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Global cement capacity curbed by Chinese expansion ban through 2023

Greenwich (CT), USA, October 10, 2018 – Global cement capacity is forecast to edge up by almost one percent per year on average between 2018 and 2023, according to [CW Research's](#) 2H2018 update of the [Global Cement Volume Forecast Report](#) (GCVFR). The slim increase reflects a context of capacity rationalization efforts in China, which are offsetting additional capacity elsewhere at the global level. Usually accounting for half of the world's total, Chinese cement capacity will slow down and contract at an annual average of 3.0 percent between 2018 and 2023, therefore contributing to offset the increase of almost four percent per year between 2018 and 2023 projected for global ex-China.

“The cement sector in China is already experiencing an improvement, with peak season measures designed to reduce pollution – such as shutting down industrial plants, which in turn leads to a tightening of supply. We believe that this will help the Chinese cement sector to operate at healthier rates and add to the positive feeling amongst investors”, notes Raluca Cercel CW Group's Associate.

Cement demand rising in Africa; Canada leads capacity additions in North America

In 2018, Asia ex-China will be the leading region in terms of capacity additions, with India contributing the most to the expansionary trend. Indian cement manufacturers have already announced the construction of production lines with the capacity to produce 60 million tons of cement per annum for this year.

In North America, only Canada is expected to expand its production capacity by adding roughly two million tons of annual capacity in 2018-2023.

Turkey will be taking the lead in the Eastern Europe and CIS region, adding a total of 14 million tons of capacity by 2023 – almost half of all capacity additions forecast for the region in the next five years. Nevertheless, the country is currently facing a series of economic challenges – from the weakening of the lira to the double-digit inflation – that are bound to take a toll on the cement sector.

Most of the African markets are expecting a strong growth in cement demand, which will translate into higher production levels and higher cement capacity – a trend that will be more pronounced in Egypt.

Middle Eastern markets are projected to add over 50 million tons of capacity between 2018 and 2023. Currently, Iran is the leader in cement production capacity, accounting for 37 percent of the regional total. However, in the wake of the ISIS conflict, Iraq alone is adding four million tons per annum in capacity until the end of 2018. This bid to make the Iraqi cement market self-sufficient will likely contribute to a substantial increase in the Middle Eastern capacity figures.

For more information, placing an order, or interview inquiries, please contact Mihnea Manea, Media and Market Services Executive, CW Group, by phone at +40 723 281 704, or e-mail at mm@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 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