PPI Industry Data
Original Data Value

Series Id: PCU3274103274100
Series Title: PPI industry data for Lime manufacturing-Lime, not
Industry: Lime manufacturing
Product: Lime
Base Date: 200412
Years: 2014 to 2024

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2014	176.7	178.4	178.2	178.4	178.0	178.1	178.2	178.4	178.4	179.1	179.1	178.6
2015	181.4	181.5	181.1	182.0	181.7	181.9	181.9	181.9	181.4	181.6	181.4	181.5
2016	182.5	178.2	178.6	180.1	179.3	179.1	179.1	178.8	179.2	179.2	179.0	179.0
2017	180.8	181.2	181.6	181.6	181.6	181.6	181.8	182.1	182.3	182.0	181.9	181.7
2018	187.8	187.7	188.0	187.7	186.5	185.3	188.5	186.0	186.6	186.3	184.9	187.6
2019	192.9	195.2	193.8	194.5	194.0	196.3	196.9	195.1	195.6	198.2	196.5	197.4
2020	202.4	201.9	201.9	201.9	201.8	201.7	201.8	201.8	201.9	201.9	202.1	202.2
2021	206.3	206.3	206.4	206.4	206.8	206.8	207.018	207.102	207.209	207.209	207.209	207.254
2022	219.442	222.197	223.601	225.197	232.219	233.811	259.932	260.065	261.006	266.999	268.963	269.089
2023	306.236	307.470	308.362	308.811	312.117	312.129	311.754	313.192	314.530	314.503	314.708	314.697
2024	338.420											

PPI Commodity Data
Original Data Value

Series Id: WPU13210120
Not Seasonally Adjusted
Series Title: PPI Commodity data for Nonmetallic mineral products-
Group: Nonmetallic mineral products
Item: Construction sand and gravel (run of pit/bank, washed,
Base Date: 201112
Years: 2014 to 2024

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2014	107.8	108.3	108.3	109.2	109.6	110.2	110.2	110.1	110.5	110.9	111.0	110.9
2015	113.0	113.7	113.6	114.8	115.6	115.6	115.8	116.0	116.4	116.4	116.1	116.3
2016	117.3	117.7	117.8	119.7	120.5	120.6	120.8	121.0	121.5	121.5	121.5	121.4
2017	123.5	123.8	123.9	124.2	125.2	125.5	125.5	125.7	125.8	126.0	125.8	125.6
2018	127.7	128.3	128.5	130.3	130.9	130.8	130.8	130.8	130.9	133.1	133.0	133.1
2019	134.7	134.9	134.6	135.2	136.5	139.5	139.6	139.5	139.5	139.7	139.8	139.2
2020	140.0	141.4	141.8	144.4	144.9	145.4	145.4	145.9	145.8	145.9	146.0	146.3
2021	146.9	147.2	147.6	148.3	148.9	149.3	149.272	150.098	150.717	151.279	151.437	151.309
2022	153.725	153.675	156.346	157.893	159.567	160.365	163.049	163.127	162.951	163.258	163.261	163.030
2023	167.742	169.024	168.266	170.320	171.708	171.247	171.479	172.782	172.873	172.692	172.909	172.952
2024	179.474											

PPI Industry Data
Original Data Value

Series Id: PCU327310327310
Series Title: PPI industry data for Cement manufacturing, not
Industry: Cement manufacturing
Product: Cement manufacturing
Base Date: 198206
Years: 2014 to 2024

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2014	200.8	199.2	199.3	207.0	207.1	207.0	207.0	207.8	208.8	210.5	210.3	210.0
2015	217.3	217.7	217.3	225.0	224.4	223.7	223.9	224.8	224.1	224.3	223.8	224.1
2016	231.5	229.3	229.6	233.4	233.2	233.7	235.4	235.1	234.9	234.7	234.9	233.9
2017	238.9	239.4	239.3	245.3	245.5	245.4	245.6	245.6	244.7	243.8	243.4	243.3
2018	246.8	246.6	246.5	248.1	249.2	251.0	250.3	249.6	249.7	250.3	249.9	249.9
2019	252.7	252.1	251.2	255.6	258.1	257.7	255.5	255.4	255.5	255.4	255.1	255.0
2020	254.2	253.9	253.9	257.2	256.2	258.4	259.7	259.6	259.8	259.7	259.5	259.6
2021	260.7	261.3	261.2	268.0	268.2	268.4	269.453	271.193	271.694	271.977	270.722	271.163
2022	280.267	281.955	281.915	287.439	287.567	288.522	296.731	299.595	301.550	306.085	307.269	307.445
2023	322.376	326.256	326.838	327.097	329.026	328.781	331.468	332.276	333.513	334.683	334.341	334.627
2024	348.537											

PPI Commodity Data
Original Data Value

Series Id: WPS1321
Seasonally Adjusted
Series Title: PPI Commodity data for Nonmetallic mineral products-
Group: Nonmetallic mineral products
Item: Construction sand, gravel, and crushed stone
Base Date: 198200
Years: 2014 to 2024

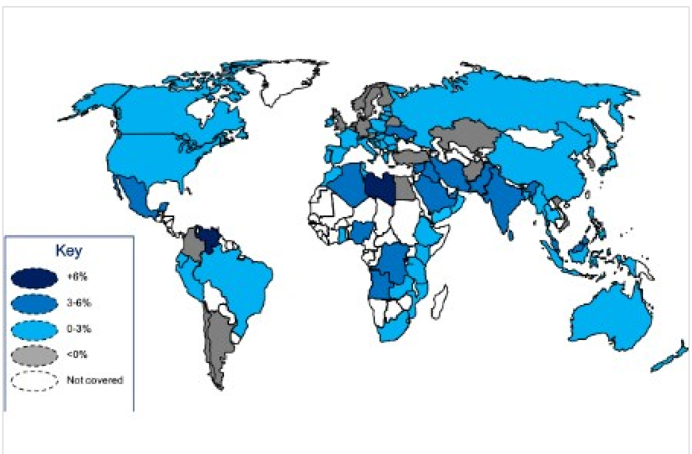
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2014	284.9	286.2	285.8	287.1	288.2	289.4	289.5	289.9	290.9	292.2	293.5	293.5
2015	294.6	295.3	296.6	297.2	297.8	298.2	299.7	301.2	303.2	303.8	304.0	307.3
2016	308.4	309.2	310.2	311.0	313.1	313.0	314.1	315.3	313.7	314.0	314.7	314.7
2017	318.8	319.0	319.6	320.5	321.5	322.6	323.4	325.1	326.5	326.8	327.0	328.3
2018	328.1	330.0	330.8	332.0	332.3	334.0	334.9	335.3	336.8	339.9	341.4	341.2
2019	343.3	342.5	343.0	345.1	345.9	348.8	351.2	349.4	351.3	352.9	353.8	356.0
2020	358.2	359.6	361.1	362.1	362.7	363.2	364.5	365.8	366.9	366.8	369.5	371.5
2021	371.1	372.6	374.4	373.5	377.3	377.8	379.667	380.811	382.519	383.510	386.266	386.327
2022	397.009	400.368	403.655	406.620	409.056	418.792	422.671	425.216	427.606	429.333	430.365	432.748
2023	448.605	451.739	451.971	452.882	454.632	456.894	456.111	460.721	462.789	464.957	467.060	469.348
2024	484.805											

Home (/) / Africa & The Middle East (../../) / 11 Jan 24 (../) / Cement 2024 – stagflation

Cement 2024 – stagflation

Published by Evie Gardner (/team/evie-gardner/), Editorial Assistant
Save to read list
World Cement (https://www.worldcement.com), Thursday, 11 January 2024 09:23

Imran Akram, IA Cement, provides a summary of the Cement 2024 research report, which details expected trends, risks, and trade flows for the cement industry in 2024.



IA Cement in London has published its Cement 2024 research report, a comprehensive document looking at expected trends in 2024. The report takes a detailed outlook at consumption prospects around the world, as well as a review of key risks, competitive pressures and trading flows. It examines the world's leading producers, and analyses the key topics of carbon emissions and the effect of high interest rates on cement consumption. This article presents a summary from the report, analysing 2024 demand prospects by region.

Global cement consumption has been lacklustre ever since the pandemic. A series of unfortunate events have impacted demand – lockdowns, the Russia-Ukraine conflict and a surge in global inflation. Demand is expected to drop slightly in 2023 with only India and the Middle East showing notable growth. Cement prices have broadly caught up with cost pressures, yielding a recovery in profit margins.

In 2024, a mild recovery is predicted in global cement consumption, in the range of 1 – 2%. GDP is depicted by the IMF as 'limping along'. Interest rates appear to have peaked, but are expected to come down only gradually due to sticky inflation. This has substantially raised the cost of financing new construction projects. Pandemic savings have mostly been exhausted, and mature market nations carry very high debt. Cement demand in Western Europe is lacklustre. US consumption is underpinned by its infrastructure bill. Demand in emerging markets is very mixed. China is expected to stabilise, although real estate is still declining. Recovery in Africa and Asia is predicted to be uneven. India is likely to experience a slowdown post-election.

Seaborne trading markets struggled in 2023, impacted by weak demand and falling export prices. Lower production costs and falling freight rates make exports increasingly viable. Import demand in 2024 is projected to pick up only gradually however, hampering a trade recovery. Exports from Türkiye are a key swing factor, as the diversion of exports to the domestic market in 2023 may reverse out.

Western Europe – the interest rate squeeze

The region faces a third year of falling cement demand in 2024, although the rate of decline is expected to moderate significantly. Interest rates are increasingly squeezing the economy, EU recovery funds are proving complex to administer, and most countries carry very high national debt ratios following the pandemic.

At the country level, Germany is by far the worst-affected major market. A further significant decline is forecast for 2024 cement demand. Housing is in freefall, construction companies are going bankrupt, and public works face cutbacks after a recent court ruling on government spending. The UK is expected to decline due to major cutbacks in housing construction. Other key markets – France, Italy and Spain – are expected to see a small increase in demand. Nordic countries endured a very difficult year in 2023, and a further deterioration is expected next year.

Eastern Europe – bottoming out

Central Europe has been hit hard by rising inflation, which pushed interest rates towards the mid-teens. This led to a severe decline in housing markets in the likes of Poland, Czech Republic and Hungary. A bottoming out process is underway, and a slight growth in cement demand is predicted in 2024. The European Union has withheld billions of Euros in funding from Poland and Hungary. Any release of cash could boost the level of public works. In the warzone itself, cement consumption has increased in both Ukraine and Russia. Further modest growth is projected in 2024, even in the absence of conflict resolution.

US – supported by public works

The US is firing on multiple cylinders. Record public expenditure, heavy investment in nearshoring, and consumers spending their pandemic savings have all helped to underpin economic activity. The housing market has defied expectations of downturn, maintaining an unusual balance. Lower demand due to high rates and home prices has been matched by a sharp reduction in the supply of homes, as existing owners stay put in order to retain their low-cost mortgages. Demand for cement is forecast to rise in 2024 at a 2 – 3% rate. A challenging housing market is expected to be offset as volumes from the US$1.5 trillion infrastructure bill ramp up, with spending peaking in the period 2024 – 2026.

Latin America – mixed picture

The cement demand outlook in Latin America is mixed. Overall, IA Cement expect a modest increase in 2024 cement demand, as growth in Mexico and Brazil is offset by a decline in Argentina. The Milei election win brings significant economic uncertainty to Argentina, which is expected to result in a sharp drop in cement demand. Growth in Colombia has suffered a setback, as surging inflation has sent interest rates up to over 13%. Brazil has turned an economic corner, with cooling inflation paving the way for interest rate cuts. Cement demand is expected to increase 2 – 3% in 2024, driven by rising public works and social housing. Mexico is a major beneficiary of nearshoring, which has led to an investment boom. Long-delayed public works have picked up ahead of elections in June 2024, helping to offset a subdued housing market.

Middle East – solid GCC fundamentals

Demand growth is expected to slow to 2 – 3% in 2024, although forecasts in major markets Türkiye and Saudi carry a high degree of uncertainty. GCC countries are expanding their non-oil economies, while low inflation due to the dollar peg is attracting foreign investment. The UAE property market is booming, bringing a return of large development projects and off-plan sales to both Dubai and Abu Dhabi. The Saudi market has been very weak in 2023 due to a decline in housing. A rebound is projected for 2024, but this is likely to be H2-weighted as mega projects such as Neom get underway. Iraq is expected to post strong growth due to a surge in the public budget. In Türkiye the market is expected to decline, as a major reset in interest rates offsets reconstruction from the February 2023 earthquakes.

Africa – recovery underway

Several major cement markets experienced falling demand in 2023, as high inflation led to increased interest rates and elevated cement prices. A modest recovery is projected in 2024 with demand increasing in the range of 1.5 – 2%. A further decline is expected in Egypt due to economic weakness, with producers looking to increase exports as a result. The Algerian market is in a strong recovery mode, boosted by government plans for housing, urban development and public works. In South Africa the crippling power shortages are set to ease, with many companies investing in captive power. This is expected to underpin a demand recovery, although political uncertainty and constrained government finances are significant headwinds. Kenya and Nigeria both faced a difficult year in 2023, with a moderate recovery projected in 2024. Demand could accelerate in Nigeria if talk of a cement price war translates into reality.

China – relatively stable

The pace of decline in the Chinese cement market has moderated during 2023, as rising public works have been offset by ongoing weakness in the real estate segment. Cement prices have fallen significantly however, reducing profit margins to below the industry average. Imports have almost completely dried up. Looking forward, IA Cement anticipates a stable rate of cement consumption in 2024. Public works spending is expected to increase, although a large-scale stimulus is not on the agenda. Real estate has not yet bottomed out, with unit sales and prices still under pressure. There are also concerns that cement is losing market share as the Chinese construction industry becomes more developed.

India – solid conditions

The cement market in India has been one of the very few globally to experience red-hot demand in 2023. The key catalysts have been pre-election spending ahead of Q2 2024 elections, a recovery in urban real estate and a slow monsoon which allowed for more working days. These drivers will make for tougher comparisons in 2024 – public works are likely to slow after the elections and rural demand may stagnate. Urban housing is projected to remain robust however, pointing to an overall cement demand increase of 5 – 6%. Ambitious industry expansion plans suggest the supply-demand balance is unlikely to improve.

Asia – a slow recovery

Regional cement demand has proven disappointing in 2023, with consumption falling sharply in several markets. Slow disbursement of public works and high interest rates have resulted in cement demand growth significantly underperforming GDP. A tepid rebound is forecast in 2024, with cement demand increasing by only 1%. The Philippines market is poised to recover as public works offset sluggish private demand. Growth in Indonesia is expected to be modest due to the election cycle and lacklustre housing. Cement producers in Vietnam have endured a very difficult year in 2023, with rising interest rates and scandals crushing the housing market at the same time as clinker exports to China dried up. Given the pace of decline, it seems likely that the first half of 2024 will remain challenging with stimulus measures potentially bringing stability in H2. In Thailand, public works have supported cement demand despite months of political uncertainty, and are expected to be the main driver of modest demand growth in 2024. Japan is predicted to be relatively stable as urban redevelopment and spending ahead of the Osaka Expo are offset by labour shortages and high raw material costs. Prospects in Malaysia are bright as all segments of demand have returned to growth. In South Asia, Sri Lanka has emerged from its economic crisis and demand has stabilised at a low level. Recovery in Bangladesh has recently been derailed by industrial unrest, which has upended the transportation sector for weeks. Pakistan has seen cement shipments recover on the back of economic stabilisation, although political uncertainty remains high.

Conclusions

After two years of decline, the industry can look to a mild recovery in 2024 global cement demand. The Middle East and India stand out as relative bright spots, for the second year in succession. The interest rate cycle appears to have peaked, with a gradual easing likely in the coming months. A number of housing markets have crashed however, most notably in Germany and Vietnam. Cost pressures have abated, with profit margins generally returning to normal levels after the 2022 squeeze. Seaborne trading volumes are predicted to stabilise, as mild demand growth returns in several import markets.

Note

The full report is priced at US$650 from IA Cement.

Details are available at www.iacement.com (http://www.iacement.com/) or by emailing: publications@iacement.com

Read the article online at: https://www.worldcement.com/africa-middle-east/11012024/cement-2024-stagflation/

You might also like

(/europe-cis/12032024/day-two-of-envirotech/)

Day two of EnviroTech (/europe-cis/12032024/day-two-of-envirotech/)

Tuesday 12 March 2024 00:00

With EnviroTech's first day of presentations already over, day two promises even more fascinating presentations and opportunities to delve into how to make cement greener!