

News and events that affect our industry

December 2023



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Week ending: 3-12-2023

SUPPLY:

- **Algeria:** Amouda Cement is preparing to launch an oil well cement production line at its plant at El Beïda in Laghouat province.
- **Ethiopia:** Lemi National Cement PLC, a joint venture between Ethiopia's East African Holding and Chinese West International Holding (WIH), will build a cement plant consisting of a 10,000 tpd clinker and 4.5 Mta cement production. Plant commissioning is expected in summer 2024.
- **Pakistan:** Fauji Cement has inaugurated its Shadan Lund cement plant in Dera Ghazi Khan, which has a capacity of 2.37Mt/yr. This brings Fauji Cement's total capacity to 10.6Mt/yr.

CARBON:

- **Denmark:** Crown Prince of Denmark to inaugurate ConsenCUS CO2 capture pilot at Aalborg Portland Cement. The project will test a more energy-efficient CCS technology that can potentially halve the energy consumption compared to traditional CO2 capture methods by driving the process exclusively via electricity.
- **Global:** The governments of Chile and Germany are reportedly preparing to launch a so-called 'climate club' to help developing nations invest in technologies to decarbonise sectors (including cement), by setting up a platform to connect countries with funding and technical support from governments and the private sector. The statement is expected to be published at the United Nations' Conference of the Parties (COP) 28 event on 1 December 2023.

M&A:

- **Turkey:** Taiwan Cement Corporation (TCC) has signed a preliminary memorandum of understanding (MoU) with OYAK Çimento. Under the MoU, the parties will enter into negotiations over the transfer of a further 20% stake in OYAK Denizli Çimento to TCC, which will raise TCC's stake in the company to 60%.
- **India:** UltraTech Cement has bought the 540,000t/yr Patratu grinding plant from Burnpur Cement for US\$20.4m. This brings UltraTech Cement's installed cement capacity to 133Mt/yr.
- **India:** UltraTech Cement has concluded an agreement to acquire Kesoram Cement from Kesoram Industries for US\$912m, which operates two cement plants – the 10.8Mt/yr Vasavadatta plant in Karnataka and the 660,000t/yr Kesoram cement plant in Telangana.

DEMAND:

- **Brazil:** SNIC sees domestic cement demand -1% YoY in 2023, due to a slowdown in the residential construction sector, which accounts for 70% of national demand. For 2024, it sees demand +2% YoY, due to increased infrastructure activity.

Week ending: 10-12-2023

SUPPLY:

- **Kenya:** EAPCC has announced plans to build a new clinker plant in Kajaido, which will cost US\$200m. Timeframes of the project will be clarified in 2024.
- **USA:** GCC plans to build a 3000t/day clinker production line at its Odessa plant in Texas. When commissioned in late 2025, the line is expected to more than double the plant's clinker capacity to 2Mt/yr across three kilns.
- **Belgium:** Holcim Belgique has awarded a contract to build a new clinker line at its Obourg cement plant in Mons. Commissioning is expected within 38 months of commencement of the project amounting to a cost of Euro218m.

CARBON:

- **India:** Adani Group says that it will power 60% of its cement production using renewable energy by 2028.
- **Croatia:** Holcim Hrvatska has secured Euro117m in EU funding for its Koromačno cement plant carbon capture project, which includes the construction of a Euro237m carbon capture system at the site. The company says that the project will commence in January 2024 and conclude by the end of 2028.
- **Greece:** Holcim's Olympus CCS project for Milaki plant will receive EU funding amounting to EUR124.5m. The project marks an investment of over EUR300m.

M&A:

- **India:** Ambuja Cements has completed its acquisition of a 54% stake in Sanghi Industries for an enterprise value of US\$622m. Following the acquisition, Ambuja Cement's parent company, Adani Group, now has a cement capacity of 75Mt/yr, up by 9% from 69Mt/yr.

Week ending: 17-12-2023

SUPPLY:

- **India:** Ramco Cements has raised the clinker capacity of its Kolimigundla cement plant by 26%, to 3.15Mt/yr from 2.5Mt/yr. The plant is now operating at full capacity.
- **India:** Ambuja Cement plans to spend US\$36m to double the capacity of its Roorkee grinding plant to 3Mt/yr and US\$168m in the construction of a new 4Mt/yr grinding plant, both in the state of Uttarakhand.
- **India:** Shree Cement inaugurated its new 4.2Mt/yr Nawalgarh cement plant in Rajasthan on 14 December 2023. The plant boasts an 11,500t/day kiln, which the company claims is among the largest in India. The company's installed production capacity now stands at 53.4Mt/yr.
- **China:** Tianyang Cement has concluded a 'full-process intelligent cement plant' pilot at its 2.81Mt/yr Baise cement plant in Guangxi Province. The company said that the pilot entailed an upgrade that has more than doubled the plant's production volumes and reduced its CO2 emissions per tonne of cement by 24%. It also said that automation has reduced the plant's unplanned shutdowns by 56% and improved product quality.
- **India:** Ramco Cements said that the expansion of the Odisha grinding unit from 0.9Mta to 1.8Mta is expected to be commissioned in January 2024.
- **Angola:** The cement plant of Nova Cimangola in Angola's Luanda region has been upgraded to produce 0.3Mt/yr of calcined clay. Accordingly, the plant will be able to produce about 1Mt/yr of LC3 cement.

CARBON:

- **Global:** The Global Cement and Concrete Association (GCCA) has welcomed the first international agreement to transition away from fossil fuels, signed by 200 countries at the COP28 climate conference in Dubai. The GCCA said that the deal recognises the need for deep, rapid and sustained reductions in global CO2 emissions.

M&A:

- **Turkey:** Taiwan Cement Corporation (TCC) has concluded an agreement to acquire an additional 20% stake in OYAK Denizli Çimento from OYAK Çimento, which will raise TCC's stake in the company to 60%. The deal aligns with a previous MoU between the two parent companies.

DEMAND:

- **China:** Fitch Ratings expects cement demand in China to remain weak in 2024, amid low activity levels in the residential construction sector.
- **India:** Fitch Ratings has forecast continued 'steady' growth of 6 – 8% year-on-year in cement demand in India in 2024.

Week ending: 24-12-2023

SUPPLY:

- **UAE:** Fujairah Cement Industries has announced an upcoming temporary suspension of cement despatches from its Fujairah cement plant, commencing on 1 January 2024, and lasting until at least mid-February 2024 to the start of March 2024. During the suspension, the producer will carry out a 'major' refurbishment of the plant.
- **Nigeria:** BUA Cement has reportedly started operations on the new 3Mt/yr Line 5 at its Sokoto cement plant. Inauguration will reportedly follow in January 2024, as scheduled.
- **Kazakhstan:** China Gezhouba Group Cement plans to build a new cement plant in Almaty region, investing up to 220 million dollars. The plant is intended to be operational in early 2026.
- **Brazil:** CSN to invest R\$5 billion in Itabirito plant expansion. No further details are currently available.

CARBON:

- **Germany:** The EU Innovation Fund has awarded Heidelberg Materials Euro191m in funding to support its development of a CCS value chain at Geseke cement plant in North Rhine-Westphalia. Having received the funding, Heidelberg Materials and its partners will commence work in January 2024.
- **Greece:** The EU Innovation Fund has awarded a Euro234m grant to Titan Group for its IFESTOS CCS project.
- **USA:** The Department of Energy (DOE) has awarded US\$45.6m-worth of federal funding to carbon capture projects across US industries. Among the nine projects that received grants are Argos USA's engineering-scale carbon capture project at its Harleyville, South Carolina, cement plant and Holcim US' engineering-scale carbon capture project at its Holly Hill, South Carolina, cement plant.
- **UK:** The UK is to introduce a new import carbon pricing mechanism by 2027 to support its decarbonisation drive. Among the products subject to the new levy will be cement. Imports from overseas will face a comparable carbon price to those produced in the UK, helping to reduce the risk of carbon leakage.

M&A:

- **Australia:** CRH and Barro Group have partnered to jointly acquire Adbri outright. The companies currently control 47.6% of Adbri combined – a 4.6% stake under CRH and a 43% stake under Barro Group. Under their offer to shareholders, CRH will raise its stake in the company to 57%. The partners have valued the company at US\$1.4bn as part of their proposal.