

New Projects & Expansions

Bahrain

Gebr. Pfeiffer AG to supply another vertical roller mill to Jordan

Star Cement, the only cement manufacturer in Bahrain, is to invest US\$15 million in a new mill, increasing its current capacity from 400,000 to 500,000 tpa. The installation should be complete within 10 months and will comply with the necessary environmental standards

Falcon Cement is also finalizing plans to erect a 370,000 tpa plant in the country.

IRAQ

UAE Based Iranian Company Given Licence to Build Plant in Iraq

An Iranian firm has been offered an investment licence to build a cement factory in Thi-Qar – located in Iraq's southern region, bordered in the south by Basra and Muthanna. According to reports negotiations are at final stages to build the new factory with a capacity to produce more than one million tonnes of cement.

The annual demand for cement in Iraq's reconstruction efforts has soared beyond 30 million tonnes, almost ten times that of the present annual local production of around three to four million tonnes. About six to eight million tonnes of cement is imported into Iraq every year to meet the urgent demands.

France's Lafarge and Iraqi partner Asiacell have already announced plans to invest around \$550 million (Dh2 billion) to raise cement capacity in Iraq even as the country plans to attract more investments into cement manufacturing.

JORDAN

Gebr. Pfeiffer AG to supply another vertical roller mill to Jordan

Gebr. Pfeiffer AG will supply a mill with a capacity of 160 tph of pozzolana cement to set up in a 6000 tpd greenfield cement production facility of Al Mafrag Cement Company in Jordan. A raw mill and a roller mill for grinding coal/petcoke had been supplied for this cement production line before.

Establishing "Falcon Cement Factory" in Jordan

The Jordanian Mining and Investment Co. announced that it signed an agreement with TREST SPESTROY and ARGOTM in Moscow, to establish a Cement factory in the Kingdom to be located in Al-Qatranah, with an estimated cost of \$ 400 million and a production capacity of 6600 tons per day. Work on the project is expected to begin during the final quarter of 2010.

Source: www.ibfm.jo

MOROCCO

A New Cement Plant for Ciments du Maroc

Moroccan cement producer *Ciments du Maroc* signed a 2 billion dirham (US\$274 million) loan agreement with five banks to help finance a new factory due to start production in March 2009, the company said.

The new 3.5 billion dirham plant near Agadir in southern Morocco, with annual capacity of 2.2 Mt of cement and 1.6 Mta of clinker, will help the company compete with local rivals Lafarge Ciments and Holcim.

All three are investing heavily to meet surging demand for cement in Morocco due to ambitious transport infrastructure and housing projects and a multitude in tourism developments.

The loan agreement was signed in July 2008 with Attijariwafabank, BMCE Bank, BMCI, Credit du Maroc and Societe Generale, Ciments du Maroc.

"The start-up of the crushing unit and output of cement is foreseen in March 2009, while production of clinker should begin in Sept. 2009," it said, confirming a timeline given in April.

Morocco's cement market has grown at 8 percent a year since the start of the decade and Ciments du Maroc, a unit of Italcementi, has struggled to keep output growing as fast as demand.

The company has been forced to buy in clinker from competitors to assure supply, denting profitability. Margins have shrunk further as the cost of energy grew.

Source: www.reuters.com

OMAN

Oman Cement Expansions

Works started in *Oman Cement Company's* 2nd Expansion Project to install a new production line of a rated capacity of 4,000tpd clinker with China National Building Materials Equipment Corporation Ltd., China (CNBMEC). The duration for construction and erection of the project is 25 months as per the contract and the project is expected to be completed in 4th Quarter of 2009.

SAUDI ARABIA

Completion of NRCC Project

The *Northern Region Cement Company* (NRCC) completed its cement plant project. The complete power generation plant equipment was installed and trial commissioning of generators started at the end of 2007. Moreover, raw materials crushers and materials storages were installed, in addition to raw mill and its related accessories; trial commissioning of equipment started individually then collectively. It is worth mentioning that works started in the limestone and clay quarries as of 1st October 2007 after receipt of most mining equipment, and building of limestone and clay warehouses continued to commission the plant. On the other hand, installation of firing unit equipment was completed, including main kiln, heat exchanger, cooler and

related transport systems. The production line was commissioned as of beginning of 2008, starting from crushing till burning phase, with clinker production starting as planned.

As for cement mill and its accessories, as well as bagged and bulk cement packing, it is planned to be completed in 2008, with cement production to start in the second half of 2008; cement deliveries and sales will be made gradually.

UAE

Cement Plants in RAK to build a Power Generation Plant

Cement plants in Ras Al Khaimah Emirate, UAE, are working on the joint vital project of building a power generation plant to be used by the four cement factories in the Emirate within the industrial zone of Khor Khwair. The project will take around two years to be completed, and it aims at compensating the lack and shortage of power that is having negative effects on all sectors, including the industrial one. Total cost of this project is estimated at more than AED 700 million. According to preliminary studies of the project, the power plant is envisaged to produce 200MW per hour.

Binani Plans to Double Capacity in China and Dubai

Binani Cement Ltd plans to raise \$90 million to double its manufacturing capacities in China and Dubai by 2010. At present, both units have 1 Mta per annum of manufacturing capacity. The Company is also seriously looking at setting up grinding units in Africa.

YEMEN

National Cement Company to Start Production By 2008

The *National Cement Company*, which belongs to HSA Group, has announced that it would begin production by the year 2008. Technical and construction preparations for the NCC are taking place in Al-Msimer region in Lahij Governorate.

More than 95% of the excavation work, 59% of the concrete construction of the project, and 18% of manufacturing for the metal construction is done. It is expected that all preparations will be completed by 2008.

The facility is estimated at a cost of US\$200 million and has a production capacity of 1.6Mta. More than 2,000 workers from various construction and technical teams are working on this project. It is expected that the company will provide more than 500 official job vacancies at the time of the actual production.

ARAB MARKETS

Arab Companies Sales in 2007

ALGERIA

With the exception of Orascom, Algerian cement companies' sales in local market were 11.7Mt of cement.

BAHRAIN

Spain to Provide 300,000t of Cement Over 6 Month Period

Bahrain National Cement Company has signed a six-month renewable contract with a Spanish firm to import 300,000t of cement soon to help overcome a crunch facing the construction sector. A credit line has already been secured to ensure transaction financing.

EGYPT

Total deliveries of cement companies in Egypt were 34.5Mt, and exports registered 4.2Mt of cement.

Alexandria Co. for Refractories sold 69,513t (LE90 million), up at 110% in terms of quantity and 118% in terms of value as compared to previous year. The Company was able to achieve its export target and exported 25,588t (LE22.4 million) to Arab and European markets, with exports representing 37% of total sales.

Total sales by *Misr Cement Co. (Qena)* registered 1.784Mt in 2007, as compared to 1.709Mt in 2006, up at 3.4% of sales quantity and 14.5% of sales value. The Company sold 1,119,278t in local market during 2007, compared to 1,117,853t in 2006, up at 7.3%.

On the other hand, total exports of clinker were 584,803t in 2007, compared to 91,196t in 2006. as for total exports value during 2007, there reached LE209,790.721, as compared to LE 200,299.572 in 2006, up at 4.7%.

Cemex is to appeal against the fine imposed upon it

Cemex is to appeal against the fine imposed upon it by Cairo commercial courts for alleged anti-competition activities. Cemex executives have called the accusations unfounded. It should be noted that the fine has only been communicated verbally and not officially as yet. The Egyptian branch of the multinational has been hit with a fine of US\$1.9m whilst another eight cement firms have also been fined.

National Cement Company sold 2.4Mt of bagged cement in the local market and exported 389,000t.

Suez Cement to donate 50,000t to housing project

Suez Cement has signed a Memorandum of Understanding with the Ministry of Housing. The Memorandum, which forms part of Suez Cement's social

responsibility policy, states that the company will donate 50,000 t of cement to the National Project for Housing, and will sell a further 150, 000 t at ex-work price.

IRAQ

The three Iraqi cement companies (*Iraqi Cement State Company, Northern Cement State Company, and Southern Cement State Company*) sold 2.9Mt of cement.

Iraqi Cement State Company sold 758,000t of OPC in the local market.

Northern Cement State Company sold 841,400t of OPC in the local market.

LEBANON

Cement Deliveries up by 7.7% In First Half of 2008

Figures released by the central bank of Lebanon show that cement deliveries, a coincident indicator of construction activity, increased by 7.7 percent over the first half of 2008 as compared to the same half of 2007, on account of increased construction activity to meet the rise in real-estate demand prevailing during the covered period. Cement deliveries totaled 1,976,353 tons in the half-year period extending between January and June 2008, up from 1,834,411 in the same period of 2007.

OMAN

Oman Cement Company sold 1.878Mt of cement during 2007 as compared to 1.909Mt sold in 2006, down at 1.62%. Sales value was OR49.933 million in 2007, as compared to OR 49.449 million in 2006, with selling price rate improving at 2.6% compared to 2006 prices. The Company's share of OWC sales increased and included Middle East and North Africa.

SAUDI ARABIA

During 2007, local sales by *Southern Province Cement Company* (SPCC) registered 4.260Mt of cement, and the Company exported 400,755t of cement. Thus total sales in 2007 reached 4,659,957t of cement as compared to a total of 4,681,340t of cement sold during 2006, of which 4,279,635t were sold locally; i.e., the increase was 3% on 2006.

Clinker exports were stopped during 2007 to cover local consumption and clinker sales in local market registered 74,717t.

Total sales by *Tabuk Cement Company* reached 1,362,132t in 2007 as compared to 1,627,844t in 2006, down at 265,712t or 16.3%, with a view to maintain clinker stocks.

Yamama Saudi Cement Co. Ltd.

The demand for cement in Saudi Arabia continued to be sound during the year 2007 with exceptions of some periods. Quantities sold of both types of cement reached 4,627.532 tons in 2007 compared to 3,849.911 tons for the previous year, with an increase of 20.2%. It is worth mentioning that consumption of cement in the Kingdom reached 26.823Mt in 2007 compared to 24.741 million tons in 2006, with an increase of 8.4%.

SYRIA

Local sales of cement companies in Syria reached 4.8Mt of cement. *General Foreign Trade Organization* imported 100,000t of OPC and 25,000t of white cement.

TUNISIA

Local cement consumption in Tunisia was 6.2Mt, of which 150,000t were white cement. The country exported 1.1Mt of cement, 174,000t of which were white cement.

Société des Ciments de Gabes (SCG) sold 1.02Mt of cement in local market and exported 142,000t.

UAE

Cement May Flow into the UAE Markets as Global Demand Slows

UAE Cement producers' profits could be hit as foreign suppliers are flooding the market due to slowing sales elsewhere. As demand for cement across the world slows, the Middle East is seen by international manufacturers as a good market for surplus supplies.

Local producers already face stiff competition from importers because of the UAE's policy of waiving customs duty on cement imports. But the global downturn will put more pressure on domestic producers, who are only just recovering profits after they took a battering because of high fuel costs earlier this year.

Total Sales in UAE

During 2007, total production by cement companies in United Arab Emirates reached 24.75Mt of cement and 18.2Mt of clinker. One report anticipated that the construction sector in the country would achieve an annual growth rate of 15.8% during the next five years, and will raise demand on cement in the country, and consequently GDP will grow at 19.3% in 2008 to reach AED 834.8 billion, and 17.2% in 2009 to AED 11.1 trillion.

During 2007, volumes of *Union Cement Company* sales were 1,674.816 metric tons of cement and 969,679 metric tons of clinker.

Arab Companies Production in 2007

ALGERIA

With the exception of Orascom, Algerian cement companies' total production was 9.5Mt of clinker and 11.6Mt of cement, knowing that total design capacity of these companies is 11.5Mta.

Groupe Industriel des Ciments et Dérivés Est (ERCE) produced 3.3Mt of clinker and 4Mt of cement.

EGYPT

Total production of cement companies in Egypt was 36.6Mt of clinker and 38.5Mt of grey cement.

National Cement Company produced 2.8Mt of clinker and 3Mt of cement.

Misr Cement (Qena) produced around 1.661Mt of clinker during 2007, as compared to 1.567Mt during 2006, up at 23% on its target of 1.35Mt and up at 6% on previous year. As for cement, the Company produced 1.779Mt in 2007, as against 1.696Mt produced in 2006, up at 27% on the targeted 1.4Mt and increasing at 5% on previous year.

IRAQ

The three Iraqi cement companies (*Iraqi Cement State Company, Northern Cement State Company, and Southern Cement State Company*) produced 1.1Mt of clinker and 1.4Mt of cement.

JORDAN

Arab Company for White Cement Industry produced 114,183t, up at 0.4% on 2006 figure. The Company produced 116,319t of white cement during 2007.

LIBYA

Libya is to double cement output to 15 million tons by 2011 from 8 million.

According to the National Mining Corporation, Libya has awarded licenses to four foreign companies out of 24 applicants to set up cement related operations to exploit natural resources including iron ore, lime and clay.

The source mentioned that these natural resource sites are offered for exploitation by investors via tenders on the same way as Libya does with oil and gas and the currently the priority is to develop the cement industry. It is worth mentioning that the National Mining Corporation fixed the minimum share of the Libyan side in the partnership operation at 50%.

Source: www.business.africanpath.com

MOROCCO

Capacities of cement companies in Morocco during 2007 were as follow:

Lafarge: 5.8Mt
Ciments du Maroc: 4.1Mt
Holcim (Maroc): 5.0Mt
Asment de Temara: 1.3Mt

The capacity of projects under construction are expected to reach 5.8Mta.

OMAN

Oman Cement Company

During 2007, Oman Cement Company produced 1.154Mt of clinker as against 1.260Mt produced during the corresponding period of 2006. This represents 96.17% capacity utilization. The reduction in clinker production against installed capacity was due to the cyclone. Also the Company imported 531,530t of clinker during the year to meet the demand as against 379,809t during the previous year.

In 2007, the Company produced 1.865Mt as against 1.798Mt produced during the previous year 2006, which is 3.73% higher. During the year 2007, there was no procurement of cement as against 108,716 procured during the previous year.

SAUDI ARABIA

Arabian Cement Company produced a total of 2.6Mt of clinker and 2.8Mt of cement. It is worth mentioning that ACC's design capacity is 2.4Mt of clinker.

Tabuk Cement Company produced 1,258,094t of clinker against 1,237,796t in 2006, increasing at 20,298t or 1.6%. Cement production registered 1,360,664t as compared to 1,633,044t during 2006, down at 272,380t or 16.7%. The decrease is due to the intention of TCC to form a strategic stock of clinker, as TCC owns only one production line, and there was not enough stock of clinker in the beginning of 2007.

Yamama Saudi Cement Co. Ltd.

The new production line has entered the operation phases at long intervals during 2007 and has led to a rise in production of clinker to reach 4,273.545tpa as compared to 2,835.973t for the previous year, with an increase of 51%. All kilns operated with full capacities throughout the year, and cement production reached 4,653.979t in 2007 compared to 3,847.505 tons in 2006, with an increase of about 21%.

SUDAN

Cement companies in Sudan produced 323,000t of clinker and 322,000t of cement.

SYRIA

Total production of cement companies in Syria was 4.4Mt of clinker and 4.8Mt of cement.

TUNISIA

Total production by cement companies in Tunisia reached 6.6Mt of clinker and 7.5Mt of cement. As for white cement, the country produced 300,000t of clinker and 327,000t of white cement.

Ciments Jbel-Oust produced 1.1Mt of clinker and 1.4Mt of cement.

Société les Ciments Artificiels Tunisiens produced 852,000t of clinker and 962,000t of cement.

Société des Ciments de Gabes produced 1Mt of clinker and 1.1Mt of cement

UAE

Union Cement Company

Union Cement Company produced 2,629,832 metric tons of clinker and 1,687,146 metric tons of cement.

Results of Arab Cement Companies

UAE

UCC Achieves Higher Profits

A local study expected *Union Cement Company* to achieve revenues of AED 1.068 billion and profits of AED 348.5 million in 2008, up at AED 316 million on 2007. The study indicated that investments constituted 39.4% of the Company assets during 1Q08.

GCC's Profits

Gulf Cement Company expects to achieve revenues of AED 955.5 million, at a growth rate of 16%, knowing that net profit during 1Q08 was AED 533.4 million. The Company's income is expected to increase to AED 350.3 million in 2008, and net profits to AED 75 million. Investment income is expected to reach AED 4.9 million and to increase to AED 10.3 million in 2009.

Net profit reached AED 414 million in 2007 as compared to AED 110 million in 2006. The Company's investments achieved a wide leap during 2007, with gains estimated at AED 193 million.

Cement Price increase in UAE

Cement prices in the UAE increased to AED 330 per ton of bulk cement and AED 22 for one 50kg bag. The prices committee defined the price of imported grey cement at AED 290 per ton in bulk and AED 17 per 50kg bag of cement.

Arab Acquisitions

ESDF, Asamer Form Joint Venture to Develop Libyan Cement Industry

As part of Libya's efforts to meet the ever increasing demand for cement, the Economic Social Development Fund (ESDF) and Asamer Group, an Austrian building company, have joined forces and established in October 2007 the Libyan Cement manufacturing joint venture company (JLCC).

JLCC has since successfully purchased Cement plants in eastern Libya and has embarked on a huge refurbishment, modernization and upgrading program that is expected to increase of production without ignoring protecting the environment, a press release by the company said.

Asamer Group said its aim was to pursue, with a Libyan partnership, a sustainable strategy within LCC (Libyan Cement Company) based on upgrading, modernizing and investing in cement plants. This strategy objectives include the increase of cement output, overcome current cement shortage, and guarantee sufficient cement supply at reasonable prices in the near future.

Eventually JLCC purchased 90% of the shares of the Libyan Cement Company (LCC) in February 2008, 10% of the shares remain with the employees of LCC," the company's statement explained.

According to the joint venture agreement, Asamer Group has the management power to upgrade and develop the cement industry owned by LCC in the eastern part of Libya.

LCC owns and operates three plants in Benghazi (0.8Mta of OPC), Hawari (1Mta of SRC) and El Fatayah (1Mta of OPC) with each plant operating two production lines for a total of six. All plants are located in the eastern part of Libya and supply the local market, the statement said.

Currently, the individual production lines do not utilize the full capacity and suffer from high dust emissions. The new owner is primarily working on environmental improvements and on developing the plant's operations.

All units urgently require an upgrade and several machines need to be replaced.

The new owner is planning to invest 72 million euros in the first phase of modernization, mainly focusing on the environmental improvements as well as machine substitutions in order to reach the production of 3Mta by 2009.

Due to the growing demand for cement in Libya which is caused by a tremendous infrastructure program, Asamer decided to start new cement line projects in course with the joint venture company program to double the production capacity by 2012.

This should be achieved by the implementation of a new production line with the capacity of an additional 3Mta of cement.

Source: www.tripolipost.com

BUILDING MATERIALS

Results of Arab Companies

During 2007, *Alexandria Co. for Refractories* of Egypt produced 71,866t of its various products, worth LE92.8 million, up at 113% in terms of quantity and at 123% in terms of value, as compared to previous year gains.

Environment and Safety

According to its annual report, *Yamama Cement Company* ascertains and on regular basis, the perfect functioning and efficiency of filters in the factory. The Company also reviews the periodic reports submitted by the technical committee of the factory which guarantee regular and safe performances of filters in all premises of the factory according to the rates determined by General Presidency of Meteorology and Environment Protection in Saudi Arabia.