

News and events that affect our industry

February 2024



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Week ending: 4-02-2024

SUPPLY:

- **India:** UltraTech Cement has commissioned its new 2.6Mt/yr Rajpura grinding plant in Punjab. This raises UltraTech Cement's installed grey cement capacity in India by 2% to 135.59Mt/yr.
- **Germany:** Heidelberg Materials will stop producing clinker at its 700,000t/yr Hanover cement plant in Lower Saxony later in 2024, and transition the plant to grinding-only, following a 'significant drop' in its cement sales, amid local low construction activity and a market shift towards lower-cement materials. Nonetheless, it intends to raise its capacity utilisation at its 1Mt/yr Ennigerloh, 900,000t/yr Geseke and 400,000t/yr Paderborn cement plants in neighbouring North Rhine-Westphalia.
- **India:** Nuvoco Vistas has commissioned a 1.2Mt/yr cement mill at its Haryana Bhiwani cement plant in Haryana.
- **Brazil:** Supremo Secil Cimentos will invest US\$20.3m in an upcoming expansion of its Adrianópolis cement plant, which (commencing in July 2024) will raise the plant's clinker capacity by 10% and enable it to increase its alternative fuel (AF) substitution rate from 25 – 30% to 40%, and eventually to 50% by 2030.
- **Regional:** Dangote Cement plans expansion in Nigeria and Ivory Coast. No further details are currently available.

- **Uzbekistan:** Construction of cement plants to be banned in Uzbekistan. No further details are currently available.

DEMAND:

- **USA:** USA's 2023 cement production -2.2% YoY to 91Mt, according to the United States Geological Survey (USGS).
- **China:** China's 2023 cement production flat YoY at 2.1Bnt, according to USGS.
- **India:** India's 2023 cement production +7.9% YoY to 410Mt, according to USGS.
- **Vietnam:** Vietnam's 2023 cement production -8.3% YoY to 110Mt, according to USGS.
- **Spain:** Cement consumption in Spain in 2023 -3% YoY to 14.5Mt, according to Oficemen.

M&A:

- **Portugal:** The Portuguese Competition Authority has approved Taiwan Cement Corporation (TCC)'s outright acquisition of Cimpor, enabling it to proceed with its acquisition of the outstanding 60% stake in Cimpor.

CARBON:

- **Germany:** The Calix consortium's on-going LEILAC 2 carbon capture project will now move from the Hanover plant to another Heidelberg Materials plant. The two companies are making efforts to identify a suitable new site (Implementation by the end of 2025).
- **Global:** The Global Cement and Concrete Association (GCCA) has signed a new agreement with the China Cement Association (CCA), that constitutes an historic 'partnership pledge' to accelerate cement decarbonisation globally in 2024 – 2026. The partners say that their collaboration will contribute to the development and launch of the upcoming China Cement Carbon Neutrality Roadmap.

Week ending: 11-02-2024

SUPPLY:

- **Kenya:** Mashujaa Cement plans to build a US\$77.4m integrated cement plant at Chasimba, Kilifi South. No further details are currently available.
- **Tanzania:** Huaxin Cement Tanzania Maweni Company has commissioned a new 4000t/day clinker line at its Mavini cement plant, after completing the Phase 2 of the plant's construction (which reportedly commenced in Aug22).
- **Ethiopia:** The Lemi National Cement Factory is preparing to start production. The 8Mt/yr plant (located at the Lemi Building Materials Industrial Park) is reportedly expected to be completed in March 2024. The US\$600m project is a joint venture between West International Holding, a subsidiary West China Cement, and the East African Holding Company.
- **India:** Ramco Cements plans to more than double the clinker capacity of its Kalavatala cement plant in Andhra Pradesh to 6.3Mt/yr at a cost of US\$151m. The new Line 2 will be equipped with a 15MW waste heat recovery (WHR) unit, which will raise the producer's installed cement capacity to 26Mt/yr and its clinker capacity to 19Mt/yr. Commissioning scheduled by early 2026.

- **Pakistan:** Kohat Cement has completed the Balancing, Modernisation and Replacement (BMR) of the existing 6700tpd grey cement production line located at Kohat, Khyber Pakhtunkhwa.

CARBON:

- **Taiwan:** Taiwan Cement Corporation has signed a memorandum of understanding (MoU), under which it will implement carbon capture projects aimed at capturing 100,000t/yr (10%) of its CO2 emissions by 2030. This will take place in Line 1 of its Hualien Heping cement plant. This technology aims to increase the concentration of captured CO2 to over 90% and reduce the energy consumption of carbon capture. The Hualien Heping plant project will conclude in 2026, with the commercialisation of the technology to follow before 2030.
- **UK:** Heidelberg Materials UK has awarded a contract for an upcoming carbon capture installation at its Padeswood cement plant in Flintshire. The project, which is scheduled to become operational in 2028, aims to capture up to 800,000t/yr of CO2.

M&A:

- **Philippines:** DMCI Holdings has reportedly entered negotiations to acquire Cemex Holdings Philippines. No further details are currently available.
- **South Korea:** Hahn has launched a bid to buy SsangYong C&E.
- **Turkey:** Caba Group to acquire Soyak's cement business.

DEMAND:

- **Colombia:** Colombia's cement dispatches in 2023 -4.5% YoY to 12.893Mt, according to DANE.

PRICING:

- **India:** ACC and Ambuja Cements to sell Sanghi Industries' cement under their brands, at a price 10% above production cost. This is reportedly below industry pricing standards for comparable deals of 25 - 30% higher pricing over costs.

OTHER:

- **India:** The National Company Law Tribunal has initiated a corporate insolvency resolution process for Vadraj Cement. The former cement producer defaulted on US\$10.5m in debts owed to Punjab National Bank.
- **Ghana:** Ghana has introduced a new cement regulation that makes it mandatory for anyone thinking of manufacturing cement to obtain a license. Existing producers will also be bound by stricture monitoring and enforcement to ensure they comply with the new standard. The move will also regulate the quality of all cement products entering the country.

Week ending: 18-02-2024

SUPPLY:

- **Saudi Arabia:** Yamama Cement is in the process of expanding its Northern Halal cement plant to 32,500t/day in capacity.

- **Mexico:** Holcim México will invest US\$55m in the construction of a new cement mill at its Macuspana plant in Tabasco state, which will increase the plant's cement capacity by 50% to 1.5Mt/yr.
- **India:** JSW Group plans to build a US\$7.83bn steel complex in Jagatsinghpur district, Odisha. The complex will include a cement grinding plant. No further details are currently available.

CARBON:

- **France:** CRH subsidiary Eqiom has commenced the first phase of its K6 decarbonisation project at its Lumbres cement plant in Hauts-de-France. In this phase, the producer will build a new production line that uses alternative fuels, which will reduce the plant's specific CO2 emissions per tonne of clinker by 20%.
- **Norway:** A CO2 terminal at Hafslund Oslo Celsio's Port will be developed. The unit will facilitate the transport of CO2 to the Øygdalen Northern Lights site under the Longship CCS initiative that involves Heidelberg Materials Northern Europe's Brevik cement plant.
- **Canada:** Heidelberg Materials North America has awarded a contract for its carbon capture project at the Edmonton cement plant in Alberta. The project will deploy a CO2 capture system to remove 1Mt/yr from the plant's flue gases. Carbon capture will commence in late 2026, subject to funding finalisation.

M&A:

- **USA:** CRH has completed the acquisition of Martin Marietta Materials' South Texas business for US\$2.1bn.
- **India:** JK Lakshmi Cement has acquired an 85% stake in Agrani Cement for US\$39.2m.

DEMAND:

- **Chile:** Cement dispatches -11% YoY to 5.2Mt in 2023, according to the country's construction chamber, CChC.
- **Cambodia:** 2023 cement production and sales decreased slightly compared to 2022, reports the Cambodian Cement Manufacturing Association. In 2022, the local cement production was about 8Mt, while the full production capacity of the existing five cement factories is 9Mta.

CONSTRUCTION:

- **Slovenia:** To address the ongoing housing crisis, the government of Slovenia has reportedly committed to building 5,000 new dwellings by 2026, starting with the construction of 1,000 units in 2024.

Week ending: 25-02-2024

SUPPLY:

- **India:** JSW Group's new upcoming cement plant in Odisha will reportedly have a capacity of 10Mt/yr.
- **Malaysia:** Borneo Cement Sabah expects to commission its US\$417m integrated Nabawan cement plant later in 2024.
- **India:** Ambuja Cements is planning to build a 4Mt/yr cement grinding plant at Motia Village, Godda District in Jharkhand. The project has a budget of US\$120m.
- **Saudi Arabia:** Arabian Cement Company's Rabigh cement plant mills project has concluded successfully.
- **India:** UltraTech Cement has commissioned 1.8Mt/yr of new cement capacity at its Kotputli cement plant in Rajasthan, which is part of a 22.6Mt/yr capacity growth drive, first announced in June 2022. The latest commissioning has raised UltraTech Cement's all-India capacity by 1.3% to 137Mt/yr.
- **India:** Shree Cement has begun construction of two new 3.5Mt/yr cement plants at Etah and Prayagraj in Uttar Pradesh. The plant at Etah is expected to be operational in the next 12 months, while the one in Prayagraj is expected to commence in 24 months.
- **Thailand:** Siam Cement plans to convert the existing clinker kiln line at its Ta Luang plant into a calcined clay production line. No further details are currently available.

CARBON:

- **Czech Republic:** The Czech Cement Association (SPČR) has challenged the European Commission's proposal to aim to reduce CO2 emissions by 90% by 2040, reportedly arguing that the target will harm the competitiveness of Czech industries and that it is based on unrealistic assumptions and overlooks the absence of necessary conditions for major investment in the EU's green industry transformation.

M&A:

- **Australia:** Seven Group Holdings has offered US\$1.24bn to acquire all outstanding shares of Boral. The conglomerate already holds 72% of shares in the building materials producer, which would reportedly correspond to a total valuation of US\$4.35bn for the company.
- **India:** JK Cement Ltd has completed the acquisition of a 100% stake in Toshali Cements. The parties concluded their agreement in June 2023, at which time the value of the deal was reportedly US\$19m.
- **Argentina:** Auctioneer JP Morgan will receive offers from bidders for Loma Negra later in February 2024, which may reportedly attract a price of over US\$700m.
- **Brazil:** CSN, Huaxin Cement and Votorantim Cimentos have all reportedly bid for InterCement's Brazilian business. Votorantim Cimentos is reportedly leading a consortium alongside Buzzi and concrete producer Polimix Concreto, however the Brazilian cement market leader denied this, stating that its offer is 'individual and independent.' Both Votorantim Cimentos and CSN Cimentos are reportedly considering making initial public offerings (IPOs).
- **Saudi Arabia:** Qassim Cement is to acquire all of Hail Cement's shares. The transaction remains subject to several other conditions, including obtaining the approvals of the Capital Market Authority and the Saudi Exchange, and obtaining the requisite approval of the shareholders in the extraordinary general assemblies of HCC and QCC.

PRICING:

- **Nigeria:** Dangote, BUA Cement and Lafarge have agreed to lower cement prices in Nigeria, despite rising production costs. The three manufacturers have reportedly stated that a 50kg bag of cement should have a maximum retail price of NGN8000 (US\$4.98). Following a meeting with Nigeria's Minister of Works and the Minister of Industry, Trade and Investments, the producers said a monitoring team would be set up to ensure compliance with the new pricing agreement.