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Global cement volumes to rise through 2022, despite declining Chinese demand

Greenwich (CT), USA, March 21, 2018 – Global cement consumption is forecasted to expand 0.7% per year on average in the period from 2017 to 2022, according to [CW Research's](#) 1H2018 update of the [Global Cement Volume Forecast Report](#) (GCVFR). Global ex-China demand is expected to rise at an annual average rate of 3.6 percent, with advanced growth expected in most economies – a trend bound to be disrupted by a decline in China's cement demand.

As noted by Tea Vukicevic, CW Group's Associate Analyst: "over the next five years, we are expecting to witness a separation in cement demand growth patterns. Global ex-China consumption will experience a healthy growth over the forecast period, but China's 50% share of the total consumption will weaken global demand levels."

Latin America and Africa to rebound

Despite an overall improvement in economic indices, and thus in cement consumption, regional uncertainties remain regarding the continuity of this rising trend.

"For the first time in decades, economic growth was almost ubiquitous in the year that just ended. But alarms are bound to sound off when so many countries are experiencing synchronized growth, and especially when geopolitical risks are lurking in the shadows. But in 2017 the cloud of uncertainty hanging over the current macro landscape did little to deter growth in cement consumption," observes Robert Madeira, CW Group's Managing Director and Head of Research.

On a regional level, CW Research downgraded its previous U.S. demand forecast for 2018, due to political instability and uncertainty around trade agreements that could damage investor confidence.

In 2017, demand in Latin America performed worse than previously expected. Nonetheless, regional demand in 2018 is projected to pick up, with Brazil, Colombia, Mexico and Chile recovering from low levels. Looking onwards, CW Research expects the region to recover by 2022, growing at a yearly average of two percent, driven by Mexico and Argentina's fast-growing cement markets.

Regional cement demand in Africa performed around four percent worse than previously anticipated, on the back of sluggish demand in Nigeria and high political instability in Kenya. Nevertheless, large housing deficit and a growing middle class population will contribute to higher demand in the coming years.

Asia ex-China remains the fastest-growing region, with markets such as India, Bangladesh and Philippines driving an annual average growth rate of 3.8 percent. Despite declining in 2017, Indian cement demand is expected to rebound quite fast, as large infrastructure projects are now approaching the construction phase, and the budget for affordable housing has been doubled.

China to curb cement demand through 2050

The Chinese cement market is expected to eliminate about 290 million tons of capacity by 2022, while the rest of the world is expected to add 450 million tons. The largest capacity additions in the 2017-2022 period will take place in Africa and Asia ex-China. However, the global growth will be counterbalanced by China's stricter eliminations.

Over a 33-year period, CW Research expects cement demand to decrease to around 3.9 billion tons. The declining trend will be more pronounced in China, whose capacity rationalization efforts will pose the main obstacle to demand growth, together with cement substitutes, and emission regulations.

For more information, placing an order, or interview inquiries, please contact Liviu Dinu, Market Services & Marketing Consultant, CW Group, by phone at +40-744-67-44-11, or e-mail at ld@cwgrp.com.

About the Report

CW Group's [Global Cement Volume Forecast Report](#) (GCVFR) is a twice-yearly update on projections for cement volumes on a national, regional and global level. The forecast provides global and regional outlooks, as well as detailed perspective on 57 of the world's most important countries' cement consumption, production, net trade and cement production capacity. The five-year outlook presented in this benchmark study enables industry professionals to shape their perspective on markets and business priorities. The report also includes a long-term forecast through 2050, with qualitative analysis on drivers and constraints of global cement demand.

The Global Cement Volume Forecast Report has two updates a year:

- Extended (October): an extended update (includes briefs on the 57 key markets with principal supply-demand impacting drivers and CW Research's analyst market assessments presenting a detailed numerical worldwide analysis, as well as the regional and global supply-demand model).
- Quantitative update (March): a quantitative update (only includes the numerical sections of the report, not country write-ups).

More information about the report can be found here: <https://www.cwgrp.com/research/research-products/product/12-global-cement-volume-forecast-report>

About CW Group

The Greenwich (Conn.), USA headquartered CW Group is a leading advisory, research and business intelligence boutique with a global presence and a multi-industry orientation. CW Group is particularly recognized for its sector expertise in heavy-side building materials (cement), light-side building materials, traditional and renewable power & energy, petrochemicals, metals & mining, industrial minerals, industrial manufacturing, bulk cargo & shipping, among others. We have a strong functional capability, grounded in our methodical and quantitative philosophy, including due diligence, sourcing intelligence, feasibility studies and commodity forecasting. www.cwgrp.com