

News and events that affect our industry

October 2023



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Week ending: 08-10-2023

SUPPLY:

- **USA:** Lhoist North America says it intends to add lime production capacity in Texas. No further details are currently available.
- **Uzbekistan:** China Energy International Group Samarkand Cement has installed a 3Mt/yr kiln at its upcoming Samarkand cement plant, which is the largest at a cement plant in Uzbekistan. The plant will cost US\$313m to build and its construction would conclude in 2024.
- **Colombia:** Cemento País has commissioned its Aguas Prietas grinding plant in Turbaco, Bolívar.

PRICING:

- **Nigeria:** BUA Cement will now be sold cheaper at an ex-factory price of 3500 Naira per bag, before the completion of the company's plants. Upon completion of the ongoing construction of its new plants, the company intends to review these prices further by 1Q24.

IMPORTS / EXPORTS:

- **Regional:** The EU launched the transitional phase of its CBAM on 1 October 2023. Parties that import cement into the EU must now show the embodied CO2 emissions of their products. The transition comes ahead of the full implementation of the CBAM in January 2026.

CARBON:

- **Regional:** EUROSLAG says that the use of ground granulated blast furnace slag (GGBFS) in cement production in the EU and UK between 2000 and 2022 has generated a cumulative reduction in CO2 emissions of 408Mt.
- **Poland:** Górażdże Cement has announced an investment of Euro261m in planned sustainability upgrades to its Górażdże cement plant in Opole Voivodeship, including a carbon capture installation.
- **UK:** The CCSA estimates that CCUS technology has US\$48.7bn investment potential for the UK economy by 2030. It also warns that government support for CCS projects is behind schedule.
- **Spain:** Cementos Molins in 2022 reduced its clinker factor to 71% and GHG emissions fell by 2% to 563kg CO2/t of cementitious product.

M&A:

- **India:** Heidelberg Materials has entered preliminary discussions over the possible acquisition of its Indian business by JSW Cement. The business commands 13.4Mt/yr in cement production capacity, 7.1Mt/yr (53%) of it via Zuari Cement and 6.3Mt (47%) via HeidelbergCement India. However, the latter has clarified that it is 'unaware' of reported discussions between its parent company and JSW Cement. Adani Cement may also join the acquisition race.
- **Brazil:** InterCement may sell its Brazilian business. CSN Cimentos, Votorantim Cimentos and other companies have shown interest. No further information is currently available.

DEMAND:

- **Italy:** Total consumption in FY22 -6.7% YoY to 19.07Mt, according to Federbeton. Cement dispatches -8.7% YoY to 17.125Mt, cement production -8.8% YoY to 18.8Mt.

Week ending: 15-10-2023

SUPPLY:

- **Romania:** Holcim Romania has committed to an investment of over EUR25 million to increase the production capacity of its cement plant in Campulung by approximately 20%, representing an expansion from 0.76Mt/yr to 0.9Mt/yr.
- **India:** Shiva Cement has been granted consent to operate its Sundergarh cement plant up to production volumes of 1.5Mt/yr, following the previous ceiling of 660,000t/yr set in June23.
- **Regional:** Ciments de l'Afrique (CIMAF) plans to produce limestone calcined clay cement (LC3) at cement plants in West Africa. Parent company OIP secured a EUR45 million loan from World Bank Group's IFC on 10 October 2023.
- **Russia:** Kavkazcement has launched a large-scale campaign (Nov23-Apr24) aimed at repairing and upgrading equipment. As a result, the company will reach full production capacity in 2024 and increase its output by 25% to 2.5Mt.

PRICING:

- **Pakistan:** The Ministry of Energy (Petroleum Division) is preparing a proposal for a significant rise in gas tariffs in Pakistan, which will reportedly affect gas prices in the cement sector.

IMPORTS / EXPORTS:

- **Ukraine:** The Ministry of Economic Development and Digitalisation has announced that Ukraine will cancel an existing anti-dumping duty on imports of Moldovan cement until 31 December 2023.

CARBON:

- **India:** CEEW has estimated that India's cement and steel sectors will require capital expenditure investments of US\$627bn in order to reach net zero CO2 emissions. It also stated that WHR and other efficiency-enhancing upgrades to cement plants can immediately reduce the industry's emissions by 32%.
- **Ghana:** CIMPOR to build a 1280t/day flash activator for clay, which will supply calcined clay for use in the production of cement with a clinker factor as low as 50%. This can reduce the cement's CO2 emissions by 40% compared with OPC. Once operational in 2025, the Tema plant will save up to 440,000t of CO2 emissions annually.
- **Turkey:** Oyak Cement aims to reduce its CO2 emissions by 22.8% to 609kg/t by 2030, while Limak Cement plans to reduce its own CO2 emissions to 547kg/t by 2030. Both producers aim to reach net zero by 2050.
- **Turkey:** Turkey is setting out steps to implement a carbon Emissions Trading System (ETS) domestically, which will be designed with close reference to the EU ETS and operate as a cap-and-trade system. It will commence with a pilot phase, in which cement producers as large emitters will be required to participate. No further details are currently available.

DEMAND:

- **Malaysia:** Cement demand in Malaysia will continue to flourish in the medium-to-long term, supported by major infrastructure projects across the country, reports RHB Investment Bank Research. It listed current low inventory levels, the push towards solar panels and electric vehicles, and the recovery in demand on the back of an anticipated upturn in China's manufacturing and property sectors in 2H24, as the main drivers of its demand growth projections.

Week ending: 22-10-2023

SUPPLY:

- **India:** Dalmia Bharat plans to invest US\$10.9m in a grinding unit expansion at its 1Mt/yr Banjari cement plant in Bihar, which will raise the plant's capacity by 500,000t/yr and conclude before 31 March 2025.
- **Bulgaria:** Zlatna Panega Cement (Titan subsidiary) plans to invest Euro11m in sustainability-enhancing upgrades to its Zlatnopanegki cement plant in Lovech Province, including a Euro7m upgrade to raise the plant's AF substitution rate to 70% from 50% in 2022. The construction of a solar power plant at the facility (cost is Euro4m) is also planned and

scheduled for commissioning in March 2024. The plant will subsequently move on to its 'next big project,' consisting of a Euro35 – 50m upgrade, in 2026 – 2028.

- **Mexico:** Cementos Moctezuma will get a new grinding mill for its Morelos cement plant in Tepetzingo. No further details are currently available.
- **India:** Udaipur Cement Works commissions second kiln line at its Udaipur cement plant in Rajasthan, which doubles the plant's clinker capacity to 3Mt/yr.
- **Pakistan:** Dandot Cement will resume its commercial operations at its cement plant at Jehlum in Punjab, upon completing the Balancing Modernisation of Replacements (BMR) programme, in the current quarter (July-Sep23).

CARBON:

- **Bulgaria:** Devnya Cement has commenced construction of the ANRAV.beta carbon capture pilot unit at its Devnya cement plant near Varna. Construction will take 'a few months,' followed by a pilot trial lasting 12 – 24 months. The ANRAV system will eventually capture 800,000t/yr of CO2 from 3Mt/yr of plant flue emissions. The project is scheduled for delivery in 2028.

M&A:

- **India:** Dalmia Bharat says that it will complete its acquisition of Jaypee Cement, towards the end of FY24 on 31 March 2024.
- **India:** CK Birla Group has approached Adani Group as a possible buyer for its 38% stake in Orient Cement. CK Birla Group has previously, reportedly, rejected offers from other local cement producers for the stake.
- **Indonesia:** Indocement has bought the 1.8Mt/yr integrated Grobogan cement plant in Central Java from Semen Grobogan. The plant commands sufficient limestone reserves for the next 50 years and has 700,000t/yr of additional cement grinding capacity.
- **India:** Adani Group has reportedly indicated an interest in acquiring the 1.2Mt/yr Shahabad cement plant in Karnataka from Jaiprakash Associates, which is the subject of an as yet incomplete deal between Jaiprakash Associates and Dalmia Bharat for the transfer of the former's cement and power plants for US\$671m.
- **Tanzania:** FCT lamented the 'mischief prevailing in the market' in a ruling nullifying the FCC's approval of Scancem International's planned acquisition of a 68% stake in Tanga Cement, dated 28 February 2023. It said that companies should be able to submit a new application within one year of rejection, provided there is a 'substantial change' of circumstances or market dynamics.

Week ending: 29-10-2023

SUPPLY:

- **Romania:** Holcim Romania has successfully upgraded pyroprocessing and cement grinding equipment at its Câmpulung cement plant in Argeş County. This 14-month project has reportedly increased the Câmpulung plant's clinker capacity. No further details are available.

- **Ghana:** The Ghana Revenue Authority has shut down Wan Heng Ghana's 0.5Mt/yr grinding plant in Tema after the company failed to pay US\$60.6m in taxes. The company has been given 10 days to pay its taxes, otherwise the closure will continue. Additionally, it has publicly committed to resolve this matter "in a responsible and timely manner".
- **Belgium:** The municipal council of Evergem has advised planning authorities to reject Cemminerals' application to expand its Ghent grinding plant to 1.6Mt/yr in production capacity, which would entail the construction of a new grinding unit and six storage silos. Cemminerals currently holds a licence to produce 700,000t/yr at the site.
- **USA:** Holcim US announced an approximate \$100 million investment in its Ste. Genevieve Cement Plant, which will increase production capacity by more than 600Kt of cement. A fifth vertical cement grinding mill will also be installed. The project will begin construction in 2024 and be completed in late 2025.
- **Kazakhstan:** Sinoma Cement plans to build a cement plant in the Baiganin District of the Aktobe Region, total cost is \$150 million.

IMPORTS / EXPORTS:

- **Pakistan:** Cement and clinker exports in FY23 -15.2% YoY, according to the State Bank of Pakistan.

CARBON:

- **Spain:** Holcim España invested Euro4m in an upgrade to its 1.5Mt/yr Carboneras cement plant in Almería, which will raise the plant's AF substitution rate to 70% and expectedly enable it to reduce its CO2 emissions by 22,000t/yr.

M&A:

- **Spain:** Switzerland-based Holcim has concluded a deal to acquire Élite Cementos, which operates a grinding plant at the Port of Castellón in Castellón de la Plana, Valencia.

DEMAND:

- **Pakistan:** Domestic cement production in FY23 -13.7% YoY, according to the State Bank of Pakistan, in line with subdued construction activity.

OTHER:

- **Global:** The director of the WCA said that the world has 'enough cement for the next 25 years.' He also addressed the issue of overcapacity by noting a 'substantial' drop in demand and pointing out that high input costs had led the sector to raise its prices, by as much as 15% in Europe. He also said that the primary challenge facing the cement industry was "meeting stringent emission targets and embracing carbon capture technologies."