

News and events that affect our industry

September 2023



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Week ending: 03-09-2023

SUPPLY:

- **India:** Meghalaya Cements has secured a no objection certificate (NOC) for the expansion of its Meghalaya cement plant, which will raise the plant's capacity by 73% to 1.49Mt/yr.
- **USA:** GCC orders pyroprocessing equipment for its Odessa cement plant expansion to 1.9Mt/yr, more than doubling its current capacity.
- **India:** JSW Dolvi, a JSW Cement subsidiary, has successfully completed its expansion, increasing its capacity to 4.5Mta. This expansion increases JSW Cement's overall capacity to 19Mta. In addition, work at the grinding unit in Vijayanagar is scheduled to be completed by December 23. Within the next five years, JSW Cement aims to advance its total capacity to 60Mta. No further details are currently available.
- **UAE:** JSW Cement's new clinker line in the UAE is scheduled to be completed by December 2023. Along with the completion of other projects by then, JSW Cement's capacity will be increased to 21Mta. No further details are currently available.
- **India:** JK Cement begins construction of upcoming 2.5Mt/yr Prayagraj grinding plant in Uttar Pradesh, cost estimated at US\$60m. Project expected to be completed in FY25 (which begins on 1 April 2024). Company's new grey cement capacity +11% to 25Mt/yr, medium-term capacity goal is +20% to 30Mt/yr.

- **Indonesia:** Hongshi Indonesia Tonga Cement has commissioned the first phase of its new cement plant in East Kutai, East Kalimantan. Current capacity at 4Mt/yr. The company plans to subsequently raise the plant's capacity to 8Mt/yr.
- **Russia:** Krasnoyarsk Cement officially launched a new clinker-grinding mill with a cement capacity of up to 100tph at its Krasnoyarsk cement plant. Project cost over RUB 3 billion. Consequently, the plant will be able to double the production of segregated cement.

CARBON:

- **France:** France Ciment estimates the cost of France's cement industry decarbonisation at Euro3.5bn.

CONSTRUCTION:

- **Mexico:** Construction activity in Mexico +29% YoY during 1H23, which is its sharpest increase since reporting began in 2006, according to local press. Major infrastructure projects reportedly drove the growth.

Week ending: 10-09-2023

SUPPLY:

- **India:** Birla Corporation plans to increase its cement production capacity to 25Mt/yr by the end of FY2026 from 20Mt/yr at present, by upgrading its 3.9Mt/yr Mukutban plant in Maharashtra, installing a second grinding unit at Maihar in Madhya Pradesh as well as building new grinding plants.
- **USA:** Dragon Products Company, a subsidiary of Giant Cement, has announced that it will close its cement plant located in Thomaston, Maine. The facility will undergo a gradual shutdown, beginning in December 2023, with the process anticipated to conclude by the beginning of 2025.

M&A:

- **USA:** Cementos Argos will combine its operations in the United States with Summit Materials, and become its largest shareholder with 31% ownership. The transaction is expected to close in the first semester of 2024. The combination's synergies are estimated to be at least US\$100 million per year.

CONSTRUCTION:

- **Pakistan:** The CDWP has cleared four (coal and road) development projects worth US\$528m that are likely to lead to increased cement demand in the country.
- **Brazil:** According to SNIC, the New Growth Acceleration Program, a government initiative launched in Aug23, could be a boon for the cement sector, foreseeing spending of US\$280bn between 2023 and 2026.

PRICING:

- **Nigeria:** BUA Cement is confident that the completion of its two new plants this year (Line 3 at Obu and Line 5 at Sokoto) would result in the lowering of cement prices in Nigeria.

Contractors in the country have reportedly been complaining to the government over the high cost of cement, suggesting that imports would be cheaper.

Week ending: 17-09-2023

SUPPLY:

- **USA:** Cimsa Americas plans to invest US\$82m in the construction of a new 600,000t/yr grey cement grinding plant. Construction is expected to be completed by the end of 2025.
- **India:** Zuari Cement has commissioned a 20t/hr alternative fuel (AF) production line at its 7.1Mt/yr Yerraguntla cement plant.
- **Uganda:** A joint venture of Sunbird Quarry Moroto and China-based West International Holding Cement has begun building its upcoming Moroto cement plant. The plant will cost US\$1.2bn and produce cement from locally sourced limestone. Production of clinker is estimated at 6,000 tpd.
- **India:** ACC has started commercial clinker production from the kiln of its new Ametha cement plant in Madhya Pradesh's Katni District. The kiln line has a clinker capacity of 3.3Mt/yr. The plant is also equipped with a 1Mt/yr grinding unit and a 16.3MW WHR plant. ACC's installed cement and clinker capacity has now risen by 9.8% to 37Mt/yr.
- **India:** Deccan Cements plans to increase capacity at an existing Bhavinipuram clinker grinding plant. The upgrade will also allow the company to produce both OPC and PPC on the same mill. It includes a capacity increase to 310tph of OPC at 3200 Blaine and 370tph of PPC at 3600 Blaine. No further details are currently available.
- **Ghana:** The Ghanaian government has ceased to issue permits for new cement plants anywhere in the country. The policy was enacted in order to ensure the sustainable and responsible growth of Ghana's cement industry.

M&A:

- **Philippines:** Holcim plans for its subsidiary Holderfin to make a tender offer for all remaining shares in Holcim Philippines by 28 September 2023. Altogether, minority shareholders control a 5.1% stake in the producer.
- **India:** Dalmia Cement (Bharat) faces a potential stumbling block to its planned acquisition of Jaiprakash Associates' cement business for US\$683m due to an on-going shareholder dispute at subsidiary Jaypee Bhilai Cement. A court has frozen Jaiprakash Associates' 74% shareholding in the company, and ordered it not to create new third party rights.

DEMAND:

- **Japan:** Domestic cement plants consumed 70Mt-worth (50%) of total limestone shipments during FY23.

CARBON:

- **Norway:** Norwegian government confirms funding of up to US\$14.1m for Heidelberg Materials Sement Norge's Brevik carbon capture project.
- **Nigeria:** Dangote Cement plans to raise its alternative fuel (AF) substitution rate across its Nigerian operations to 25% by 2025.

OTHER:

- **South Korea:** The Korean Railway Workers' Union called a four-day strike across South Korea on 14 September 2023. KCA said that a protracted strike would disrupt cement production, since the industry is 40% reliant on rail transport.

Week ending: 24-09-2023

SUPPLY:

- **Bangladesh:** State-run Chhatak Cement Co in Sunamgonj, Bangladesh, might not return to production anytime soon as its modernisation project is set to miss the deadline for the second time, while uncertainty over the supply of limestone persists. The project aims to replace the existing wet-process line with a new dry-line to raise output to 1500tpd in a fuel-efficient and eco-friendly way.
- **Uzbekistan:** By the end of Sep23, Uzbekistan will host the launching ceremony of the rotary kiln project of the CEEC for the construction of a clinker and cement production line with a capacity of 7,500 tpd. The construction of the project is taking place in Kattakurgan district. Annual cement production capacity is estimated at 2.72Mt and total cost at USD 351 million.

M&A:

- **Malaysia:** Norway-based Norges Bank has bought a 5% stake in Cahya Mata Sarawak, aiming at promoting economic stability and managing substantial assets on behalf of the Norwegian people.

DEMAND:

- **South Africa:** The domestic cement industry produced 13Mt of cement during FY23, corresponding to a capacity utilisation rate of 59% across its 22Mt/yr installed capacity.
- **Peru:** The Central Reserve Bank of Peru expects national cement consumption to fall by 3.7% in 2023.
- **India:** Ratings agency Crisil has forecasted Indian cement demand to rise by 11% YoY to 440Mt in FY24, attributable to a 51% YoY rise in infrastructure spending to US\$6.75bn throughout the year.

CARBON:

- **Germany:** A carbon capture pilot plant has been installed at the Phoenix Zementwerke cement plant in Beckum, North Rhine-Westphalia. Testing over 'several' months will follow, with confidence that the cement plant is suitable for an installation to capture over 90% of its CO2 emissions.
- **India:** ICRA says that the cement industry in India will reach a renewable energy reliance of 40% across its operations in FY25. This will involve the construction of 537MW-worth of new renewable power capacity. 35% renewable energy was used in FY23.

CONSTRUCTION:

- **Peru:** The Peruvian Chamber of Construction considers El Niño a crucial factor for the construction sector. If it starts in November 2023, it will affect construction output in 2023,

but if it is postponed to 2024, a drop of only 3.3% is expected in 2023. ASEI forecasts a 4% drop in construction output in 2023, followed by growth of 3.2% in 2024.

IMPORTS/EXPORTS:

- **Regional:** The South Korean government plans to implement a 72% import duty on white cement from Egypt. KTC recommended the duty as an anti-dumping measure.

PRICING:

- **Nigeria:** BUA Cement has announced plans to lower cement prices from NGN5000-5500/bag (US\$6.39-7.02/bag) to NGN3000-3500/bag, according to local press reports.

Week ending: 01-10-2023

SUPPLY:

- **Uganda:** President Yoweri Kaguta Museveni has officially commissioned a new 150t/hr vertical roller mill at Tororo Cement's plant in Tororo, which cost US\$25m.
- **Uganda:** Tororo Cement is in the process of installing a 300t/hr mill at its Tororo plant, to bring its overall grinding capacity to 5Mt/yr. It is also planning the construction of a 5000t/yr integrated plant in Moroto, which it claims will be launched within the next five years.
- **Peru:** Cemento Yura has announced plans to expand its cement plant in Arequipa. The new line will cost US\$132m, have a capacity of 3Mt/yr, and is expected to be operational in 2027. This will double the company's capacity to 6Mt/yr.

PRICING:

- **Nigeria:** CPAN has warned that the federal government's plan to introduce concrete roads will nearly double the price of cement to US\$11.54/bag. It also called on the administration to 'permanently address' perennially high cement prices in the country by encouraging greater participation in the sector.
- **Kenya:** EAPCC has raised the price of its 50kg bags of cement by around 3%, making this decision due to higher input costs.