

News and events that affect our industry

June 2024



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Week ending: 09-06-2024

SUPPLY:

- **Ethiopia:** The Lemi National Cement Factory is preparing to begin production within two months. The plant will produce 6.4Mt/yr of cement, nearly doubling the nation's current production capacity.
- **Nigeria:** Resident Cement Company has announced plans to establish a 10,000t/yr cement plant in Gwana District, Bauchi State. The Governor has reportedly expressed his approval and set the project in motion.

CARBON:

- **Sweden:** Heidelberg Materials is applying to the Swedish Land and Environment Court for an environmental permit to build one of Europe's largest carbon capture and storage (CCS) facilities for capturing CO₂ at the cement factory in Slite. The application also includes permission to rebuild Slite harbour to enable the transport of captured CO₂. The investment reduces Sweden's CO₂ emissions by 4%.

CONSTRUCTION:

- **Indonesia:** The Indonesian Cement Association (ASI) has forecast the volume of cement to be used in the construction of the upcoming new capital city, Nusantara, as 1Mt/yr. This corresponds to 1.5% of the current domestic demand of 65.6Mt/yr.

M&A:

- **Poland:** SigmaRoc announced it has entered a share purchase agreement and exercised a call option to acquire the Polish lime operations of CRH. The deal is valued at €100m for deferred consideration, and includes two production sites in Kujawy and Sitkowka, along with an associated distribution network. Completion is contingent upon clearance from the Polish Competition Office, anticipated by the end of September 2024.
- **China:** Asia Cement (China) Holdings will be taken private in a US\$647m deal by its majority owner, Taiwan-listed Asia Cement Corp.

Week ending: 16-06-2024

SUPPLY:

- **India:** Residents of Kamrup, Assam, have petitioned the district government to block Taj Cement's plans to build a new 1Mt/yr grinding plant at Chamata Pathar, citing groundwater and ecological concerns over the plan.
- **Nigeria:** The government of Bauchi State has signed a US\$500m investment deal with Resident Cement for the construction of their upcoming 10Mt/yr cement plant in the state.
- **Spain:** Heidelberg Materials plans to stop clinker production at its Añorga plant near San Sebastián and run the site as a cement grinding plant instead. It says it intends to use the change to focus on low-carbon cement products in Spain and the South-West of France.

CARBON:

- **China:** The Chinese government has launched the Special Action Plan for Energy Conservation and CO₂ Reduction in the Cement Industry, aiming to cap clinker capacity at 1.8Bnt/yr by 2026, with 30% of it above the national energy efficiency benchmark level. This will reduce energy consumption per tonne by 3.7% from 2020 levels. The plan will eliminate 13Mt of CO₂ emissions and 5Mt of coal consumption in 2024 – 2025.
- **UK:** The UK cement industry has reportedly welcomed the government's proposal for a UK carbon border adjustment mechanism (CBAM) but urged for its implementation by 2026 to align with the EU CBAM and avoid competitive disadvantages.
- **Germany:** Calix's subsidiary Leilac and Heidelberg Materials have formed a JV to build the Leilac-2 low emission cement demonstration plant at Heidelberg's Ennigerloh facility. Construction is set to begin in 2025, with the plant's commissioning scheduled for mid-2026. The Leilac-2 plant will showcase a module capable of capturing up to 100,000t/yr of CO₂ emissions from cement and lime production. Following construction and commissioning, Leilac-2 will be operated for up to three years to test the performance of the technology. The project benefits from €16m in funding from the EU's Horizons 2020 programme and contributions from partner cement companies. Plans for Leilac-3 envisage a significantly increased capture capacity, potentially capturing 0.5–1Mt/yr of CO₂.

M&A:

- **UAE:** The board of RAK White Cement has reportedly recommended that its shareholders accept a cash offer from UltraTech Cement for the acquisition of a further stake in the company (from 29% to 34%).
- **Kenya:** The government has decided to sell its entire 25% stake in East African Portland Cement Company, reportedly for an expected amount of US\$134m, as part of a strategic reform of its investments, guided by the IMF.
- **India:** Adani Group is exploring potential acquisitions of several cement companies including Panna Cement, Saurashtra Cement, the cement business of Jaiprakash Associates and Vadraj Cement. The group plans to invest US\$3bn in these acquisitions.
- **Australia:** CRH has won approval from Adbri shareholders to acquire 57% of the company for close to US\$1.4bn. The deal was the result of a unanimous vote in favour.
- **India:** Ambuja Cement has signed an agreement to acquire Panna Cement Industries (PCIL) for US\$1.2bn, aiming to reach a production capacity of 140Mt/yr by 2028. This acquisition adds 14Mt/yr to Adani Cement's total capacity, bringing it to 89Mt/yr.

Week ending: 23-06-2024

SUPPLY:

- **Zambia:** Chilanga Cement has commissioned a US\$20m kiln upgrade project, known as the Phoenix Project, at its Ndola plant, doubling the plant's cement production capacity from 500,000t/yr to 1Mt/yr.
- **Peru:** Cemento Yura is set to expand its operations with a new lime plant in Lima's industrial zone. The proposed plant will have a production capacity of over 350,000t/yr and will serve both domestic and export markets.

CARBON:

- **Germany:** Heidelberg Materials, in partnership with Linde, is constructing a large-scale carbon capture and utilisation (CCU) facility at its Lengfurt cement plant, set to start operating in 2025. The project is named Capture-to-Use (CAP2U) and will capture 70,000t/yr of CO₂.

M&A:

- **Saudi Arabia:** Qassim Cement Company (QCC) has successfully completed the acquisition of Hail Cement Company (HCC) for US\$378m.
- **Philippines:** Cemex has sold its Philippine cement brands to the Consunji family for US\$12.55m; APO Cement, based in Naga, Cebu, acquired the 'Apo Cement' brand for US\$8.2m, while Solid Cement, located in Antipolo, bought the 'Rizal' and 'Island' trademarks for US\$4.53m.

Week ending: 30-06-2024

SUPPLY:

- **Uganda:** China West Cement's clinker cement plant in Moroto District is currently under construction. Once operational in 2025, it will reportedly produce about 6000t/day of clinker and cement. The project is valued at US\$300m.
- **USA:** Heidelberg Materials has successfully converted its cement plant in Speed, Indiana, into a slag grinding facility. The facility ceased Portland cement production in 2023 and now produces slag cement using domestically sourced slag granules. It has a grinding capacity of over 400,000t/yr.
- **India:** JK Cement has inaugurated its 2Mt/yr Prayagraj grinding plant in Uttar Pradesh. This reportedly raises JK Cement's cement production capacity by 9% to 24Mt/yr.
- **Zambia:** Dangote Cement plans to build a second cement plant in Masaita at a cost of US\$900m. It will have a cement production capacity of 1.5Mt/yr and is scheduled to reach full capacity by the end of 2024. The plant is expected to be commissioned soon.

CARBON:

- **Italy:** Buzzi has launched carbon capture trials at its cement facility in Monselice. The carbon capture plant is now fully operational, capturing 1t/day of CO₂ directly from the facility's stack.

M&A:

- **Saudi Arabia:** Southern Province Cement and Yanbu Cement have signed a non-binding memorandum of understanding to evaluate a potential merger. The memorandum is set to expire in 12 months unless a merger agreement is reached beforehand.
- **India:** Ambuja Cements and Ravi Sanghi plan to launch an offer for sale of a 3.6% stake in Sanghi Industries. Ambuja Cements will reportedly offer 2.4% of shares and Ravi Sanghi will offer 1.2%. Following the completion of the intended sale, the companies' combined stake in Sanghi Industries will drop to 75%.
- **UAE:** UltraTech Cement has revised its former offer to acquire a 32% stake in RAK White Cement and is now seeking to acquire a 25% stake.
- **India:** UltraTech Cement says that it will acquire a 23% stake in India Cements. The value of the deal has been reported at US\$226m. The transaction is scheduled for completion by the end of July 2024.

DEMAND:

- **Austria:** 2023 cement production reportedly -15% YoY to 4.4Mt.