

News and events that affect our industry

September 2024



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Week ending: 08-09-2024

SUPPLY:

- **Cambodia:** China-based Jiangxi Provincial Building Material Group plans to establish a cement plant in Cambodia. Company president Wensheng Chen led a delegation on 29 August 2024 to assess investment opportunities, meeting with officials from the Council for the Development of Cambodia (CDC). No further details are currently available.
- **Brazil:** Companhia Siderúrgica Nacional (CSN) will invest approximately US\$530m to build a cement plant and a limestone plant in Itaperuçu, Curitiba. The project is reportedly set to begin construction in 2025. Currently, the company is obtaining environmental licences.

CARBON:

- **Ireland:** New regulations effective from 1 September 2024 require all state-funded building projects in Ireland - including roads, schools, and hospitals - to use low-carbon cement. The directive prohibits the use of CEM I cement, mandating a minimum of 30% replacement of clinker with low-carbon alternatives for public projects.
- **Japan:** Taiheiyo Cement has been chosen, among others, by the Japan Organisation for Metals and Energy Security (JOGMEC) to lead the engineering design work for a carbon capture and storage (CCS) initiative, which involves shipping CO₂ captured at Daiichi Cement's Kawasaki plant, part of the Taiheiyo Cement Group, to designated storage sites.

M&A:

- **Global:** CRH has finalised the sale of its lime operations across Europe for US\$1.1bn. The transaction concluded with the divestment of the group's operations in Poland.
- **Argentina:** The potential sale of Loma Negra to CSN has reportedly entered a new phase after the exclusivity term to negotiate a deal expired on 12 August after an automatic renewal, but has not been renewed since. While negotiations with the Brazilian group continue, the expiry enables other companies to bid for the Argentinian cement producer.
- **Ukraine:** The Antimonopoly Committee of Ukraine (AMCU) has reportedly approved the deal by CRH Ukraine BV to acquire shares of PRJSC Dyckerhoff Cement Ukraine. The acquisition will provide the buyer with over 50% of the voting shares on the PrJSC Dyckerhoff Cement Ukraine board. The AMCU also gave permission to implement the measures provided for in the purchase and sale agreement that prevent competition, which must be carried out within 24 months after the completion of the transaction.

PRICING:

- **Ghana:** Minister of Trade and Industry has reportedly assured Ghanaians that cement prices will remain fair and stable following a new regulatory law. He stated that the new law will protect consumers from unjustified price rises while also allowing cement producers to operate profitably.

Week ending: 15-09-2024

IMPORTS/EXPORTS:

- **Egypt:** The Federation of Egyptian Industries projects 2024 cement exports at 15Mt.

CARBON:

- **Sweden:** Heidelberg Materials' Slite CCS project on Gotland has received new funding. The Just Transition Fund has provided approximately €6.1m to support project preparation from 2024 to 2026, aiming for operational readiness by 2030. The project has the potential to reduce Sweden's total emissions by 4%.
- **China:** China plans to expand its national carbon trading market to encompass the cement industry by the end of 2024, Bloomberg reports. This initiative aims to reduce emissions in high-pollution sectors and prepare for the EU's impending carbon border adjustment mechanism (CBAM) starting in 2026. Currently limited to 2200 power utilities, the expansion will integrate seven more sectors into the market, which China hopes will cover 70% of its emissions by 2030.

M&A:

- **India:** Star Cement has announced the formation of Ri Pnar Cement in Meghalaya as a wholly-owned subsidiary. The incorporation was approved by the Ministry of Corporate Affairs on 5 September 2024, and involves an authorised capital of US\$11,911.
- **Guatemala:** Cemex has sold its operations in Guatemala to Holcim Group for US\$200m. The deal includes one grinding mill, three ready-mix plants and five distribution centres. The grinding mill has a capacity of 0.6Mt/yr.

DEMAND:

- **Egypt:** Arab Finance newspaper sees Egypt's 2024 cement consumption -4% YoY to 45Mt.
- **Vietnam:** The Ministry of Construction forecasts 2024 cement production -11.4% YoY to 68.19Mt.
- **Vietnam:** The Ministry of Construction forecasts 2025 and 2026 cement consumption +4.5% YoY to 57.18Mt and +10.2% YoY to 65.86Mt, respectively.

Week ending: 22-09-2024

SUPPLY:

- **Brazil:** Votorantim Cimentos has signed an engineering and supply contract for the Z02 cement grinding plant and a technical cooperation framework agreement with Sinoma Overseas. The contract encompasses the design, equipment supply, and technical services for a 150t/hr cement grinding plant. No further details are currently available.
- **USA:** Holcim has partnered with Sublime Systems to advance Sublime's first commercial manufacturing facility in Massachusetts, US, giving Holcim a large share of Sublime Cement produced there through a binding offtake reservation. Sublime's first commercial-scale plant is set to start production in 2026 with a capacity of 30,000t/yr.
- **Vietnam:** Thanh Thang Cement Group has launched the fifth production line in Vietnam's northern province, Ha Nam, with a capacity of 2.3Mta, with an output of 6000tpd.
- **India:** JK Cement, has announced plans to invest INR30bn (US\$358.4m) to increase its capacity by 25% to 30Mta by the end of FY25-26. Nearly INR8bn of the investment has already been made, with work on the brownfield expansion in Panna, Madhya Pradesh, and the greenfield grinding unit in Buxar, Bihar, underway. At Panna, the investment includes clinker capacity expansion, costing approximately INR24bn, while the greenfield unit in Bihar is expected to require around INR5.5bn. Work on the Panna site has begun, and orders for main plant components and equipment have already been placed. The company expects the facility to be operational by the 3QFY25-26.

CARBON:

- **China:** Cement plants that emit 26,000t/yr of CO2 or higher will be included in the Chinese ETS, whose implementation phase will run in 2025 and 2026.

M&A:

- **Morocco:** Heidelberg Materials has signed a strategic agreement to acquire Votorantim Cimentos' assets in Morocco, including a 63% share in cement and ready-mix concrete producer Asment de Témara. This acquisition adds a cement plant with a production capacity of 1.4Mt/yr.
- **Argentina:** InterCement Participações, the indirect controlling shareholder of the cement producer Loma Negra in Argentina, agreed to a new exclusivity period in favour of CSN to continue negotiating the acquisition of 100% of its shareholding. The agreement lasts until 16 October 2024.

SUPPLY:

- **India:** Ramco Cements has increased its cement grinding capacity by nearly 1Mt/yr. It carried out debottlenecking at its Kalavatala plant in Andhra Pradesh, enhancing capacity from 1.5Mt/yr to 2Mt/yr. Similarly, at the Valapady grinding unit in Salem District, Tamil Nadu, capacity has been increased from 1.6Mt/yr to 2Mt/yr.
- **France:** F Scott, a French group based in Switzerland, is set to construct a new cement plant in Montoir-de-Bretagne, Loire-Atlantique, by 2027. The €55m investment plans to potentially switch to calcined clay for producing low-carbon cement.
- **Colombia:** Ultracem has announced plans to establish a clinker kiln in the municipality of Galapa with an investment of US\$100m, which is expected to be operational within two years. No further details are currently available.

M&A:

- **Spain:** Holcim Spain has absorbed its subsidiary, Cementos Esfera, which distributes cement from a facility in the port of Tarragona. The site also has a production capacity of 500,000t/yr.

CARBON:

- **India:** Ambuja Cement plans to invest US\$1.2bn in renewable energy projects totalling 1GW and 376MW from waste heat recovery systems to power 60% of its expanded capacity by FY28.
- **Norway:** Heidelberg Materials marked the completion of the CO2 receiving facilities at the Northern Lights Summit on Norway's west coast, part of its Longship CCS initiative.

IMPORTS/EXPORTS:

- **South Korea:** Due to high prices of cement, the government has announced plans to import Chinese cement, which is reportedly about 15% cheaper than domestically produced cement. The preparations to import it, including certification and the construction of storage warehouses, will take about two years.
- **Poland:** The Polish cement industry is reportedly under threat from increasing Ukrainian cement imports, which have reportedly risen by 106% YoY in 1H24. These imports, making up 91% of all cement imports into Poland, could exceed 500,000t by the end of 2024.