

News and events that affect our industry

July 2024



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Week ending: 07-07-2024

SUPPLY:

- **India:** Ultratech Cement has reportedly commissioned an additional 3.35Mt/yr of clinker and 1.8Mt/yr of grinding capacity at a unit in Tadipatri. It has also increased the capacity of its grinding unit at Jharsuguda, Odisha, by 0.4Mta taking it to 4.5Mta. As a result, UltraTech's total cement capacity has reached 154.86Mta.
- **Switzerland:** Holcim will close its historic site in Holderbank, Argovia from 2026.
- **India:** Dalmia Bharat has expanded the capacity of its plant in Kadapa, Andhra Pradesh, by an additional 1Mt/yr. The expansion, which cost US\$25m, raises the company's total installed capacity to 46.6Mt/yr.

CARBON:

- **UK:** Heidelberg Materials has reportedly announced the launch of a public consultation for its 800,000t/yr carbon capture and storage (CCS) project at Padeswood Cement Works, which will gather public input on the proposed plans to install the CCS technology.
- **Thailand:** Siam Cement Group has awarded a pre-feasibility study for a carbon capture and utilisation (CCU) facility at a cement plant in Thailand. The study will determine the technology licence, assess the required production capacity for CO₂ capture facilities and evaluate the economic feasibility of constructing a CCU facility, which will capture and convert CO₂ from SCG's cement plant emissions into new chemical products.

DEMAND:

- **Pakistan:** FY24 domestic cement sales -4.6% YoY to 38.2Mt, reflecting a slowdown in construction activities. Cement dispatches +1.6% YoY to 45.3Mt.
- **India:** Cement volumes are projected to rise by 7-8% YoY in FY25, according to ICRA, driven by sustained demand from the infrastructure and housing sectors, and supported by the government's focus on infrastructure projects, sanction of additional houses and industrial capital expenditure.

M&A:

- **Ireland:** CRH has completed the acquisition of a majority stake in Adbri, having bought the remaining 57% of ordinary shares not owned by Barro under the deal.

IMPORTS/EXPORTS:

- **Pakistan:** FY24 exports +56% YoY to 7.1Mt.

MACRO:

- **Pakistan:** Provisional data show GDP growth of 2.4% YoY for FY23-24. The World Bank is forecasting GDP growth of 2.3% YoY for FY24-25.

PRICING:

- **Ghana:** The Minister of Trade and Industry has presented the Ghana Standards Authority (Pricing of Cement) Regulations 2024 in Parliament. This legislative instrument aims to control cement prices in response to rising costs. It reportedly follows government efforts to persuade manufacturers to reduce prices and address public concerns over escalating costs. The regulation will likely become law after a 21-sitting day period in Parliament. The new law will introduce a price stabilisation fund to ensure consistent cement prices across the country.

Week ending: 14-07-2024

SUPPLY:

- **Brazil:** Votorantim Cimentos will invest US\$36.7m to double the production capacity of its Edealina plant in Goiás from 1Mt/yr to 2Mt/yr. The new cement grinding line is scheduled for completion in the second half of 2025.

CARBON:

- **Croatia:** Holcim's Koromačno cement plant carbon capture project will reportedly reduce annual CO₂ emissions by 367,000t/yr.
- **Canada:** The carbon capture project at Lafarge Canada's Bath cement plant in Ontario pilots to scale up to 10tpd in the next year and 100tpd by 2027.

M&A:

- **India:** UltraTech in talks to acquire Orient Cement. It has proposed buying Orient Cement for US\$4.43-4.49 per share, offering a substantial premium over its current market value, with the deal valuing Orient at about US\$874-\$934m.
- **Kenya:** Tanzania-based Amsons Group has made a significant US\$180m bid to acquire the entire stake of Kenya's Bamburi Cement. It has reportedly extended a binding offer to Bamburi Cement that includes a premium of 44.4% over Bamburi's last closing share price.

- **UAE:** RAKW has become a subsidiary of UCMEIL (54.39% stake) with effect from 10 July, 2024.

DEMAND:

- **Brazil:** SNIC has downgraded overall growth projections of cement sales from 2.4% to 1.4% for 2024 due to macroeconomic turbulence and extreme weather conditions.

PRICING:

- **Ukraine:** Ukrcement Association is urging the government to revise the recent changes in electricity import regulations under martial law. Following the increase from a 30% EU electricity import requirement to 80%, mandated by Resolution No. 661 on 1 June 2024, the industry reportedly faces heightened costs and technical challenges due to limited border crossing capacities.
- **Pakistan:** The government has increased the federal excise duty on cement from PKR2000/t to PKR4000/t in the Budget FY24-25.

Week ending: 21-07-2024

SUPPLY:

- **France:** The Eqiom Lumbres cement plant, part of CRH, has commissioned the construction of a fine grinding plant. Commissioning is expected in 4Q25. No further details are currently available.
- **Philippines:** Taiheiyo Cement Philippines has inaugurated a new US\$220m production line at its plant in San Fernando, Cebu. The plant now has a capacity of 3Mt/yr, or 6000t/day of clinker.

CARBON:

- **Denmark:** Aalborg Portland has reportedly completed testing for its second carbon capture pilot plant, a key component of the EU-subsidised ConsenCUS project.

M&A:

- **India:** Adani Group is planning to acquire cement assets from Jaypee Group, which include over 9Mt/yr of cement capacity, following Jaiprakash Associates' insolvency proceedings initiated in early June 2024. Formal asset sale processes have not yet commenced.
- **Argentina:** The sale of Loma Negra's cement plant to the Brazilian firm Companhia Siderúrgica Nacional (CSN) will not proceed. The exclusivity term for negotiations expired on 12 July 2024 without an agreement.

Week ending: 28-07-2024

SUPPLY:

- **Cameroon:** Cimpor has inaugurated its new plant in Kribi, Cameroon, which now has an output of 1.2Mt/yr of cement and 0.4Mt/yr of calcined clay. No further details are currently available.

IMPORTS/EXPORTS:

- **Pakistan:** Pakistan's FY24 cement and clinker exports +40.4% YoY to US\$266.51m, according to PBS.

M&A:

- **Argentina:** InterCement, the Brazilian group owning Loma Negra, has extended an exclusivity period with CSN until 12 August 2024 to finalise the sale of its assets.