/yr, additional grinding capacity is 0.27Mt/yr.
- **Bangladesh:** Crown Cement Plc plans the construction of Line 6 at its plant in West Mukterpur, Munshiganj, Bangladesh. The plant's total production capacity is expected to reach 19,000tpd.
- **Kenya:** Devki Group wants to build a cement plant in Eldoret.

IMPORTS/EXPORTS:

- **Bangladesh:** The government plans to raise the specific duty on clinker imports by BTDT200/t. The previous duty has been in place for the last 10 years and was BDT500/t for cement producers and BDT750/t for commercial importers.

CARBON:

- **Regional:** Alliance for Low-Carbon Cement & Concrete (ALCC) launched by 12 European decarbonisation-focused companies across the cement and concrete sector to help low-carbon alternatives.
- **Germany:** Holcim Deutschland has commenced a carbon capture trial at its 950,000t/yr Beckum cement plant in Beckum-Kollenbach, to separate CO₂ and commercialise it for other industrial uses.

M&A:

- **Russia:** The Bakhchisaray cement plant in Crimea will be transferred to state ownership.

DEMAND:

- **Lithuania:** Akmenes Cementas's sales are expected to fall in 2023 due to changes in the local market.
- **Kenya:** Cement production in FY22 increased 5.5% to 9.24Mt, consumption increased 4.1% to 9.45Mt.

PRICING:

- **South Korea:** SsangYong C&E, the largest cement company in Korea, plans to raise cement prices by 14% and the country's cement industry is likely to follow suit from July23. Drivers: sharply rising electricity prices and currency exchange rate.

Week ending: 11-06-2023

SUPPLY:

- **India:** Shree Cement has won an auction for the Chandrapur limestone mine in Maharashtra, which has reserves of 50Mt of limestone and is equipped to meet the raw materials consumption of a 1.5Mt/yr integrated cement plant.
- **Turkey:** Marmara Çimento has secured environmental clearance to build a new cement plant at Çiftalan in Istanbul Region, which is associated with a US\$3.08m port construction project called the Çiftalan Marmara Cement Port project.
- **Belgium:** Cementir plans to upgrade Kiln 4 of its Gaurain plant in Belgium and thus raise the AF thermal substitution rate (TSR) from 32% to 80%. Clinker production capacity will be increased from 4400-4500tpd to 5000tpd.
- **Nigeria:** BUA Cement has gotten a \$500m financing package from the International Finance Corporation (IFC) to develop two new production lines in Sokoto State.

CARBON:

- **Germany:** The Rohrdorf site in Bavaria is now capturing 2 tpd of CO₂.

M&A:

- **Oman:** Abra Holdings submitted an offer to acquire a 15% stake in Oman Cement, but plans to increase its stake to 75% through a public offer.
- **India:** JK Organisation and Nirma Group have submitted non-binding offers to acquire 40 - 72% stakes in Sanghi Cement. Promoters value the company at US\$726m, reports The Economic Times newspaper.
- **India:** JK Cement has secured in-principle approval from its board of directors to acquire Toshali Cements. The value of the agreement was reported as US\$19m by the Economic Times.

PRICING:

- **Pakistan:** If current price trajectory is maintained, with a few weeks left until FY ends, cement prices will rise (on average) 42% across markets, YoY, according to Pakistan's Bureau of Statistics SPI division. In addition, export pricing is becoming more viable after the rupee devaluation and a decline in coal prices, according to APCMA.

CONSTRUCTION:

- **Colombia:** Civil construction continues to be impacted by the country's economic slowdown and inflationary costs, reported La República.

Week ending: 18-06-2023

SUPPLY:

- **India:** Star Cement plans to implement a capacity expansion drive in order to raise its total grinding capacity by 70% to 9.7Mt/year.
- **Uzbekistan:** Bekabacement is carrying out an upgrade to its Bekabacement plant in Tashkent Region: A 20% capacity expansion of the production line to 2500t/day and an installation of new kiln lining that will transition the cement production from wet to dry process.
- **India:** JSW Cement has signed a US\$50m sustainability-linked loan agreement and plans to use the funds to more than double its production capacity to 50Mt/yr from 17Mt/yr.
- **India:** JK Lakshmi Cement invests US\$201m in its on-going upgrade to its Udaipur cement plant., which will have an integrated capacity of 1.5Mt/yr, additional grinding capacity of 1Mt/yr. The project will help to raise JK Lakshmi's capacity to 18Mt/yr. Until the end of FY2030, the company plans to invest US\$972m and increase its cement production capacity to 30Mt/yr, which includes the construction of two new plants, at Kutch in Gujarat and Nagaur in Rajasthan.
- **Chile:** Cemento Polpaico plans to invest US\$67m with a focus on its Cerro Blanco cement plant in Santiago. Includes the construction of a solar power plant and the expansion of the plant's limestone quarry. Also, the company will upgrade the plant's kiln to increase the production line's clinker capacity by 13%.

CARBON:

- **USA:** Ash Grove Cement has won funding for a US\$15.2m front-end engineering design (FEED) study for a carbon capture installation at its 2Mt/year Foreman cement plant in Arkansas.
- **USA:** Heidelberg Materials's new cement plant in Mitchell will reduce clinker production carbon dioxide emissions per ton of product by almost 30%, mainly through operating on natural gas.

M&A:

- **Qatar:** Qatar National Cement Company plans to sell Umm Bab Plant 1. Reuters reported the launch of the public auction on 13 June23.

PRICING:

- **Bangladesh:** The duty structure proposed in the new budget would increase the production cost of cement by Tk15 per bag.

CONSTRUCTION:

- **Peru:** New Peruvian social housing regulation expected to boost domestic cement demand.

IMPORT/EXPORTS:

- **Bangladesh:** BCMA has called for a 60% cut to duties on clinker imports, to US\$1.84/t from US\$4.61/t, in response to the proposed 40% tariff increase by the government. The customs duty on clinker stands at around 12-13% of the import value. Members are struggling with high shipping costs, the depreciation of the Bangladeshi taka and supply issues due to Russia's war in Ukraine, reported the Financial Express.

DEMAND:

- **Pakistan:** Cement company managements expect demand in Pakistan in FY23-24 to remain stable after a large decline in FY22-23 and margins to remain strong.

Week ending: 25-06-2023

SUPPLY:

- **India:** Shree Cement has announced four planned capacity expansion projects to increase its installed cement production capacity by 20% to 55.9Mt/yr. The new plants will be located in Uttar Pradesh, Punjab, Karnataka and Bengal.
- **Cambodia:** Dongfang Junma Cement is building a US\$95m cement plant at Pchaev.
- **Saudi arabia:** Hoffmann Green Cement Technologies plans to build four new units to produce its clinker-free alternative cement in Saudi Arabia. Construction will begin in 2024.

M&A:

- **Ukraine:** CRH to acquire Buzzi's Ukrainian business for US\$109m, comprised of the 2Mt/yr Volyn cement plant and 1Mt/yr Nikolajev cement plants, as well as ready-mix concrete operations in Kiev, Nikolajev and Odessa.
- **South Africa:** Afrimat acquires Lafarge South Africa Holdings for US\$6m.

IMPORTS/EXPORTS:

- **Kenya:** A parliamentary committee has rejected a petition from the Kenya Association of Manufacturers (KAM) for the removal of the 10% customs duty on imports of clinker. National Cement opposed and submitted its own petition for an increase in the clinker import duty to 25%.
- **Pakistan:** According to BMA Capital, Cement exports from Pakistan are expected to grow by 5 percent in FY24 in the wake of depressed local dispatches. Pakistani rupee depreciation and normalising freight charges will further support export volumes.

DEMAND:

- **Pakistan:** Flattish local cement sales expected in Pakistan in fiscal year 2023-2024 due to higher cost of production, restricted government spending and poor purchasing power, according to BMA Capital.
- **India:** Cement demand is expected to rise 8-10 percent YoY in fiscal year 2023-2024, according to CRISIL Market Intelligence and Analytics.

PRICING:

- **India:** Cement prices in India are expected to fall by 1-3% in fiscal year 2023-2024 due to heightening competitive intensity and softening input costs, according to CRISIL Market Intelligence and Analytics.