

Robert McCaffrey, *Global Cement Magazine*

## Review: 23rd AUCBM Arab-International Cement Conference & Exhibition, Amman

The well-organised *23rd AUCBM Arab-International Cement Conference and Exhibition* has successfully taken place in Amman, Jordan, with around 600 registered delegates, a busy conference room, a well-attended gala dinner and a large and bustling exhibition area. The 24th AUCBM event will take place in November 2019 in Cairo, Egypt.

**Below left:** Following the opening of the exhibition, dignitaries made a tour of stands, including that of Refratechnik, renowned German supplier of refractory materials for the cement industry.

**Below middle:** Assembled dignitaries and delegates at the opening ceremony of the *23rd Arab-International Cement Conference*.

**Below right:** An Assyrian Lamassu greeted visitors to the conference hotel.

**Bottom:** Amman skyline, from the conference hotel.

The *23rd AUCBM Arab-International Cement Conference and Exhibition* was inaugurated by Eng. Ahmad Al-Rousan, secretary-general of the AUCBM, who welcomed delegates from 35 countries to the event.

Many papers were given over the course of two-and-a-half days of the conference. Highlights include the unveiling of details of FLSmidth's new counter-current cyclone technology; a paper given by Andy Hill on SubCoal AF pellets and wider trends in alternative fuels markets; a well-presented paper by Mogens Fons of Fons Technology International on the working concept of the Fons Delta Cooler; details on the eye-popping six side-by-side 6000t/day clinker lines built in record time at Beni Suef in Egypt by Sinoma-CDI; and Ingo Urbach's paper on behalf of IBAU Hamburg on the design of tailor-made cement terminals using state-of-the-art cement handling and storage equipment.

Yassine Touahri of On Field Investment Research, from the UK, gave the first paper at the conference, on the three main 'disruptions' that the cement industry will encounter in the coming years. The first, he said, was that of CO<sub>2</sub>. Demography is the starting point for the coming disruption from CO<sub>2</sub>, with a 27% increase in global population between 2018 and 2015 driving the need for housing and infrastructure and therefore for cement and concrete. Compared to 1950 when only 55% of humans lived in cities, by 2050 two out of three, 66%, will do so. CO<sub>2</sub> is becoming a particular challenge for the construction and building materials industries, since 40% of all CO<sub>2</sub> emissions are linked to the construction industry, through the construction or operation of buildings. There is no economically-viable substitute for clinker-based concrete, while cementitious by-products such as





slag and fly-ash will become scarcer as society decarbonises the iron/steel and coal-fired power sectors as well. The International Energy Agency cement emissions reduction 'road map' relies heavily on future carbon capture and storage, even though the technology and economics are currently largely unproven in practice. Changes in construction modes (towards lower carbon emission intensity) are inevitable to tackle climate change and more energy-efficient buildings are 'a must'.

Emissions trading schemes are becoming more widespread worldwide, including the ever-expanding EU ETS, regional permit trading in North America and China, and increasing use of carbon taxes. The enforcement of stricter regulations on CO<sub>2</sub> emissions is a certainty, and was discussed by governments during the Paris COP21 conference. Yassine pointed out that EU CO<sub>2</sub> emissions permits have more than tripled in price, from their low of

MENA countries, since these currently are not covered by any CO<sub>2</sub>-reduction schemes. Turkey alone could theoretically export 5-10Mt more due to its current economic downturn, while overcapacity is building up in Egypt and Algeria.

There is likely to be a major rationalisation in international clinker supply. Vietnam has taken the place of China as the world's largest clinker exporter (and in fact China imports around 33% of Vietnam's exportable surplus, due to the Chinese government's own production rationalisation plans and seasonal closure of the worst-polluting Chinese factories). Due to the reduced availability of Chinese clinker for export, Chinese clinker FOB prices are increasing after touching a low of US\$35/t in 2016 (and below US\$30/t in 2006). Freight rates have quadrupled since early 2016 and new rules to promote the use of lower-sulphur fuel for shipping will add around US\$6/t to voyages of 30 days. Trans-



**Above:** Ali Saeed Al Qahtani, MD of CemServ, Saudi Arabia.

**Below:** Eng. Achmad Al-Rousan, Secretary General of the AUCBM (far left), welcomes delegates.



below Euro5/t in 2013, to beyond Euro20/t in 2018. In the medium term, the CO<sub>2</sub> price is projected to

oceanic trade will be less competitive, so that Asia to Africa trade will be replaced by Middle East to Africa trade. There may be strong demand for imports for post-war reconstruction in Iraq, Syria and Yemen.



**Above:** A busy stand at the exhibition for Haver & Boecker.

**Left:** Roland Martini (L) and colleagues from Gebr. Pfeiffer, enjoying the exhibition.

**Far left:** Andy Hill presents an outlook on alternative fuels on behalf of N+P.

**Below:** Davide Gambarotta (L) and Luca Mastrorocco of MDG.



Yassine Touahri suggested that the second major disruption will be the digitalisation of the construction industry. Building Information Modelling (BIM) is a digital process that allows for better design, optimised construction, greater energy-efficiency during operation and thorough deconstruction and recycling at the end of the building's life. Use of BIM is becoming mandatory for public-sector projects and its uptake is now widespread

rise to Euro30-60/t. It is now more profitable to sell a company's (still free) CO<sub>2</sub> permits than to manufacture cement in Europe and to export it to most parts of coastal Africa. Because of this, clinker and cement exports from the EU to America and Africa are likely to be progressively replaced by exports from





**Above:** A sea of cameras greets the folkloric dancers at the event's gala dinner.

**Right:** Mondri had a stylish and well-located stand in the exhibition area.



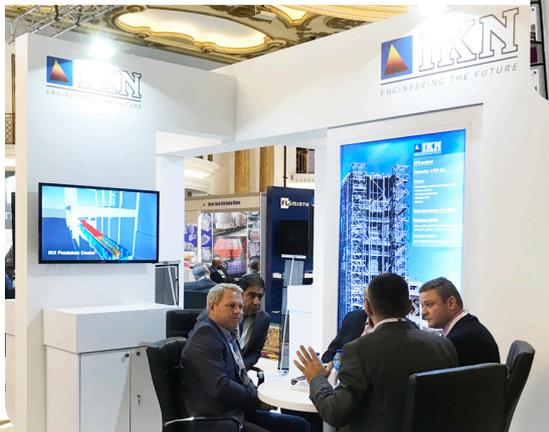
US\$30/t less than in Europe and the US: they can clearly make more money still. Given that production has peaked in China and is now in decline, Chinese cement companies are scrambling for internationalisation, with a slew of acquisitions now on the cards. However, Western Europe, North America and Oceania are unlikely to be targets, due to the maturity of their markets: China is likely to aim for businesses in South America and Africa.

**Right:** Loesche's stand sometimes hosted multiple discussions about the company's popular VRM offering.

worldwide. BIM is likely to impact the cement and concrete industry by allowing easier comparison of alternative building materials on the basis of performance and price, by reducing on-site wastage and by making the tendering, pricing and distribution of materials more transparent. BIM



**Right:** Cooler-manufacturer-turned all-rounder IKN was busy throughout the meeting.



**Far right:** The event venue - Le Royal Hotel - was a world-class 5-star hotel - a good choice!

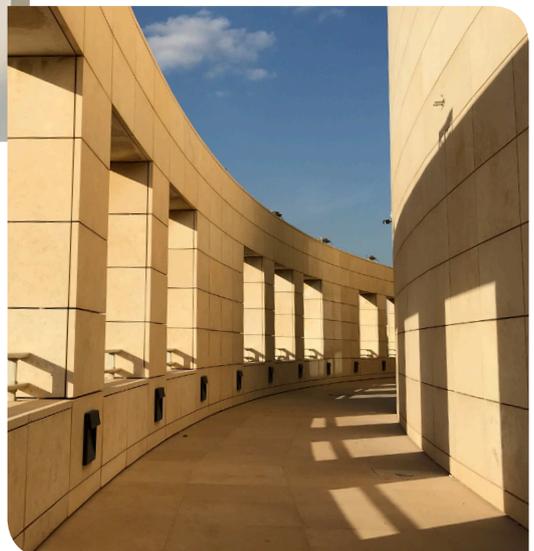
In conclusion, the 23rd AUCBM Arab-International Conference was an enjoyable, interesting and worthwhile event. We look forward to meeting again, in November 2019, in Cairo. 

**Below:** FLSmidth had a stylish and well-located stand, with plenty of staff ready to deal with enquiries.



will promote greater vertical integration (with RMC companies) and will lead to significant market disruption through cutting-out 'middlemen.'

Finally, Yassine concluded that the 21st century will be Chinese. Nine of the world's top 15 largest cement producers are already Chinese. Chinese companies are now hugely cash-generative, but they are still selling cement at around



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paul.brown@propubs.com

Programme and speakers:

robert.mccaffrey@propubs.com

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