

For Immediate Release

Sales and media contact:

Mihnea Manea
Media and Market Services Executive
M: +40 723 281 704
E: mm@cwgrp.com

Global cement demand curbed by China's decline; India remains promising

Greenwich (CT), USA, April 18, 2019 – World cement consumption is forecast to decrease marginally to 4 billion tons in 2019, according to [CW Research's](#) 1H2019 update of the [Global Cement Volume Forecast Report](#) (GCVFR). The stark increment in demand in India and the more moderate improvement in mature markets such as the United States were not enough to offset lower demand in the by-far largest consumer of cement: China.

Nonetheless, global cement consumption is projected to inch up through 2023, a trend that is likely to be more pronounced if China is excluded from the world view. As such, global ex-China cement demand is poised to rise at an average annual growth rate of over 3 percent through 2023.

“At the global level, India emerged as a key market in terms of cement consumption in 2018, achieving a double-digit growth rate, which partly contributed to offset disappointing performances in South America and the Middle East,” notes Robert Madeira, CW Group’s Managing Director & Head of Research. “Trade friction and political uncertainty triggered by events such as the Brexit have set the stage for lower economic prospects and depressed cement demand across developed markets such as Germany and the United States. As China continues to pave its way towards a more mature economic stage, its cement consumption is expected to continue declining over the coming years.”

US boosted by USD 1.5 trillion infrastructure plan

The outlook for the North American region is projected to be driven by the US’ construction outlook, as the country accounts for the majority of consumption in the region. In the upcoming years, we expect that President Trump’s USD 1.5 trillion infrastructure plan will result in an upsurge in cement consumption. However, an increase in interest rates and issues related to the trading war with China may cap the positive effects of more investment in infrastructure.

In Western Europe, cement consumption may have peaked last year, but construction activity is starting to slow down again in key markets such as France, Germany, and Italy.

“While mature markets continued to be resilient and grew exceeding expectations in 2018, the outlook for 2019 and beyond is sober as these economies enter a consolidation phase with reduced liquidity flowing into the economy as Central Banks raise rates to combat the specter of inflation”, notes Prashant Singh, CW Group’s Associative Director.

In China, Beijing and the provincial governments continue to impose restrictions on production in order to reduce overcapacity and pollution. Meanwhile, construction companies are facing a new paradigm in which cement imports are now relevant, with an influx of Vietnamese cement. As the industry adapts to new levels of base consumption, cement demand is forecast to experience a more prominent decline between 2019 and 2020, only to slide at lower rates until 2023.

In Asia Pacific, cement demand is expected to rise at a stable annual growth rate over the next five years. Consumption in India has been revived thanks to strong demand from the rural and affordable housing segment, and new infrastructure projects in areas such as irrigation and urban mobility. In effect, cement consumption surged by almost 15 percent in 2018.

In the Middle East, the cement consumption outlook remains dim for the next five years, as it is expected to rise at just over 1 percent CAGR. Saudi Arabia's cement sector remains plagued by low demand and instability persists in Syria and Yemen. On a more positive note, Iraq seems ready to start reconstruction now that the conflict with ISIS is over.

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