

News and events that affect our industry

November 2023



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Week ending: 12-11-2023

SUPPLY:

- **USA:** Holcim's expansion of its Ste. Genevieve cement plant will raise the plant's capacity by 15% to 4.6Mt/yr. Construction is set to commence in 2024.
- **India:** UltraTech Cement announced planned investments worth US\$1.56bn to grow its production capacity, beginning in FY26, by 13% to 187Mt. This will be achieved by setting up four new cement plants, four upgrades and four new terminals. The producer will also add 39MW in WHR units.
- **India:** Andhra Cements has commenced work to dispose of grinding mills from its Visakha grinding plant in Andhra Pradesh's Visakhapatnam District. The plant previously had a capacity of 600,000t/yr.
- **France:** Lafarge France has ignited the new kiln at its Martres-Tolosane cement plant following a Euro120m upgrade. The new kiln has tripled the plant's capacity, to 2.1Mt/yr from 0.7Mt/yr. The plant can now support an AF substitution rate of 60%, compared to 20% beforehand. Lafarge France aims to carry out further work to reach 85% AF substitution at the plant by 2027.
- **India:** SRMPR Cements has launched its Portland pozzolana cement (PPC) for the first time, in Tamil Nadu. The company controls 420,000t/yr of cement production capacity across three

facilities in Tamil Nadu and Andhra Pradesh. It invested a total US\$27m in its production facilities and warehouses. It also plans to launch OPC in the future.

- **Nigeria:** BUA Cement said it will commission its upcoming Sokoto cement plant by 31 January 2024.
- **Iraq:** Northern Region Cement Company plans to build a 1.32Mt/yr cement line in Iraq, costing US\$139m. The project will last for 16 months from its date of commencement.
- **India:** Nuvoco Vistas has completed its debottlenecking projects at the Risda and Nimbol plants, enhancing the clinker production capacity by 2000 tpd.
- **India:** JK Lakshmi Cement will be spending US\$27m to expand its Surat plant in Gujarat, India by 1.35Mta (doubling cement capacity) by setting up an additional grinding unit. The project is expected to be completed within two years.
- **Chile:** Cemento Polpaico will temporarily suspend operations at its grinding plant in Quilicura and transfer these to the Cerro Blanco plant in Til Til. The step is part of the company redistributing its production capacity nationwide due to corporate and operational restructuring, which is expected to be completed in the 1H24.
- **India:** Shree Digvijay Cement Company plans to expand its cement plant located in Sikka in Gujarat. Accordingly, the clinker capacity shall be expanded from the existing 1.1 Mt/yr to 2.21 Mt/yr, while the cement capacity shall be upgraded from 1.2 Mt/yr to 3.0 Mt/yr.
- **Cameroon:** Cimpor Global Holdings, which is a JV of the OYAK Group and Taiwan Cement, is commissioning their 2nd clay calcining plant, located in the Sea Port of Kribi. It has a 720 tpd calcined clay and a 2400 tpd cement production capacity.

CARBON:

- **Australia:** Low Emission Technology Australia (LETA), an investor in technologies critical to reducing carbon emissions from industry, has committed US\$3.8m to support a new carbon capture solution for clinker production. The respective trial will take place at Cement Australia's Gladstone facility in the state of Queensland.

M&A:

- **Qatar:** Qatar National Cement has approved the proposed sale of the company's Cement Plant No. 1 in Umm Bab, Al-Shahaniya Municipality. The plant's buyer has been reported as Arab International Metal Trading.
- **USA:** UNACEM has completed its purchase of the Tehachapi cement plant in California from Martin Marietta Materials for the agreed amount of US\$317m.
- **South Africa:** Afrimat secured recommendation from the Competition Commission to acquire Lafarge South Africa, based on 'horizontal overlaps' in the aggregates and ready-mix concrete sectors present in the merger.

DEMAND:

- **India:** ICRA expects domestic cement volumes to grow by 9 -10% in FY24.

OTHER:

- **India:** The Competition Commission of India (CCI) will carry out a pan-India market study into the cement industry in order to investigate potential collusion, ensure fair competition and protect consumers' rights, as well as to obtain insights into the state of the cement market across different domestic regions.

Week ending: 19-11-2023

SUPPLY:

- **Bolivia:** ECEBOL commissioned its new 1.3Mt/yr (also 3000 tpd clinker) Potosí cement plant at Chiutara on 11 November 2023.
- **Mexico:** The Chamber of Deputies of the Mexican parliament has approved a resolution exhorting the state government of Hidalgo to take 'urgent action' to help restore the Tula cement plant to its owner, Cooperativa La Cruz Azul.
- **Ghana:** The Ghana Standards Authority (GSA) has shut down three cement companies due to their use of inferior materials, namely Xin An Safe Cement Ghana Ltd, Kumasi Cement Ghana Ltd, and Uniceme Cement Ghana Ltd.
- **India:** JK Lakshmi Cement prepares for calcined clay cement production (LC3) at its Jaykaypuram plant, Sirohi, Rajasthan, a 5Mta clinker plant currently with three kilns. However, the LC3 capacity is not yet known as it will be a future board decision.
- **Russia:** CEMROS plans to put the Ulyanovskcement plant into operation. Its production capacities will be restored gradually: firstly, one cement production line is to be launched, then the second one, circular and packaging line projects are to be implemented. Apart from the existing production volumes, the plant will produce more than 400Kt/yr of cement.

CARBON:

- **Australia:** The government has begun consultations with affected parties over the possible implementation of a carbon border tax on imports of goods from heavy industries, including cement production. Manufacturers' associations in Australia have reportedly welcomed the possible change to emissions laws.
- **Greece:** Holcim announced the Olympus CCS Project for Milaki Plant, which is the 6th project of Holcim to receive a grant by the EU Innovation Fund. The project involves the installation of a CO2 Capture unit at the plant at Milaki, Evoia (cost estimated at EUR285 million) which could be operational by 2029. It comprises a 1.0 Mta CO2 capture, storage and transportation by ship to a depleted gas well in the Eastern Mediterranean Sea.

M&A:

- **Tanzania:** Mbeya Cement (a Holcim subsidiary) will be acquired by local oil importer Amsons Group for an undisclosed sum.
- **Uganda:** Local industrial conglomerate Sarrai Group will acquire Hima Cement (a Holcim subsidiary) for US\$120m.
- **India:** ABG Shipyard plans to sell Vadraj Cement, which owns a decommissioned clinker unit and grinding unit, as well as quarries and a jetty, in Kutch, Gujarat. The National Company Law Tribunal took over winding up proceedings for the former cement producer in Sep23. JSW Cement, Adani Group and steel producer ArcelorMittal Group are reportedly potential buyers.

DEMAND:

- **Malaysia:** Hume Cement Industries expects domestic cement demand to rise throughout FY24, but maintains a cautionary stance.

IMPORTS/EXPORTS:

- **South Korea/ Egypt:** The South Korean government's 72% 'anti-dumping duty' on imports of white cement from Egypt entered force on 17 November 2023 and will reportedly remain in force for four months, until 17 March 2023.

PRICING:

- **Russia:** Soyuzcement has warned the government that the cost of cement could rise by up to 30% YoY in 2024 due to mounting energy, logistics and staffing costs. The national cement manufacturing union has informed various departments and agencies that this price rise will follow a 23 - 30% production cost inflation reported in 2023.

Week ending: 26-11-2023

SUPPLY:

- **Kazakhstan:** A major cement plant construction project is reportedly underway in Jambyl Region. No further details are currently available.
- **Malaysia:** Cahya Mata Sarawak plans to upgrade Kuching's cement plant's 1Mt/yr Line 1 and build its planned 1.9Mt/yr Line 2, with the help of Sinoma Industry Engineering.
- **Malaysia:** Cement Industries (Sabah) Sdn Bhd's cement plant at Sepanggar is operational again after a "major main machinery breakdown" in October this year. Production capacity consequently declined from 2400tpd to 1400tpd. Repairs were reportedly completed within one month with the plant back up and running in early November.
- **Oman:** Oman Cement is upgrading its capacity by debottlenecking and enhancing the existing Line 3 cooler from 4000 to 6000tpd at its Muscat plant, increasing clinker quality and production capacity.

CARBON:

- **Canada:** The Government of Canada provided in their federal 2023 Fall Economic Statement updates on the progress of various investment tax credit (ITC) initiatives, directed to enhance Canada's clean economy. The ITCs that have been available since March 2023 will be expanded. This is beneficial for Canada's cement industry and their CCUS/CCS projects.

M&A:

- **USA:** CRH has concluded a deal for the acquisition of Martin Marietta Materials' South Texas business. This includes the 2.1Mt/yr Hunter cement plant, a network of cement terminals on the Gulf of Mexico and 20 ready-mix concrete batching plants, with a total value of US\$2.1bn.
- **Global:** CRH has agreed to sell its European lime business to UK-based SigmaRoc for US\$1.1bn. The business controls 16 sites across the Czech Republic, Germany, Ireland, Poland and the UK. The first phase of the transaction, which is scheduled for completion in early 2024, will hand over control of the Czech Republic, Germany and Ireland businesses to SigmaRoc, while control of the Poland and UK business will pass over in two subsequent phases.
- **Malaysia:** UEM Group has revealed that it has shortlisted prospective buyers for CIMA. The list is reportedly comprised of four local entities, one entity based in China, one in Germany

and one in the Philippines. None of the bidders is reportedly an existing competitor of CIMA in the Malaysian cement sector.

- **India:** UltraTech Cement has commenced negotiations to acquire promoters' stakes in Kesoram Industries, which sells cement under the Birla Shakti brand.

DEMAND:

- **South Africa:** PPC says that without a significant increase in infrastructure spending and South African GDP, domestic cement demand is expected to remain subdued.
- **Oman:** Domestic cement demand for the rest of 2023 is expected to stabilise, according to Oman Cement.

PRICING:

- **Russia:** In 1H23, the cost of cement production in Russia increased by 18.3% YoY. At present, cement factories in Russia are heavily dependent on borrowed funds as many plants require modernisation. Cementum believes that next year industrial inflation for cement producers in a number of regions in Russia will be 17-20%.