



Since 1916



CEMENT UPDATE

SEPTEMBER 2023

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Port Analysis



CEMENT TRAFFIC AT INDIAN PORTS



CEMENT TRAFFIC AT INDIAN PORTS
(Qty in Metric Tonnes) – APR-AUG

PORT	COASTAL		EXIM	
	2023	2022	2023	2022
BEDI	0	0	0	0.045
COCHIN	0.306	0.485	0.043	0
DHARAMTAR	0	0	0.045	0.104
HALDIA	0	0	0.030	0
HAZIRA	0	0	0.074	0.046
JAIGAD	0	0	0.074	0
JNPT	0.556	0.474	0	0
KRISHNAPATNAM	0.025	0.075	0.036	0
MANGALORE	0.099	0.159	0	0
MULDWARKA	0.018	0	0	0
MUMBAI	0.011	0.007	0.018	0.002
PARADIP	0	0	0.137	0
PIPAVAV	0.956	0.839	0.137	0.176
PORBANDAR	0.019	0.024	0	0
PORT BLAIR	0.006	0.036	0	0
TUTICORIN	0	0.004	0	0.105
Grand Total	1.995	2.102	0.592	0.477

- There is decrease in coastal cement from cochin port from 0.485 million tonnes in April-Aug 22 to 0.306 in Apr-Aug 23, whereas traffic at JNPT increase from 0.474 mt to 0.556 during same period FY'23-24.
- EXIM traffic of cement increase from 0.477 million tonnes in April-Aug 22 to 0.592 million tonnes during same period of 2023.

CEMENT EXPORTS - APR - AUG 2023
(Qty in Million Tonnes)

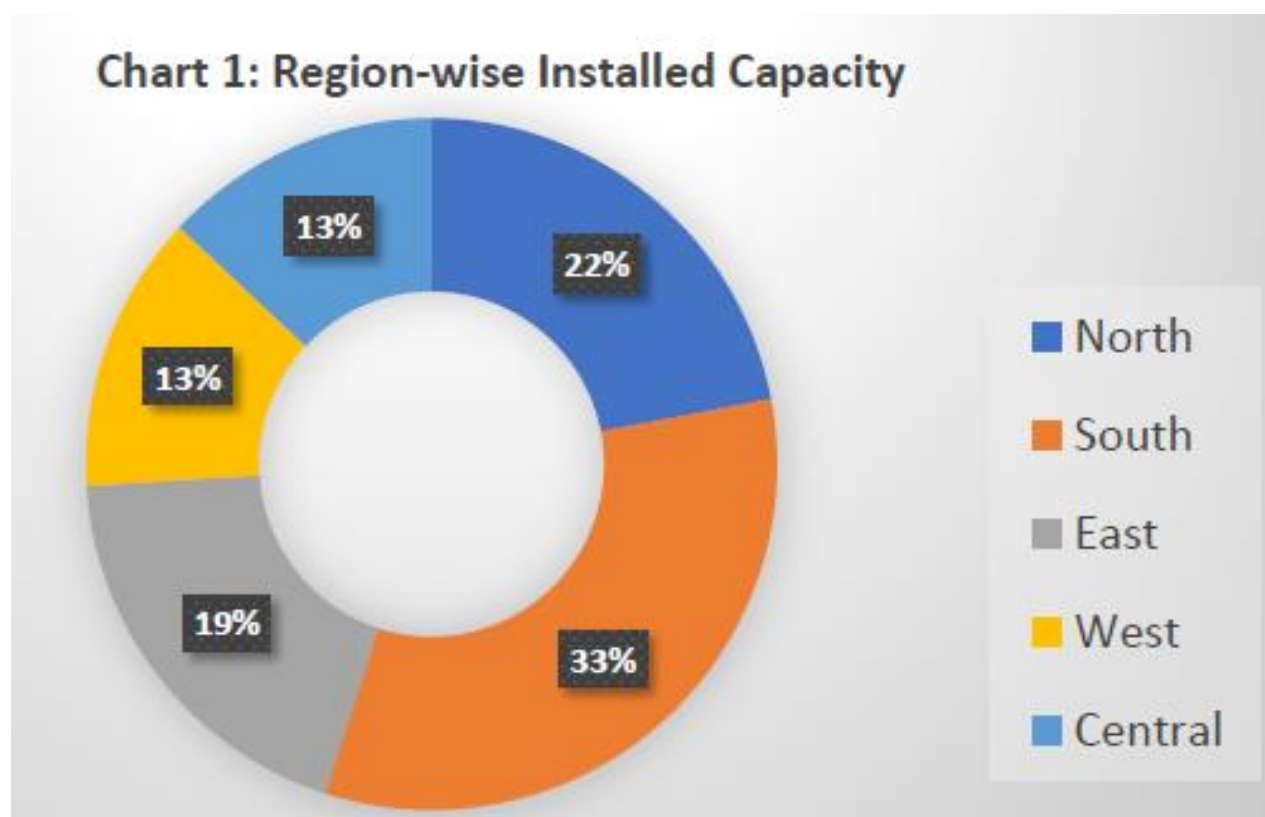
EXPORTERS	COASTAL	SRI LANKA	TOTAL
AMBUJA CEMENT LTD.	0.018	0	0.018
PENNA CEMENT INDUS. LTD.	0.025	0	0.025
SAURASHTRA CEMENT LTD.	0.019	0	0.019
ULTRATECH CEMENT LTD.	0.956	0.176	1.132
TOTAL	1.018	0.176	1.193

CEMENT IMPORTERS - APR-AUG - 2023

(Qty in Million Tonnes)

IMPORTERS	COASTAL	OMAN	U.A.E.	TOTAL
AMBUJA CEMENT LTD.	0.008	0	0	0.008
FAIRMACS TRADING CO. PVT. LTD.	0.006	0	0	0.006
HATHI CEMENT LTD.	0.005	0	0	0.005
JSW STEEL LTD.	0	0	0.104	0.104
KALEESUWARI REFINERY CO.	0	0	0.056	0.056
OCEANIC TRADE MINERALS PVT. LTD.	0	0.049	0	0.049
RM TRADEX	0		0	0.091
ULTRATECH CEMENT LTD.	0.955	0	0	0.955
ZUARI CEMENTS LTD.	0.006	0	0	0.006
TOTAL	0.979	0.140	0.160	1.279

As per Directorate General of Commercial Intelligence and Statistics (DGCI&S), India exports Portland cement, aluminous cement, slag cement, super sulphate cement and Hydraulics cements to other countries. India exports most of its concrete cement to Bangladesh, Sri Lanka, and United Arab Emirates (UAE). Currently, India comes after Spain, Germany, Italy, and China in the list of global cement exporters.

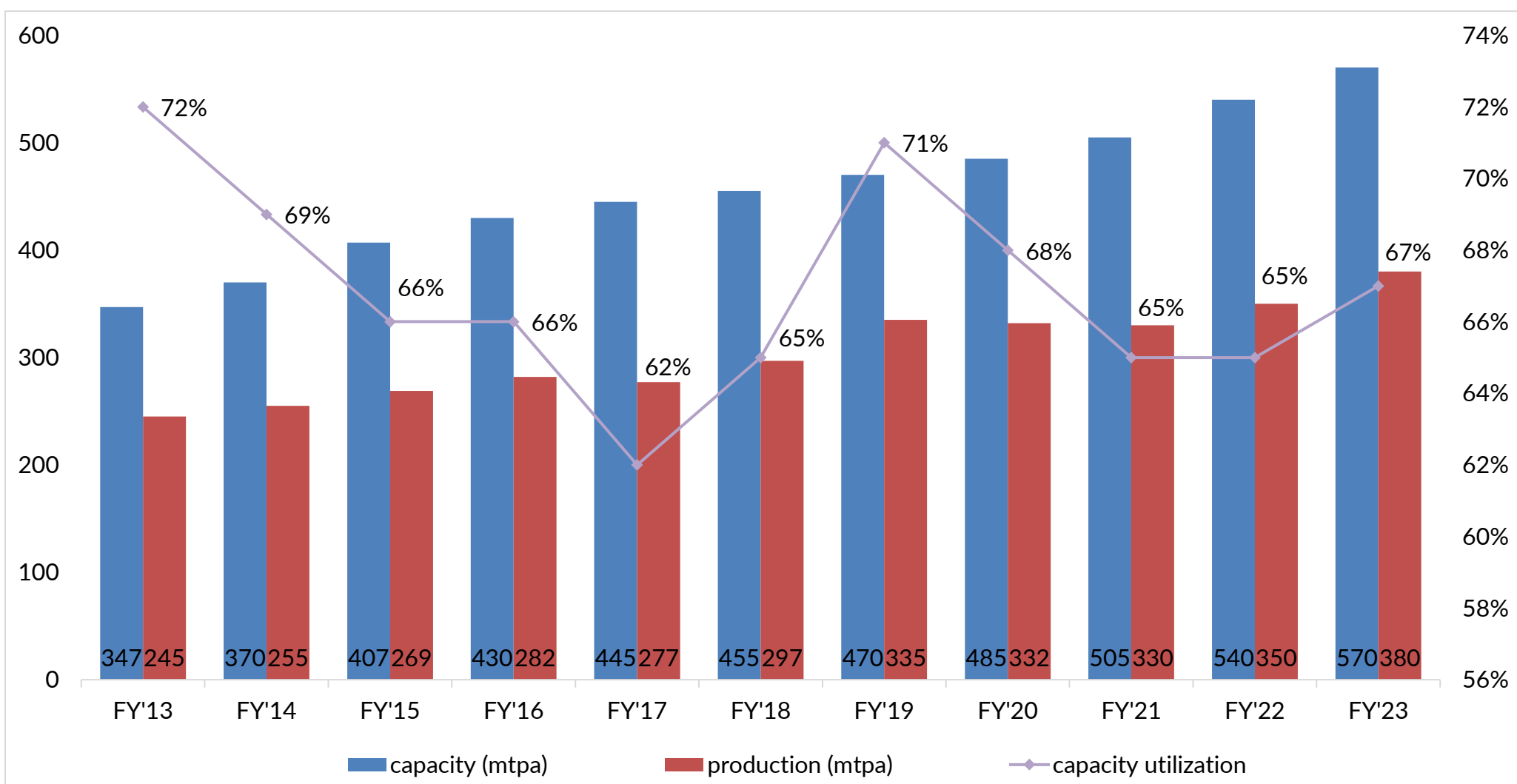


India's cement industry gained the momentum with the Government's big infrastructure push for development projects. Amid global uncertainties caused by the recessionary situation in the US (United States) and EU (European Union) economies, the global demand for cement has been subdued, and accordingly the cement export from India significantly decreased in half of a decade.



Sectoral Spotlight - Cement

- India is the world's second-largest cement producer (after China) and accounts for over 8% of the global installed capacity. The cement industry is one of the key drivers of the Indian economy and employs over one million people. The industry plays a crucial role in the development of the housing and infrastructure sector of the economy.
- The current capacity of the Indian cement industry is 570 mtpa and is expected to reach 640 mtpa by FY25E, the average capacity utilization ranges between 65-70%. India's cement demand is expected to reach 450 Million Tonnes per annum by 2025.
- Per-capita cement consumption in India stands at ~260-270 kg, much lower than the global average of 530 kg, indicating significant growth potential for the industry in the coming years. We expect the industry to grow at a CAGR of 7%-8% between FY23-FY27E.
- Cement prices have been lackluster so far in the June quarter (Q1FY23), even as demand has remained robust driven by government spending on infrastructure projects. There will be subdued outlook on growth in the sector's realisations, with Q2FY24 a seasonally weak quarter due to monsoons impacting construction activities.
- Region-wise, cement prices saw a marginal increase in central and west India, but a drop in east/south markets. While some price increases are anticipated for July.
- Volumes in FY23-24 should reach 415-420Mt, marking a 7-8 per cent improvement.





MARKET HIGHLIGHTS

- **UltraTech targets 200 MTPA cement capacity, aims to be among largest cement makers globally.**
- **Zuari Cement commissions new alternative fuels line at Yerraguntla cement plant.**
- **Chaudhary Group signs strategic partnership deal with Adani Group.**
- **JK Cement begins construction of upcoming 2.5Mt/yr Prayagraj grinding plant.**
- **JSW aims to be among the top 5 cement firms in India.**
- **Birla Corp aims to double Mukutban cement plant output.**
- **Shree Cement's Rs 550-crore West Bengal unit inaugurated**

UltraTech targets 200 MTPA cement capacity, aims to be among largest cement makers globally

- Country leading cement maker UltraTech Cement is targetting a production capacity of 200 million tonnes per annum (MTPA) as it looks to become one of the largest cement companies in the world.
- The company has already commenced work on the next growth phase of adding 22.6 MTPA additional capacity and after its completion, UltraTech will have over 160 MTPA cement production capacity.
- UltraTech had an installed capacity of 132.4 MTPA in FY22 and then added another 5.5 MTPA in FY23, elevating its total cement production capacity to 137.85 MTPA.
- The Aditya Birla group firm has doubled its grey cement production capacity from 66.3 MTPA in FY16 to 132.4 MTPA in FY23.

Source: Economic Times

Zuari Cement commissions new alternative fuels line at Yerraguntla cement plant

- Heidelberg Materials subsidiary Zuari Cement has commissioned a 20t/hr alternative fuel (AF) production line at its 7.1Mt/yr Yerraguntla cement plant. The line includes an UNTHA XR3000C shredder. This will support continuous operations and turn waste to AF in a single step, according to Zuari Cement.
- HeidelbergCement India technical director Vimal Jain said “We are passionate about driving environmental progress throughout our business, and the use of AF is one way to do that. But this waste-to-energy feedstock comes at a cost, which is why co-processing makes so much sense. When designing this plant, we needed to ensure versatility to allow for changing market conditions, and an investment in technology that makes commercial sense and is built to last.”

Source: Global Cement

Chaudhary Group signs strategic partnership deal with Adani Group

- Chaudhary Group has signed a memorandum of understanding (MoU) for a strategic partnership with India-based conglomerate Adani Group. According to the MoU, Adani Group will support the Nepal-based cement producer in its distribution of cement into neighbouring states of India.
- The Kathmandu Post newspaper has reported that Chaudhary Group’s managing director Varun Chaudhary said "This collaborative effort stands as a pivotal milestone, underlining our commitment to augmenting economic cooperation and trade relations between the two nations." He added “Through this strategic collaboration, we aspire to fortify the harmonious rapport that characterises the Nepal-India relationship, while actively contributing to the growth and development of the adjoining states."

Source: Global Cement

JK Cement begins construction of upcoming 2.5Mt/yr Prayagraj grinding plant

- JK Cement laid the foundation stone of its upcoming 2.5Mt/yr Prayagraj grinding plant in Uttar Pradesh on 29 August 2023. The plant will cost around US\$60m.
- The company expects to complete the project in the 2025 financial year, which begins on 1 April 2024. This will increase the producer’s grey cement capacity by 11%, to 25Mt/yr. Its ‘medium-term’ capacity goal is a further 20% growth, to 30Mt/yr.

Source: Global Cement

JSW aims to be among the top 5 cement firms in India

- The Indian cement sector is poised to grow exponentially in the coming few years. To capitalise on this growth potential, JSW Group is ramping up its cement production capacity through a mix of organic growth and acquisitions.
- "We are slightly skewed towards institutional customers and that's where the synergy with the JSW Group really comes into play. This is because we sell our steel, cement and paint as one to our institutional customers and we have made huge inroads into that customer segment, Jindal said.
- JSW capacity is currently at 19 million tonnes a year. By the end of this calendar year, they will be at 21 million tonnes in capacity. For the next phase of growth, they have drawn a roadmap to go to 60 million tonnes over the next five years.
- Over the last few years, they have also acquired limestone mines through the auction process in various states. All of their existing plants have brownfield expansion scope as well. JSW are aiming to become one of the top five cement players in the country.

Source: Economic Times

Birla Corp aims to double Mukutban cement plant output

- Birla Corporation plans to double production at its Mukutban cement plant in Maharashtra and increase profitability by up to a third by the end of the year. The company aims to produce around 2.5 million tonnes of cement next year, up from the current 1.9 million tonnes. Birla Corp will focus on premium products and aims to gain a market share of 10-12% in key regions.
- The 3.9-million tonne plant, which is currently operating at about 45-50% of its capacity, will aim to produce around 2.5 million tonnes of cement next year.
- The plant in Maharashtra, which was set up at a cost of ₹2,700 crore, will be focusing on premium products, while competing in a region dominated by incumbents UltraTech Cement and Adani Cement.
- Birla Corp, which currently has a capacity to produce 20 million tonnes of cement each year, has announced that it will raise capacity to 30 million tonnes by 2030. It plans to reach a capacity of 25 million tonnes by 2025-26.

Source: Economic Times

Shree Cement's Rs 550-crore West Bengal unit inaugurated

- This is the first such unit of the company in the state and has a capacity of 3 million metric tonne per annum (MTPA). It will create direct employment opportunities for 1,000 people. The state-of-the-art facility is strategically located to meet the surging demand for cement in West Bengal and neighbouring Jharkhand, and bolster the company's market share in eastern India, a Shree Cement Ltd official said.
- With the commencement of the production at the Purulia unit, Shree Cement's capacity rose to 50 MTPA, and the company said that it is on track to achieve a capacity of 80 MTPA in the coming years.

Source: Economic Times

REPORTS FOR July 2023

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