LOESCHE CEMENT MILLS NOW IN SAUDI ARABIA
Market drivers and potential in 2014
An Aumund perspective

At long last we begin to see the fledgling green chutes of recovery in some developed markets, although southern Europe remains in a delicate condition. The USA is moving forward and China remains in growth even if the numbers are less than previous years at plus 6.4% for October 2013 year on year. India also seems to be moving out of the melancholies with a more positive sentiment for the coming year based mainly on government backed infrastructure projects.

Remaining with India, the Indian government has just announced in 2013 a spend of US$1 trillion over the next five years covering all aspects of infrastructure which clearly will positively impact the demand for all cement products. Large cement companies in India have already invested in building efficient and modern cement plants in the country. Collectively, the country’s capacity stands at around 350 million tonnes with considerable regional variations in demand but in general sentiments for 2014 are positive with increasing utilisation figures across all territories. Of course in turbulent times it is necessary to wring every ounce of performance from existing plant and in this sector Aumund are very active worldwide with renovations and rebuilds of all equipment types but particularly chain and belt elevators, clinker transport and heavy plate feeders.

With a changing mix between traditional rural living and the modern urban lifestyle, extensive urbanisation is drawing people from the country into the cities placing ever more demands on new building to provide adequate and sufficient good quality accommodation along with the associated infrastructure projects to support the expansion. For the cement sector this is the ideal foundation to drive cement consumption and also production with many new lines built and existing factories extended over recent years.

Of course sustainability remains one of the prime obligations of the international cement industry and in many European countries fuel substitution rates above 85% have delivered a substantial reduction in operating costs with a corresponding reduction in the plant carbon footprint. Aumund are actively involved in the alternatives fuel market worldwide supplying feeder and elevation systems for the handling of these difficult materials. In parallel to the development of zero carbon fuels is the establishment of low carbon cements using mainly slag from steelworks and fly ash from power plant used to displace clinker for CEM II and other blended cements. This creates logistical challenges for the moving of these materials in large volumes opening new opportunities for the materials handling equipment supplier. Of course sustainability runs deeper than just alternative fuels and raw materials but also encompasses the lifetime cost and carbon imprint of the cement plant as a whole. Here we anticipate an expanding interest in equipment rebuilds and upgrades to improve performance and availability without replacing the peripheral systems and structures thus minimising the overall impact of the new works in general.

Cheap energy in general is the goal of the cement producer and the industrialist and in the USA the rapidly expanding use of shale gas from hydraulic fracturing is opening a brave new world for energy intensive industries with a glimpse of a golden era ahead. If all the known shale gas resources were fully developed production could more than quadruple over the next two decades, according to a recent study by the Harvard Kennedy School Belfer Centre. This along with oil sands and oil shale is likely to make the United States energy self-sufficient by 2020 or thereabouts with interesting political implications for the major oil producing nations.

Of course China will remain the key to the cement sector worldwide with still around half of the total world production but perhaps more interestingly a rapidly expanding interest in cement plant building worldwide but particularly in Africa and the Middle East where one of the major Chinese manufacturers in particular has enjoyed considerable success in recent years and most recently in Nigeria with important new orders for greenfield sites. An interesting, very recent, development in Europe is presently unfolding with a major Chinese contractor in the process of obtaining control of one of the long established larger German cement plant contractors; that may well generate some very interesting and far reaching changes in the industry. Of course Aumund are closely involved with many of these Chinese contractors through their office in Beijing and deliver elevators in particular to major projects and mega plants both within China and outside.

In conclusion it is clear the market, whilst in recovery mode, remains delicate and may easily be derailed at short notice if political conditions deteriorate in more volatile regions. With this backdrop the Aumund philosophy of dedicated customer focus at every level remains fundamental to the business model, as it always was...