

# News and events that affect our industry

April 2024



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**Week ending: 07-04-2024**

## SUPPLY:

- **Ukraine:** The Ukrainian government has approved the construction of the €35.6m Galicia building materials complex in Kalush, Ivano-Frankivsk Region, which will include a cement plant. No further details are currently available.
- **India:** Udaipur Cement has commissioned a new grinding unit at its Udaipur cement plant in Rajasthan, which more than doubles the plant's grinding capacity from 2.2Mt/yr to 4.7Mt/yr.
- **India:** Shree Cement has inaugurated its 3Mt/yr Guntur cement plant in Andhra Pradesh in southern India, which raises its cement capacity by 5.6% to 56.4Mt/yr, with six integrated cement plants. The cost for the Guntur cement plant is reportedly at US\$300m.
- **India:** UltraTech Cement has allocated US\$3.8bn for additional capacity expansion of 5.4Mta over the next three years, including the acquisition of Kesoram Cement. The company aims to increase grey cement production to 198Mt/yr.
- **India:** Ramco Cements has doubled the production capacity at its Jajpur plant in Odisha to 1.8Mt/yr. The company commissioned its Line II on Monday 1 April 2024 and started commercial production, adding 900,000t/yr to the plant's capacity.
- **France:** Heidelberg Materials has announced plans to close two of its plants in France - Beffes and Villiers-au-Bouin - by October 2025. The decision comes amid a decline in cement sales in France.

- **Kenya:** EAPCC has commenced the second phase of its capacity-enhancing programme at its Athi River plant, which involves a 25-day maintenance shutdown.
- **Iraq:** Production of the Samawah cement plant in the southern Al-Muthanna Governorate has been expanded to 3Mt/yr from 1Mt/yr, according to the Al-Muthanna Investment Commission. The project, which involved the installation of a second production line, was executed by the state-owned Najmat Al-Samawa Company for Cement Industry.

### IMPORTS/EXPORTS:

- **Thailand:** Value of cement exports excluding clinker in 2023 -14.9% YoY to US\$160.93m, according to Thailand's Office of Industrial Economics (OIE). Value of cement imports +18.5% YoY to US\$79.37m.
- **Turkey:** According to TürkÇimento, clinker exports -53.4% YoY to 3.958Mt in 2023.

### DEMAND:

- **China:** China's 2023 cement output -4.5% YoY to 2.02Bnt, according to the National Bureau of Statistics of China.
- **Poland:** Cement production in 2023 -12% YoY to 16.6Mt, according to data from the Central Statistical Office.
- **Kazakhstan:** Steppe Cement sees cement demand in Kazakhstan in 2024 -5% YoY at 11Mt.
- **Thailand:** Domestic cement sales in 2023 excluding clinker -1.4% YoY to 38.12Mt, according to Thailand's Office of Industrial Economics (OIE). Cement production excluding clinker +0.1% YoY to 42.74Mt.

### CONSTRUCTION:

- **Pakistan:** Construction in 2023 -9.2% YoY, according to the Pakistan Bureau of Statistics (PBS).

### CARBON:

- **USA:** The Portland Cement Association (PCA) has commended the Connecticut Department of Transportation's approval of Portland-limestone cement (PLC), marking its acceptance in all US states and the District of Columbia. PLC, with increased limestone content, maintains traditional portland cement's efficacy but reduces CO<sub>2</sub> emissions by up to 10%.

## Week ending: 14-04-2024

### SUPPLY:

- **Kenya:** President William Ruto has commissioned a Cemtech clinker plant in Sebit, West Pokot, valued at US\$345m, which will produce 6000t/day of clinker with a cement capacity of 2Mt/yr. The West Pocket plant originally started construction in 2010 by former Prime Minister Rails Odinga.
- **USA:** Eagle Materials and Heidelberg Materials North America, through their joint venture Texas Lehigh Cement Company, will start up a new slag cement facility. The facility will be located in Houston, Texas and will start production in the summer of 2024. When completed, it will have a production capacity of 500,000t/yr.

## M&A:

- **South Africa:** Afrimat has received approval to acquire all of Lafarge South Africa and its subsidiaries. The acquisition has been structured as a locked box transaction, effective 31 December 2022, and the purchase is valued at US\$6m. Afrimat confirmed the acquisition of the LSA Group, part of the Holcim Group, on 10 April 2024.
- **Australia:** Boral has endorsed Seven Group Holdings' (SGH) increased takeover offer after the bidder enhanced its proposal. Boral is now reportedly recommending its shareholders accept SGH's offer, previously rejected in March 2024.

## CARBON:

- **Canada:** Heidelberg Materials North America has announced a new front end engineering design (FEED) contract for its Edmonton carbon capture, utilisation, and storage (CCUS) project.
- **Germany:** Holcim is investing a three-figure million sum into its cement plant in Lägerdorf, Steinburg. The project aims to capture 1Mt/yr of CO<sub>2</sub>. The new kiln line is expected to be operational by 2029.
- **Germany:** Heidelberg Materials has begun work on the GeZero project at its Milke plant in Geseke. The €500 million project will implement carbon capture and storage (CCS) technology to prevent the release of CO<sub>2</sub>, instead capturing and storing it under the North Sea. The project has secured €191m in funding from the EU, with Heidelberg Materials covering the remaining amount. The company anticipates completing the plant conversion by 2029, with interim CO<sub>2</sub> transport via rail and potential future pipeline connections.

## IMPORTS/EXPORTS:

- **Italy:** Cement imports to Italy in 2023 +21% YoY to 1.86Mt. Cement exports in 2023 +29% YoY to 1.58Mt. All according to Federbeton.

## DEMAND:

- **Vietnam:** Cement consumption in 2024 is estimated at 60-62Mt, according to the Vietnam Cement Association. The association estimates the total cement consumption in 2023 at 87.8M.

## OTHER:

- **USA:** Boulder County has initiated action to terminate the operating licence of the Cemex cement plant near Lyons, Colorado, citing improper expansion of use. Boulder County Community Planning and Permitting sent a notice to the company, motivated by a 'significant' rise in traffic. Cemex now has a 30-day window to contest the institution's determination, reduce plant use, or appeal to the Boulder County Board of Commissioners. The plant will continue operating under existing conditions until a final decision is reached.

**Week ending: 21-04-2023**

## SUPPLY:

- **USA:** Fortera has inaugurated its first 'green' cement production facility in North America, located in Redding, California. The facility aims to capture 6600t/yr of CO<sub>2</sub> and to produce 15,000t/yr of 'green' cement.
- **Pakistan:** Attock Cement has announced the successful completion of a new production line at its cement plant in Hub, Baluchistan. This additional line is capable of producing 1.28Mt/yr of cement and commenced operation on 16 April 2024.
- **India:** Udaipur Cement has inaugurated cement mill IV at its Dabok plant in Udaipur, Rajasthan, India. The new mill increases cement capacity at the integrated plant from 2.2Mta to 4.7Mta.
- **Russia:** Ulyanovsk Cement is about to be operational after six years of shutdown. The company says that it can reach full capacity, about 2 million tons of cement per year, if there is a need. No further details are currently available.

## DEMAND:

- **Bolivia:** National cement production reached a record 4Mt in 2023, despite a noted decline in exports, according to the Bolivian Institute of Foreign Trade (IBCE).
- **Ukraine:** Cement consumption +17% YoY to 5.4Mt in 2023, according to Ukrcement. The association also expects consumption to grow modestly in 2024.
- **Mexico:** The National Cement Chamber forecasts a 2% rise in cement consumption in 2024, reaching 46.4Mt.

## IMPORTS / EXPORTS:

- **Ukraine:** Ukraine exported 1.24Mt of cement in 2023, according to Ukrcement.

## M&A:

- **India:** Ambuja Cements will acquire the grinding unit of My Home Group in Tuticorin, Tamil Nadu, for US\$49.6m. The unit has a capacity of 1.5Mt/yr. The acquisition is spread across a 24.6-hectare site near Tuticorin Port and comes with a long-term fly ash agreement. The total cement capacity of Adani Group now stands at 78.9Mt/yr.
- **India:** Gautam Adani and his family have made a further investment in Ambuja Cements. Injecting another US\$998.3m into the business has increased their stake in the cement producer to 70.3%.

## CARBON:

- **Poland:** Holcim's Kujawy cement plant in Bielawy is launching a large-scale implementation of carbon capture and storage (CCS) technology. The cost is estimated between €320m and €400m and a €264m grant from the European Commission's Innovation Fund has been received. The project is currently in the design phase, with construction expected to start in 2025 and operations beginning in early 2028.

## Week ending: 28-04-2024

## SUPPLY:

- **India:** Star Cement has launched a new clinker line at its Lumshnong, Meghalaya, cement plant, which has reportedly a capacity of 3.3Mt/yr.

## CARBON:

- **Germany:** Holcim Deutschland has broken ground on the construction of a new kiln line and CO2 processing unit at its Lägerdorf cement plant in Schleswig-Holstein, which will assist in the capture of 1.2Mt/yr (nearly 100%) of CO2 from the plant.

## DEMAND:

- **Indonesia:** Cement sales in 2023 +3.4% YoY to 65.501Mt. Cement production +3.3% YoY to 66.924Mt. Clinker production +6.9% YoY to 58.709Mt.

## IMPORTS/EXPORTS:

- **Indonesia:** 2023 cement exports -6.1% YoY to 1.294Mt, clinker exports +25.1% YoY to 9.517Mt.

## M&A:

- **India:** UltraTech Cement has concluded an agreement to acquire India Cements' 1.1Mt/yr Parli grinding unit in Maharashtra for US\$37.8m, aimed at adding 3Mt/yr in new cement capacity in Maharashtra.
- **India:** Adani Group has reportedly enlarged its stake in Ambuja Cements from 67% to 70%.
- **India:** Dalmia Bharat expects to conclude its acquisition of Jaypee Cement by the end of Sep24, six months later than previously anticipated.
- **Philippines:** Cemex has agreed to sell its business in the Philippines to DACON Corporation, DMCI Holdings and Seminara Mining & Power Corporation. Cemex says that it will complete the deal later in 2024.

## CONSTRUCTION:

- **Mexico:** Construction activity in 2023 advanced by 15.6%, according to BBVA Mexico.

## MACRO:

- **Morocco:** Morocco's GDP growth is forecast to accelerate from 2.4% in 2023 to 3.6% in 2024 before slipping to 3.2% in 2025-26, according to the IMF.
- **Germany:** The European Commission sees just a 0.3% YoY expansion for Germany's economy in 2024.
- **Netherlands:** The European Commission is forecasting the Dutch economy to grow just 0.4% YoY in 2024.
- **Switzerland:** The economy is forecast to grow 1.3% YoY in 2024, according to the IMF.
- **Indonesia:** The economy is forecast to grow by around 4.9% YoY in 2024.