

News and events that affect our industry

December 2024



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Week ending: 08-12-2024

SUPPLY:

- **USA:** Sublime Systems has completed negotiations with the US Department of Energy for a US\$87m grant to build a 'clean' cement manufacturing plant in Holyoke, Massachusetts. The company will now commence site engineering, design and permitting. Production will begin in 2026.
- **India:** Star Cement has said that it plans to expand its capacity by an additional 2Mt/yr through a greenfield project in Silchar at a cost of US\$47.2m. The expansion is expected to be completed within the next two years.
- **India:** UltraTech Cement has increased the capacity of its integrated unit at Kukurdih, Chhattisgarh, by 0.6Mta, from 2.7Mta to 3.3Mta.
- **UK:** Material Evolution has launched its 'ultra-low carbon' cement production plant, Mevo A1, in Wrexham. The facility was commissioned in October 2024 and operates on an industrial scale with a capacity to produce 120,000t/yr of its cement product.
- **Mozambique:** CimENTS de Moçambique (Huaxin Cement group) has commissioned its new kiln line at the Nacala plant, with a production capacity of 3000tpd.
- **Turkey:** Çimsa is expected to increase the capacity of its facility in Mersin Akdeniz by installing the vertical kiln line No 5 within the existing factory area. The new line will have a Calcium Aluminate Cement (CAC) capacity of 125,000-200,000tpa. The construction and installation work is expected to be completed in 15 months.

M&A:

- **Nigeria:** Holcim plans to sell Lafarge Africa to China-based Huaxin Cement for an equity value of US\$1bn. The Switzerland-based building materials producer owns an 83% share of the subsidiary. The transaction is expected to close in 2025 subject to regulatory approvals.
- **Chile:** The offer made by Peru's Yura Group to acquire a further 20% of Chile's Cementos Bío Bío (CBB) – in addition to the 20% it already owns – has been reportedly rejected by directors.
- **Kenya:** Savannah Clinker has abandoned its US\$198m bid to acquire Bamburi Cement, leaving Tanzania-based Amsons Group as the sole bidder with an offer of US\$168m.
- **Philippines:** Cemex has reportedly completed the sale of its Philippine operations. Cemex Asia sold its 100 per cent stake in Cemex Asian South East Corp (CASEC) for US\$272m.

CARBON:

- **Norway:** Heidelberg Materials' cement plant in Brevik is now ready for testing and commissioning. The carbon capture plant is designed to capture up to 0.4Mt/yr of CO2 from one production line at the cement plant.

IMPORTS/EXPORTS:

- **Bangladesh:** Clinker imports in FY24 -19.3% YoY to US\$939m, according to the Bangladesh Central Bank.

Week ending: 15-12-2024

SUPPLY:

- **Mozambique:** Beira cement plant, the largest cement plant in Sofala, has reportedly closed.
- **India:** Adani Group has announced a US\$750m investment in Rajasthan, with US\$375m allocated over the next five years to green energy, cement production and infrastructure development. The group reportedly plans to add four cement units, increasing its total capacity by 6Mt/yr.
- **UAE:** The Abu Dhabi Investment Office (ADIO) has partnered with Partanna, a Bahamian climate tech company, to establish its regional headquarters and a carbon-negative cement plant. No further details are currently available.
- **Nigeria:** The Nigerian government has closed nine commercial establishments in Niamey for 15 days for failing to comply with new cement price caps set in October 2024, with any further infringements leading to a five-year administrative closure.

M&A:

- **Australia:** Cement Australia, a joint venture between Heidelberg Materials Australia and Holcim Australia, will reportedly acquire the cementitious division of the Buckeridge Group of Companies (BGC) in Perth for US\$800m. The acquisition includes a cement grinding unit and remains subject to regulatory approval, but is expected to close in 2H25.

PRICING:

- **Cambodia:** Cement prices in 2024 ranged from US\$90/t to US\$100/t, reflecting a US\$3-\$5 decrease compared to 2023, according to the Cambodian Cement Manufacturing Association (CCMA).

Week ending: 22-12-2024

SUPPLY:

- **Mozambique:** President Filipe Nyusi has inaugurated a grinding plant in Niassa Province, northern Mozambique, valued at US\$20m. The plant reportedly has the capacity to produce 0.2Mt/yr of Portland cement.
- **Australia:** Steel Cement's proposal to expand its Yarraville plant has been unanimously rejected by Maribyrnong council. The US\$113m expansion proposal reportedly involved the construction of new sheds, a workshop and two grinding mills for 24-hour clinker grinding. The plan faced local environmental and amenity concerns.
- **India:** JK Cement has laid the foundation stone for a new grinding unit in Buxar, Bihar, at a cost of US\$58.7m. With a capacity of 3Mt/yr, the unit is reportedly expected to increase the company's production capacity to over 30Mt/yr by 2025, from the current 24.3Mt/yr.

M&A:

- **India:** Ambuja Cements will merge its recently acquired companies, Sanghi Industries and Penna Cement Industries. Ambuja Cements holds a 58% share in Sanghi Industries and 99.94% share in Penna Cement. The transaction is reportedly expected to be completed within 9-12 months.
- **Kenya:** Holcim has completed the divestment of its Kenyan operations by selling its entire 58.6% stake in Bamburi Cement to Amsons Group.
- **Slovakia:** The Rohrdorf Group's application to acquire a controlling 49% stake in Asamer Baustoffe Holding GmbH (ABHO) has been approved by the competition authorities in Austria and Slovakia. The stake includes the CEMMAC cement plant, located in Horné Srnie, Slovakia. The entry will take effect retroactively as of January 1, 2024.

CARBON:

- **USA:** National Cement has signed a cooperative agreement with the US Department of Energy (DOE) Office of Clean Energy Demonstrations to develop the Lebec Net Zero (LNZ) project at its Lebec cement plant in California. The first step will be to conduct a preliminary engineering study and establish a community advisory body in charge of relations with local communities. Phase one will run through 1Q26.
- **Greece:** Heracles, part of the Holcim Group, has signed a front-end engineering design contract (FEED) for CO₂ capture, liquefaction, storage and dispatch facilities at the Heracles plant in Milaki, as part of the Olympus carbon capture and storage (CCS) project. The project will enable the plant to capture and store 1Mt/yr of CO₂ and is scheduled for full operation in 2029.

DEMAND:

- **Global:** The World Cement Association predicts a global decline in cement demand to 3Bnt/yr by 2050, with clinker demand dropping to 1.5Bnt/yr, attributable to decarbonisation, technological advancements and market dynamics, with the need for carbon capture and storage consequently reduced.

Week ending: 29-12-2024

SUPPLY:

- **Mexico:** Cruz Azul has commenced construction of a new mill at its Oaxaca integrated cement plant in Lagunas. The US\$40m initiative is scheduled for completion by October 2025.
- **India:** Adani Group aims to expand its cement facilities in Bihar to a capacity of 10Mta, requiring an investment of INR 25bn in multiple phases. No further details are currently available.

M&A:

- **Colombia:** Grupo Argos and finance conglomerate Grupo Sura have signed a spin-off agreement to dispose of their cross-shareholdings. This includes Grupo Argos subsidiary Cementos Argos' stake in Grupo Sura. Grupo Argos will continue to focus on building materials and allied sectors.
- **Georgia:** The Georgian Competition and Consumer Agency (GCCA) has approved the acquisition of equal 50 per cent stakes in LLC Max Import by Levan Varsimashvili and Gia Varsimashvili.
- **India:** UltraTech Cement has been successful in acquiring the equity shares (32.72%) of The India Cements having had receipt of approval from the Competition Commission of India (CCI).

CARBON:

- **Latvia:** Schwenk has awarded a front-end loading (FEL 2) study for its Broceni cement plant. The demonstration period will be from the 4Q24 to the 4Q25.
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