

News and events that affect our industry

March 2024



The ultimate "intelligence" provider in the global cement sector

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Week ending: 03-03-2024

SUPPLY:

- **France:** Eqiom plans to expand its Lumbres cement plant by 57% from 700,000t/yr to 1.1Mt/yr by 2026. The project involves the installation of a new kiln (and aims to reduce the plant's CO2 emissions by 20%). The producer plans to invest €300m, including €40m from France Relance funds.
- **Uganda:** The government has granted a 21-year mining license to Sunbird Resources to support a cement plant project near the border with Kenya. The license will reportedly allow the local company, which is working with China-based West China Cement, to mine limestone. The partners intend to build a 1Mt/yr integrated cement plant.
- **Gabon:** Cimaf Gabon is considering establishing a new \$147m cement plant in Meba, Estuaire Province. This will help to end Cimaf Gabon's dependence on clinker imports and raise its total cement production capacity by 18% from 850,000t/yr to 1Mt/yr.
- **Tanzania:** Huaxin Cement Tanzania Maweni Company has successfully commenced operations at its new Mavini plant. The plant will reportedly export cement to other countries.
- **Saudi Arabia:** Eastern Province Cement Company has entered into a contract with China National Building Material subsidiary Sinoma CDI to build its Khursaniyah cement plant's upcoming 10,000t/day Line 5.

DEMAND:

- **Uzbekistan:** Uzbekistan's 2023 cement production was at 11.93Mt, according to the country's statistics agency.

M&A:

- **Australia:** CRH has concluded a deal to acquire the remaining 57% of stake in Adbri not owned by Barro Group for US\$1.4bn.
- **Portugal:** Taiwan Cement (Dutch) Holdings reportedly paid €65m to acquire its new stake in Cimpor.
- **Namibia:** The purchase agreement between Schwenk Zement International GmbH and RWCo GmbH regarding shares in Schwenk Namibia (PTY) Ltd has been cancelled. After legal developments involving the Namibian Competition Commission (NaCC), Schwenk Zement International opted out on 7 February 2024 saying it did not want to accept any delays caused by ongoing review proceedings.

CARBON:

- **Germany:** The German government published its new carbon management strategy and draft carbon storage law (KSpG) on 26 February 2024. The KSpG revises understandings of carbon neutrality to include CO₂ savings made through carbon capture and storage (CCS). The government says that the legislation primarily aims to support hard-to-abate sectors like cement.
- **Belgium:** Heidelberg Materials Benelux will invest €450m in its Anthemis project, involving the installation of an 800,000t/yr carbon capture system, at its Antoin cement plant. The project is scheduled for completion in 2029. Captured CO₂ will travel by pipeline to the North Sea for storage.

Week ending: 10-03-2024

SUPPLY:

- **India:** Adani Group will invest US\$603m in the construction of a 4Mt/yr clinker plant at Chorgadi and grinding plants in Dewas and Bhopal. The combined capacity will be 8Mt/yr. The move is part of a US\$9bn investment.
- **Netherlands:** EMC Cement and HES International plan to build a 1.2Mt/yr plant in Amsterdam to produce an alternative cement that contains 70% volcanic ash. The cement will also include recycled concrete fines. Production will be carbon neutral and consume 90% less energy than traditional ordinary Portland cement production. The Amsterdam plant is scheduled for commissioning by early 2026.
- **Pakistan:** Following Kohat Cement's optimisation of the pyroprocessing section of the existing 6700tpd grey cement production line at Kohat in Khyber Pakhtunkhwa, the clinker production capacity increased from 6700tpd to 7064tpd.

CARBON:

- **Germany:** Australia-based Calix confirmed that its LEILAC-2 project will take place at Heidelberg Materials' cement plant in Ennigerloh, Germany. This follows Heidelberg Materials' decision to cease clinker production at its Hanover cement plant. The project, which aims to capture CO₂ emissions from cement production, already has a system design ready for construction at Ennigerloh.
- **Turkey:** The Turkish cement industry needs to invest approximately US\$30bn to achieve its net-zero carbon goal by 2053, according to sector representatives. Additionally, around US\$2bn is required to adhere to the European Union's Carbon Border Adjustment Mechanism (CBAM), according to the Turkish Cement Manufacturers' Association (TÜRKCİMENTO).

M&A:

- **UAE/Jordan:** Northern Region Cement has agreed to sell its 50% stake in Jordan-based Cement Experts for Development and Investment to UAE-based AMP Global Trading. The producer said that the deal is valued at US\$55m.
- **Portugal:** Taiwan Cement Corporation has purchased the remaining 60% stake of Cimpor from the Turkish group OYAK, giving it 100% ownership of the company. This acquisition, valued at €480m, also includes taking over the majority of operations in Türkiye.

DEMAND:

- **USA:** Clinker production in 2023 -3.9% YoY to 76.3Mt, according to USGS.
- **Italy:** Cement output in 2023 -2% YoY, weighed down by sluggish activity in the construction sector, according to Federbeton.
- **Senegal:** Domestic cement sales in 2023 +9% YoY to 7.044Mt, cement production +12.9% YoY to 9.017Mt. All according to the country's DPEE.
- **Japan:** Cement production in 2023 -10.4% YoY to 47.656Mt, according to the Japan Cement Association (JCA).

IMPORTS/EXPORTS:

- **Senegal:** Cement exports in 2023 +32.3% YoY to 1.988Mt, according to the country's DPEE.
- **Japan:** Cement exports in 2023 -32.3% YoY to 6.478Mt, according to the Japan Cement Association (JCA).

CONSTRUCTION:

- **Italy:** Data from the national statistics provider, ISTAT, shows Italian construction output down 0.1% in 2023.

MACRO:

- **Italy:** According to the latest IMF projections, Italian economic growth is forecasted at 0.7% for 2024.

Week ending: 17-03-2024

M&A:

- **Uganda:** A consortium comprising Sarrai Group and Rwimi Holding has completed its US\$84m acquisition of Hima Cement. The transaction was reportedly completed in early March 2024 following regulatory and shareholder approval.
- **Brazil:** CSN, Votorantim Cimentos and China-based Huaxin Cement have all submitted 'virtually' identical bids for InterCement's assets in Brazil. Huaxin Cement may reportedly be the bidder that best 'pleases' InterCement. As a would-be market newcomer, its acquisition would not require investigation by the Administrative Council for Economic Defence (CADE).

CARBON:

- **Denmark:** FLSmidth Cement, the Technological Institute, DTU, and Lhoist plan to test a new technology designed to significantly reduce CO2 emissions in the cement industry. The initiative, known as the Newcement project, is part of the INNO-CCUS partnership and is supported by an investment of US\$1.12m from the Innovation Fund. It aims to move the technology from laboratory tests to a full-scale demonstration in a real cement production plant.
- **France:** Heidelberg Materials France plans to install a 1Mt/yr carbon capture system at its Airvault cement plant in the New Aquitaine, which is undergoing an upgrade. This will reduce the plant's CO2 emissions by 30% per tonne, reduce its energy consumption by 10% per tonne, reduce its clinker factor and raise its alternative fuel substitution rate to 90%. CO2 capture is set to commence in 2030.

IMPORTS/EXPORTS:

- **Turkey:** According to TürkÇimento, cement exports in Turkey fell by 28% YoY to just under 20Mt in 2023.

DEMAND:

- **Turkey:** According to TürkÇimento, cement production in Turkey grew by 10.5% YoY to 81.5Mt in 2023. Domestic cement sales rose by 19% to 65Mt (no further growth in domestic cement sales is anticipated in 2024).
- **Brazil:** SNIC is forecasting an expansion of 2% in cement sales to 62.97Mt for 2024. This follows a 1.4% contraction in 2023.

CONSTRUCTION:

- **Peru:** Scotiabank forecasts a 3.7% expansion in the Peruvian construction market in the full year 2024, following an 8% contraction in full-year 2023.
- **Turkey:** According to TürkÇimento, the Turkish construction sector grew by 8% in 2023.

Week ending: 24-03-2024

SUPPLY:

- **Vietnam:** Long Thanh Cement's cement plant in Ha Nam province is undergoing expansion from 0.91Mt/yr to 2.3Mt/yr. No further details are currently available.
- **Kenya:** EAPCC has closed its Athi River plant for a US\$3m upgrade to boost production capacity (target is 1Mt/yr of cement by June26, current production capacity of the plant is 310,000t/yr).
- **Finland:** Boliden says it has developed a 95% reduced-CO2 alternative cement production process based on the use of slag. A preliminary study is reportedly underway, wherein Boliden will establish a 250,000t/yr production plant.

CARBON:

- **UK:** Capsol Technologies has been selected to conduct a study on its carbon capture technology at Aggregate Industries Caudon cement plant in Staffordshire, funded by the UK Government's Industrial Energy Transformation Fund (IETF).

M&A:

- **India:** UltraTech Cement says that the Competition Commission of India has approved its proposed acquisition of Kesoram Industries' cement business, scheduled for November 2024, at an enterprise value of US\$914m.
- **Australia:** Boral's independent directors have dismissed Seven Group's takeover bid, which valued the company at US\$6.9bn, arguing the deal does not fairly or reasonably reflect Boral's value, especially considering its billion-dollar surplus property portfolio.

MACRO:

- **Peru:** GDP is forecast to grow by 3% in 2024, according to the Central Reserve Bank of Peru.

CONSTRUCTION:

- **Peru:** The construction sector is forecast to expand by 3.2%, according to the Central Reserve Bank of Peru.

Week ending: 31-03-2024

SUPPLY:

- **India:** UltraTech Cement has commissioned a new brownfield 1Mt capacity at its Roorkee-based facility in Uttarakhand, taking the unit's capacity to 2.1Mta. The company's total cement manufacturing capacity in India now stands at 138Mt.
- **Cameroon:** Cimpor has begun operation of a new cement plant in the industrial and port area of Kribi, Cameroon. The plant has a production capacity of 1Mt/yr.
- **USA:** Brimstone is negotiating a US\$189m Federal award with the Department of Energy to finance the construction of a new decarbonised cement plant. This plant will produce up to 140,000t/yr of Ordinary Portland Cement and supplementary cementitious materials.
- **USA:** Sublime Systems has entered award negotiations with the US Department of Energy for a grant worth up to US\$87m for its electrolysis-based cement plant in Holyoke, Massachusetts.
- **Netherlands:** Overslagbedrijf Moerdijk (OBM) plans to expand its production and storage capacity at its Moerdijk slag cement grinding plant.

- **India:** UltraTech Cement has increased its cement production capacity by 2.4Mt/yr through debottlenecking at integrated and grinding plants in Gujarat, Rajasthan and West Bengal. Following this, its total domestic capacity is 141Mt/yr and worldwide it is 146Mt/yr.
- **Russia:** Magma Group of Companies' project of constructing a dry process cement plant in 2022 (with completion expected back then in 5 years) has reportedly been updated: Its overall cost is estimated at 200 million dollars, and the production capacity at 1,200 thousand tons of cement per year.

CARBON:

- **USA:** Heidelberg Materials US has secured up to US\$500m from the US Department of Energy for its planned 2Mt/yr carbon capture project at the Mitchell cement plant in Indiana.
- **USA:** National Cement has received US\$500m from the US Department of Energy, for its Lebec Net Zero limestone calcined clay cement (LC3) project in California, which intends to capture 950,000t/yr of CO2 emissions.

M&A:

- **UK:** CRH says that it has completed the sale of its UK lime business. The sale concludes the second phase of the group's divestment of its lime operations in Europe, first announced in November 2023.
- **India:** The Adani family has increased its stake in Ambuja Cements by 3.6% to 66.7% following an investment of just under US\$800m.

IMPORTS/EXPORTS:

- **South Africa:** Imported cement volumes reportedly +18% YoY to 979,000t in 2023.