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## **World cement capacity stalled by China's industrial crackdown**

**Greenwich (CT), USA**, May 2, 2019 – Global cement capacity is projected to remain flat between 2018 and 2023, according to [CW Research's](#) 1H2019 update of the [Global Cement Volume Forecast Report](#) (GCVFR).

This trend is likely to follow higher capacity additions in regions such as Africa and Asia ex-China. Conversely, China, despite slowing down its capacity restrictions, is still experiencing a context of capacity rationalization efforts, therefore being projected to curb production capacity at an annual average of 3.0 percent.

"China has been cutting down on excess capacity in a range of industries, including cement, as part of supply-side reforms, but allows some shuttered capacity to be replaced with more modern and efficient facilities. Therefore, new cement capacity projects that are absolutely necessary must follow replacement capacity rules, as to ensure that the total production capacity will only decrease and not rise", assesses Carolina Pereira, CW Group's Business Analyst.

### **Emerging economies driving capacity expansions**

In 2019, Asia ex-China will see manufacturers adding more capacity, encouraged by positive domestic demand developments and growing exports driven by China's capacity limitations. India will lead the upward trend, contributing with a double-digit growth rate in capacity additions.

Africa is expected to be another key market in terms of announced capacity expansions in 2019. With recent regional and national policies increasingly focused on economic transformation and the potential role of low-value mineral-based industrialization, cement is at the focus of a range of development processes.

In the Middle East, despite oversupply, a global optimistic sentiment is expected to push the regional demand to a more pronounced recovery, thus boosting robust capacity expansions.

Growth in capacity increases in North America is projected to be quite slim, with Canada being expected to add about 0.7 million tons of cement capacity in 2019.

Except for a few small capacity expansions in markets such as the UK and France, there won't be many capacity additions in Europe in the 2018-2023 period due to producers focusing their output on developing markets with a higher construction activity growth.

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## 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](http://www.cwgrp.com)