



**CEMENT UPDATE**

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**MAY 2024**

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# Port Analysis



## **CEMENT TRAFFIC AT INDIAN PORTS**

(Qty in Metric Tonnes)

- Indian port traffic for cement in the period of Apr'24 saw a increase of 31.61% at 712490 MT as compared to the same period of the previous fiscal.
- Pipavav port saw the highest traffic of cement in the period of Apr'24.

<b>Cement Traffic At Indian Ports</b> (Quantity in Million Metric Tonnes)			
<b>Ports</b>	<b>Apr'24</b>	<b>Apr'23</b>	<b>Y.O.Y Variance</b>
<b>PIPAVAV</b>	<b>250000</b>	<b>234000</b>	<b>16000</b>
<b>JNPT</b>	<b>151303</b>	<b>137052</b>	<b>14251</b>
<b>DHARAMTAR</b>	<b>116310</b>	<b>0</b>	<b>116310</b>
<b>NAVLAKHI</b>	<b>52098</b>	<b>0</b>	<b>52098</b>
<b>BEDI</b>	<b>45499</b>	<b>0</b>	<b>45499</b>
<b>COCHIN</b>	<b>40000</b>	<b>60000</b>	<b>-20000</b>
<b>BHAGWATI BANDAR</b>	<b>36767</b>	<b>28452</b>	<b>8315</b>
<b>MANGALORE</b>	<b>10000</b>	<b>20000</b>	<b>-10000</b>
<b>MUMBAI</b>	<b>6363</b>	<b>3900</b>	<b>2463</b>
<b>PORBANDAR</b>	<b>4150</b>	<b>3900</b>	<b>250</b>
<b>Grand Total</b>	<b>712490</b>	<b>487304</b>	<b>225186</b>

- Ultratech Cement turned out to be a major cement supplier to Sri Lanka, exporting 50000 MT of cement.

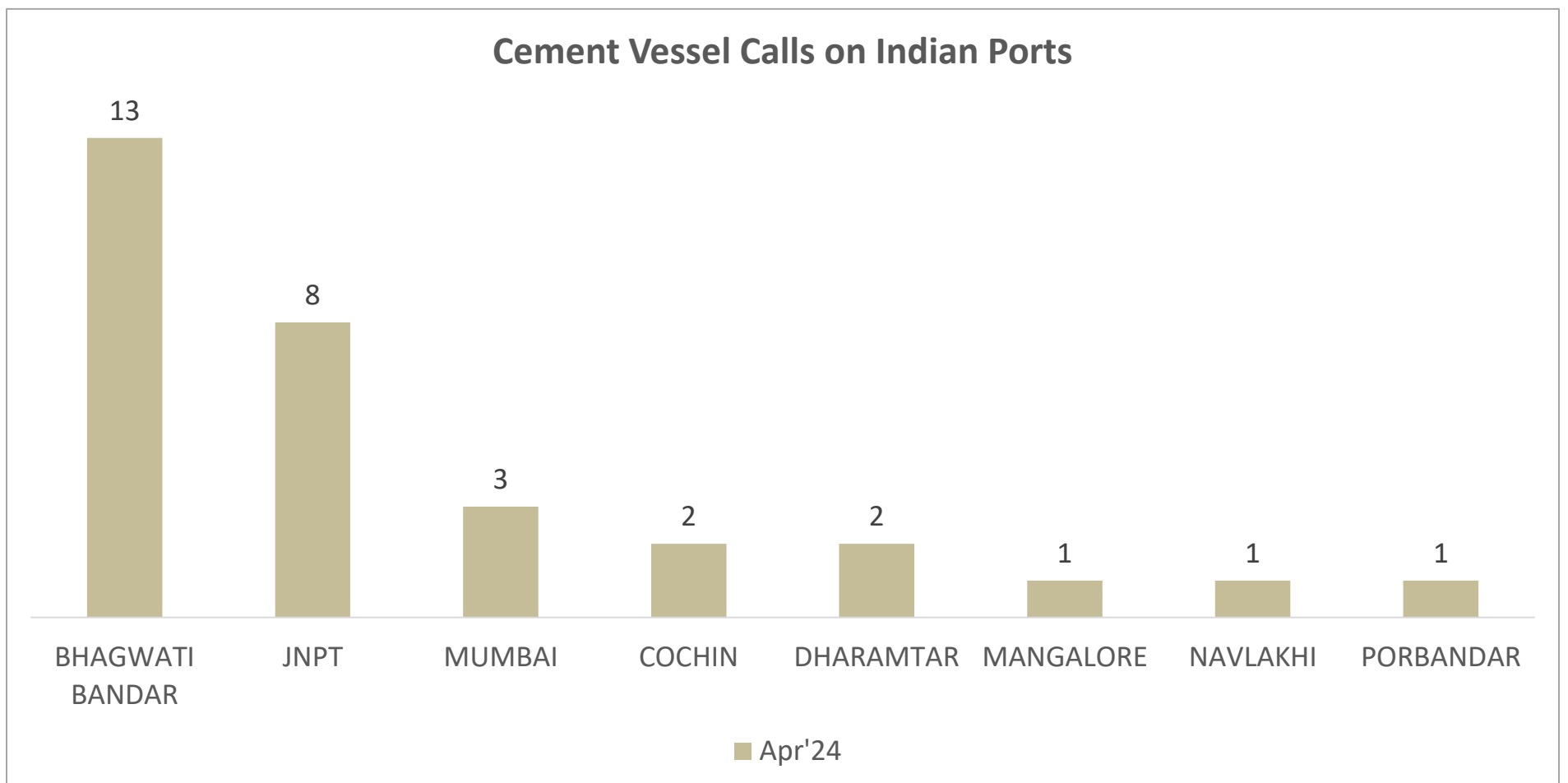
<b>Cement Exports: Apr'24</b>		
<b>Exporters</b>	<b>Coastal</b>	<b>Sri Lanka</b>
<b>ULTRATECH CEMENT LTD.</b>	<b>200000</b>	<b>50000</b>
<b>SAURASHTRA CEMENT LTD.</b>	<b>1950</b>	
<b>Grand Total</b>	<b>201950</b>	<b>50000</b>

### Cement Imports between Apr'24 (Qty in Metric Tonnes)

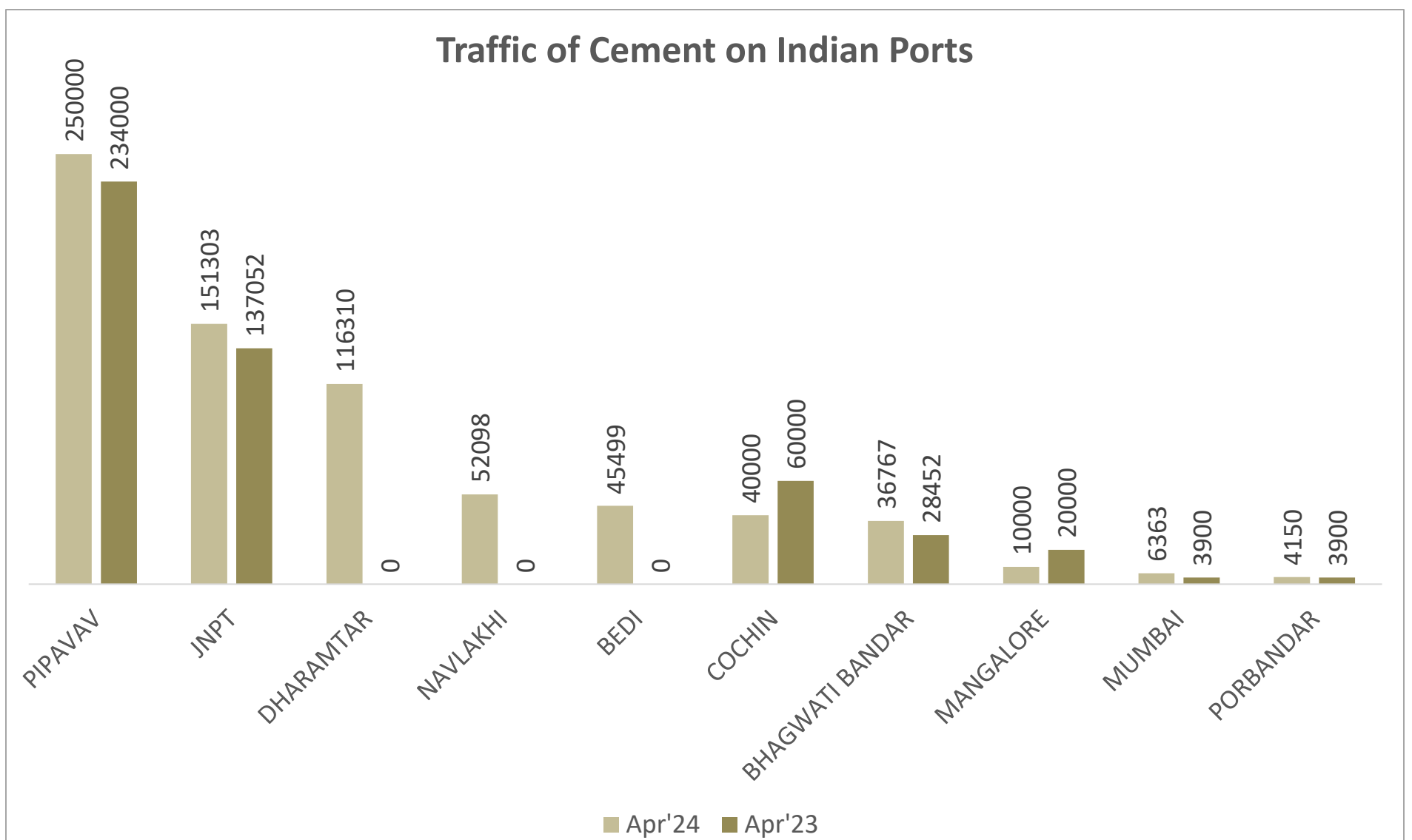
IMPORTERS	COASTAL	EXIM
ULTRATECH CEMENT LTD.	238070	
JSW STEEL LTD.		116310
MAYAN COMOTRADE		52098
SAURASHTRA CEMENT LTD.		2200
<b>Grand Total</b>	<b>238070</b>	<b>170608</b>

- India's imports decreased by 39.84% in the period of Apr'24 at 249404 MT as compared to the same period of the previous fiscal.

### Cement Vessel Calls on Indian Ports



### Traffic of Cement on Indian Ports



# MARKET ANALYSIS



## CEMENT MARKET ANALYSIS FOR MAY 2024

## CEMENT MARKET ANALYSIS

India is the world's second-largest producer of cement in the world, and almost all large players have been rapidly adding capacities as they look to capture the continued growth in demand expected over the next few years.

Besides Birla and Adani, which are the dominant players, Dalmia Bharat, JK Cement and Shree Cement have also announced capacity expansion plans. The demand for cement in India is expected to grow at a sturdy pace supported by government-led spending on infrastructure and housing.

The overall cement industry in the country is likely to add 150-160 million tonnes of capacity in five years, as per CRISIL. In the last five years, cement-makers have added close to 120 million tonnes of capacity, taking the country's total to around 600 million tonnes. More consolidation is on the cards for the cement sector.

Adani will not be able to catch up with UltraTech just by doing organic growth. It will have to make more acquisitions to gain market share. There are reports of the Aditya Birla Group negotiating to buy the promoter's stake in Orient Cement. Last year, Orient Cement was said to be in talks with the Adani Group for promoter stake sale.

In 2023, the market size of India's cement industry reached 3.96 billion tonnes and is expected to touch 5.99 billion tonnes by 2032, exhibiting a CAGR of 4.7% during 2024-32.

As India has a high quantity and quality of limestone deposits throughout the country, the cement industry promises huge potential for growth.

India has a total of 210 large cement plants, of which 77 are in Andhra Pradesh, Rajasthan, and Tamil Nadu. Nearly 32% of India's cement production capacity is based in South India, 20% in North India, 13% in Central, 15% in West India, and the remaining 20% is based in East India. \

India's cement production reached 374.55 million tonnes in FY23, a growth rate of 6.83% year-on-year (yoy).

Between FY12 and FY23, the installed capacity grew by 61% to 570 MT from 353 in FY22. The Indian cement sector's capacity is expected to expand at a compound annual growth rate (CAGR) of 4-5% over the four-year period up to the end of FY27. It would thus begin the 2028 financial year at 715-725 MT/year in installed capacity.



## **MARKET HIGHLIGHTS**

- **UltraTech enables green mobility for clinker with electric trucks**
- **SID completes alternative fuel project for Prism Cement**
- **ACC acquires Asian Concretes and Cements**



## **UltraTech to invest over ₹800 crore to ramp up presence in Maharashtra**

- UltraTech will be buying a 1.1 million tonne grinding unit at Parli in Maharashtra from The India Cements for ₹315 crore. Expanding production at this facility by 1.2 million tonnes.
- UltraTech will adding 1.8 million tonnes of capacity at its unit in Dhule, taking the total capacity at the unit to 3.6 million tonnes.
- UltraTech has the capacity to produce 147.3 million tonnes of grey cement in India, and of this, nearly 23 million tonnes of capacity will be in Maharashtra.

## **Adani Group targets 20% share in Indian cement market by FY28**

- Gautam Adani-led Adani group, which owns Ambuja Cements and ACC Ltd, is targeting to capture around one-fifth of the Indian cement market by FY28. Adani Cement business will implement its accelerated capex program through internal accruals and the business will continue to "remain debt free," said an investor presentation shared by Ambuja Cements.

Besides, Adani Cement also amplifies the pace of capacity expansion and is expected to have an accelerated growth rate of 16 per cent to reach 140 MTPA (million tonnes per annum) by FY2028. "Adani Cement market share targeted to be 20 per cent by FY'28 from current 14 per cent," the Adani group firm said. Presently, Adani Cement is the second leading company in the sector after the Aditya Birla group firm UltraTech Cements. Ambuja, with its subsidiaries ACC Ltd, has the capacity to produce 77.4 million tonnes of cement annually from 18 integrated cement manufacturing plants and 18 cement grinding units across the country. It had recently acquired Sanghi Industries Ltd. The group has certain enablers for capacity enhancement and it already has land in possession and some are in the advanced stages of acquisition. It has a cumulative 8,000 million metric tonnes of limestone reserve, a major raw material for the cement industry, "in possession at nil to nominal premium," Adani Cements said. Moreover, it has 40 per cent of Fly Ash requirements under the long-term arrangement, which will increase to over 50 per cent by 2028. Ambuja further stated it has "better enterprise risk management" and 65 per cent of the total cost of cement has synergies with a group or where the Group is the market leader. "Accelerated Growth and Cost Leadership supported by Group Synergies is one of the most important differentiating points for Adani Cement," it said. In addition to that Ambuja continues to remain debt-free with a net worth of Rs 43,000 crore (around USD 5.2 billion), and cash and cash equivalents of Rs 8,591 crore (USD 1.04 billion) as of December 2023. Over the Indian cement industry, Adani Group said it is also expected to grow at a CAGR of 7 to 8 per cent, it said. "Growth will further compound given the opportunities in the Building Materials Industry," it said. India is currently the second largest producer of cement with an installed capacity of 550 million tonnes, having 8 per cent of the total global capacity of 6,875 million tonnes. "Next 5 years, demand expected to grow at a rate of 8 - 9 per cent, higher than capacity addition rate, expect better capacity utilisation," it said. In September 2022, Adani Group acquired a controlling stake in Ambuja Cement from Swiss firm Holcim for cash proceeds of USD 6.4 billion (about Rs 51,000 crore).

Source: Economic Times

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