

GLOBAL CEMENT to 2020

Country-by-Country Forecasts of Cement Supply & Demand

The world cement industry is a complex structure of local, national, regional and global markets and cement/clinker movements. The structure is ever changing, being closely tied to changes in a range of variables – including macro-economic growth, housing sector booms, public spending levels, trade protectionism, and transportation costs.

With a relatively small number of multinational companies dominating cement capacity in many markets throughout the world, the cement sector has become even more globalised in recent years. With increasing multinational presence in growing Chinese, Indian, Middle East and Latin American markets, the structure of world trade in cement and clinker continues to be dynamic, with the dramatic changes in shipping costs adding a further layer of complexity to trading patterns.

The next 15 years are set to witness further extensive change in cement supply/demand patterns, as different regions/countries enjoy very different development profiles. This Report examines the current and historical development of cement supply/demand country-by-country throughout the world, and analyses the potential levels of cement supply & demand in those countries throughout the period to 2020.

This Report represents the latest in a series of OSC in-depth Reports on the international cement industry published since the mid-1980s. The detail and range of forecasts in the new Report are even greater than those in the previous publications, and represent the most up-to-date and comprehensive set of forecasts available on the International cement sector.

The Report includes extensive analysis and forecast for individual countries/regions on:-

- Cement consumption
- Cement production
- Cement & clinker imports
- Cement & clinker exports

This Report provides invaluable independent analyses on the development of cement activity throughout the world in the period to 2020 - a period set to witness further large-scale changes. It represents the most up-to-date and comprehensive examination of cement industry prospects, and is essential reading for all parties with an interest in this sector.

CONTENTS

SECTION 1 INTRODUCTION & EXECUTIVE SUMMARY

Includes an overview of the Report's aims, as well as a summary of the methodology underlying the analyses.

This Section also includes a summary of the most significant points and conclusions drawn from the main body of the Report. They are presented in the order of the corresponding Sections for ease of reference.

SECTION 2 OVERVIEW : WORLD CEMENT 1970-2005

This Section provides detailed analysis of the key developments in world cement supply & demand over the past 35 years, with most emphasis on the recent years of extensive cement industry development. Attention is focussed on regional and global cement production, consumption, imports and exports.

SECTION 3 EUROPE

This Section includes full discussion and analysis of cement industry developments in recent years on a country-by-country basis. The Section is sub-divided into:

- 3.1 The European Union (current 15 members)
- 3.2 Other Europe

Europe includes a wide range of market types – from the mature industries of Western Europe to the rapidly changing cement sectors of former Eastern bloc countries and FSU States. Each cement market is unique and subject to different factors, with a wide range of prospects for future sector expansion. For each market in turn, this Section examines recent developments and presents detailed forecasts for cement supply and demand throughout the period to 2020.

A set of alternative forward scenarios (including Low/High Cases) is applied to each market, detailing the expected level of cement supply and demand in each case.

SECTION 4 THE AMERICAS

The US cement market has been the world's leading destination for cement & clinker exports in recent years, as cement consumption levels have far exceeded domestic capacity. Expansion of the latter in conjunction with a slowdown in demand growth saw the import level fall in recent years, but there is now a resurgence in import levels as demand continues to expand – this Section examines what has happened in recent years, and presents detailed forecasts on future cement supply & demand in the US market throughout the period to 2020. Forward development under alternative scenarios is also analysed. This applies to all markets in North, Central and South America, including a number of rapidly developing centres of cement consumption.

- 4.1 North America
- 4.2 Central & South America.

SECTION 5 AFRICA & THE MIDDLE EAST

Africa includes a wide range of markets – from the total clinker import dependency of some West African countries to the recently emerged large-scale exporter status of Egypt (a previous large import market). Each principal source of cement demand or supply is examined in detail, with market forecasts for each country through to 2020.

The structure of the cement sector in the Middle East has undergone extensive change in recent years, as the commencement of new capacity has radically altered regional cement supply/demand levels. At the same time, the massive disruption associated with conflicts in the region has included marked volatility in annual cement production and consumption volumes, funding a highly dynamic market profile. The prospects for cement supply and demand throughout the region are examined, and detailed forecasts presented.

As with the other Sections, a set of alternative forward scenarios is developed for each market, detailing the expected level of cement supply/demand in each case.

- 5.1 Africa
- 5.2 Middle East

SECTION 6 EAST ASIA

The East Asia region plays a leading role in world cement supply/demand, with China alone currently responsible for over 35% of world production. The Chinese cement industry is developing rapidly, with important implications for other Asian and Western markets. Japanese cement activity has contracted in recent years, although the country still plays a key role in world trade. Other East Asian countries also play a significant part in the world cement profile, and detailed projections are presented and discussed for each in turn, again incorporating alternative forward scenarios.

SECTION 7 OTHER ASIA & OCEANIA

India has recently emerged as a significant regional exporter and has massive potential for domestic demand expansion. The prospects for future growth are examined and forecasts presented, as too for all countries in the south-west Asia region.

In south-east Asia, the late-1990s dramatic cement demand contraction resulted in large volumes of cement and clinker available for export, and essentially redefined the pattern of world trade. Recent years have seen varying success in terms of market recovery and in terms of export availability for individual countries – the prospects for each country are examined.

The construction sector of Australia has enjoyed considerable growth in recent years – the prospects for the future are examined, as for the other countries in the Oceania region.

For each country in turn, detailed forecasts of future cement supply and demand are presented for throughout the study period, with the use of a set of alternative scenarios providing a Low/High range for future development.

- 7.1 South-West Asia
- 7.2 South-East Asia
- 7.3 Oceania

SECTION 8 WORLD CEMENT SUPPLY/DEMAND TO 2020

This Section examines the implications of the expected national forward development of national cement supply and demand for regional and global cement activity, throughout the period to 2020. This includes analysis and discussion on the implications of the alternative scenarios.

These discussions help to place the individual country forecasts into a wider regional and global perspective.

