

# OUTLOOK ON BANGLADESH CEMENT MARKET



**Presented by:**  
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## Bangladesh at a glance & Location of Cement Plants & Clinker Grinding Mills

### Area:

56,977 sq. miles /  
147,570 sq. km.

**Capital:** Dhaka

### Borders:

North, West and East: India

South East:

Myanmar(Burma)

South : Bay of Bengal

**Population:** 161 Million



# Region Wise Consumption

Area	Consumption
Dhaka	50%
Chittagong	18%
North and South Bengal	25%
Sylhet	7%
Total	100%



# **Demand-Supply Outlook 2016 and by 2020**

<b>Number of Grinding Mill</b>	<b>34</b>
<b>Number of Integrated Plant</b>	<b>02</b>
<b>2016 Grinding Capacity</b>	<b>46 Mil Tons.</b>
<b>Consumption (2015-16)</b>	<b>22.79 Mil Tons</b>
<b>2020 Grinding Capacity</b>	<b>57 Mil Tons (Expected)</b>
<b>Consumption (2019-20)</b>	<b>30 Mil Tons (Expected)</b>





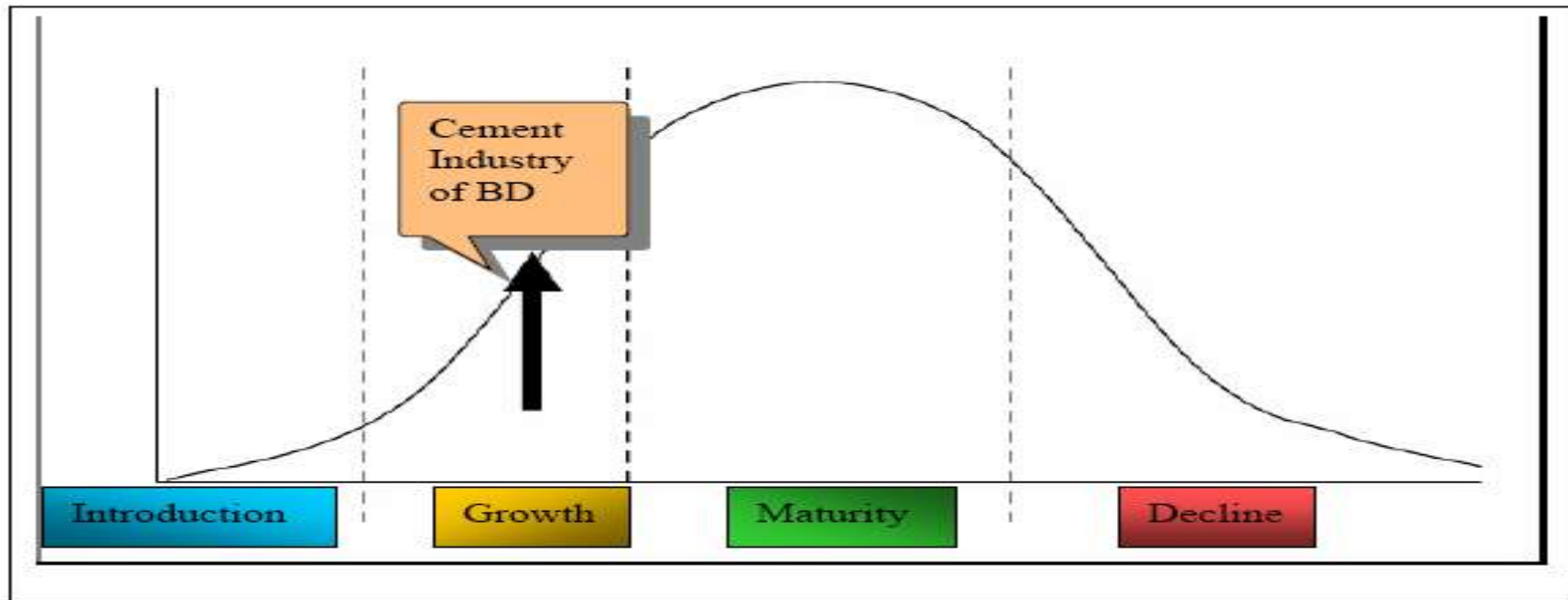
# Type of Cement produced in BD

1. Portland composite cement (PCC) in accordance with BDS EN 197 – 1: 2003 – most widely used.
2. Ordinary Portland Cement (OPC)
3. Pozzolan Portland Cement (PPC) – produced by blending OPC with Fly Ash.
4. ratio of production of PCC and OPC is around **95:5**

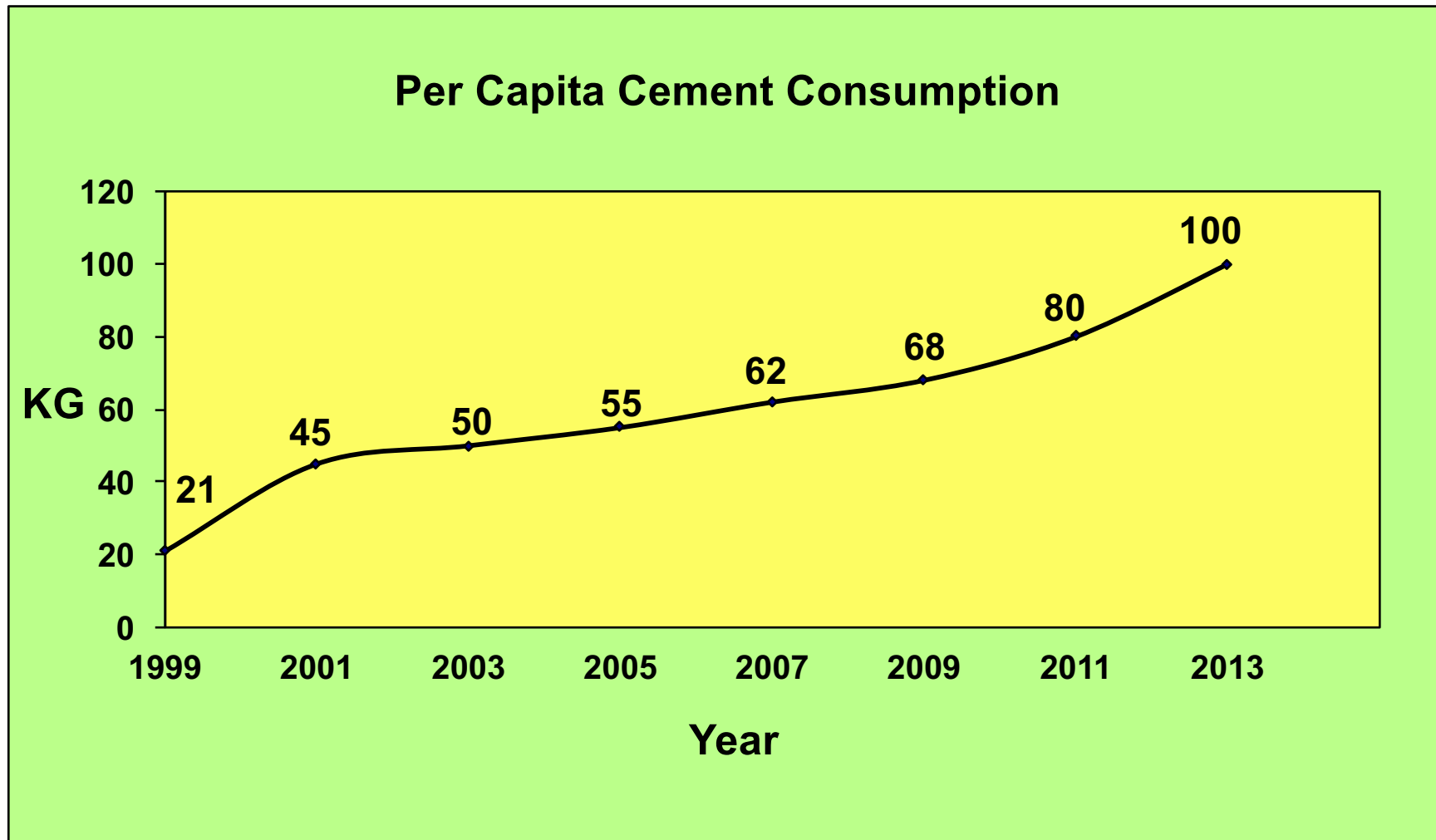


# Market Overview

In it's "Industry Life cycle", currently Bangladesh cement industry is still in the growth stage



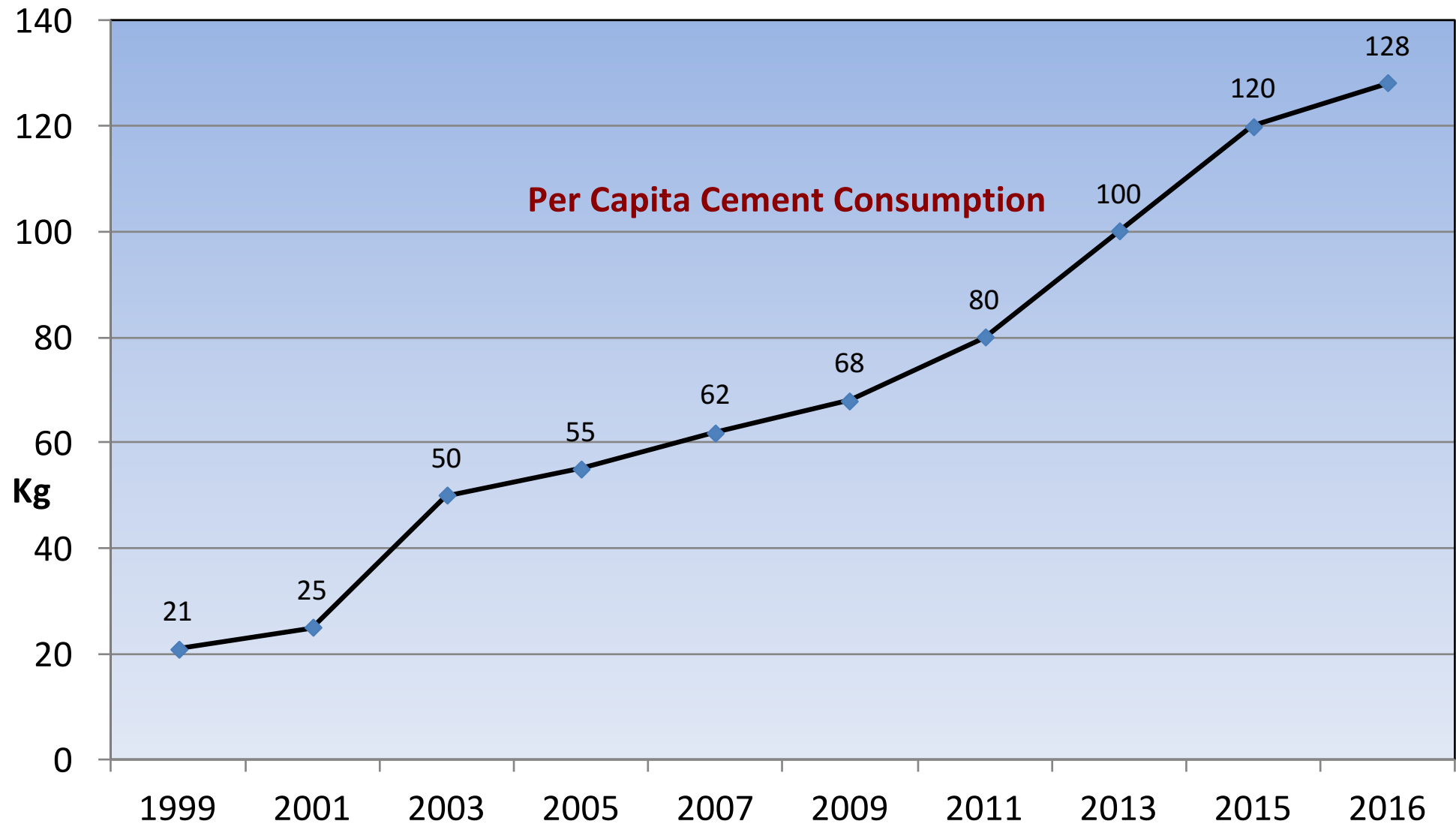
# Bangladesh Per Capita Cement Consumption Growth



- Per Capita Cement consumption reached about 100 KG in the year 2013 and expected to reach 120 kg in 2014.



# Bangladesh Per capita cement Consumption growth





# Sector-wise Consumption

## Major User Groups of Cement

**Individuals** **35%**

**Real estate developers** **25%**

**Government projects** **40%**



# Demand Drivers



# Infrastructure

Government has undertaken to  
implement large infrastructure  
projects



# PADMA BRIDGE



## PROGRESS

Jajira approach road 65%

Mawa approach road 73%

Bridge & River training 21%

Financing 34%

Project cost up from  
\$2.9b to 3.7b

Completion due in 2018



# **Padma Bridge - Fast Facts**

- Multi-Purpose Road & Rail Bridge 6.15 km long and 22 m wide**
- Project Cost = US\$ 3.50 Billion**
- 1.26% GDP growth potential after completion**
- Regional (south-west) growth rate increase is 2.3 %**





# **Padma Bridge - Fast Facts**

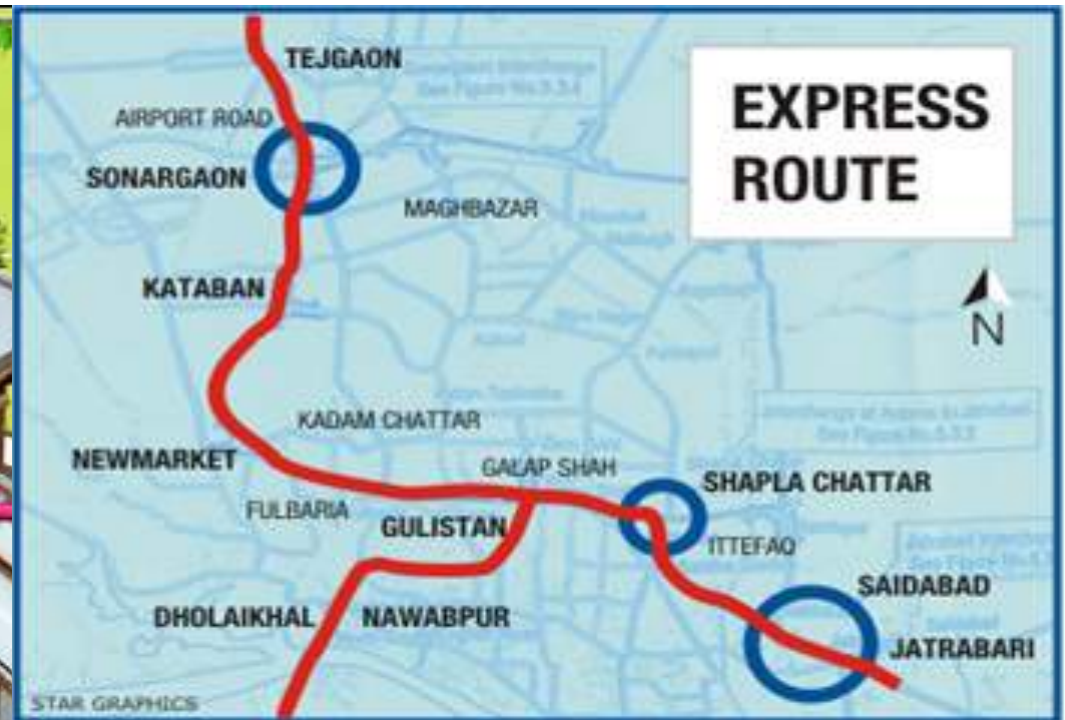
- 1/4 of population in Southwest region**
- Provide links between 2 major sea ports**
- Integral part of the Asian Highway No. 1**
- Southwest region has Mongla Port (2nd largest sea port) currently operating only 20% capacity**
- Facilitate connectivity of gas pipe lines into Southwest region.**





# Upcoming Roads & Highways Project

- **DHAKA ELEVATED EXPRESSWAY**
- **Project Cost = US\$900 Million project**
- **20km long, 27km ramp**



# METRO RAIL

METRO RAIL



## PROGRESS

Contract awarded to develop Metro depot

First phase (Uttara North to Agargaon) to complete in Dec 2019

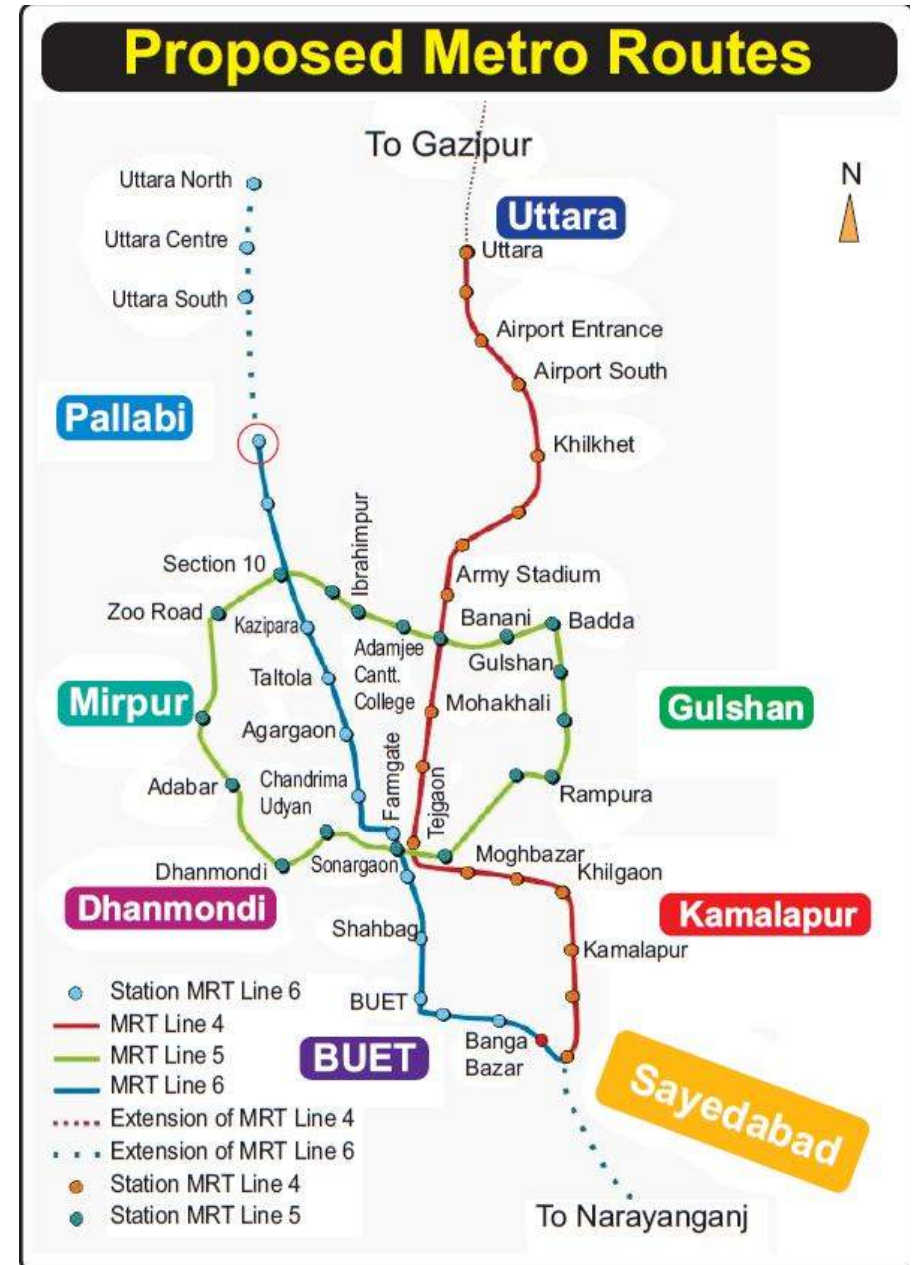
Second phase (Agargaon to Motijheel) to complete in Dec 2020

Capacity: 60,000 passengers



# METRO RAIL

- Spanning 20.5 KM across Dhaka city
- 16 stations connecting Uttara to Motijheel





# ROOPPUR NPP

FIRST IN BANGLADESH

## PROGRESS

All preparatory works for two unit 2,400mw NPP to complete this year

Final finance agreement with Russia this month

Construction of VVER 1200 reactor begins in 2017; plant to begin operation in 2022

**Cost**  
**\$12.65b**



## LNG TERMINAL



### PROGRESS

Contract signed with US firm Excelerate to build a floating terminal in Maheshkhali in two years

Govt to import LNG equivalent to 500mmcf gas per day from Qatar from 2017

Construction of pipeline to transmit LNG to national grid in progress





# DEEP SEA PORT

## PAIRA DEEP-SEA PORT



### PROGRESS

Feasibility study for Paira deep-sea port submitted

The port starts this year by facilitating bulk ships in outer anchorage; constructions in 19 components

Full completion by 2023

China, UK, Belgium, Netherlands, Denmark & India submitted financing-development proposals





# COAL POWER PLANT

## MATARBARI COAL POWER



### PROGRESS

1,500-acre site being developed amid difficulties

Project consultant being appointed; contractors being appointed for preparatory works

The 1,200mw project will be completed in 2022

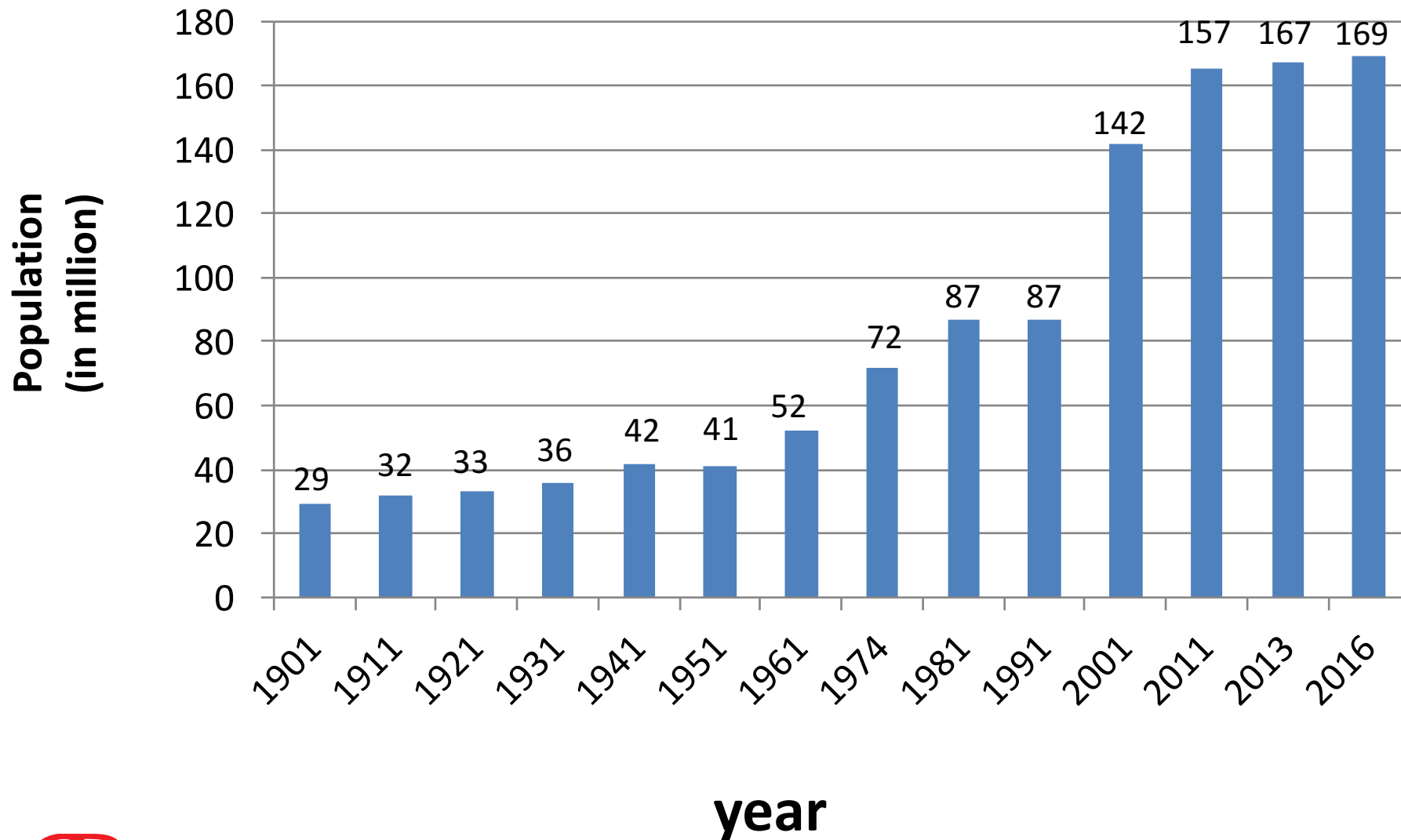


# Residential Housing: One of the Major Driving Factors for Cement Consumption

- 28% of the population live in urban areas – 34% by 2015
- 3% urban pop growth
- Appx. 500,000 houses are added annually in urban areas
- Appx. 3.5 Million houses are added annually in rural regions



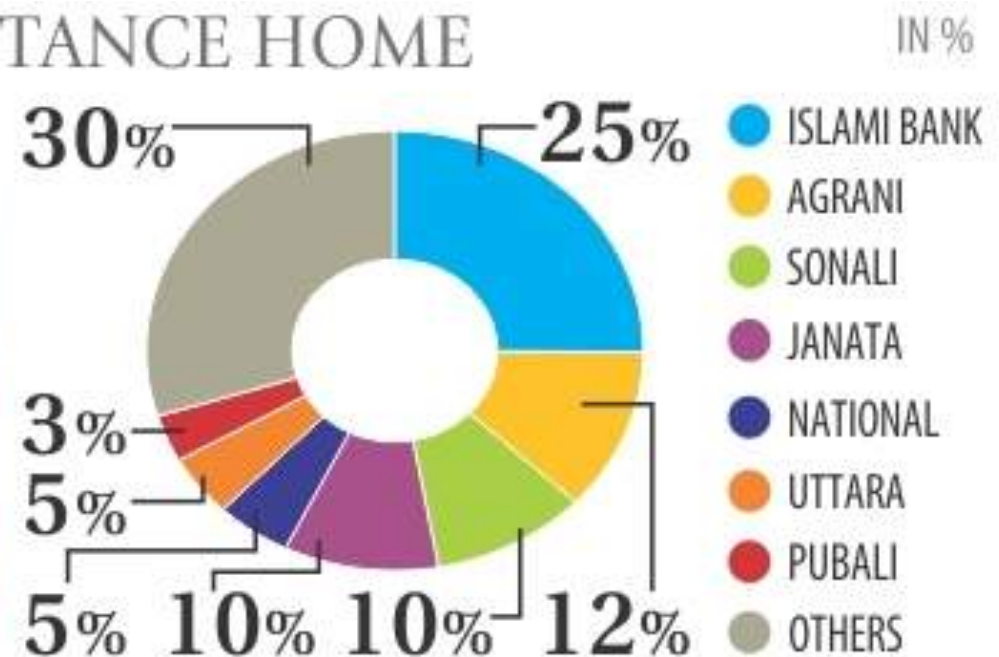
# Population Growth of Bangladesh



# Remittances soar on global recovery

- Inward remittances rise on economic recovery in developed countries
- Migrant workers remitted US\$15.2 billion in 2015 and expected to hit 16 billion in 2016

## BANKS THAT BRING REMITTANCE HOME





# From Bamboo Walls & Tin Roofs...





# To Concrete Walled Homes...





# SHUN SHING GROUP

MARKET SHARE = 8.50%

DHAKA PLANT = 2.2 MIL MT / YR



**SEVEN RINGS  
CEMENT**

*Passion to Create*



# **SHUN SHING GROUP**

## **Seven Rings Cement**

**INAUGURATED NEW GRINDING MILL IN 2013 IN SOUTHWEST  
REGION (KHULNA CITY)**

**KHULNA PLANT = 1.3 MIL MT / YR**

**TOTAL = 3.5 MIL MT / YEAR**





# ACQUISITION



# UPCOMING CAPACITIES

IN ADDITION TO  
PRESENT  
CAPACITY,  
**ANOTHER 11  
MILLION MT IS  
IN THE  
PIPELINE.**



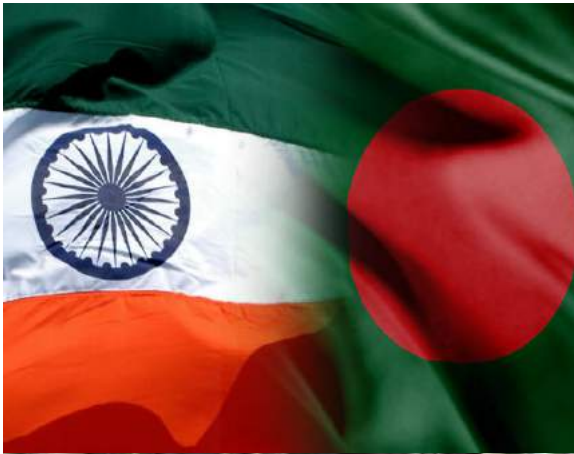


# Export of Cement to India

- Agartala, Tripura
- Assam
- Meghalaya
- West Bengal, Kolkata



# CROSS BORDER TRADE

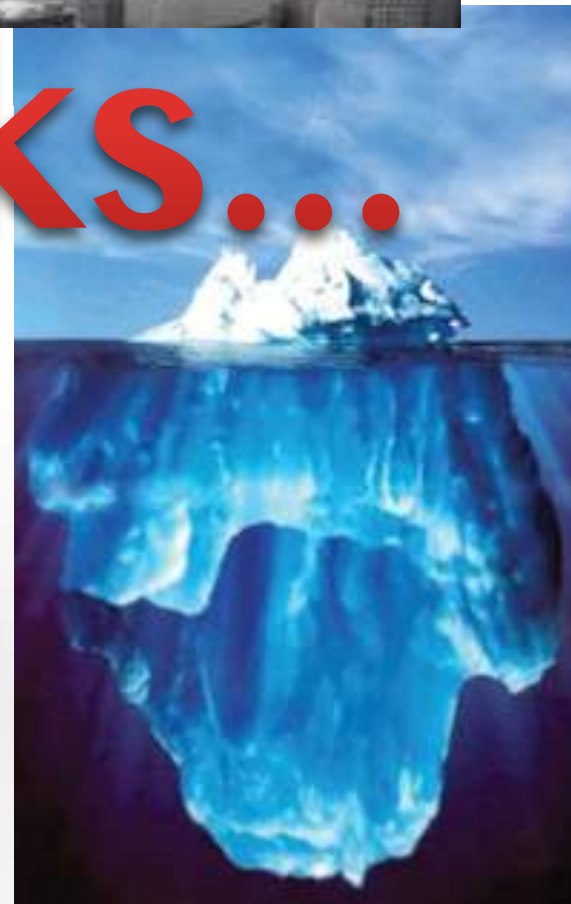






# Hidden

# Risks...



# Conclusion - Opportunities & Threats

<b><u>OPPORTUNITIES</u></b>	<b><u>THREATS</u></b>
<b>Construction sector growth</b>	<b>OVERCAPACITY</b>
<b>Strong economic growth</b>	<b>Political Instability</b>
<b>Govt. support on local manufacturing</b>	<b>Dependence &amp; high cost of raw material imports</b>
<b>Growing urbanization &amp; per capita consumption</b>	<b>Slow infrastructure development &amp; poor project implementation</b>



# CHO TÔI BIẾT





**INTERCEM**

**ASIA**