

*Webinar presentation*

# 1H2021 Global Cement Volume Forecast Report

June 24, 2021



- Introduction to CW Group
- GCVFR 1H2021 highlights
  - GCVFR overview and methodology
  - Global economy and construction
  - Global cement consumption
  - Closing remarks

# Presenters

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- Responsible for the qualitative and quantitative analysis for CW Research's price and volume assessments in the building material and heavy industrial sectors. 2+ years of experience in the building materials sector
- Degree in International Business from La Salle, Rio de Janeiro, Brazil

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- Executes quantitative analysis for CW Research's price and volume assessments in the building material and heavy industrial sectors. An year of experience in the food and beverages FMCG industry
- Degree in Health Food Innovation Management from Maastricht University, Netherlands



# About the CW Group

## Advisory

### STRATEGY AND M&A ADVISORY

- Strategic advisory
- Management consulting
- M&A advice
- Transaction support
- Due diligence

## Research

### BUSINESS DECISION SUPPORT

- Syndicated market / industry study reports
- Reference forecasts
- Data and chart-books
- Commodity price assessments

## Media

### MEDIA & MEETINGS

- Market reporting services
- Newsletters
- Online data access
- Publications
- Meetings

## Seasoned experts

## Business & technical

## Network & access

## Proprietary data



CEMENT, BUILDING MATERIALS & CONSTRUCTION



STEEL, METALS & MINING



CHEMICALS



DRY BULK CARGO, PORTS AND INFRASTRUCTURE



POWER, ENERGY AND SOLID FUELS



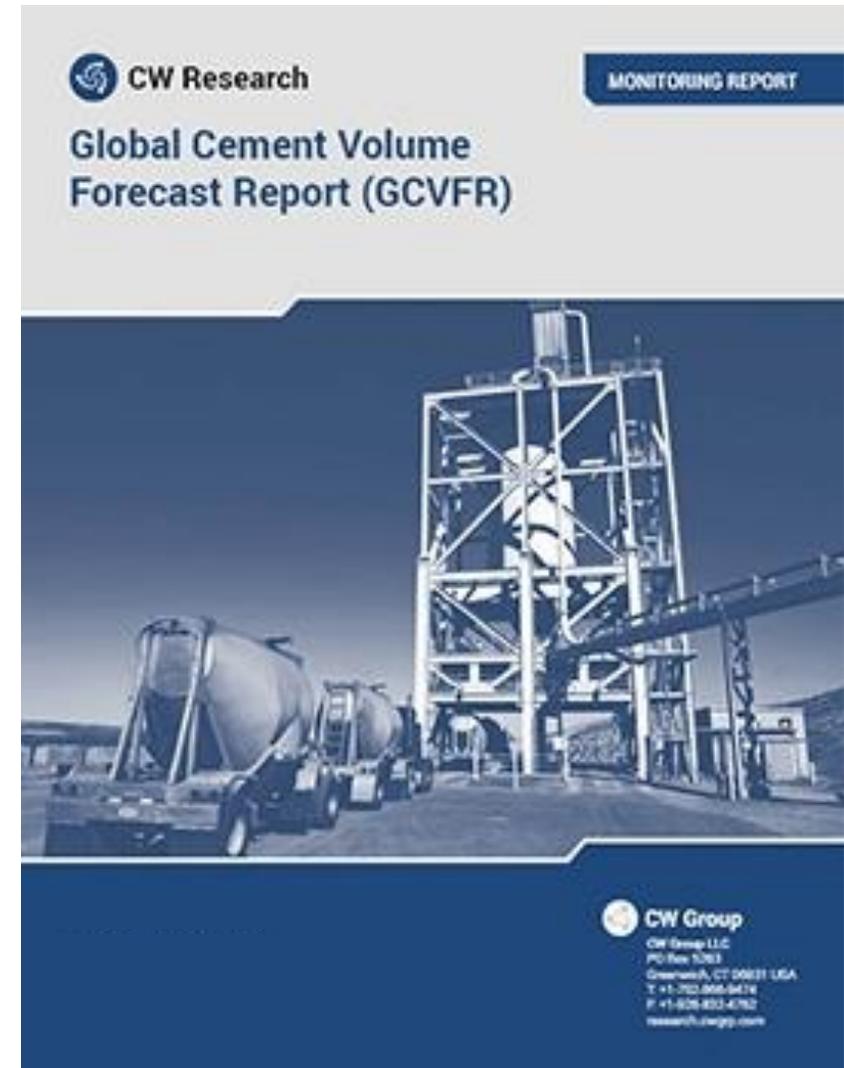
# GCVFR: 1H2021 update highlights



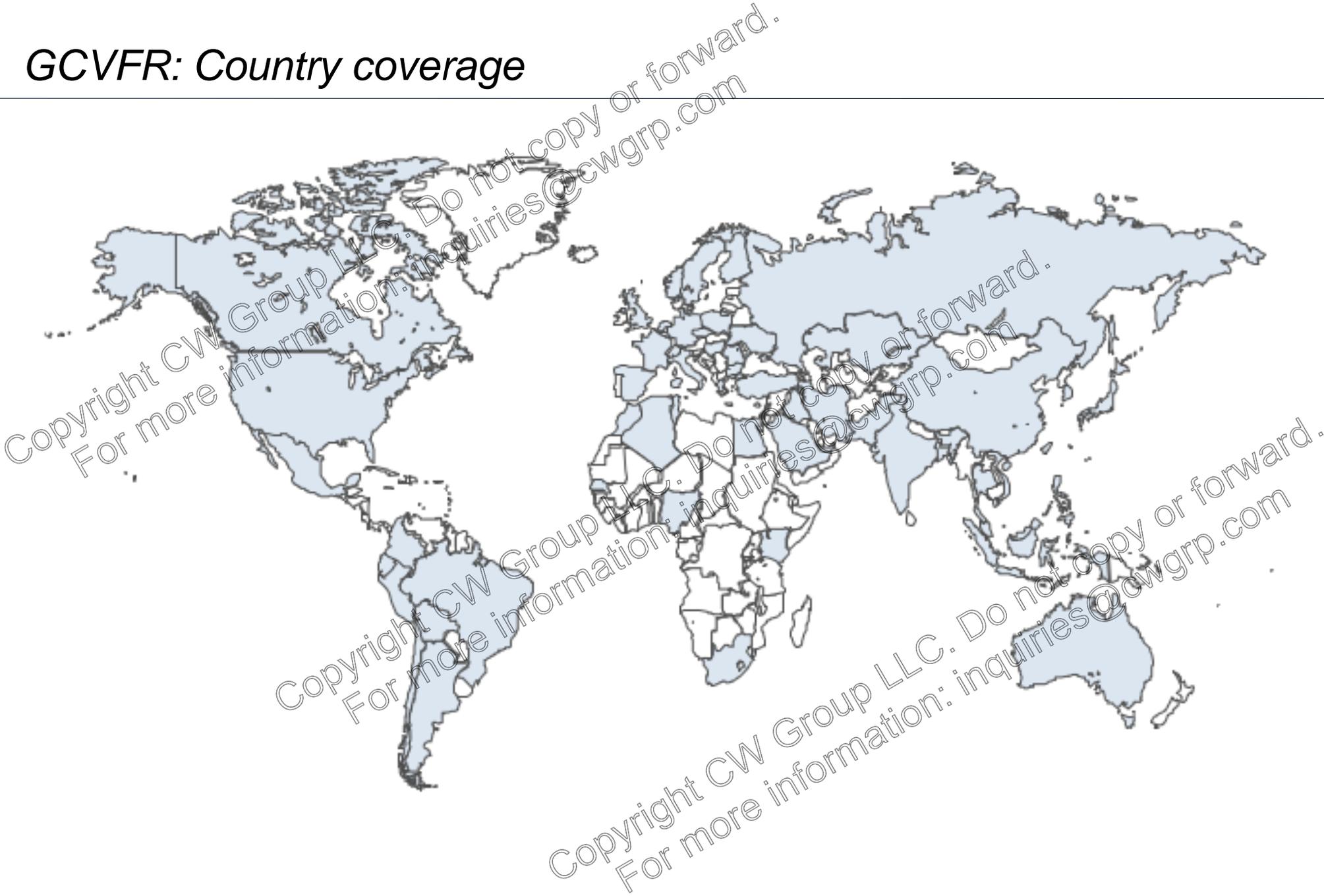
# What does it include

- Twice-yearly update on projections for cement volumes on a national, regional and global level.
- Benchmark report that allows unique insights on:
  - Cement consumption, production, net trade, and cement production capacity
  - Macroeconomic and construction sector context
  - Historical data for the past five years
  - Five-year outlook
- Market information for key markets around the world
  - Individual profiles on 57 markets
  - Figures for consumption production, net trade, and capacity at country, regional, and global level
- Semesterly updates (annual subscription)
  - Extended (October): Includes 57 country profiles, extensive numerical analysis, and a regional and global supply-demand model
  - Quantitative update (March): Update to the numerical sections of the report

For a complete listing of focus countries as well as more details visit:  
<https://www.cwgrp.com/cemweek-reports/product/12-global-cement-volume-forecast-report>



# GCVFR: Country coverage



## *Methodology highlight: forecast based on historical data, in-house models and in-depth research*

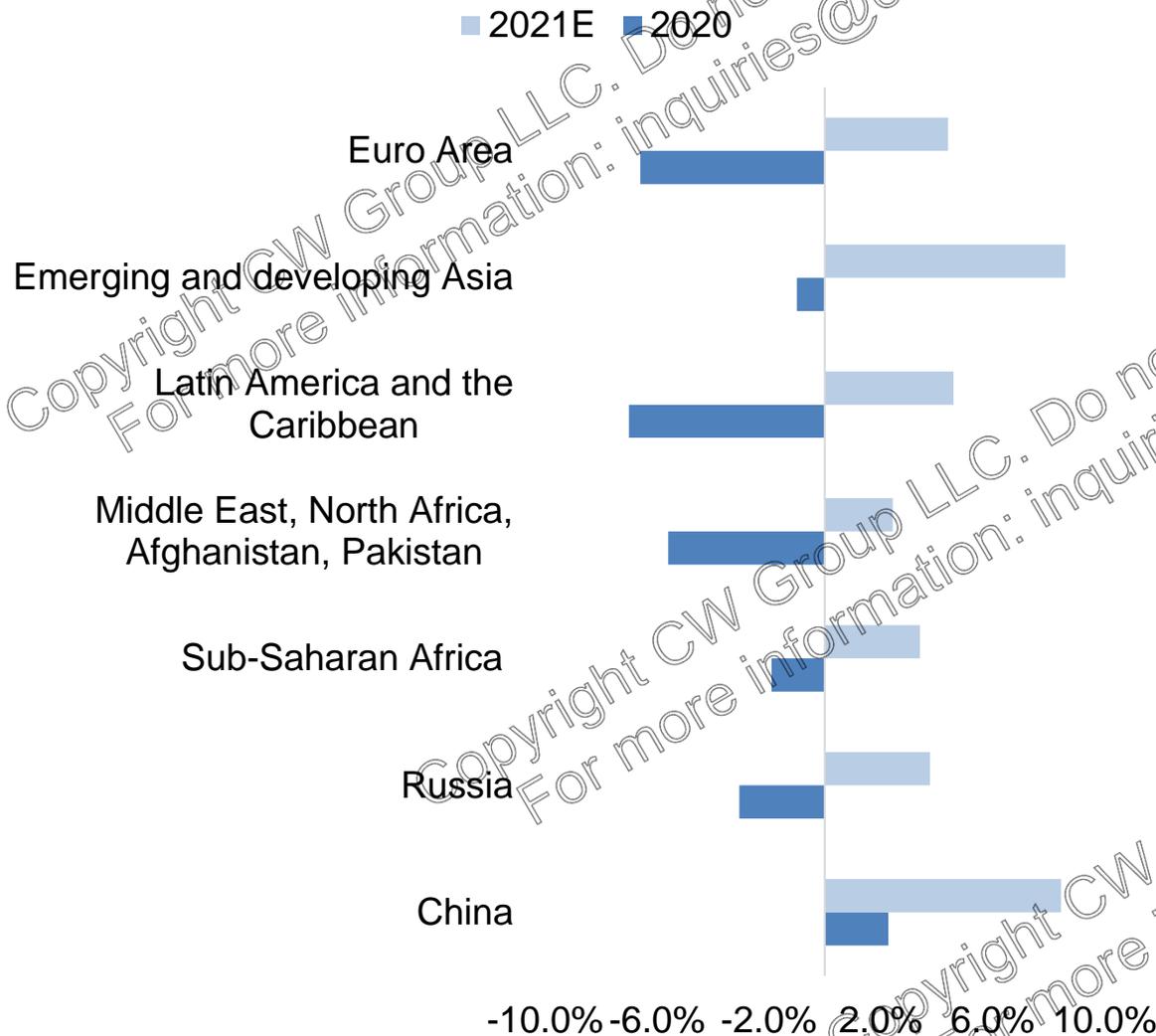
- The GCVFR includes historical annual data on cement production, output capacity, consumption, and net trade
- Figures for 2021 are estimated based on year-to-date data for cement consumption and construction activity, taking into account macroeconomic factors and seasonality
- Forecasts are made country-by-country based on past tendencies and macroeconomic data such as GDP and population. Regional forecasts are extrapolated from the clustering of sampled markets and an estimation of figures for markets not included in the country-by-country analysis
- In the 1H2021 edition CW Research has taken the onus of providing its clients two additional scenarios excluding the base scenario on which this report is based



# GCVFR: Global Economy overview

# After an abrupt economic contraction in 2020, the scenario for the global economy in 2021E is more optimistic

## World Economic Outlook (% GDP)



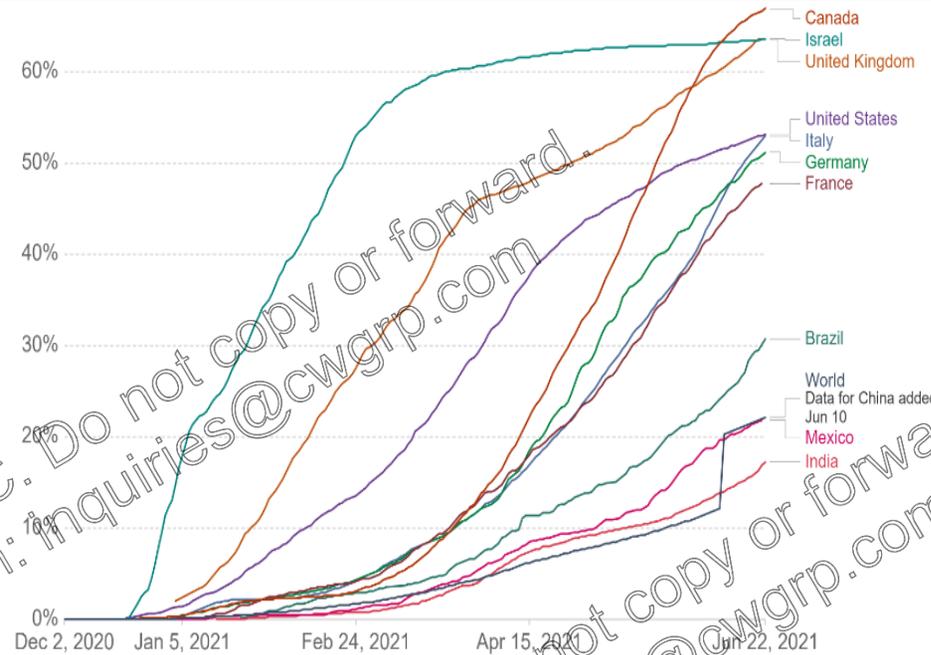
- A global recession in 2020 in major economies led to a contraction of 3.3 percent in the global economy
- Global economy is expected to see a recovery in 2021 and increase 6 percent
- Even with the vaccines rollout, the economic prospects remains highly uncertain
- Economic recovery is not only dependent on the successful vaccination programs but also on policy stimulus
- Commodity market are likely to see an improvement as economies start to recover
- Oil prices are expected to see a moderate recovery, highly impacting OPEC+ producers economies

The explosion of COVID-19 pandemic has taken the world by storm, its impact is still unfolding at this moment...

## Global Covid-19 cases



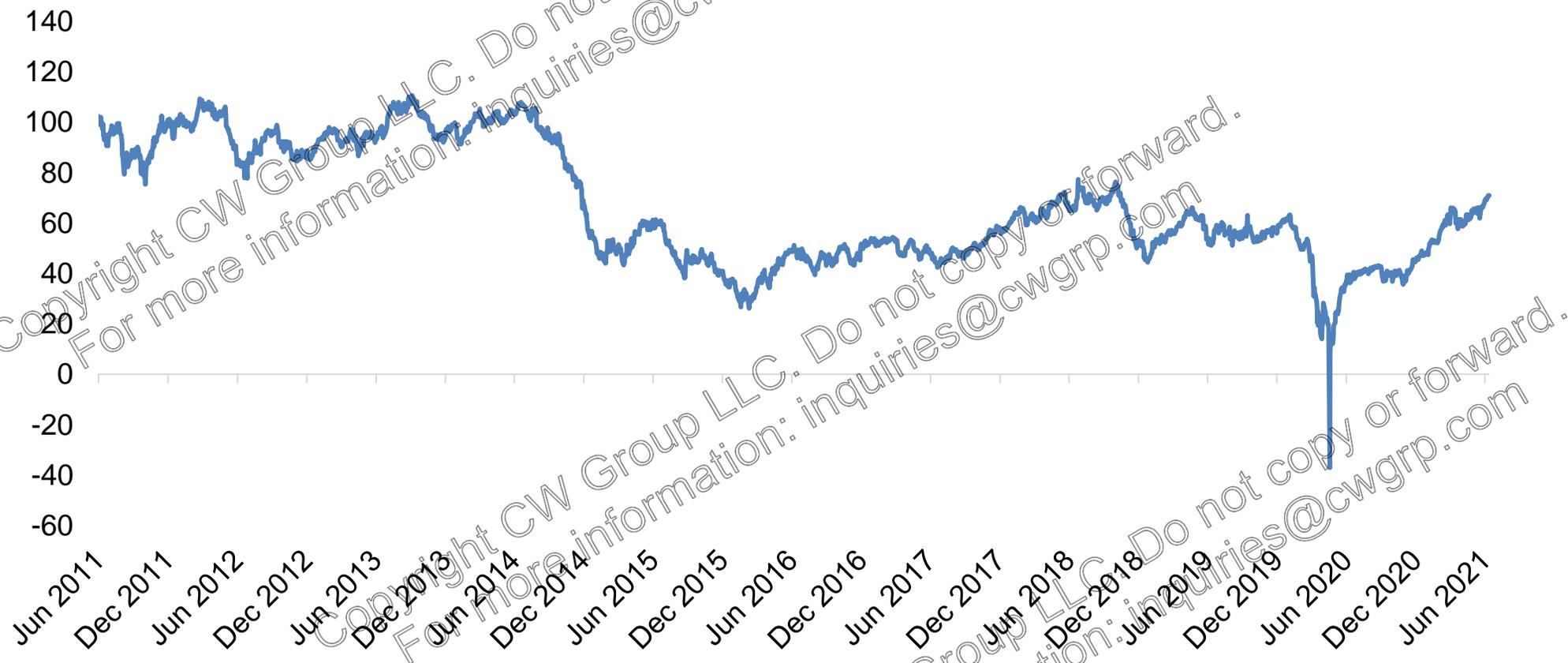
## Covid-19 vaccinations



- Globally, as of June 24, there are 179.635 million cases of Covid-19
- Around 2.8 billion doses have been given until June 24
- An estimated 22.2 percent of the world population has received at least one dose of the Covid-19 vaccine
- Only 0.9 percent of people in low-income countries have received at least one dose

# Crude oil prices in 2021E are likely to see a recovery from the historical decline in 2020

## Crude oil prices historical chart



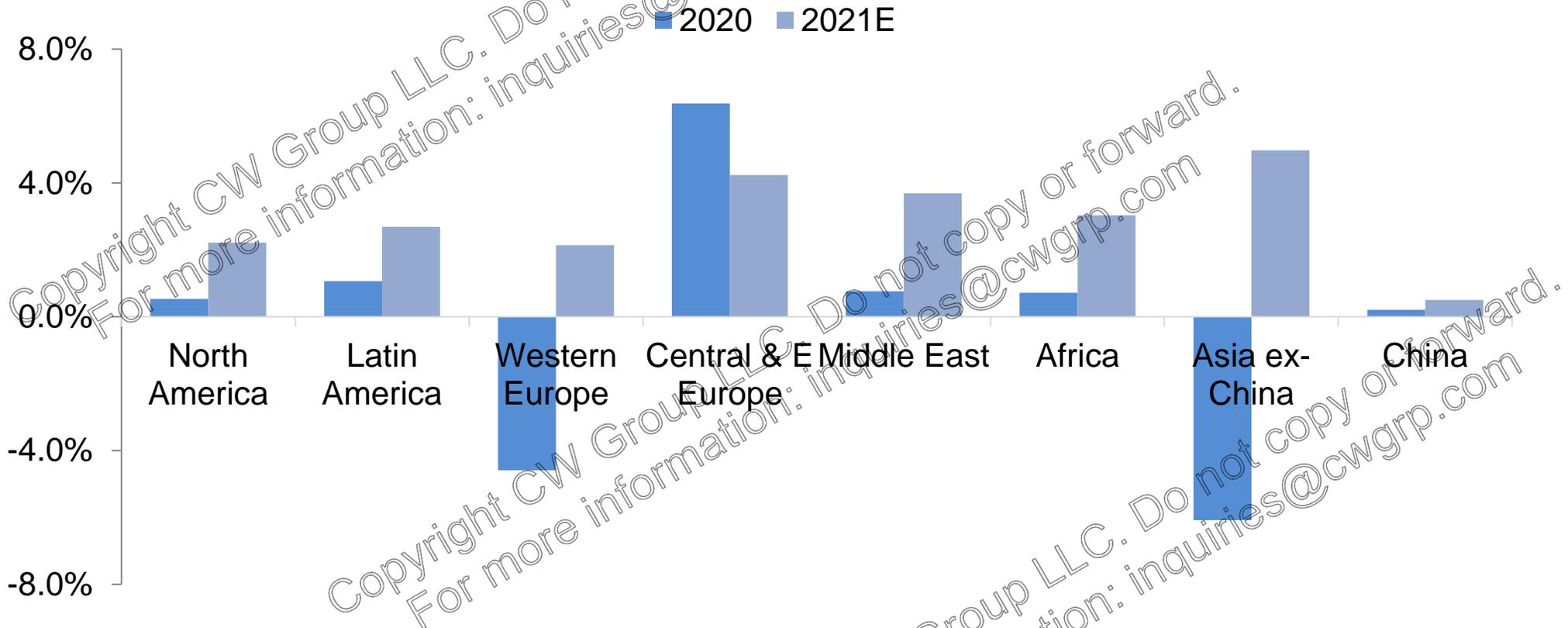
- In May 2021, crude oil prices reached USD 65.2 per barrel, an increase of almost 130 percent when compared to the same period last year
- Crude prices are expected to further increase in the remainder of the year, as major economies continue to see an economic recovery

# GCVFR: Global consumption



# For 2021E all markets are expected to see a resurgence in cement demand

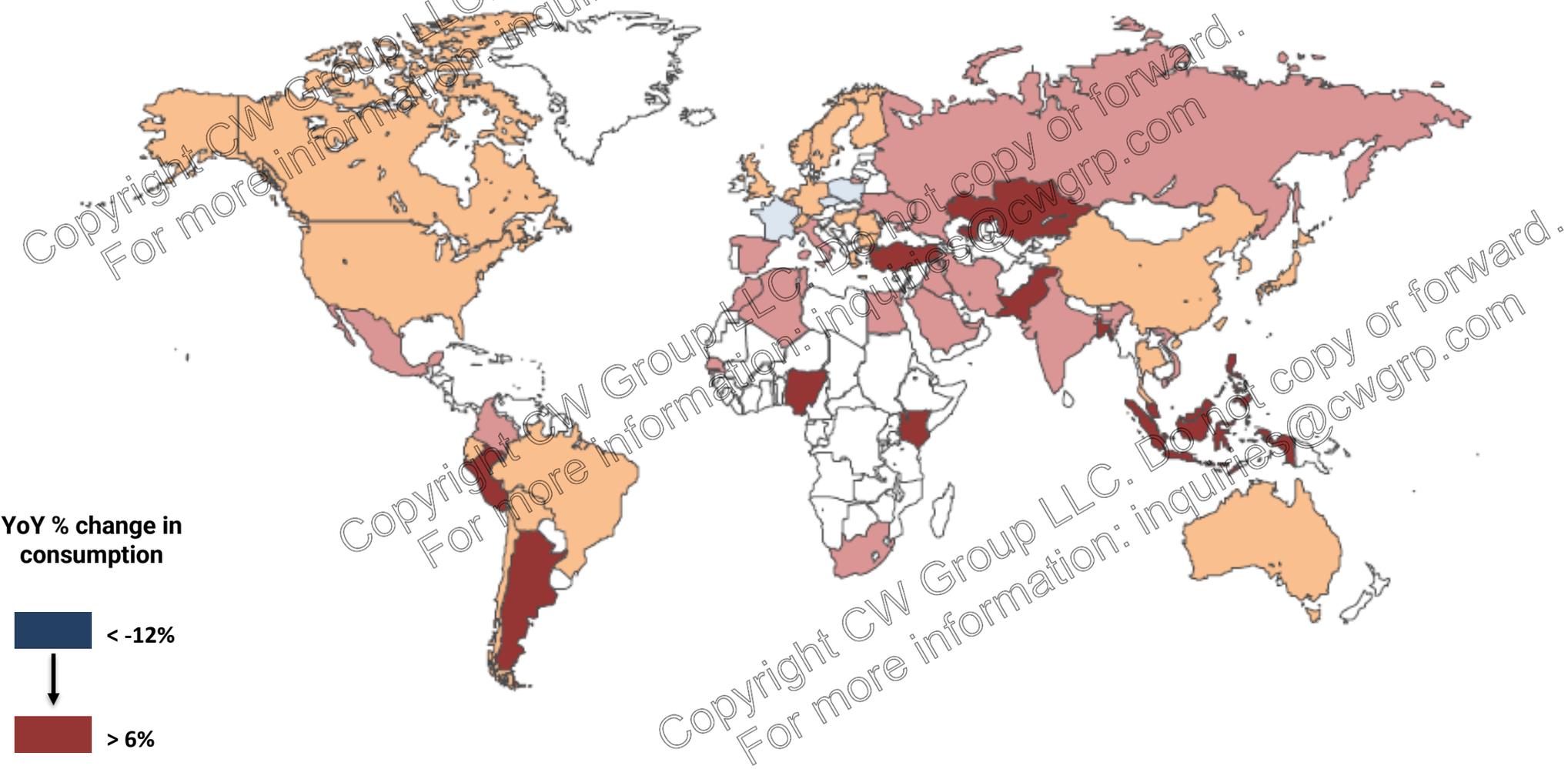
Cement demand growth in 2020 and 2021E (YoY change, %)



- Despite of the global economic effect of the pandemic, almost all regions witnessed a resilient cement demand in 2020
- In Western Europe, Spain saw the biggest decline in consumption in 2020. Nevertheless, is expected to see one of the highest recoveries in 2021E
- China maintain a positive performance in 2020, which is expected see an small increase in 2021E

# A resurgence of US and Western Europe's demand is likely to boost global demand in 2021E

CW Research base scenario: consumption growth 2021E (YoY, %)

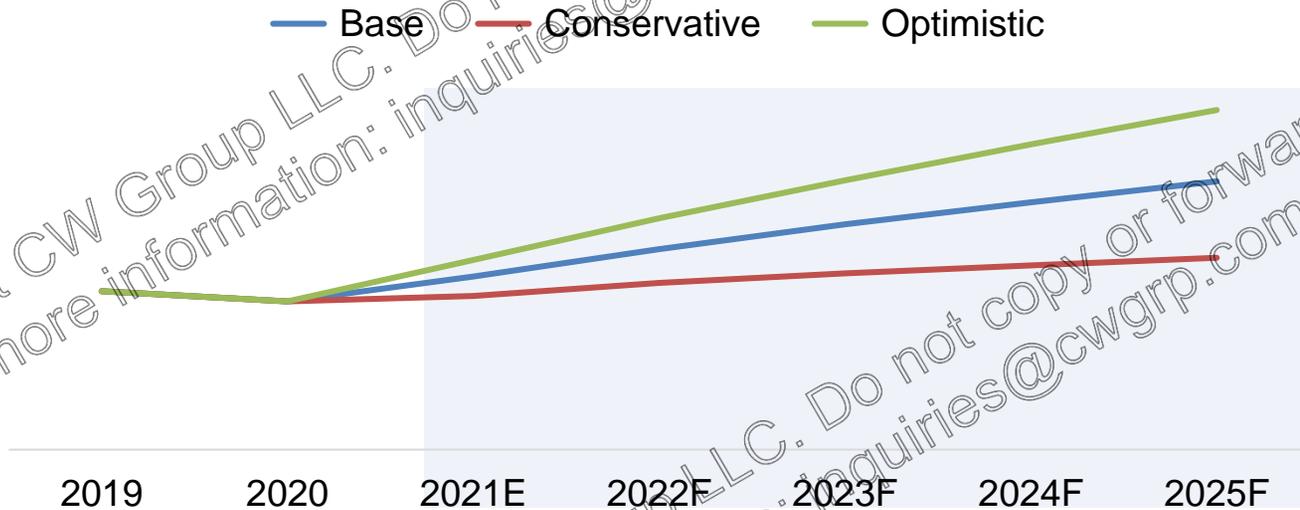


Source: CW Research

# As the pandemic continues to unfold, the formulation of different scenarios allows for contingency planning

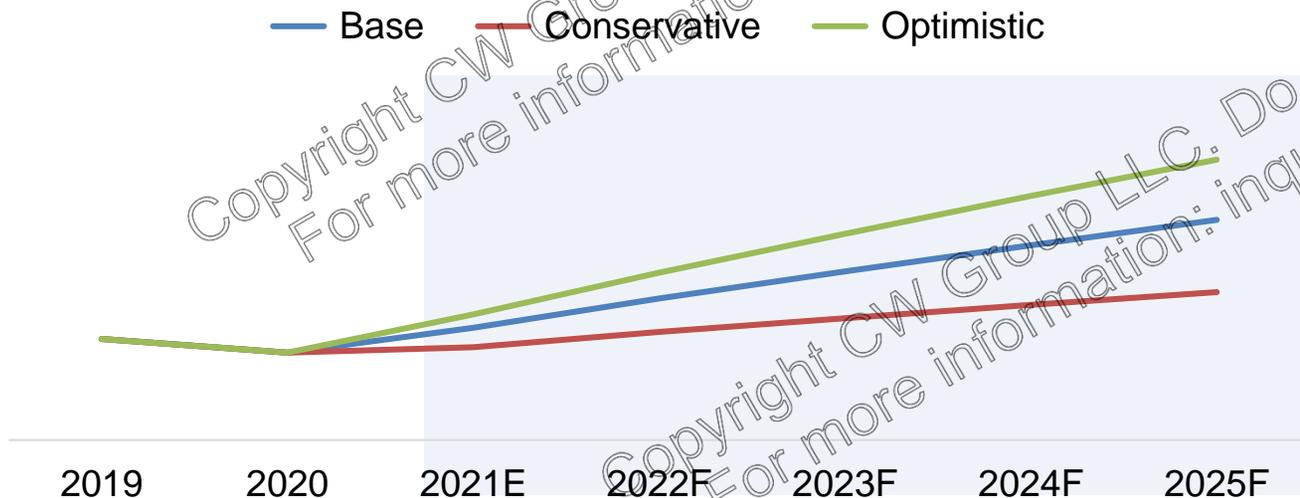
## CW Research outlook scenarios 2019-2025F

Global



- In the conservative scenario, CW estimates an increase of around 0.4% in 2021E
- Optimistic scenario is likely to show an increase of 3% for 2021E

Global Ex-China



- The conservative scenario demand is expected to increase 1% in 2021E
- On the other hand, the optimistic scenario shows a rise of 6%

## Closing remarks

- With the rollout of vaccines, an economic recovery is expected for the remainder of the year
- All markets are expected to see an increase in cement demand in 2021E
- Asia Ex-China and Eastern Europe are likely to witness the biggest percentage increase in demand in 2021E
- Total global demand is expected to see a recovery of 2 percent this year, after a decline of almost 1 percent in 2020

## About CW Research

CW Research is a leader in syndicated and data-driven market research solutions. The company offers independent perspectives on multiple industrial market segments (e.g., cement, metals & minerals, and specialty chemicals) and deep functional expertise in market intelligence, sourcing intelligence, commodity pricing intelligence.

CW Research also provides custom industry and competitive research programs for operating companies, financial analysts, consultants, governments, suppliers and many others as well as tailored studies together with CW Advisory. For more information: [research.cwgrp.com](http://research.cwgrp.com).

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