

Jean-Marie Chandelle Chief Executive of CEMBUREAU

The View from Brussels




EU ministers highlight global impact of competitiveness of EU industry

In November 2007, EU Ministers adopted Conclusions on Competitiveness. In the context of work on an Action Plan to promote

Sustainable Production and Consumption, the proposed Strategic Energy Technology Plan and the Environmental Technologies Action Plan, Ministers asked the European Commission to specifically address the global impact on the competitiveness of EU industries, with particular emphasis on energy-intensive industries.

They acknowledged that the EU's competitiveness is closely linked to achieving a global level playing field and asked the Commission to work to ensure that EU industries subject to stringent EU rules are not penalised within the global economy as a result. They highlighted that the promotion of Global Sectoral Agreements is one tool that should be used to achieve this. The Commission is due to present an Action Plan on a Sustainable Industrial Policy in early 2008. In this context, and as a follow-up to the last Spring European Council which called for cost-efficient measures to be proposed in order to improve the competitiveness and environmental impact of energy-intensive industries, the Commission's Enterprise services commissioned a report from GHK on the 'Energy efficiency of low carbon technologies in energy intensive industries (EII) in the European Union and in the rest of the world.' CEMBUREAU has contributed data and expertise to the report which is in the process of being finalised and concludes that, for the cement industry, auctioning would increase the marginal costs so that the industry could no longer offset carbon costs with free allowances.

Even with the use of the most advanced technologies, the change in marginal costs due to auctioning would result in a significant fall in operating margins which would render cement production in Europe an unviable option. A similar report from the Commission's Economic and Financial Affairs Directorate General is expected shortly. 

Cemex UK to double use of tyres at Rugby works

UK: Cemex UK has been granted a permit for a trial by the Environment Agency (EA) to increase the use of tyres from 12% to 25% as part-replacement for coal in the cement kiln at its Rugby Works in Warwickshire. The decision comes after an extended period of record performance while using tyres, with data showing a marked reduction in emissions of oxides of nitrogen (up to 30%) when tyres are used. Cemex welcomes the EA decision, which is key to improving the company's environmental performance and will help to ensure that quality cement from the plant is provided as sustainably as possible.

In addition to the direct environmental benefits of reduced emissions, using alternative fuels like tyres has indirect sustainable benefits, such as recovering energy from what would otherwise be considered a waste material. Each year 40 million tyres are scrapped in the UK. Using alternative fuels at Rugby Works could help to minimise illegal dumping and preserve fossil fuels

for future generations.

The tyres decision follows news last month that Rugby plant has been granted permission to trial another waste-derived fuel, Clima-fuel, to replace up to 30% of the fossil fuels used at the plant. This means that when used together in the future, tyres and Clima-fuel could substitute up to 55% of kiln fuel, significantly reducing the plant's carbon footprint.

CEMEX is planning to gradually increase the use of tyres with immediate effect. Once the trial using increased volumes has been completed, Clima-fuel will be introduced in a trial which is due to commence in early 2008.



Cemex's Rugby works achieved NOx reductions of up to 30% when burning waste tyres.

FLSmidth wins orders in Poland and Russia

Poland: FLSmidth has been awarded a contract worth approximately Euro40m for machinery supplies to upgrade an existing cement production line at Grupa Ozarow's cement plant in Ozarow, Poland, some 160km south of Warsaw. The scope of supply includes an ATOX raw mill and an ATOX coal mill as well as the upgrading of the second kiln line at Ozarow to an ILC-Low-NOx kiln with two-string preheater and a multi-movable cross-bar cooler. The production capacity of the new line will be up to 7000t/day of clinker. FLSmidth's subsidiaries FLSmidth MAAG Gear and FLSmidth Pfister will supply gear units and a coal meal feeder, respectively. The contract also includes first time spare parts.

The Ozarow plant was originally supplied by FLSmidth and commissioned in 1978. The plant was sold to CRH in 1995. Today, Ozarow has a long tradition of developing new projects in collaboration with

FLSmidth. The line is to be commissioned in late 2009.

Russia: FLSmidth has signed a contract to provide equipment supplies and engineering for a complete greenfield cement plant with a capacity of 3500t/day of clinker. The plant will be situated close to the city of Kursk, approximately 700km south of Moscow.

Valued at approximately Euro64m, the contract was signed with the newly-formed OOO Kurskaya stroitel'naya kompaniya. The order, which will contribute beneficially to FLSmidth's earnings until the expected commissioning in mid 2010, follows two important contracts in 2007 for cement plants north of Moscow and in St Petersburg respectively. Group chief executive Jürgen Huno Rasmussen commented: "This order confirms FLSmidth's positive expectations for the large Russian market and promises well for the new year."

FCB Ciment renamed Fives FCB

France/World: FCB Ciment has announced that it has been renamed 'Fives FCB', effective as of 1 December 2007, and has adopted the visual identity of the Fives group. The company said in a statement: "The Fives group has been developing a unique competence both in industrial engineering and project management for almost two centuries. Our teams are recognised for their capacity to commit and deliver."

"Our multi-sector expertise, which allows us a global vision of key industrial issues, is a powerful source of innovation for industrial solutions combining technology, safety and profitability. 'Designing today the plants of the future' is a shared credo within the whole Fives group," the company added.

Russia cancels 5% import duty

Russia: Russia has cancelled a 5% import duty on cement as of 1 January 2008. The federal antimonopoly service believes that this step will expand market borders. The scrapping of import duties will open opportunities for buying cement beyond Russia, mainly in China and Turkey, and is expected to reduce prices and speed up the implementation of the national affordable and comfortable housing project.

CRH reports 2007 profit increase and year of record acquisitions

Ireland/World: CRH plc, the international building materials group, has issued its trading statement for the year ended 31 December 2007. Highlights include:

- CRH expects 2007 profit before tax to be close to Euro1.9bn, giving a high-teen percentage increase on 2006 (Euro1.6bn) and a fifteenth consecutive year of profit and earnings growth.
- Acquisition spend in the second half of 2007 amounted to Euro1.2bn, resulting in a record full year acquisition spend of approximately Euro2.2bn on 78 acquisitions.
- In Europe, with a continuing strong trading performance from Materials operations and good full year profit advances in Products and Distribution operations CRH anticipates 2007 operating profit of approximately euro 1.1 billion (2006: euro 0.814 billion).

New Lafarge UK cement plant in Kent in final planning stage

UK: Lafarge Cement UK has launched the final design and costing feasibility studies for its proposed new 1.6Mt/year cement works at Snodland, in Kent. As a result, Lafarge will now increase on-site work in preparation for the possible construction of 'Medway Works', undertaking a detailed design, costing and contractor strategy.

This stage of the project, which will conclude in 2008, will put Lafarge in a position to make a final decision on allocating the investment required to build the Works. Lafarge Cement UK's managing director Erdoğan Pekenç explains: "With general demand for cement growing in the UK, alongside the introduction of new large-scale projects in the South-East, such as 'Crossrail', it is a good time to move the project to the final design stage."

Planning permission to build the works was granted in 2001. Since then, work to prepare the site for construction has been

progressing. This includes new road and rail infrastructure around the site's main entrance and the diversion of an oil pipeline. In 2004, the group announced that operations starting at the new Medway works would not coincide with the end of production at Lafarge's Northfleet Works, in Kent, in April 2008. The Group has since invested in excess of Euro105m in its UK supply chain, through establishing two import facilities on the Thames, developing the rail infrastructure at its Hope Works in Derbyshire, and investing in maximising production capacity at its six other cement works.

Dr Pekenç continued: "We are the only cement company with nationwide coverage and, as such, we have focused significant investment to develop a robust UK-wide supply chain, to ensure that we can provide customers right across the country with our products."

Cemmac orders a PiT Navigator to solve 'operational difficulties'

Slovakia: Cemmac, a cement producer in the Slovak Republic and member of the Austrian Asamer Group, has placed an order for a PiT Navigator from Powitec. The Cemmac plant was built in 2000 with a clinker production capacity of 1200t/day. The plant is equipped with a five-stage cyclone calciner and a grid cooler. Landscape circumstances required a rather short kiln (3.4m diameter, 46m length). Due to the disadvantageous length/diameter ratio, the process has predispositions to various operational difficulties.

Cemmac thus decided to buy an op-

timisation system to support a smooth process at constant clinker quality. Further optimisation targets are: higher production rate; increased use of alternative fuels; and reduced emissions.

After a thorough market analysis, the PiT Navigator was ordered from Powitec as closed loop kiln and calciner control. This Non-linear Model Predictive Control (NMPC) system optimises processes in the cement & lime industry, power plants and waste-to-energy plants, using neural nets (artificial intelligence).

Steinert Elektromagnetbau GmbH honoured for innovation

Germany: At a festive ceremony on 26 November 2007, Professor Andreas Pinkwart, North Rhine-Westphalia's Minister of Innovation, Science, Research and Technology, honoured Steinert Elektromagnetbau GmbH and its Separation Technology business unit for innovative achievements in recent years. At the event, which was hosted by the non-profit organisation Förderverein Zenit

eV, Minister Pinkwart presented the award certificate to Steinert GmbH Managing Director Franz Heiringhoff.

In his tribute to the award-winners, Dr Hjalmar Kuntz had particularly high praise for Steinert's outstanding performance in terms of continuous product development and the company's thoroughly international approach to market development. In lauding Steinert as a "hidden champion," Dr Kuntz was conveying the fact that medium-sized companies from North Rhine-Westphalia are among the driving forces of the German economy. Dr Kuntz especially emphasised not only the innovative power that has been applied to continuous product development but also the thorough approach to market development in recent years.



Steinert Elektromagnetbau GmbH and its Separation Technology unit were honoured for innovative achievements in recent years.

Construction begins on Cemex's new Latvian plant

Latvia: Cemex is reported to have signed an agreement with Latvian company TVA Construction, which will be the general contractor in the construction project of a new Euro220m cement plant in Latvia's town of Broceni. TVA Construction is already carrying out the initial building works, with around 200 workers currently on site.

The output of the new plant will be 1.6Mt/year of cement and 1.1Mt/year of clinker. Cemex already owns a cement plant in Broceni through its purchase of the RMC Group in 2005.



Two new storeys under construction at Thorwesten Vent.

Thorwesten Vent adds two storeys

Germany: Thorwesten Vent GmbH of Beckum, Germany, is expanding its operations by adding two storeys to its Daimlering headquarters. The extension is scheduled to be completed by April 2008. The company is working around the clock satisfying customer demand for its explosion doors, flaps, diverters and pulverised fuel silos as new cement production lines and plant modernisations are underway worldwide.



Seen with units ready for dispatch are Vincent Grosskopf, left, and Jörg Baldauf, right.

Spain's Aricam plans Bosnian cement plant

Bosnia & Herzegovina/Spain: Borislav Adamovic, Assistant Minister for Mining and Geology at the Bosnian Serb Republic's economy and energy ministry, has said that Spanish construction materials group Aricam has expressed interest in building a cement plant near the north-western Bosnian town of Prijedor. "We have received a letter of interest from Aricam. They are now to prepare a feasibility study for the project and send it to us later," he said.

The Spanish company is also said to be

interested in obtaining a concession for excavating raw materials for the plant, and this was the reason they chose Prijedor with its nearby deposits of limestone and clay.

Aricam Group has previously said that it will invest Euro250m in the construction of a cement plant in another Balkan country, Albania. Bosnia's main cement producers are HeidelbergCement's Tvornica Cementa Kakanj, located in central Bosnia, and the Austrian Asamer Holding's Fabrika Cementa Lukavac, in the northern part of the country.

Belarus' Chinese cement imports increase Lithuanian port traffic

Lithuania/Belarus: Cargo volumes at the Lithuanian port of Klaipeda are expected to increase as Belarus is looking to import Chinese cement. It is planned that Belarus may import around 3.5Mt of cement through Klaipeda in 2008 and increase the annual volume to 5Mt by 2011.

Transport Ministry Secretary Arvydas Vaitkus said: "Belarusian cargo volumes at the Klaipeda seaport have been growing every year. This year the flow of goods rose by around 40 percent, compared with last year, and will most likely exceed 5 million tons." The first shipments of cement destined for Belarus are expected to come to Klaipeda in February and March 2008. Belarus accounts for the biggest share of transit cargo traffic via the Lithuanian port.

Russia's Itera Ltd plans 1.2Mt/year plant

Russia: During the ceremony of signing of a memorandum of understanding on cooperation with the Sverdlovsk region's government up to 2015, Itera Ltd announced its plans to build a cement plant in the region jointly with Basel Cement Ltd. The construction is scheduled to begin at the end of 2008. The plant's projected capacity is 1.2Mt/year. Major developments planned in the region's major city of Yekaterinburg is thought to have attracted the investment. Itera's development division is set to invest about Euro720m into the construction of 820,000m² of housing the city.

Clyde wins Euro2.9m cement plant order

UK/Europe: Clyde Process Solutions has said that it has won a new Euro2.9m order from an unnamed European cement producer to provide a turnkey solution for one of their major production facilities. Clyde Materials Handling will utilise its material handling expertise and pneumatic conveying technologies to create systems that will transport cement over half a kilometre from one silo to another then load and discharge cement into road and rail tankers.

Cemag nominated as finalist in 'Oskar des Mittelstandesawards'

Germany: Cemag Anlagenbau GmbH received the first successful nomination in 2007 as a finalist in the 'Grand Prize for Medium-Sized Companies.' Ali Memari Fard, chairman of the board of the Cemag Group, received this coveted award. Within the framework of the 13th Oskar Patzelt Foundation Days, the worldwide-operating company received the stylish steel sculpture during the gala evening function in Bremen.

In order to belong to the finalists, applicants must jump over numerous hurdles. In total, 3011 companies and personalities from over 1000 communes, institutions and associations were nominated for the highly-prized trophies. Five criteria were addressed

to participants of the Oskar des Mittelstandes: this involves the jury closely examining the overall development of the company, the creation of/securing of employment and training places, modernisation and innovation, commitment to the region, service and customer care, and marketing. The competition is held annually and has developed into the leading business prize in Germany.



Cemag board chairman Ali Memari Fard receives the coveted 'Grand Prize for Medium-Sized Companies.'

Schenck Process honoured with Frost & Sullivan award

Germany/World: Frost & Sullivan has awarded the Schenck Process group the 2007 European Growth Strategy Leadership Award, acknowledging the company's structured approach to its business via its five international business segments, broad product portfolio, ability to provide complete solutions to its customers and the capacity to deliver continuous local support while maintaining a global presence.

Acknowledging the unique way in which the company leverages its solutions in weighing and feeding technology across a wide spectrum of end-user industries and applications, Frost & Sullivan analyst Karthikeyan Balasubramaniam noted: "Schenck Process has fortified its position in the European weighing machinery and feeding equipment market under a collective impact of balanced business approach, vast process industry experience, technological expertise, broad market coverage and strong sales and service network."

Stewart Murdoch, Schenck Process' Director of Business Development & Marketing commented: "Our success is our customers' success and by being able to transfer the experiences we gain from serving such diverse end-user industries

such as cement, power and pharmaceuticals enables us to add more value to our customers by being better able to optimise their process efficiency."

He continued: "Higher levels of weighing, feeding and screening accuracy coupled with outstanding levels of equipment 'in-service' time equates to increased process efficiency and ultimately cost savings to the customer. And the combination of our local and global approach to customer care enables us to form close, mutually rewarding working relationships with our customers on an ongoing basis."



"Our success is our customers' success" – the Frost & Sullivan 2007 European Growth Strategy Leadership Award accepted by the Schenck Process group.

Haver & Boecker makes note of Russian cement industry trends

Russia: When it comes to machine technology, the Russian building materials industry is leaning increasingly towards the western European market. The outlook for the Russian cement industry is excellent: the market is booming and double-digit growth is forecast well into 2010. Haver & Boecker has said that the



The Haver Rotoseal in action in Russia. In modernising their production facilities, Russian customers are placing their trust increasingly in well developed technology.

volume of incoming orders for cement packing machines definitely confirms this positive trend. Russian customers are placing more trust in sophisticated and cutting-edge technology. Improvements in work conditions, environmental protection and sustainability are also issues of increasing importance in Russia.

In the building materials industry the trend is clear: Mortar products are being manufactured according to international quality standards with the help of German high-tech systems. Haver & Boecker says: "Russian customers are demanding packaging with a quality that matches the product, and machines that reliably produce for years and years."

The Business Division of Building Materials and Minerals at Haver & Boecker has been able to book a wide range of interesting orders over 2007. The company adds: "The market direction of these products appears to be in place. Quality is trumps – also when it comes to machine technology."

European news in brief

Denmark: Danish FLSmidth has appointed Kimmo Vesamäi to the position of vice president of research & development for FLSmidth's global cement activities, effective 16 April 2008. Vesamäi's previous post was at Finnish company Metso Minerals.

Germany: Dyckerhoff, Germany's second-largest cement company, is planning to invest Euro1.4bn in the medium term, 80% of which will go towards new facilities in Eastern Europe. In Germany, the group will almost double its production capacity for high-quality white cement to 350,000t/year, requiring an investment of Euro40m.

Greece: Titan Cement has announced that its subsidiary, Interbeton Building Materials SA, has signed an agreement to acquire 100% of Crete-based Domiki Beton SA for an undisclosed sum.

Greece: Titan Cement has said that chief financial officer Howard Prince-Wright has resigned and will leave the company in March 2008 after a six-year tenure. The company did not name a successor or give a reason for the resignation.

UK: HeidelbergCement has completed its overhaul of senior management at the UK arm of Hanson. Hanson UK will be headed by former Hanson Aggregates UK managing director Patrick O'Shea, who becomes chief executive. Castle Cement managing director Mike Eberlin will head the cement division.

UK: In a first for the UK construction industry, ConstructionSkills is launching a Plant Managers Safety Training Scheme (PMSTS), specifically designed to help managers in the plant sector to improve health and safety across their workforce. This five-day course is part of an industry-wide effort to increase health and safety on construction sites.

UK: Lafarge has opened a new rail, road and river distribution hub at West Thurrock, Essex. The hub will allow the sustainable delivery of materials to construction projects across London, including the Thames Gateway and the 2012 Olympic Games. Lafarge says that the site will help to reduce pollution, road noise and congestion by eliminating tens of thousands of lorry movements.

Lafarge awards FLSmidth contracts at Joppa, Illinois plant

US: Lafarge North America has awarded FLSmidth a contract in conjunction with the modernisation of its Joppa, Illinois cement plant in the US. FLSmidth says that the new 7200t/day line at Joppa, along with two additional finish grinding facilities, "will use the most modern processes and will allow Lafarge to maintain highly competitive positions in terms of safety, product quality, and production costs." In addition, the project will help enhance the plant's environmental performance significantly in terms of alternative fuels and emission control.

In addition to engineering services, project management, and commissioning, all major machines and auxiliary equipment are included:

- FRM (Fuller Roller Mill) 59/575 for raw grinding
- CF (Controlled Flow) homogenisation blend silo with storage capacity of 10,000t
- Three-support, 7200t/day kiln, 5.60m diameter x 84m long
- two-string, five-stage preheater, with ILC (In-Line Calciner) with low NOx designed for coal, natural gas or petcoke
- DUOFLEX™ kiln burner
- Multi-Movable Cross-Bar™ (MMC 18x87) with mid-cooler heavy duty roller breaker

- ATOX 25.0 for solid fuel grinding
- OK 42-4 vertical roller mill for finish grinding
- Complete jet pulse bag filter packages including FabriClean™, DuoClean and nuisance filters.

Many of FLSmidth's companies and divisions will be represented in the project, including Pfister, Airtech, Pneumatic Transport and FLSmidth Airloq.

To achieve savings in the initial construction, the height of the preheater tower and kiln piers were minimised by the use of both a compact twin-string preheater and the horizontal design of the Multi-Movable Cross-Bar cooler. Future operating cost savings are also attained with the chosen preheater configuration; the selected design offers an optimal solution with respect to heat economy and power consumption given the moisture content of the raw materials.

To ensure compliance with the strict emission limits and provide flexibility for the future, an SNCR (selective non-catalytic reduction) system will be incorporated in the preheater. Flexibility is also offered in regards to fuel costs; the design allows for the addition of a HOTDISC™ reactor if required. Therefore, the line can easily be modified to use alternative fuels.

Cemex to hike prices and make job cuts

Mexico: Cemex has said that it plans to increase its cement prices in Mexico by an average of 10%. Building material distributors in the northern Mexican city of Monterrey said that the price of a 50kg bag of cement will rise to more than US\$9.20 from the current US\$8.80 as a result.

A Cemex spokesman was reported to have said that it will cut overall costs by 10%, including a reduction of its work force. The company later denied the figure, but admitted that there would be some reduction in headcount as part of a wider strategy to curtail costs.

Company spokesman Jorge Perez said: "There is a general effort to reduce costs at the global level, but it goes far beyond just lay-offs. There is no exact figure, but the lay-offs will be far less than 10%."

Geocycle acquires Vexor processing facility

US: Waste solutions company Geocycle US has announced an agreement with the principals of Vexor Technology to acquire the company's Dorchester, South Carolina, processing facility. Vexor Technology has successfully operated its waste processing facility since January 2006, producing more than 15,000t of its 'Vexor Engineered Fuel' alternative fuel product for use as a source of energy at the Holcim cement plant in Holly Hill. As an alternative to naturally-occurring energy sources such as coal or natural gas, Vexor Engineered Fuel is developed from over 550 different waste streams.

Geocycle US views the acquisition of the Dorchester facility as a key step toward its strategic vision of developing a solution- and service- orientated business in the North American waste management industry. Geocycle US will be investing in the Dorchester facility to support the growing demand for this sustainable form of waste recovery.

Concerns aired over Panama's cement supply

Panama: Concerns have been aired that public works in Panama may face cement shortages in 2008 and beyond if manufacturers fail to conclude expansions at their facilities.

Expansion plans are due to bring capacity to 3.2Mt/year. Nevertheless, local media have claimed that the present situation leaves the industry 800,000t short, considering that current combined production at both companies' plants is 1.4Mt and that 1Mt was reported to have been imported in 2007.

With the local construction industry growing at 12.9% up to September 2007, the risk of insufficient supply is worrying locals. Panama's public sector has approved several construction projects, including the expansion of the Panama Canal.

Further, the Panama construction chamber reported that some 148 private and public construction projects are slated to start in 2008.

Cemex launched a US\$270m investment plan in 2006 to expand its Panama operations. Scheduled for completion in February 2007, the first phase aims to double the Bayano plant's capacity to 1.4Mt/year. The second phase involves increasing clinker production to 1.6Mt/y, four times current capacity, by the first half of 2009.

Cemento Panamá, owned by Swiss group Holcim and Colombia's Argos, is carrying out a US\$30mn enlargement of its plant to increase production to 1.6Mt/year. This project should be ready by the end of 2008.

148 private and public construction projects are slated to start in Panama in 2008. With the local construction industry growing at 12.9%, concerns have been aired over the country's cement supply.



Holcim to invest US\$242m in Brazil by 2011

Brazil: The Brazilian branch of Swiss cement producer Holcim has announced its intention to invest US\$242mn in its Brazilian operations until 2011. The investments are in response to increased cement demand in the country due to higher-than-expected civil construction sector activity.

Of the total investments announced, US\$173m will be earmarked for two plants in Minas Gerais state, in Pedro Leopoldo and Barroso municipalities. The company aims to eliminate bottlenecks, since both plants are operating at full capacity. Holcim

Brasil is the fourth-biggest cement producer in the country, with production of 3.2Mt in 2006.

With the investments, Holcim will increase production capacity by 100,000t/year of cement and 100,000m³/year of concrete. Holcim Brasil chief executive Carlos Büler has also reportedly said that a new, US\$870m project is under study in the country.

The executive expects 12% growth in the domestic cement market in 2007 and 10% in 2008, with an even more positive outlook if the pace of the federal government acceleration program PAC picks up.

Cementos Lima expects 2007 sales increase of 13-14%

Peru: Carlos Ugas, director general of Cementos Lima, Peru's largest cement producer, expects its sales to be 13-14% higher in 2007 than in 2006. He also said that growth of between 10% and 12% is expected to continue for at least two more years. Peru's construction sector is growing at a strong pace, creating robust demand for cement.

Jaime Bustamante, the company's corporate development director, is adamant that local production can satisfy Peruvian cement requirements without recourse to imports. He said that he is aware though that growth of 10% is expected year after year in the construction sector and as such the company is expanding its capacity. Cementos Lima is spending more than US\$120m on said expansion but says that it will keep its prices stable.

The company's cement production in 2006 totalled 2.58Mt. For the first three quarters of 2007, production totalled 1.87Mt. It produced 2.65Mt of clinker in 2006 and 2.20Mt of clinker in the first three quarters of 2007.

Mr Ugas also downplayed rumours that Mexico's Cemex could be interested in purchasing Cementos Lima, saying: "As far as I know, no."

Cemex provides guidance for 2007's fourth quarter

Mexico: Cemex has announced that it expects EBITDA for the quarter ending 31 December 2007 to be close to US\$1.1bn, an increase of about 18% versus the same period of 2006, while operating income is expected to be close to US\$650m, up 6% year-on-year. Guidance for operating income excludes potential adjustments due to the revaluation of recently-acquired Rinker's assets. Cemex expects sales of about US\$5.8bn, an increase of

around 30% versus the same period a year before. For the full year 2007, the company expects EBITDA of about US\$4.6bn, an increase of approximately 11% over 2006. Revenue is expected to be in excess of US\$21.6bn, while operating income is expected to be close to US\$3.1bn, a growth of approximately 18% and 5% respectively. These results include the effect of consolidating the Rinker group starting 1 July, 2007.

New US plant will add 25% to GCC's capacity

US/Mexico: Mexican cement maker Grupo Cementos de Chihuahua (GCC) expects its global production capacity to grow 25% once its new US plant in Pueblo, Colorado, starts operations. The US\$250m plant is designed to produce 1Mt/year to supply the Colorado and Nebraska markets.

Construction is 45% complete and is expected to wrap up in the first quarter of 2008. The process

has entered its final stage, which will see the installation of machines and equipment.

The plant will employ 100 people and is scheduled to start operations by the middle of 2008. CCG produces 4Mt/year of cement and concrete at operations in the US, Bolivia and Mexico. The company has three plants in northern Mexico's Chihuahua state.

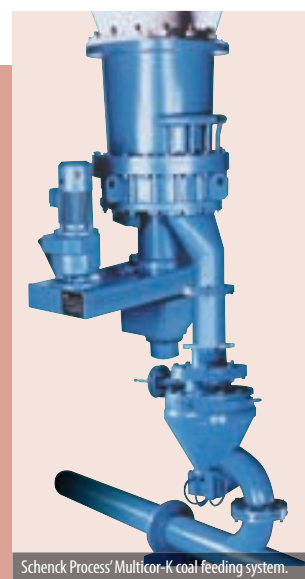
Schenck awarded feeding systems equipment contract for Cemex Tepeaca

US: Schenck Process has announced that it has been awarded the coal and kiln feeding systems equipment contract from Cemex Tepeaca in Puebla, Mexico. The new process line will have a capacity of 10,000t/day of clinker. Equipment supplied by Schenck includes the Multicor K pulverised coal feeding system and the Multicor S Coriolis kiln feeding products.

The Multicor-K is specially designed for economical, reliable, and environmentally-friendly pulverised coal feeding for rotary kilns. Using highly accurate Coriolis technology, the Multicor-K system employs a matched Multicell unit, which features a large inlet section and integrated agi-

tator, providing the optimal solution for stable, homogeneous material flow in the pre-bin. Because the system is designed to eliminate aeration, air pockets are minimised, reducing the potential for pulsations or unstable conditions.

The Multicor S Coriolis kiln feeding products provide reliable measurement and feed rate control to the kiln resulting in high quality clinker. Feeding accuracies of $\pm 0.5\%$ are achievable.



Schenck Process' Multicor-K coal feeding system.

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Texas Industries' second-quarter profit climbs 2% on higher cement shipments

US: Texas Industries Inc has said that its profit jumped 2% in the fiscal second quarter as the cement company shipped more cement to customers. The company earned US\$29.3m for the quarter ended 30 November 2007, compared with profit of US\$28.7m in the fiscal second quarter of 2006. Sales climbed 9%, reaching US\$268.5m from the previous year's US\$245.8m.

Texas Industries, which makes cement in Texas and California, said that shipments of cement rose, helping to offset a 2% decline in prices. The company shipped 1.3Mst of cement, compared with 1.2Mst in the comparable quarter in 2006. The price of a ton of cement slipped to US\$92.88/t from US\$94.85/t.

Cemex signs 10-year conservation agreement

Mexico/World: To further integrate the protection of the environment in its business, Cemex has signed a 10-year global agreement with the international bird and biodiversity conservation organisation BirdLife International. BirdLife's counsel, advice and expertise will be integrated into the management of over 400 Cemex quarry sites around the world. Mike Rands, BirdLife's chief executive, said: "We welcome this long-term commitment to partnership between industry and conservation. Working together and focusing on birds, we can make a real, positive contribution to biodiversity and the wider environment."

Lafarge North America revenue not hit by US sub-prime crisis

US: French cement maker Lafarge SA will post revenue growth and margin improvements in North America for 2007 despite the sub-prime crisis buffeting the US housing market, according to chairman and chief executive Bruno Lafont. "Our factories in the US don't all suffer in the same way," he said, citing their geographic diversity.

Loma Negra expands in Argentina

Argentina: Loma Negra, the long-standing cement group from Argentina owned by Brazilian giant Camargo Correa, is banking on growth in the Argentinian construction sector. Humberto Junqueira de Farias, director-general of the company, has said that the in Olavarria, Buenos Aires-based firm is set to invest almost US\$60m and will begin to spend the money in 2008. US\$23m will go on expanding production capacity, US\$17m on environmental and safety

issues and the other third in other areas.

Mr Junqueira de Farias added that the spending includes investments in other Camargo Correa firms, specifically concrete producer Lomax and combustible-waste recycler Recycomb.

At present, Loma Negra sells almost 5Mt/year of cement, produced at its plants in Olavarria, Canuelas, Sierras Bayas, Barker and Ramallo (all in the province of Buenos Aires), Zapala (in Neuquen) and El Alto (Catamarca).

US slowdown prompts CRH rethink

US/Ireland/World: CRH has scaled down immediate ambitions for its US expansion by acquiring only a fraction of the US\$3.5-4.5bn assets it had discussed buying from Cemex of Mexico. The Irish multinational pointed to the credit squeeze and the slowdown in the US housing market as factors behind its failure to agree a price.

Liam O'Mahony, CRH's chief executive, said: "Clearly there was a recognition that the short-term outlook had an influence on the price we were prepared to pay. There is nothing tainted about these assets; unfortunately we couldn't agree on price." The Irish building services group said that it had acquired the assets that Cemex needed to dispose of in Florida and Arizona in order to win regulatory clearance for its US\$14.2bn takeover of Rinker, the Australian building materials group. When preliminary talks with Cemex were first announced in September 2007, Myles Lee, CRH finance director, played down fears about the US economy.

CRH is paying just US\$250m

for 26 Cemex concrete plants and six block plants in Florida, and two quarries and five concrete operations in Arizona. It is a far cry from the figures mentioned in September, which, if realised, would have been its biggest deal by far.

This year alone, the acquisitive CRH has completed deals worth Euros2bn, including taking a 50% stake in Denizli Cement in Turkey and the remaining 55% of Cementbouw in the Netherlands. It has also expanded in the US, notably in Florida, where it paid US\$350m for a rail distributor only a week before announcing its interest in the assets in that state that were involved in the clearance of the Cemex-Rinker deal.

The deal would have been CRH's largest acquisition. The majority of its deals are with private companies where an announcement has only been necessary towards the end of the process when details are all but finalised. In the case of Cemex, both sides, as public companies, were obliged to announce their engagement in negotiations.

Asian News in Brief

China: Holcim has won regulatory approval to increase its controlling stake in Huaxin Cement. Holcim received approval from the China Securities Regulatory Commission to buy up to 33% – valued up CNY6bn – of the Hubei-based company's enlarged capital.

India: Barak Valley Cements, of Badarpurghat, Assam, is reportedly generating power from a biomass-based thermal power plant that uses rice husk as fuel. Badarpur Energy, a subsidiary of Barak Valley Cements, has set up a 6MW biomass-based power plant to meet its power requirements.

India: Binani Industries has said that its board will meet to consider raising up to US\$125m through equity or debt for its Binani Cement subsidiary. The fund will be used for capacity expansion and overseas acquisition.

India: Cement companies in Tamil Nadu have offered to sell cement at subsidised rates to customers in economically weaker areas. The industry will sell two million bags of cement a month at a price of US\$5.09/bag. Each cement company will select the district for selling cement at subsidised rates, and customers are required to obtain a permit from the government and pay the money in advance for a minimum of 50 bags.

Kazakhstan: French cement manufacturer Vicat has created a joint venture with Kazakh private equity firm Kazkomerts Invest to construct a cement plant in Mynaral, Kazakhstan. Vicat holds a 60% stake in the new entity, which represents an undisclosed amount of investment. China Triumph Engineering is to construct the new factory, which is scheduled to begin production in 2010 with output of 1.1Mt/year.

Thailand: Construction has begun on a US\$56.25m new cement plant in the northern mid-land province of Phu Tho. The Huu Nghi II plant has a capacity of close to 1Mt/year and is expected to be operational for 49 years, beginning in 2008. The new plant is located close to a large unexplored quarry which is accessible by both motorways and waterways.

Siam Cement to 'focus on Vietnam' in 2008

Thailand: Chantana Sukumanont, Siam City Cement's executive vice president for customer relationships, has said that cement exports are likely to fall by up to 20% in 2008 as demand in the US drops and Chinese demand shows signs of only slight growth. Ms Chantana said that the company estimated domestic sales would be maintained at 28Mt in 2008, the same as in 2007. The main demand will come from residential projects and existing infrastructure projects.

"Our estimate is based on no approvals for new mega-infrastructure projects [in 2008]. However, if the new government speeds up approval of mega-projects worth up to US\$5.5bn in 2008, domestic demand for cement will increase," she predicted.

In 2007, Thailand's cement production reached 45.5Mt, about 80% of the production capacity of the industry of 56.3Mt, with 28Mt for the domestic market – a drop of 4% from the previous year. The remaining 17.5Mt was for export – up 19% on 2006.

Ms Chantana said that the global economy showed signs of slight growth in 2008 in view of the fall in the US property market following the sub-

prime loan problem. The company therefore believes that demand for cement in the export market will drop. With the market trend, Siam City Cement, producing the Insee brand, will reduce its exports from 2007's 6.1Mt to only 4.1Mt in 2008, while maintaining its domestic sales of 7.6Mt.

Its main export market will be Vietnam, which recorded about 37% of the firm's export value, followed by Bangladesh and Singapore. Ms Chantana said that Vietnam, with strong economic growth, had high demand for cement and this would continue well into 2008. As a result, the company will focus on Vietnam.

"We accept that our sales in 2008 in terms of volume will drop compared to this year, but in terms of value and net profit next year may be better, as we have reduced our production costs and developed innovative products to match customers' demands," she said. Earlier, the firm announced plans to cut costs by shutting down kilns to reduce its production from 12.3Mt/year to 10.4Mt/year in 2008. The company also has an early retirement programme to reduce staff numbers.

China reaps record high US\$2.8bn profit in 2007

China: The Bureau of Economic Operations under the National Development and Reform Commission has said that China's cement industry is expected to reap in a record high profit of US\$2.8bn in 2007, with US\$1.7bn of profit in the first eight months of the year. The national cement industry has reported a sales revenue of US\$45.4bn for January-October 2007, up 23.1% year-on-year. Annual sales revenue is expected to top US\$48.3bn in 2007.

China has reported 1105Mt of cement production in the period, a year-on-year increase of 14.2%, with annual cement output expected to reach 1350Mt, 55% of which will reportedly be made through new dry process cement production technology. The country's 12 largest cement enterprises account for around 25% of total cement output.

At the same time, the busy construction of infrastructure facilities and real estate development has boosted the demand for cement. While the cumulative investment in the cement industry posted 46% growth in 2007 between January and October, annual fixed-assets investment is expected to reach US\$7.5bn.

Increased profitability partly comes from the upbeat prices of cement, especially in large and medium cities. During November 2007, cement prices in Haikou, Changsha, Nanchang, Zhengzhou and Urumqi recorded increases of 42.9%, 27.8%, 27%, 13.2% and 12.5% respectively. The average price of cement in China increased 4.0% in mid-December 2007 compared with the price in early October of the same year, and rose 16.2% over the same month in 2006.

Holcim New Zealand shells out on alternative raw materials

New Zealand: Holcim New Zealand has received resource consent to use mussel shells to supplement limestone in its cement. The company has received resource consent to discharge contaminants from stored mussel shells at its Cape Foulwind quarry, near Westport. Holcim's Westport works manager Chris Dempsey said: "It's the first time that mussel shells have been used in the cement-making process, so as far as we know."

About 400t of shells would be trucked to the quarry weekly from a factory with large stockpiles. The plan envisages up to 20,000t of shells would be stored at the Cape Foulwind quarry for between four and six months.

Mr Dempsey said that mussel shell was almost pure calcium carbonate, a fundamental raw material for cement. It was now sourced from limestone in the quarry but mussel shells provided a "particularly pure" supplement. "The benefit comes from having a higher quality raw



Musselling in: Holcim New Zealand says that mussel shells are "almost pure calcium carbonate." The mineral properties of the cream sauce pictured here, however, are unknown.

material. The cement quality will be the same. Essentially it is a cheaper way of supplementing the limestone that we need," he said. "We've still got about 50 years worth of limestone in the quarry, so it's not trying to extend the life of the quarry. It's to utilise good quality material for our processing but also to solve an ecological problem for the companies producing the mussels."

"It looks as though, from a chemistry point of view, the trials are successful. Ecologically and economically, provided we get the mussel shells delivered at a suitable price, it could be a good supplement for our raw materials."

Indian cartel escapes Competition Commission

India: The 44 cement companies that were found guilty of cartelisation by the Monopolies and Restrictive Trade Practices Commission (MRTPC) have escaped paying the penalty because the Competition Commission of India (CCI) will only become functional in mid-2008. Under the Competition Act 2007, the 44 companies were liable to pay 10% of their average turnover or three times their net profit, which translates into a total of US\$917m. MRTPC had found the 44 companies guilty of acting together to fix the retail prices of cement.

Orient Paper plans cement plant at Sundergarh

India: Orient Paper and Industries Ltd, promoted by the GP-CK Birla Group, proposes to set up a greenfield cement unit in Sundergarh district of Orissa and a brownfield unit at its existing closed paper unit at Brajarajnar, also in Sundergarh district. The total investment is estimated at US\$305m, of which US\$46m will be for the Brajarajnar unit. The greenfield unit will have a capacity to produce 8000t/day of clinker and 6000t/day of PPC (Portland pozzolan cement) grinding while the brownfield unit will be a 6000t/day PPC grinding unit.

Sinoma in final stage of cement plant acquisitions

China: China National Materials Company has entered into the final stage of the acquisition of Zhejiang Jurong Cement, Zhejiang Shanying Cement and Zhejiang Xingbaolong Materials. A government official reportedly said that the three companies have already signed a contract with Sinoma. The total consideration (including the acquisition of three more cement companies in Zhejiang) is estimated to be US\$414m.

Asian News in Brief

Cambodia: Cambodia's first dry-process cement plant will begin manufacturing cement in early 2008, with a production capacity of 1Mt/year. The plant was inaugurated in December 2007, with US\$130m of the total start-up investment of US\$300m spent so far. The factory, expected to meet only 40% of the domestic demand, hopes to increase its annual production to 2Mt/year in 2009-2010.

India: Andhra Cements is investing Rs3000m to expand its cement units at Bachupally and Visakhapatnam. The company will increase the capacity of the Bachupally unit from 0.8Mt/year to 2Mt/year, and that of the Visakhapatnam unit from 0.62Mt/year to 1.5Mt/year. The company will also expand its clinker capacity at Bachupally from 1Mt/year to 2Mt/year as part of the project.

India: The Indian cement industry, which was expected to add 27Mt of fresh capacity in 2007-2008, is likely to add only 15Mt, taking the total cement capacity in India to 182Mt/year by March 2008, 8.5% short of the target set for the 11th five-year plan (2007-2012). Continuing shortages are likely to keep cement prices buoyant.

New Zealand: Holcim (New Zealand) has announced three new board members: former cabinet minister Simon Upton, Paul O'Callaghan and Holcim managing director Jeremy Smith.

Pakistan/China: China National Technical Imports and Exports Corporation has signed an agreement with a Pakistani 3300t/day cement plant on the supply of equipment worth US\$24.94m. The plant was funded and established by Pakistan's ESSA Cement Industrial Company and Hong Kong Huanqiu Investment Company Ltd.

Turkmenistan: The tender for design and construction of the 1Mt/year Magdanly-Garlyk cement works in the Lebap Velayat region in resource-rich southeastern Turkmenistan has been announced. Within the next few years gypsum, facing slab and other construction materials plants will be constructed in the region.

Vietnam: The Vietnam Cement Association has said that the country consumed nearly 36.06Mt of cement in 2007, a year-on-year rise of 13%. Producers turned out 36.16Mt, surpassing the yearly target by 2%.

Vietnam National Cement authorised to set prices in deregulation step

Vietnam: The Vietnamese government has taken a step toward deregulating cement prices with the Prime Minister's decision to authorise the Vietnam National Cement Industry Corporation to set prices according to free market forces. The decision also allows the company to finance expansion through capital markets, including bond and share issues.

The volume of cement on the market will continue to be government-controlled, however, in order to stabilise prices. With charter capital of about US\$575m and 21 member companies, the state-owned cement producer also plans to

build a research and development centre for the cement industry. The corporation also operates in manufacturing, mining and development of infrastructure and industrial and urban zones.

Due to increases in the costs of everything from energy and raw materials to packaging and transportation, average cement prices have recently increased by (\$1.40/t - \$2.20/t). Ha Tien 1 Company's cement is reported to stand at US\$62.50/t, up from an earlier US\$61/t, while prices of Chinfon cement have risen to US\$60.60/t. The Vietnam National Cement Corporation projects cement prices to rise US\$3-5/t in 2008.

Jidong Cement to buy cement assets

China: The Tangshan Jidong Cement Company has announced that its wholly-owned subsidiary Jidong Cement Fengrun Co Ltd has entered into an agreement with Tangshan Longfeng Cement on the acquisition of the latter for US\$46m. With a registered capital of US\$13.8m, Tangshan Longfeng owns a 2500t/day cement clinker production line that started operation in March 2005 and produced 748,300t of clinker in 2006. The deal also involves some fixed assets and two plots of land which cover 11 hectares of the target company.

Incorporated in July 2005, Jidong Cement Fengrun is one of the largest production bases of its parent. It has a current total capacity of 9800t/day and expects that its annual clinker capacity will increase 800,000t after the deal. Jidong Cement is based in Tangshan City, Hebei Province, northern China.

Philippines pushes for imported cement standards

Philippines: The Philippine Department of Trade and Industry's Bureau of Product Standards (DTI-BPS) has pushed for cement importers to comply with the requirements of the Philippine National Standard (PNS) for cement. DTI-BPS Director Jesus L Motoomull said the department regulates the sale of cement in the market to protect the welfare of consumers through its product certification scheme, in which importers and distributors of cement are required to comply with the requirements of the relevant PNS for cement.

When a product successfully passes the required tests, the DTI-BPS issues import commodity clearance (ICC) to its importer or distributor to sell and distribute this to the local

market affixed with the ICC mark. The DTI-BPS Technical Committee on Cement and Lime (BPS/TC-03), which is composed of representatives from industry associations, consumer organisations, academies, professional associations and other concerned government agencies, has developed the PNS for Portland Cement (PNS 07:2005) and Blended Hydraulic Cement with Pozzolan (PNS 63:2007).

The BPS/TC-03 members used the relevant American Society for Testing Materials Standard (ASTM) Specification as reference standard to ensure that the PNS developed is on a par with international standards. Motoomull clarified that the standards set by the government are not inferior to the Chinese standards for cement.

Siam Cement Group urges political stability in Thailand to ensure health of economy

Thailand: The Siam Cement Group (SCG) is urging all political parties to help stabilise Thai politics, saying that instability could continue to drag down the Thai economy. Kan Trakulhoon, the president of the country's largest industrial conglomerate, voiced his concern over Thailand's declining competitive position caused by political upheaval. "We have to admit the truth that the domestic market and politics are tied together," he said. He added that the effects of global threats – including oil prices and the US sub-prime crisis – were being exacerbated by Thailand's already weak position.

"If you ask any businessmen, all the replies are the same. We only want to see political stability, then the business climate will improve in line with consumer and investor confidence," he said. "It was quite clearly the impact of the political situation that has caused foreign direct investment in Thailand to drop sharply. Even communist countries like China and Vietnam have fared better than us. It is impossible for Thailand to sit tight and wait for government help to spur consumption. Confidence is needed to help drive things forward."

Siam Cement's businesses have been healthy despite all the challenges, and at least 60% of company revenue is generated by global sales from petrochemicals, pulp and paper. But Mr Kan said that the group did not expect strong growth in Thailand for its core industries, pointing out that cement and building products had

shown slow growth over the past two years.

However, the company has had difficulty earning attractive profit margins from exports due to high freight costs. Many export product markets are also saturated, further harming export prospects. Instead, SCG was focusing on increasing its investments in neighbouring countries under its vision to be a regional company. Mr Kan said that SCG was attracted by the lucrative demand of Asean's 560m population, which generated around US\$1.2bn for the company this year.

He added that the company was hoping to increase its regional market share in the integrated Asean market: "We have a few projects awaiting gradual release to the public between the first and second quarter [of 2008]." The company sees lucrative opportunities for all of its products in Vietnam, Cambodia and Indonesia as their markets are still in the early stages of development. "Vietnam could be our export base to markets beyond its borders," he suggested.

SCG recently invested in a US\$3.7bn petrochemical complex in southern Vietnam, in co-operation with Petro Vietnam and VinaChem. The complex is scheduled to be fully operational by 2013, with another integrated paper production plant planned. The company's regional promotion strategy includes strengthening human resources and brand awareness to ensure its top position in the future.

China National Materials secures Saudi Arabia contract

KSA/China: China National Materials International has secured a Euro100m (US\$148.5m) contract to build and expand a cement production line for an unnamed cement company in Saudi Arabia. The construction may last for a period of two years. Upon completion, the plant will have production capacity of 5000t/day. China National Materials International is 53.31% held by the China National Materials Company (Sinoma), listed in Hong Kong.

Iraq awards production-sharing renovation deals

Iraq: Iraq has awarded production-sharing deals to renovate three of its largest state-owned cement firms in the first such joint ventures with private and foreign investors. Three Iraqi-led consortiums – out of eight that bid – backed by Romanian UzinExportImport, Lebanon's Seament and Germany's KHD won the 15-year contract to upgrade the cement factories in Samawa in the southern Muthanna region, Kirkuk in the north and Al-Qaim near the Syrian border in western Anbar province.

Adel Karem, deputy minister of Industry and Minerals, said that the three firms had accepted production sharing terms of 30-45% of their plant's output free of charge to the government after a three-year rehabilitation plan to bring back capacity to 1.8Mt/year for each plant. Mr Karem estimated that every firm would be investing around Euro100m (US\$150m) to revamp the works, working at 20% capacity due to lack of parts and electricity shortages.

Lafarge's bid for the fourth plant near the city of Kerbala was rejected after its 12%

sharing offer was considered far too low, officials said. "The offers were below expectations so we will again offer Kerbala to get the best offer," Mr Karem explained.

Iraq had been working for the past three years to bring foreign investors to invest as much as Euro1.3bn (US\$2bn) in its cement works, but political interference and instability has delayed the effort. According to Salam Ibrahim, head of the Iraqi State Cement Company, the current Iraqi cement industry's total production across its 17 plants is 4-5Mt/year, a fraction of its 25Mt annual capacity.

Before the 2003 invasion, Iraq produced around 10Mt/year of cement, also well below capacity due to decade-long economic sanctions. Currently Iraq imports around 6Mt of cement annually from neighbouring Syria and Lebanon to cover consumption.

The joint venture scheme is a reversal of an earlier US-backed policy to pursue an aggressive privatisation that would have offered 240 public enterprises for sale to foreign investors.

Spanish company takes 65% of Tunisian plant

Tunisia: Spain's Cementos Molins has announced that it has acquired a 65% stake in Société Tuniso-Andalouse de Ciment Blanc ('SOTACIB') for Euro86m (US\$126m), from former-100% owner Grupo Prasa. SOTACIB currently operates a white cement plant in the Kairouan industrial zone, with a capacity of 350,000t/year, exporting a portion of its output to Algeria, Libya and France. Work is underway on a project to double the plant's capacity from 2009, along with plans to start up a 1Mt/year grey cement plant the following year.

Middle East and Africa News in Brief

Egypt: Egyptian Cement Company (EEC) has announced its third-quarter 2007 results, recording a net profit of Euro56.5m (US\$84m), compared with a net profit of Euro44.7m (US\$66.5m) for the same period of 2006 – a year-on-year increase of 24.6%.

Libya/Portugal: Portuguese cement producer Secil has been given the green light to buy 50% of the share capital of Libyan company Al-Ahlia Cement. Secil signed a declaration of intent to sign a memorandum of understanding with Libya for the acquisition of half of Al-Ahlia Cement Company. Libya's fund for economic and social development is in talks with the company and has expressed its support for the rapid completion of the negotiations.

South Africa: Lafarge South Africa has said that the 2010 FIFA World Cup stadium contracts had added orders worth Euro25.5m (US\$37.3m) to its books. The contracts were secured by Lafarge South Africa's business unit Aggregates & Readymix for the supply of aggregates and concrete to the stadiums. The company is the only aggregates and concrete supplier in South Africa which will deliver to all five of the new World Cup stadia.

Syria: The Syrian General Establishment of Geological Research and Mineral Resources has reportedly signed six contracts with investors to set up new cement plants to increase Syria's cement production capacity.

UAE: A statement released by Fujairah Cement Industries said that the company's net profits grew 11.7% to Euro25m (US\$37m) in the first nine months of 2007, up from Euro22m (US\$33m) a year earlier. High cement demand drew sales of 1.66Mt, grossing revenue of Euro80m (US\$119m), an upsurge of 47.5%. Fujairah Cement, which was established in 1979, has grown to become one of the largest cement manufacturers in the UAE in terms of profitability, ranking only after Sharjah Cement and Union Cement.

Lafarge grows into emerging markets: GC reports on Lafarge's Orascom Cement acquisition; see page 8

Ciments Francais to buy two Middle-Eastern peers

Kuwait/France: Ciments Français has announced that its Kuwait-based affiliate Hilal Cement Company will acquire two as yet unnamed medium-sized businesses in the Gulf area. No financial details were disclosed. The deal is expected to be closed in the coming weeks.

Hilal Cement, listed on the Kuwait stock exchange, was acquired by the French group in August 2007. The new expansion in the Middle East is going to reinforce Ciments Français' downstream integration in the region, the group said. The move follows the recent development of the French specialist's ready mixed concrete activities in Egypt. Ciments Français is said to be interested in new countries as well as in areas where it already operates, such as Albania and Turkey.

Ciments Du Sahel orders five Haver Roto-packer lines and dispatch systems

Senegal: Haver & Boecker is "especially pleased" about a recent large order from Senegal. Due to high demand for cement in Senegal and its neighbouring countries, Ciments Du Sahel, one of two cement companies in Senegal, has decided to expand its facilities by adding a second production line to its Kirène plant, 65km southeast of Dakar. The company wishes to enhance its international position with this new expansion. The existing kiln line has an annual capacity of 600,000t and was recently fitted with an additional 8-spout Haver Roto-packer with complete electrical system and installation equipment.

The new kiln line, expected to go into operation in 2009, will allow a production capacity of 3600t/day of clinker. As part of the plant expansion,

Haver & Boecker received an order for five Haver Roto-packer systems, partly with automatic empty bag applicator, and one Big Bag filling station. And to attain the highest possible levels of quality assurance and production transparency, Les Ciments Du Sahel has opted to install check weighers with the belt conveyor system that are coupled with a Haver DPS (Data Protocol System) statistical weight evaluation for providing an attestable weight guarantee.

Also included in the order is the Haver Cediss Control, a dispatch system that manages loading and unloading of trucks at the cement plant. In addition, Haver & Boecker's daughter company Ibau Hamburg is also involved with the task of expanding capacity with two large cement silos.

Ciments Du Sahel in Senegal decided to expand its facilities by adding a second production line to its Kirène plant. Haver & Boecker has received a large order of five HAVER-ROTO-PACKER® lines, a Big Bag filling station and a dispatch system.



Titan 'won't end Lafarge JV' after Orascom deal

Greece/Egypt: Greece's Titan Cement Company has said that it won't end its existing joint venture with Lafarge following the French company's acquisition of Egypt's Orascom Cement group. Titan said in a statement: "The announced acquisition does not terminate our existing joint venture with Lafarge in Egypt; it could however lead to a future realignment of Titan's significant presence in this country."

Titan also said that it will "explore and evaluate all opportunities and possibilities from a business perspective on the basis of the existing Titan-Lafarge joint venture agreement." Press reports have speculated that Titan and Lafarge will renegotiate their 50%-50% joint venture in Egypt. HSBC Pantelakis Securities was recently reported to have said that, following the acquisition, the Titan-Lafarge partnership "will definitely have to end."

UAE: Aumund delivers to Fujairah and Hamriyah

UAE: In November 2007, Aumund Fördertechnik delivered – via Polysius – various machines to the clinker production line of Fujairah Cement in the UAE. The 7500t/day line will be erected beside the existing kiln line which has been using Aumund equipment for several years.

The German company is supplying two Aumund bucket elevators with central chain (BW-Z), with a lifting height of 28 and 39m respectively, at a conveying capacity of 600 and 680t/hour. These machines will be used to transport the limestone to the raw mill. Then, two Aumund BW-G belt bucket elevators will convey the raw meal to the preheater tower over lifting heights of 92m and 120m, respectively.

The clinker transport from the cooler to the clinker silo will be handled by two Aumund KZB 1000/400/4 deep-drawn pan conveyors. The conveyors will feature a centre distance of 239m and 103m and operate at a conveying capacity of 450t/hour. Two telescopic chutes with a lifting range of 3400mm and a conveying capacity of up to 350t/hour will load the clinker onto trucks. Furthermore, the scope of delivery also includes two Louise TKF 500/1

drag chain conveyors for the transport of filter dust, with a conveying capacity of 42t/hour.

In September 2007, Aumund provided machines for a new grinding plant at Hamriyah Cement. The Hamriyah Free Zone is one of the fastest growing regions in the Middle East, accommodating more than 1100 enterprises from 87 countries. The clinker for the Hamriyah grinding plant arrives from Ras Al Khaimah and Fujairah, and the finished product is destined for export as well as domestic use. The plant is expected to be completed by the beginning of 2008, and will install a Samson® mobile surface feeder (10m centre distance, 600t/hour conveying capacity), which will transfer the clinker and additives onto an Aumund BW-Z 900 bucket elevator with central chain, with 600t/h conveying capacity. The Samson® enables short-time buffer storage and controlled bulk material transfer.

Another three bucket elevators with central chain and centre distances up to 55m provide for the further transport of raw material and cement. A smaller bucket elevator with central chain (BW-ZL 355/250/4) feeds material to the cement packing plant.

Siemens supplies Al Safwa Cement Company

KSA: The Siemens Industrial Solutions and Services Group (I&S) has received an order from Orascom Construction Industries, Egypt, to engineer and supply all the electrical equipment for the new cement works of the Al Safwa Cement Company in Saudi-Arabia. The project is worth around Euro20m and is scheduled for completion in late 2009.

The Al Safwa Cement Company is a joint venture of OCI and the Saudi Arabian Khayyat Group. The new cement works is to be built near King Abdullah City, around 140km from Jeddah and, when completed, will produce 5300t/day of cement.

Siemens is responsible for planning, supply and commissioning of all the electrical equipment for the cement works, including 5300kW slip ring motors for the cement mills and the raw mill blower drives with Robicon 'Perfect Harmony' medium-voltage frequency converters, which are especially suitable for reducing harmonics. Sinamics G150 systems will be used as 690V frequency converters. Power distribution, the instrumentation, a Simatic PCS7-based control system and the industrial software 'Cemat' are also part of the project. In addition, Siemens is implementing auxiliary systems such as the lighting and the fire alarm systems. The mechanical equipment is being supplied by the French company, Polysius, and by ThyssenKrupp Fördertechnik, Essen, Germany. OCI will be responsible for installation.