



IN THE NAME OF GOD



IRANIAN Cement Industry

Competitive Advantages and Outlook

Presented By

SEYED MOHAMMAD ATABAK

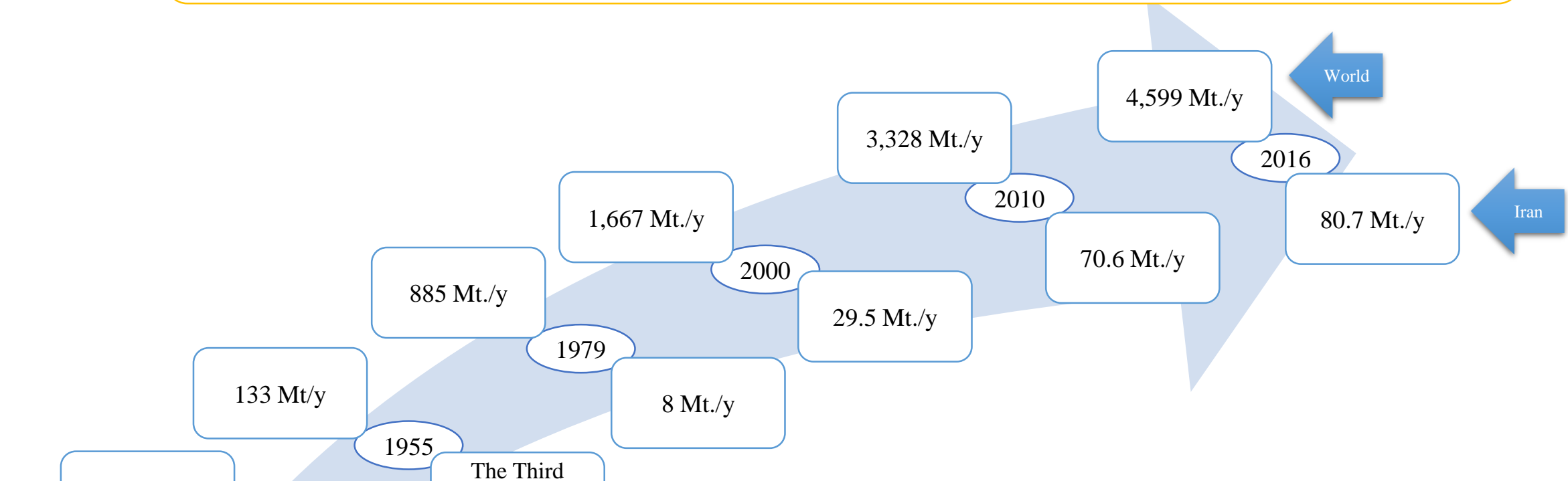
Managing Director of Kaveh-Pars Mining Industries Development Holding

Chairman of the Cement Producers Association of Iran

Member of Chamber of Commerce of Iran



History of World Cement Industry



Between 2011 to 2016, growth rate of the world cement production decreased by **5.2%**

between 2005 to 2010 the growth rate increased by **6.6%**

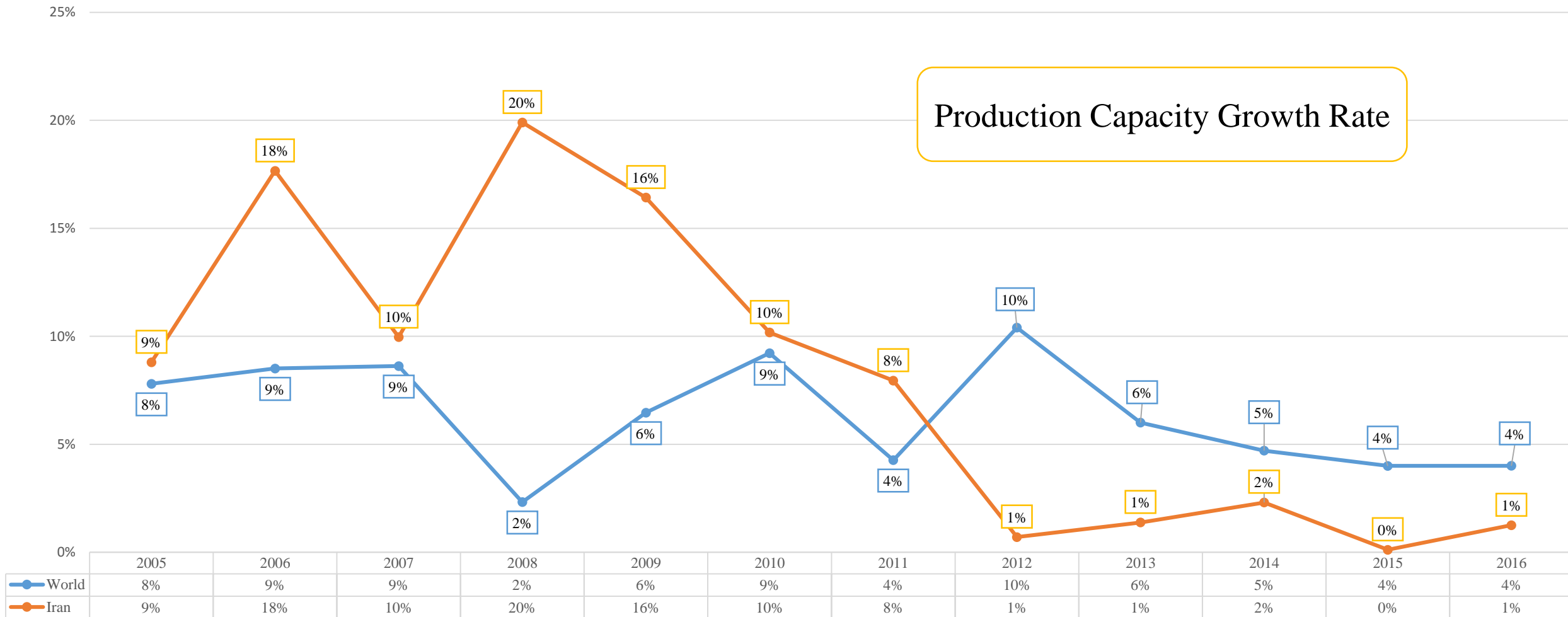
History of Cement Industry in Iran

- We established the first cement factory in 1933



World Cement Industry

- Total Cement Production Of World Was **4,599** Million Tons At The Year 2016





Iran at a Glance

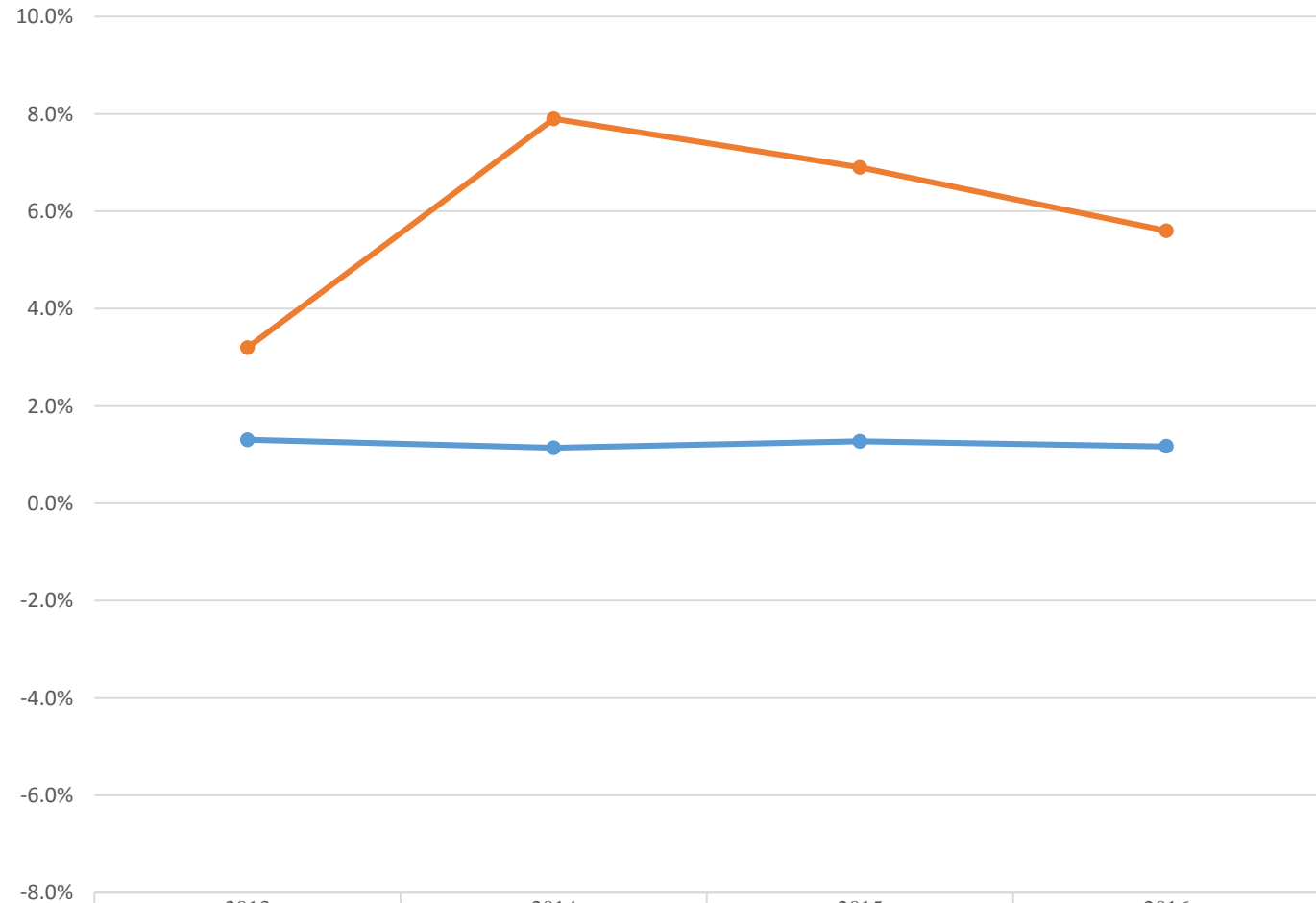
Population : 79,926,270

Age Group	Percent
0-14	24%
15-29	25.10%
30-64	44.80%
65+	6.10%

Area : 1,648,195 Square Kilometer

GDP : 430 Billion USD in 2016

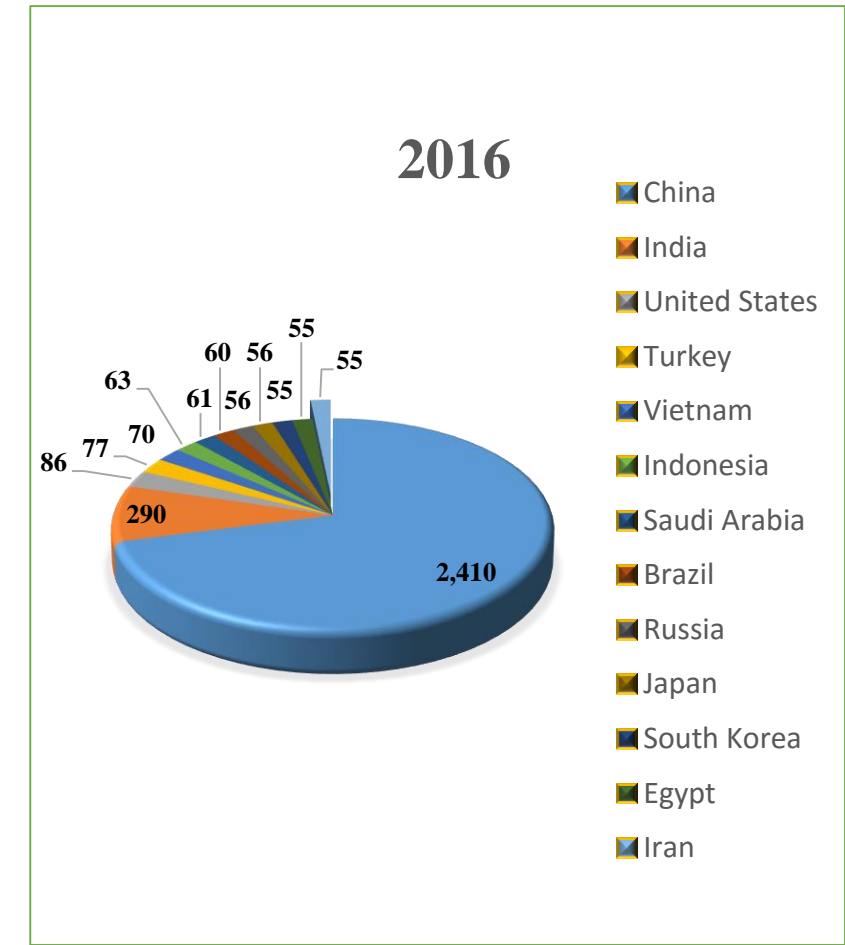
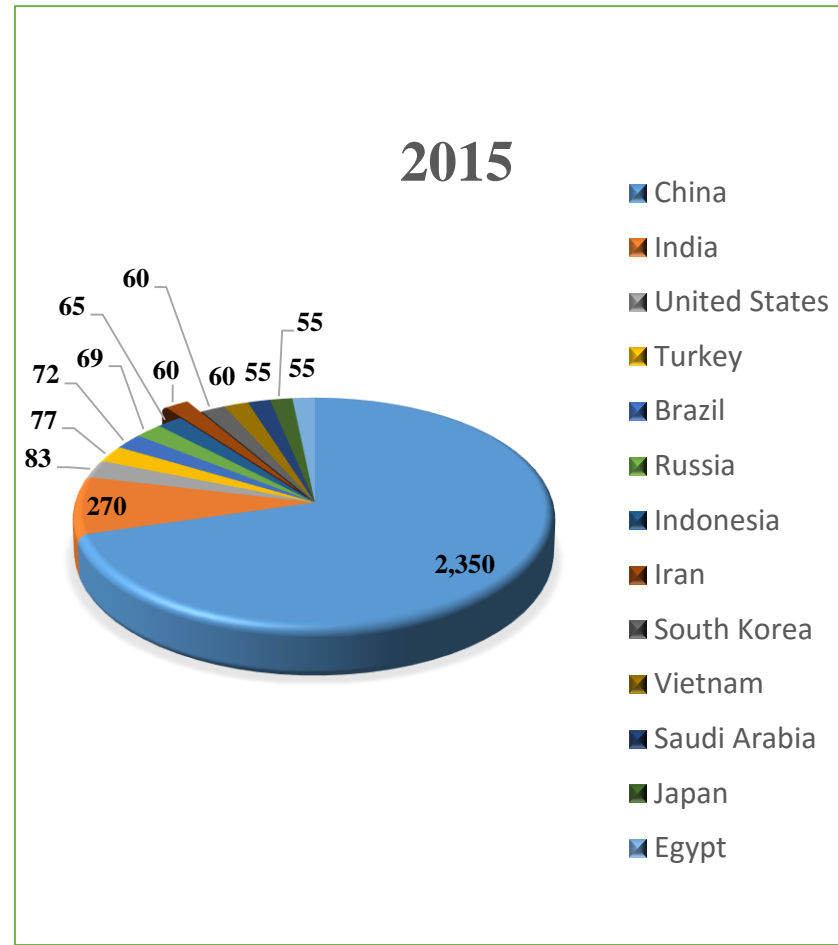
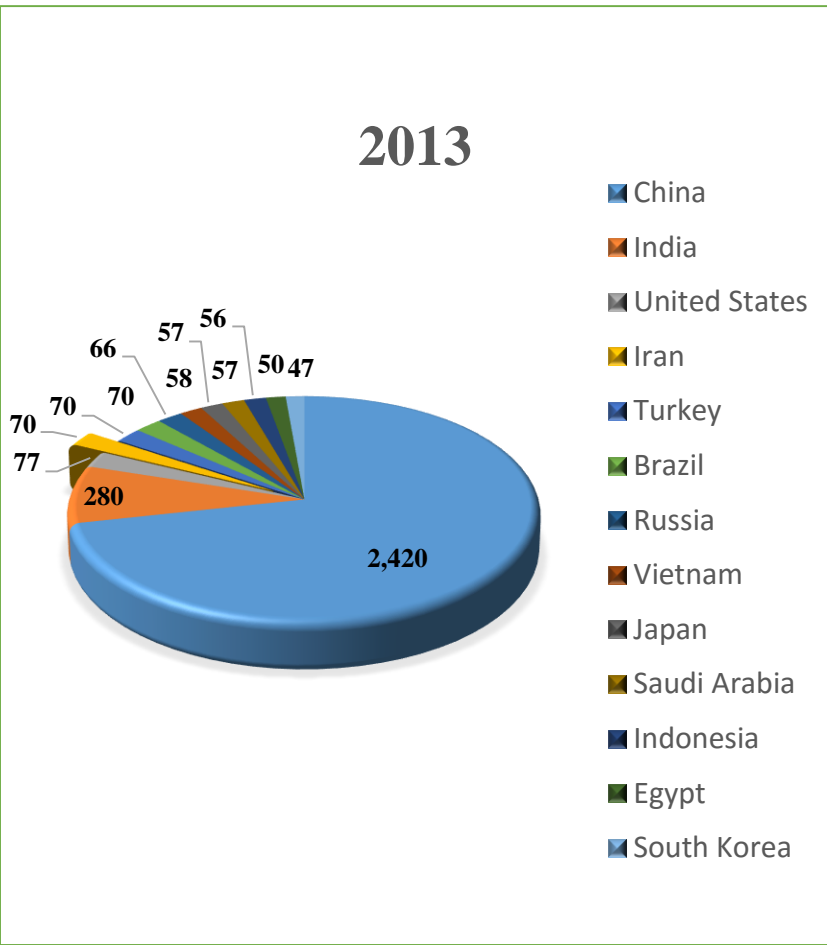
GDP Per Capita : 5,124



	2013	2014	2015	2016
Population Growth Rate	1.3%	1.1%	1.3%	1.2%
Equcational Growth Rate	3.2%	7.9%	6.9%	5.6%

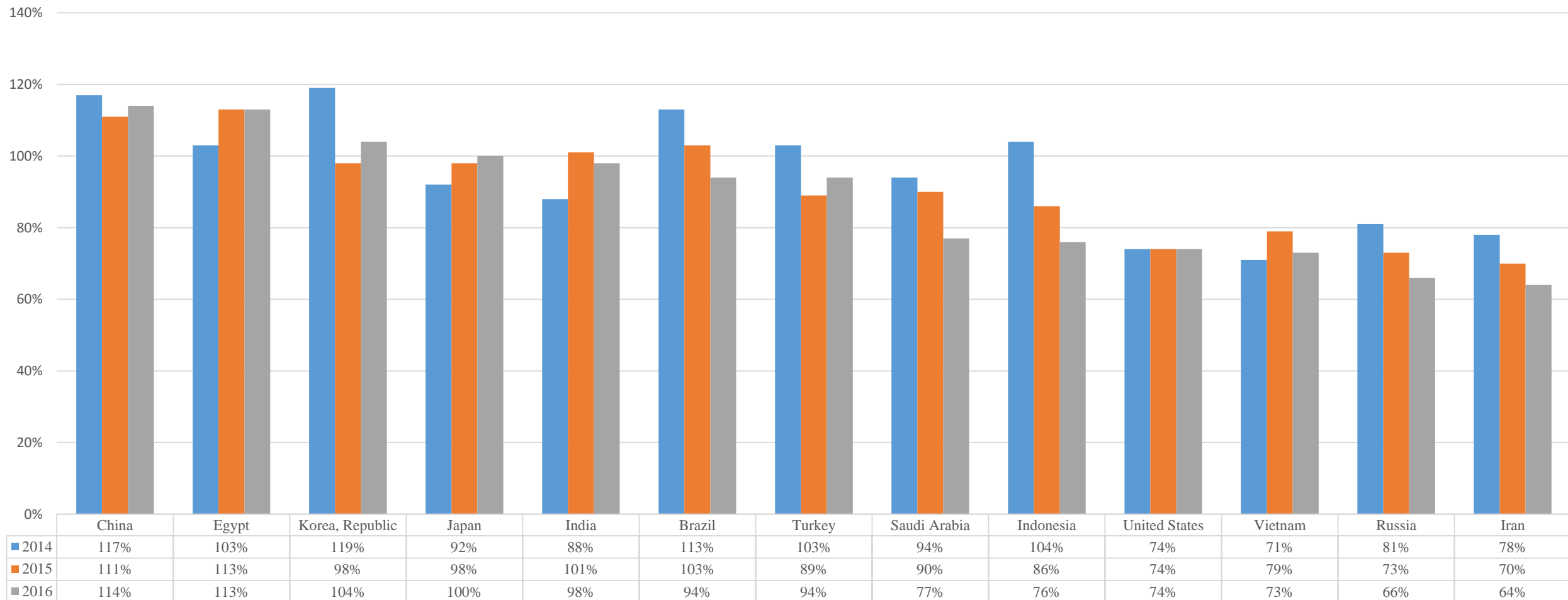
World Cement Industry

- The Top 13 Producers Of the World Cement
- Iran Was 4th At 2013 declined to 8th At 2015 And Then Fell Down 13th At 2016



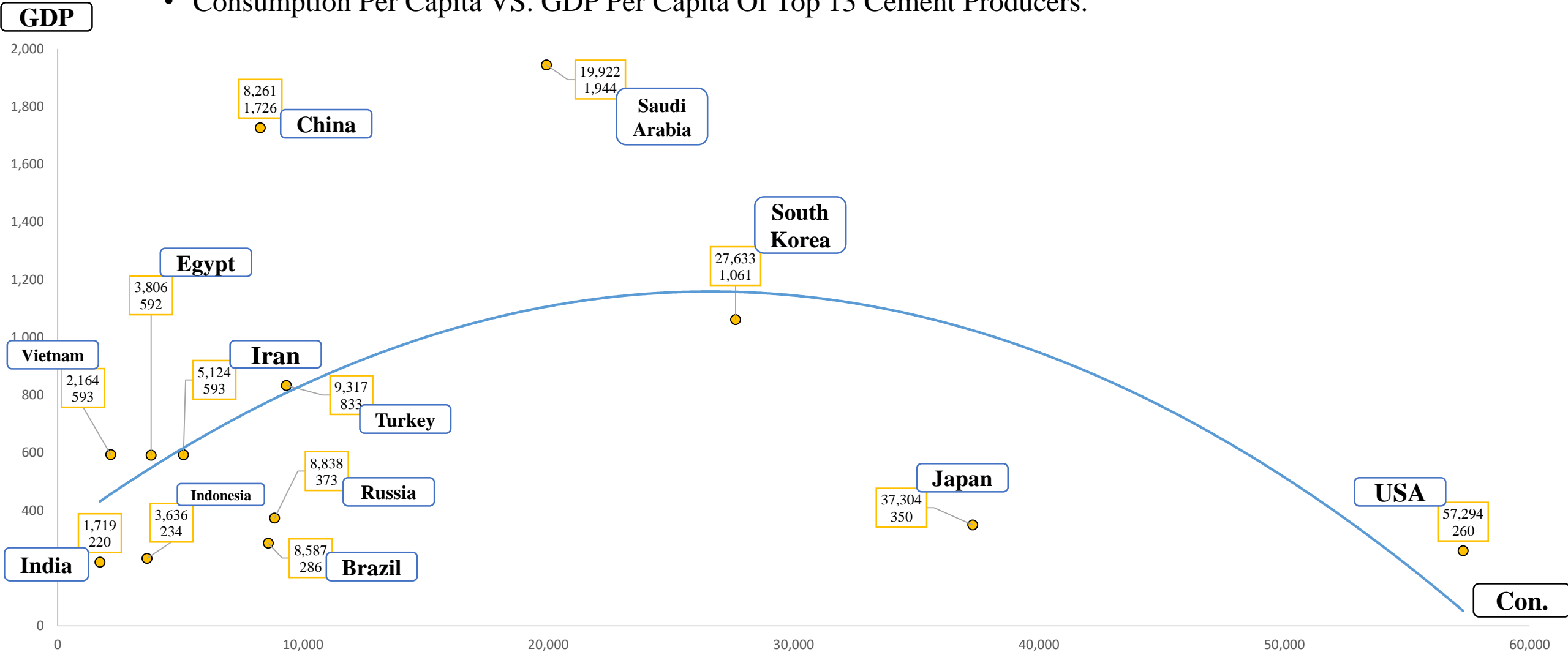
World Cement Industry

- Capacity Using Indicator of The Top 13 Producers



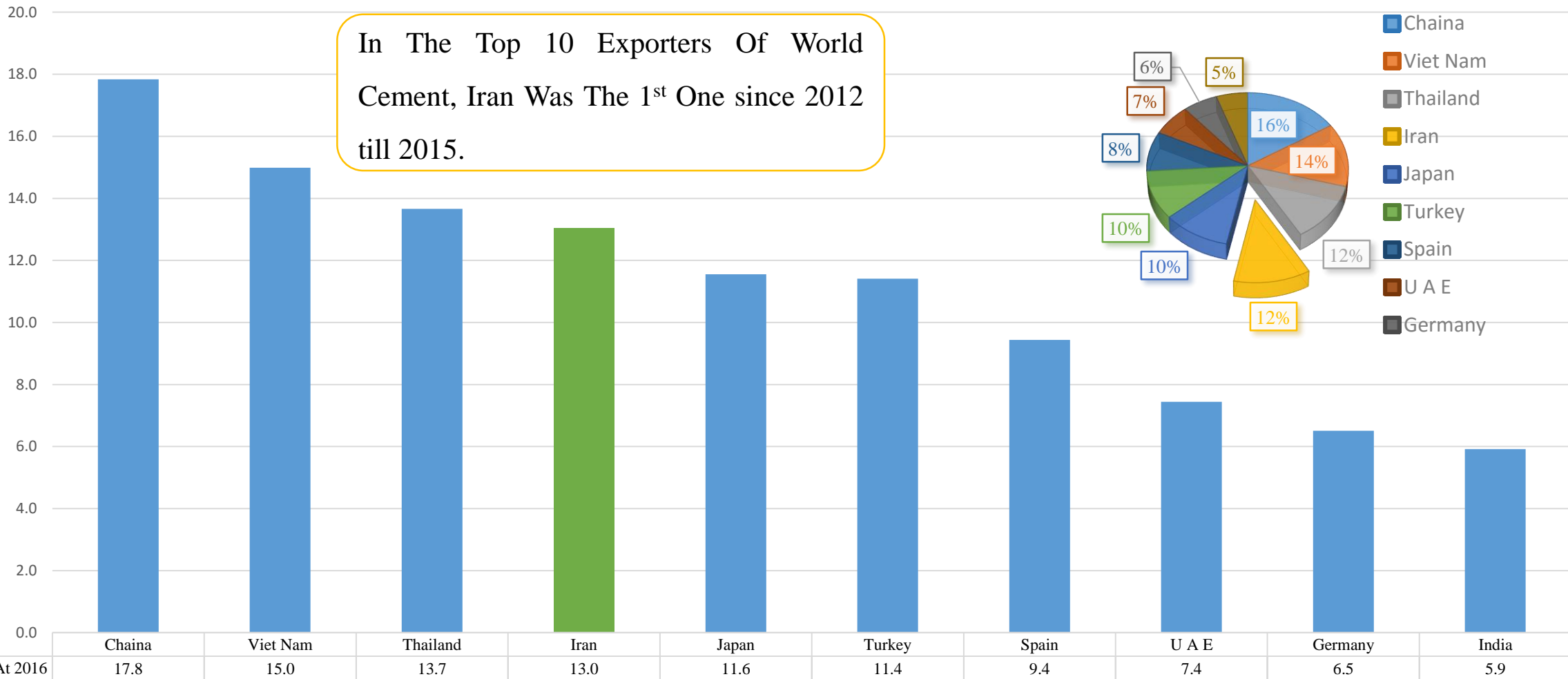
World Cement Industry

- Consumption Per Capita VS. GDP Per Capita Of Top 13 Cement Producers.



World Cement Industry

- Total Cement Trade In The World was Around **180** Million Tons in **2016**

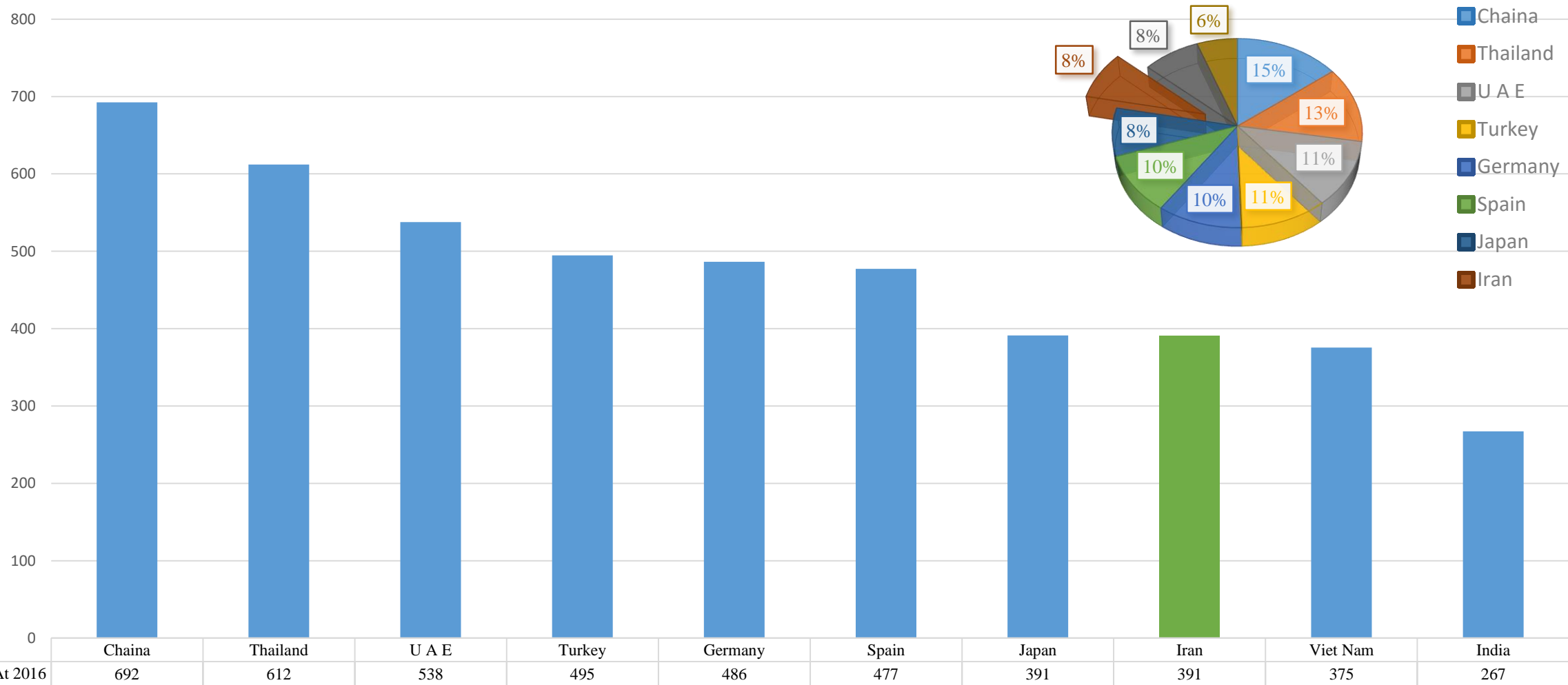


Mega Tons

Top 10 Exporters At 2016

World Cement Industry

• Value Of Exported Cement Was around **9.2 Billion USD** in **2016**

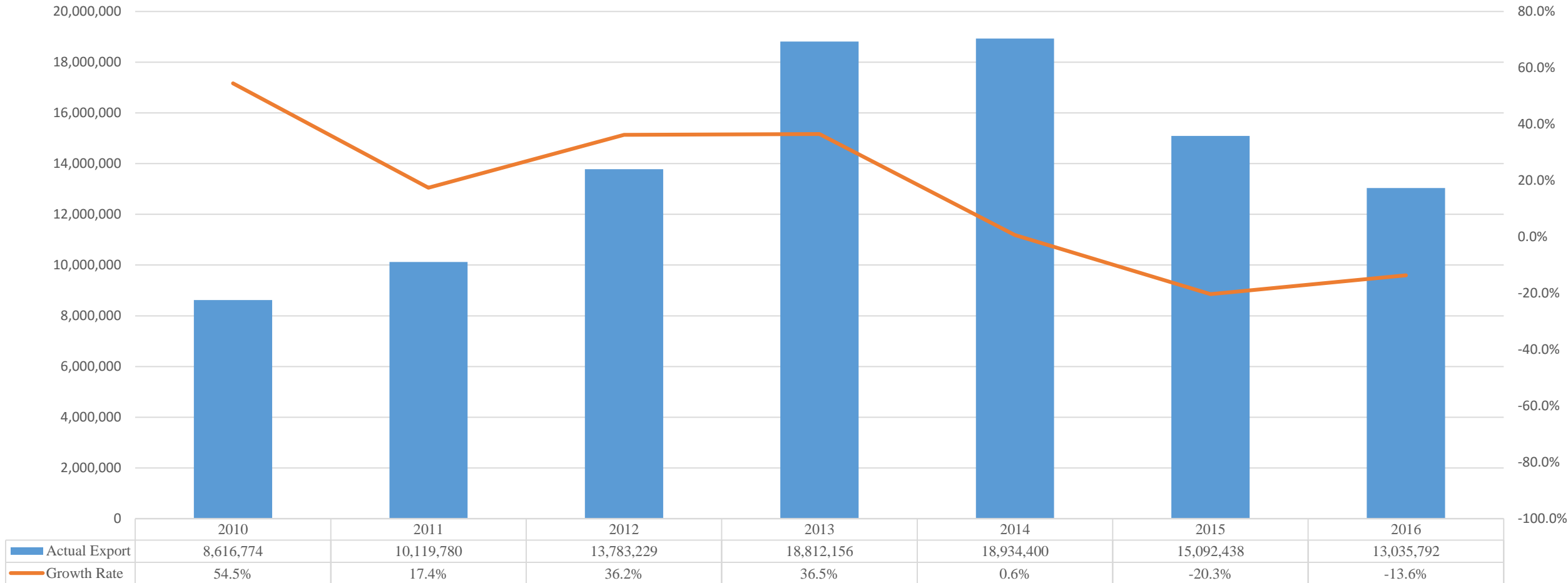


Million USD

■ Top 10 Exporters At 2016

Iranian Cement Industry – Actual Export

- In The Top 10 Exporters Of World Cement, Iran Was The 1st One since 2012 till 2015.



Iranian Cement Industry– Accomplished Projects

- Accomplishment of **59** Establishing & Expanding Projects to Develop Cement Production Capacity of **33** Million Tons to **81** Million Tons.

Year	Establishing Projects		Expanding Projects	
	Number of	Installed Capacity (Tons)	Number of	Added Capacity (Tons)
2005	3	2,490,000	3	660,000
2006	5	4,515,000	4	1,410,000
2007	5	4,215,000	2	790,000
2008	9	8,110,000	4	2,010,000
2009	4	5,445,000	0	0
2010	7	8,150,000	1	150,000
2011	4	4,570,000	1	550,000
2012	2	1,990,000	0	0
2013	1	990,000	1	300,000
2014	1	600,000	0	0
2015	1	150,000	0	0
2016	1	1,000,000	0	0
Sum	43	42,225,000	16	5,870,000

- Cement Production Capacity of Iran in 2004 was **33** Million Tons
- Accomplished Development Projects in less than a Decade (During two Progressive Program) were **48** Million Tons
- Cement Production Capacity of Iran in 2016 is **81** Million Tons

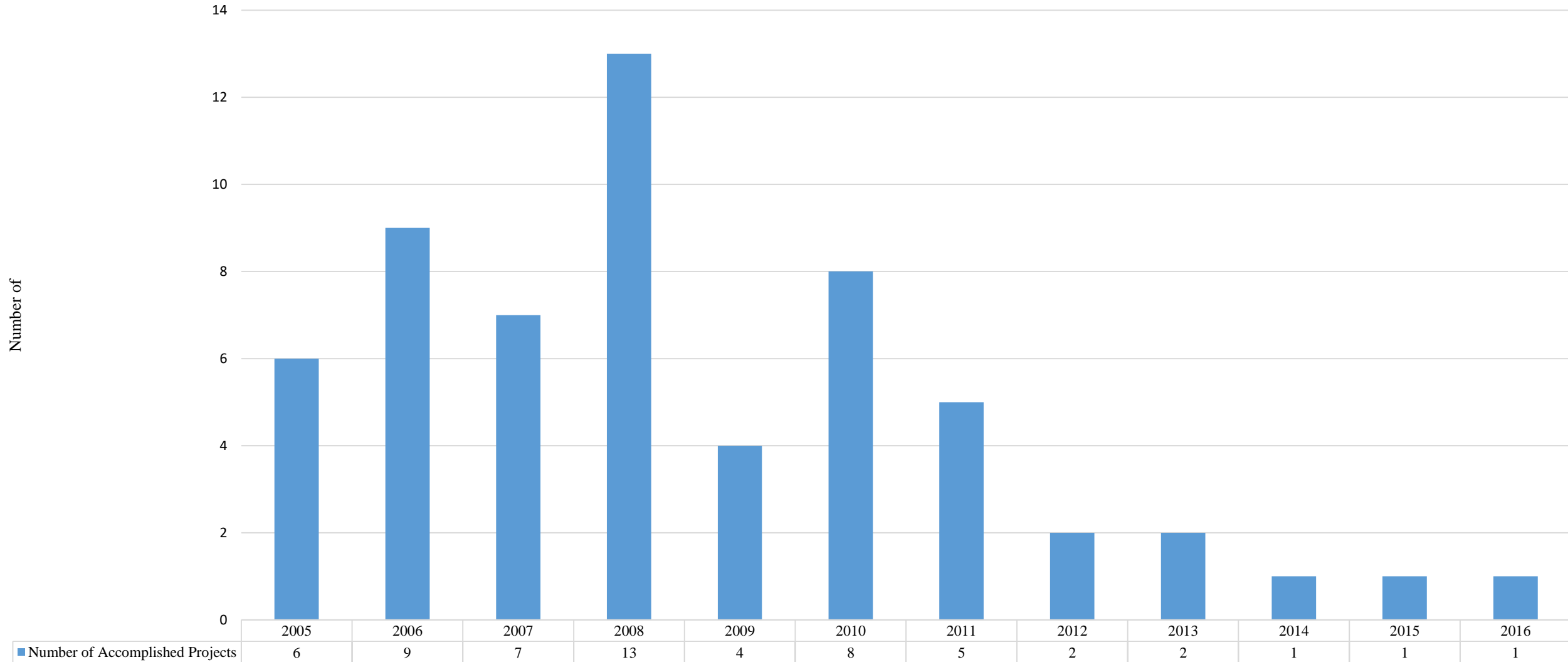


CEMENT PRODUCERS ASSOCIATION of IRAN



Iranian Cement Industry – Accomplished Projects

Number of Accomplished Projects



Iranian Cement Industry – Accomplished Projects

2005

Row	Establishing Projects		Expanding Projects	
	Name	Capacity (Tons)	Name	Capacity (Tons)
1	Bohruk Yazd	1,080,000	Hegmatan	270,000
2	Kavir Kashan	510,000	Sharhroud	270,000
3	Fars Now	900,000	Qaen	120,000
Sum	3	2,490,000	3	660,000

2006

Row	Establishing Projects		Expanding Projects	
	Name	Capacity (Tons)	Name	Capacity (Tons)
1	Qeshm	285,000	Ardebil	360,000
2	Firouzkooh	990,000	Kordestan	270,000
3	Tehran Cement	1,000,000	Darab	180,000
4	Larestan	240,000	Estahban	600,000
5	Saveh	2,000,000	---	---
Sum	5	4,515,000	4	1,410,000

2007

Row	Establishing Projects		Expanding Projects	
	Name	Capacity (Tons)	Name	Capacity (Tons)
1	Faraz Firouzkooh	990,000	Khash	240,000
2	Zanjan	480,000	Khazar	550,000
3	Momtazan	990,000	---	---
4	Mazandaran	990,000	---	---
5	Ardestan	765,000	---	---
Sum	5	4,215,000	2	790,000

2008

Row	Establishing Projects		Expanding Projects	
	Name	Capacity (Tons)	Name	Capacity (Tons)
1	Sharhroud	900,000	Gharb	600,000
2	Bojnord	990,000	Abadeh	210,000
3	Zaveh Torbat	900,000	Shomal	600,000
4	Hegmatan	990,000	Mazandaran	600,000
5	Shahr e kord	990,000	---	---
6	Sepahan	940,000	---	---
7	Lar Sabzevar	900,000	---	---
8	Omran Anarak	900,000	---	---
9	Sarooj Esfahan	600,000	---	---
Sum	9	8,110,000	4	2,010,000

Iranian Cement Industry – Accomplished Projects

2009

Row	Establishing Projects		Expanding Projects	
	Name	Capacity (Tons)	Name	Capacity (Tons)
1	Sarooj Boushehr	1,500,000	---	---
2	Abyek	1,500,000	---	---
3	Khuzestan	1,500,000	---	---
4	Zabol	945,000	---	---
Sum	4	5,445,000	0	0

2010

Row	Establishing Projects		Expanding Projects	
	Name	Capacity (Tons)	Name	Capacity (Tons)
1	Ilam	990,000	Qeshm	150,000
2	Jovein	1,200,000	---	---
3	Azaabadegan Khoi	990,000	---	---
4	Nahavand	990,000	---	---
5	Shargh	990,000	---	---
6	Peivand Golestan	990,000	---	---
7	Saman e Gharb	2,000,000	---	---
Sum	7	8,150,000	1	150,000

2011

Row	Establishing Projects		Expanding Projects	
	Name	Capacity (Tons)	Name	Capacity (Tons)
1	Oromiyeh	990,000	Soufian	550,000
2	Naien	1,500,000	---	---
3	Lamerd	1,080,000	---	---
4	Neizar Ghom	1,000,000	---	---
Sum	4	4,570,000	1	550,000

2012

Row	Establishing Projects		Expanding Projects	
	Name	Capacity (Tons)	Name	Capacity (Tons)
1	Guilan e Sabz	1,000,000	---	---
2	Sardar	990,000	---	---
Sum	2	1,990,000	0	0

Iranian Cement Industry – Accomplished Projects

2013

Row	Establishing Projects		Expanding Projects	
	Name	Capacity (Tons)	Name	Capacity (Tons)
1	Khamseh	990,000	Sefid e Shargh	300,000
Sum	1	990,000	1	300,000

2014

Row	Establishing Projects		Expanding Projects	
	Name	Capacity (Tons)	Name	Capacity (Tons)
1	Kiasar	600,000	---	---
Sum	1	600,000	0	0

2015

Row	Establishing Projects		Expanding Projects	
	Name	Capacity (Tons)	Name	Capacity (Tons)
1	Tabas e Golshan	150,000	---	---
Sum	1	150,000	0	0

2016

Row	Establishing Projects		Expanding Projects	
	Name	Capacity (Tons)	Name	Capacity (Tons)
1	Bagheran Birjand	1,000,000	---	---
Sum	1	1,000,000	0	0

Iranian Cement Industry– Advantages

- There Are **94** Kilns So That **45** Kilns Are Less Than **10** Years Old which mostly are 1Mt/y.
- Iranian Cement Industry Has Capabilities To Produce A Wide Variety Of Cement Types As

Following :

row	Cement Type
1	Portland Type 1-325
2	Portland Type 1-425
3	Portland Type 2
4	Portland Type 3
5	Portland Type 5
6	Mixed Cement
7	Pozzolanic Cement
8	Special Pozzolanic Cement
9	White Cement
10	Slag Sulphate Resistant Cement
11	Oil Well Cement
12	Masonry Cement
13	Fire Resistant 450 , 500 , 550
14	P.K.Z Cement

Iranian Cement Industry– Advantages

- Iranian White Cement Factories

Row	Factory Name	Cement Cap.	Kiln Cap.
1	Shomal	89,232	85,800
2	Saveh	327,600	315,000
3	Neiriz	163,800	157,500
4	Ekbatan	114,660	110,250
5	Oromiyeh	163,800	157,500
6	Benvid	163,800	157,500
7	Larestan	140,400	135,000
8	Shargh	332,800	320,000
Sum		1,496,092	1,438,550

Iranian Cement Industry– Advantages

- In Cement Industry Of Iran There Are More Than **20,000 Direct Employees** (Jobs)
- And It Can Be About **120,000 Indirect Jobs**.

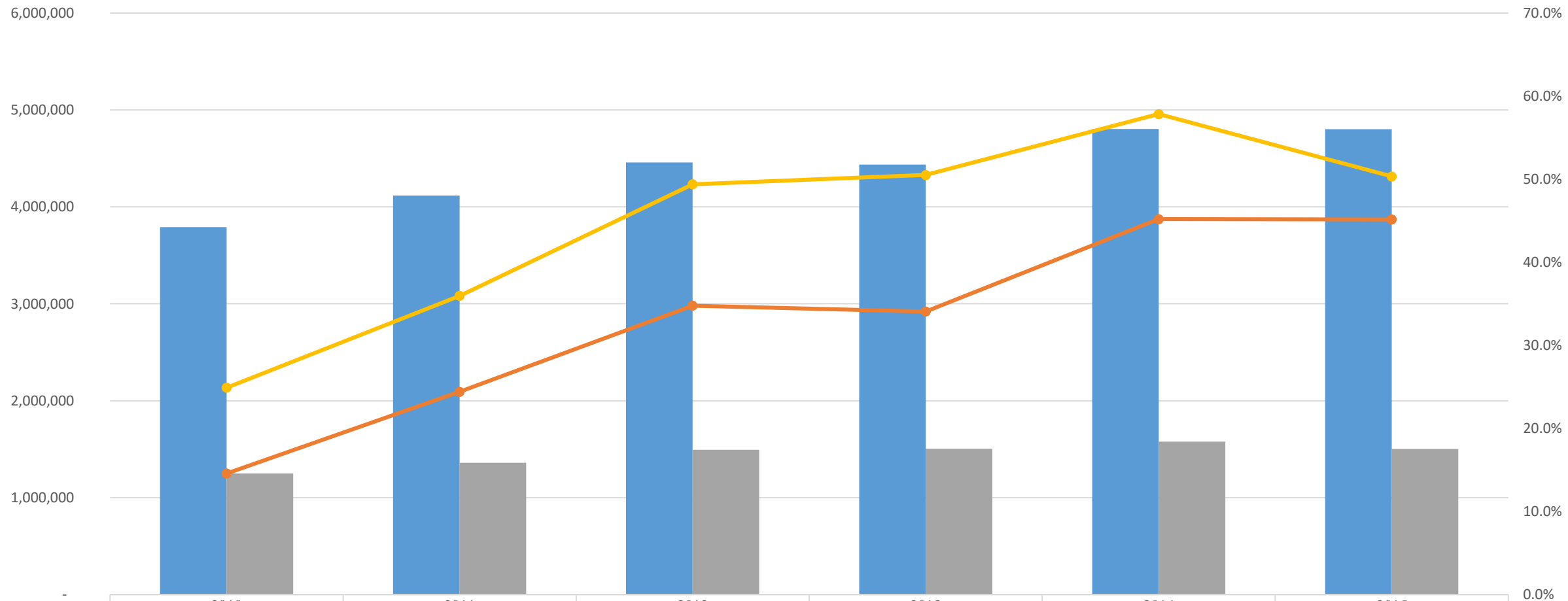




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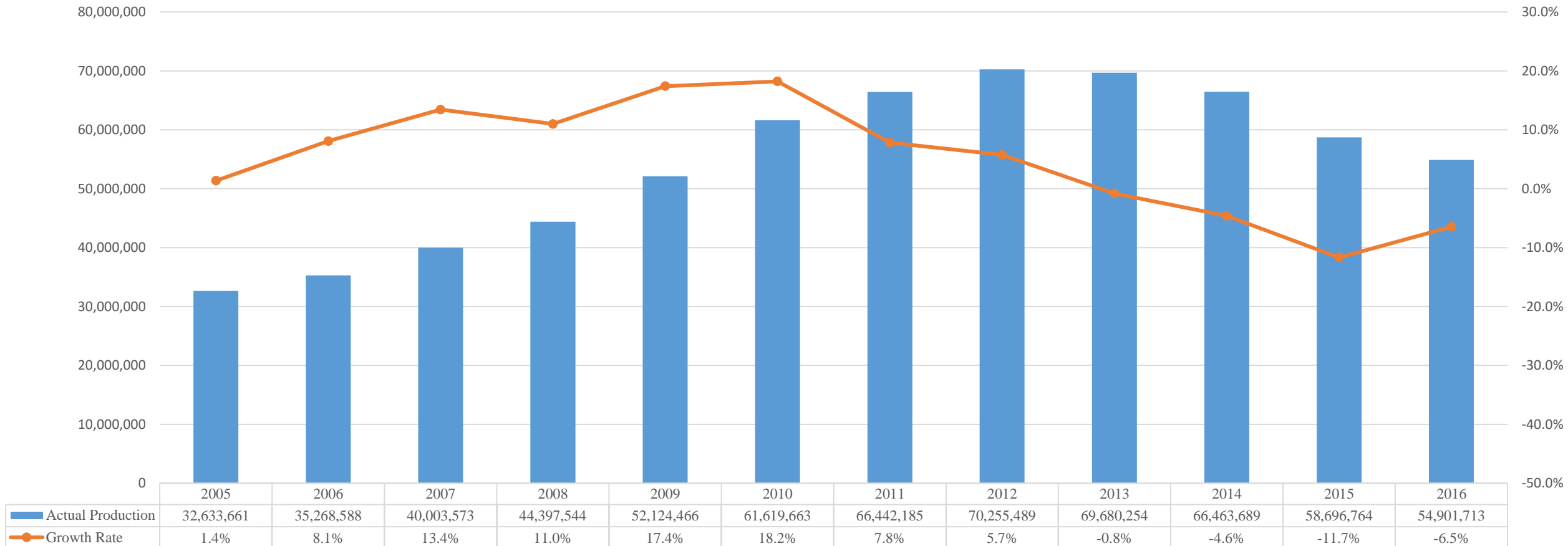
Iranian Cement Industry – Advantages



	2010	2011	2012	2013	2014	2015
University Students	3,790,878	4,116,593	4,459,287	4,435,880	4,804,037	4,802,721
Engineering Students	1,248,944	1,359,576	1,493,834	1,505,036	1,578,331	1,503,304
U.Stu. Growth Rate	14.6%	24%	35%	34%	45%	45%
En.Stu. Growth Rate	24.9%	36.0%	49.4%	50.5%	57.8%	50.3%

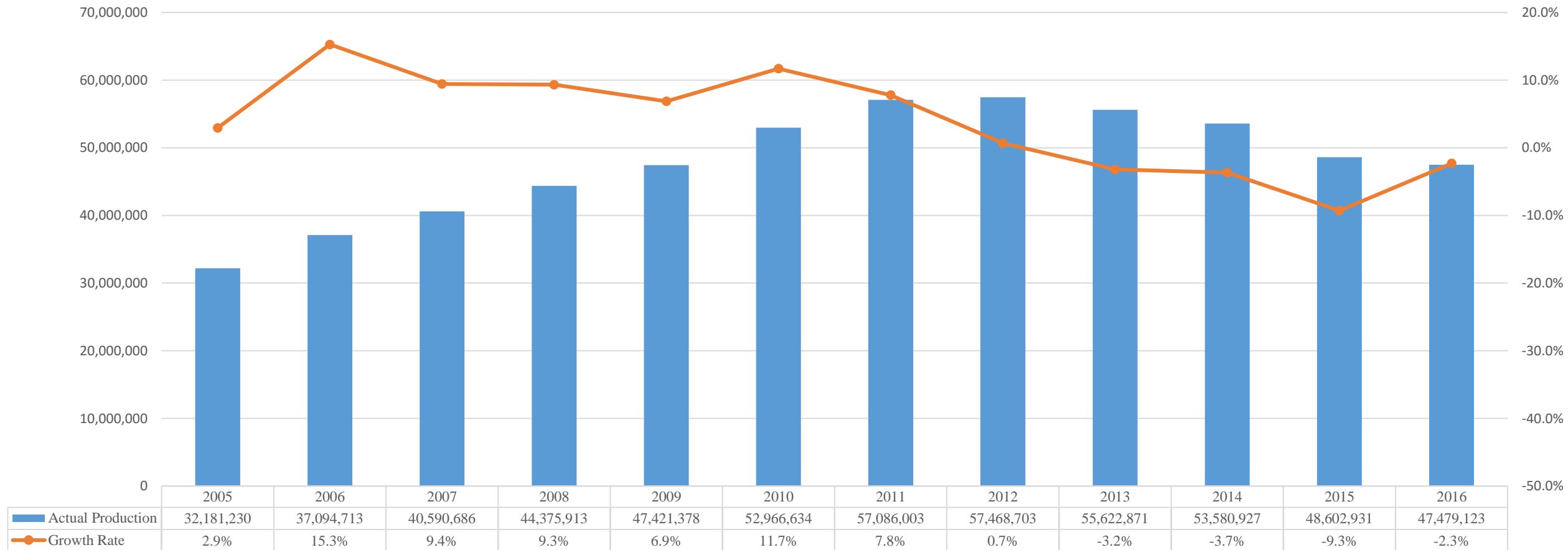
Iranian Cement Industry– Actual Production

- The **4th Largest** Cement Producer in the World in **2013** but Dropped **13th** at **2016**
- Total Production Per Capita is **685 kg** & Total Consumption Per Capita is **593 kg**



Iranian Cement Industry – Domestic Consumption

- The **12th Largest** Cement Consumer in the World in **2016**
- Total Consumption Per Capita is **593 kg** & Total Production Per Capita is **685 kg**

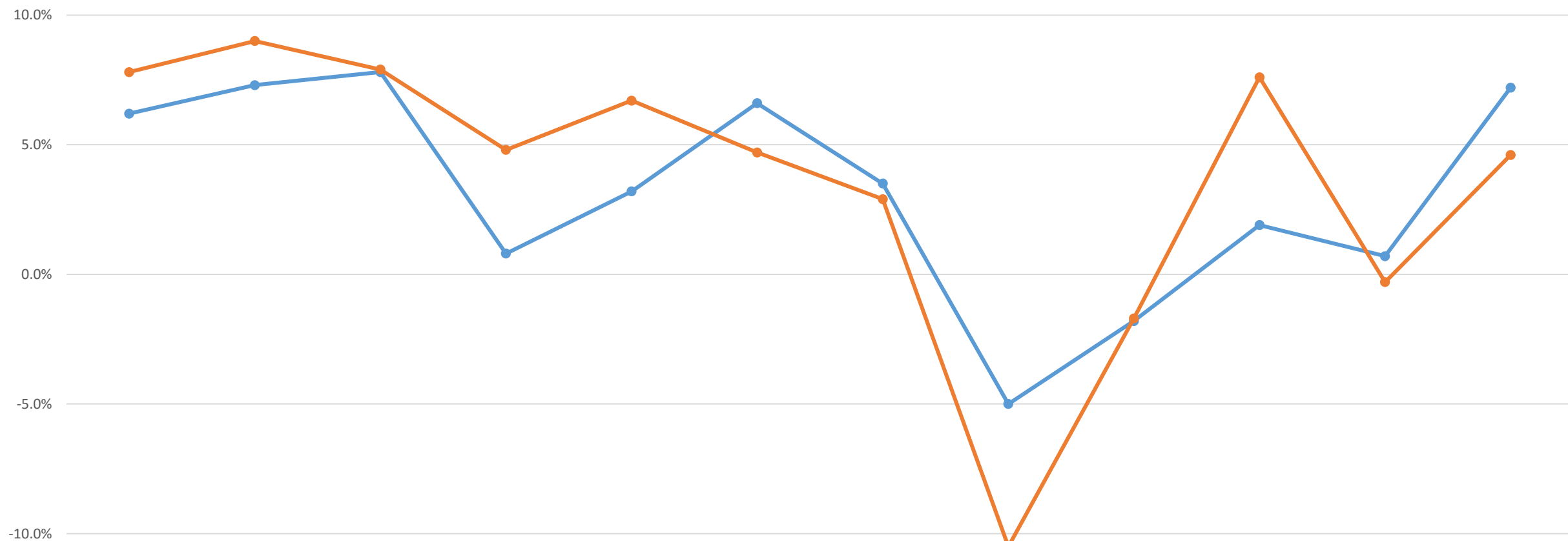




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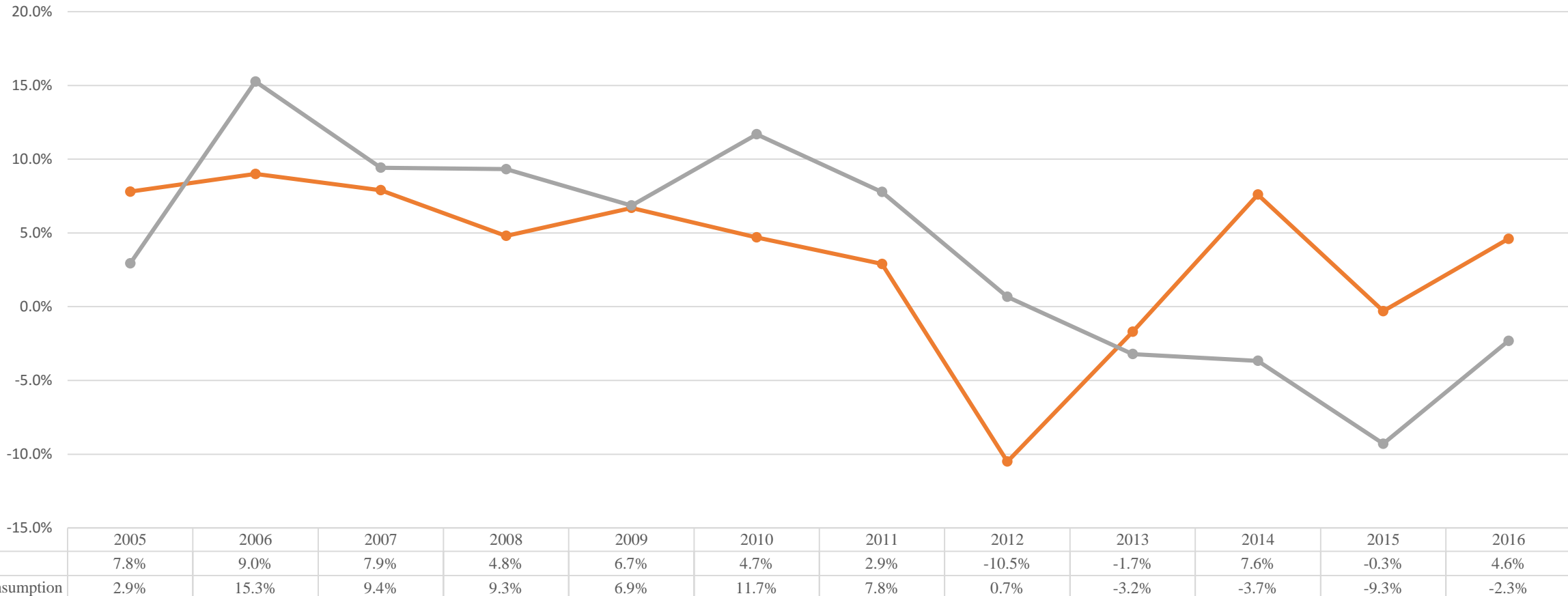
Iranian Industry Growth Rate VS. GDP Growth Rate



	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
— GDP	6.2%	7.3%	7.8%	0.8%	3.2%	6.6%	3.5%	-5.0%	-1.8%	1.9%	0.7%	7.2%
— Industry	7.8%	9.0%	7.9%	4.8%	6.7%	4.7%	2.9%	-10.5%	-1.7%	7.6%	-0.3%	4.6%

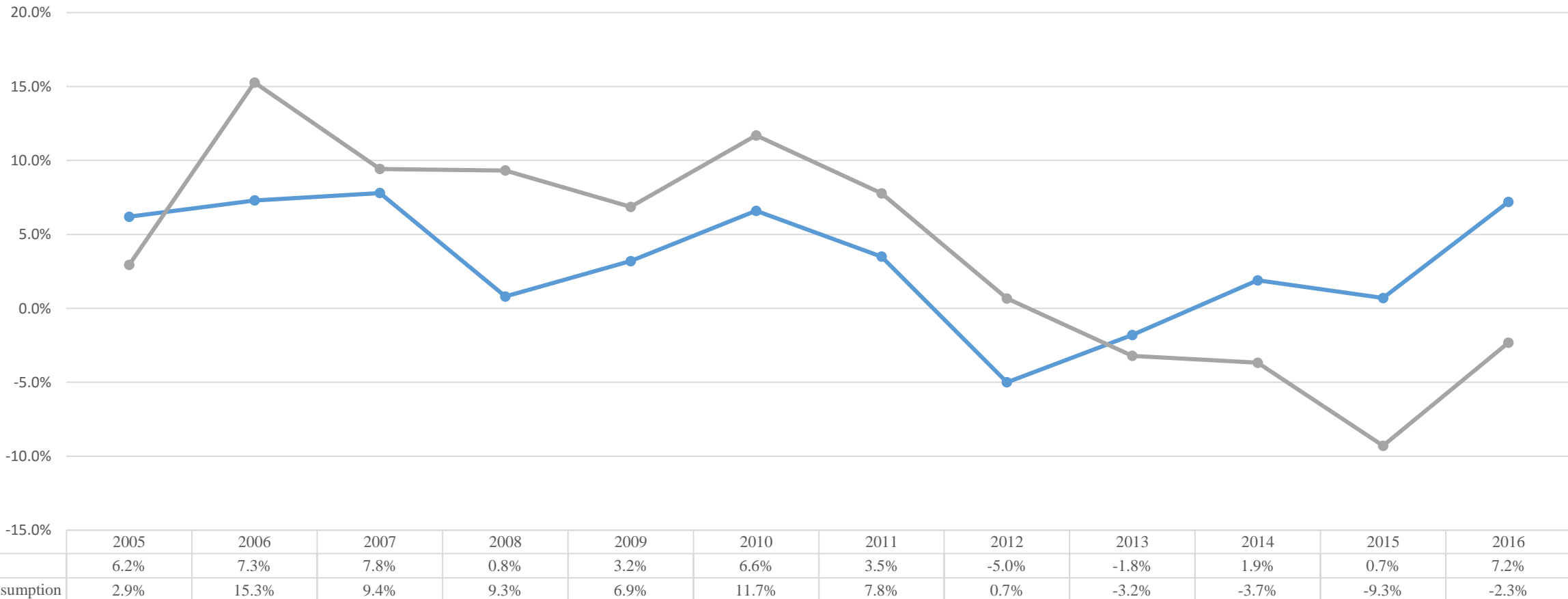
Iranian Cement Industry – Consumption Growth Rate VS. Industry Growth Rate

- The **12th Largest** Cement Consumer in the World in **2016**
- Total Consumption Per Capita is **593 kg** & Total Production Per Capita is **685 kg**



Iranian Cement Industry – Consumption Growth Rate VS. Industry Growth Rate

- The **12th Largest** Cement Consumer in the World in **2016**
- Total Consumption Per Capita is **593 kg** & Total Production Per Capita is **685 kg**



Statistical Snapshot of Iranian Cement Industry at Divided Zones

Attractiveness Index

We Calculate this Index Based on Exporting & Domestic Consuming Capabilities of any Area and Rank them in Ascending Order of 1 to 7.

Legend :

- Pro. Cap. Production Capacity
- Ex. Cap. Export Capacity

- **7** Cement Factory
- Pro. Cap. : 8.6 Mt.
- Ex. Cap. : 2.5 Mt.
- Population : 9.4 M.
- **Attractive Index : 6**

- **7** Cement Factory
- Pro. Cap. : 10.5 Mt.
- Ex. Cap. : 4.8 Mt.
- Population : 8.7 M.
- **Attractive Index : 1**

- **10** Cement Factory
- Pro. Cap. : 10.5 Mt.
- Ex. Cap. : 5.7 Mt.
- Population : 7.4 M.
- **Attractiveness Index : 7**

- 12 Cement Complex
- Pro. Cap. : 8.6 Mt.
- Ex. Cap. : 4 Mt.
- Population : 7 M.
- **Attractiveness Index : 2**

- **22** Cement Factory
- Pro. Cap. : 26.8 Mt.
- Ex. Cap. : 8.3 Mt.
- Population : 28.4 M.
- **Attractive Index : 3**

- **10** Cement Factory
- Pro. Cap. : 10.5 Mt.
- Ex. Cap. : 5.3 Mt.
- Population : 8.1 M.
- **Attractive Index : 5**

- **5** Cement Factory
- Pro. Cap. : 4.2 Mt.
- Ex. Cap. : 0.5 Mt.
- Population : 5.7 M.
- **Attractive Index : 4**



Export Markets of Iranian Cement Industry in 2016

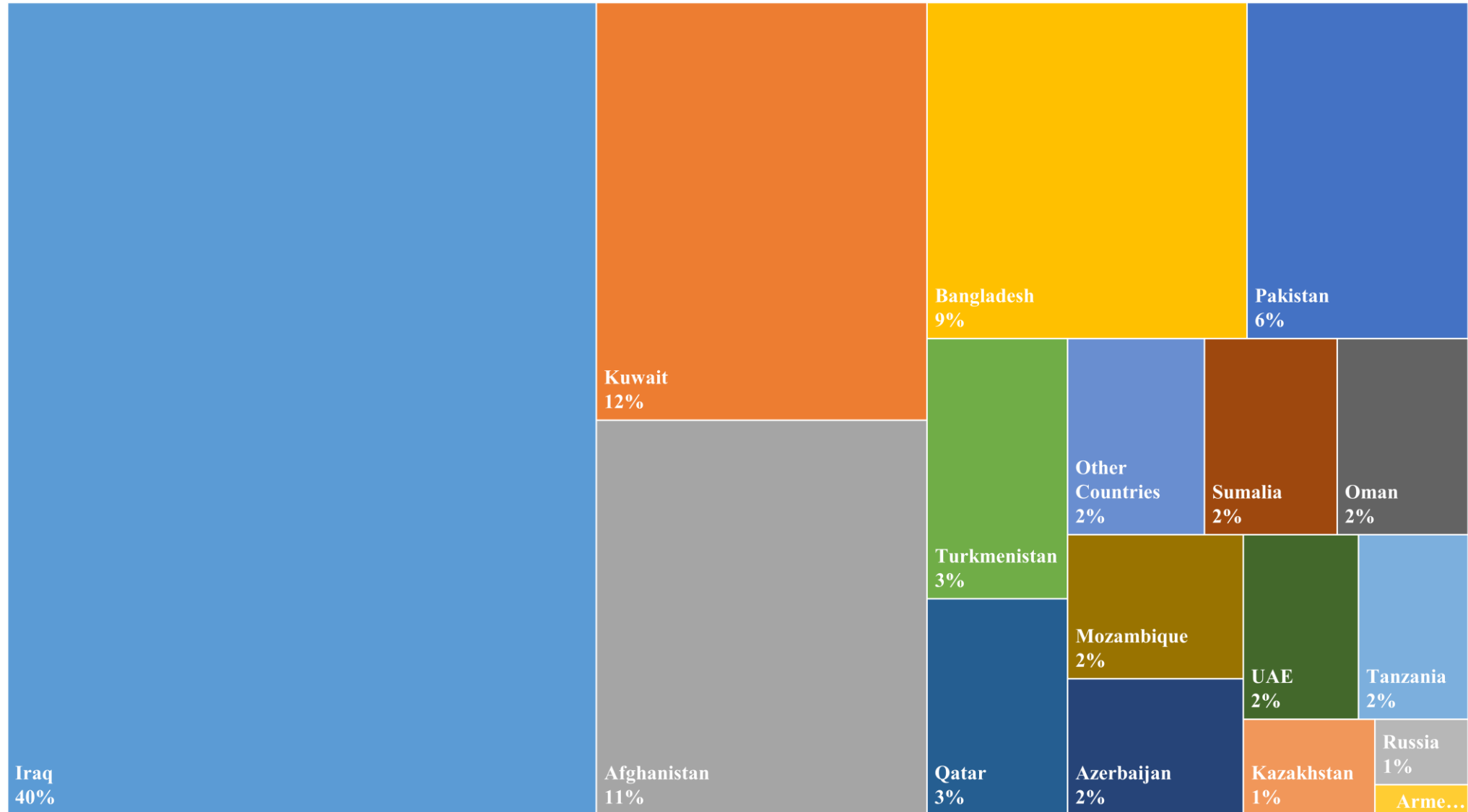
- Total Export was around **13** Million Tons

Exported Market	Cement	Clinker	Sum
Iraq	3,077,323	2,178,058	5,255,381
Kuwait	784,342	731,790	1,516,132
Afghanistan	1,435,732	0	1,435,732
Bangladesh	0	1,180,130	1,180,130
Pakistan	541,140	273,846	814,986
Turkmenistan	371,032	30,523	401,555
Qatar	39,934	294,615	334,549
Sumalia	90,754	195,118	285,872
Oman	183,649	98,191	281,840
Mozambique	91,188	186,800	277,988
Azerbaijan	43,098	220,915	264,013
UAE	103,538	129,326	232,864
Tanzania	94,169	127,748	221,917
Kazakhstan	139,313	0	139,313
Russia	61,815	5,199	67,014
Armenia	23,646	7,884	31,530
Other Countries	213,896	81,080	294,976
Sum	7,294,569	5,741,223	13,035,792



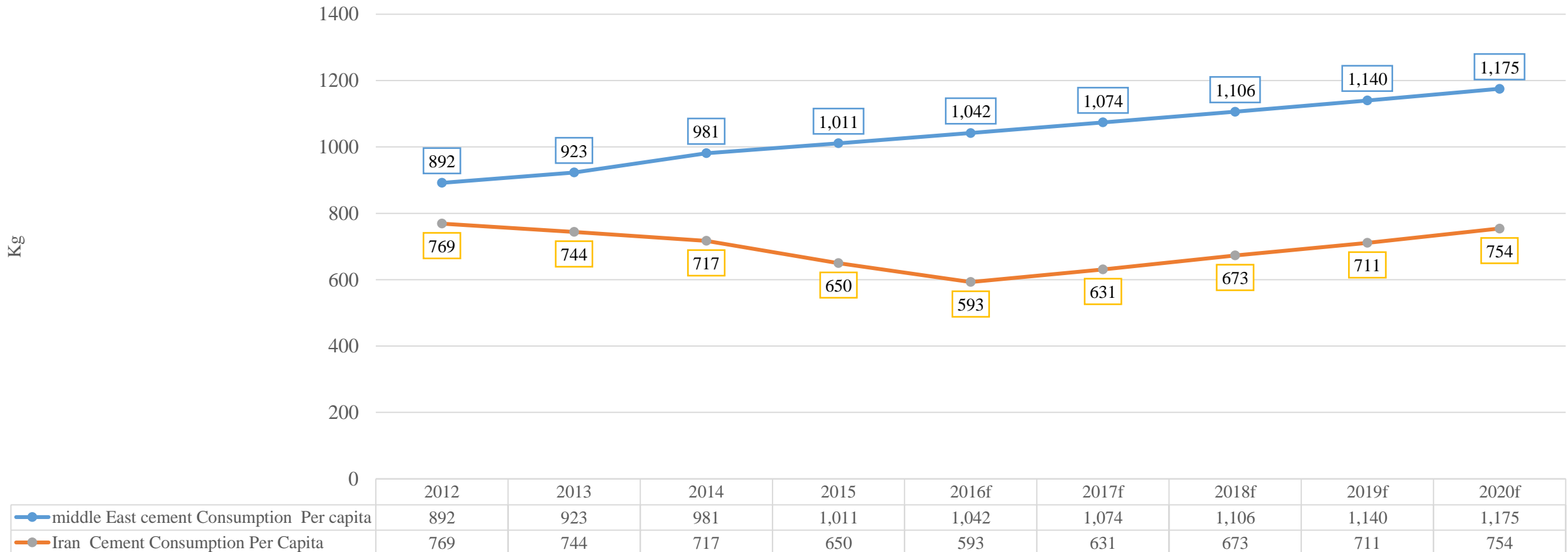
Export Markets of Iranian Cement Industry in 2016

- Total Export was around **13** Million Tons

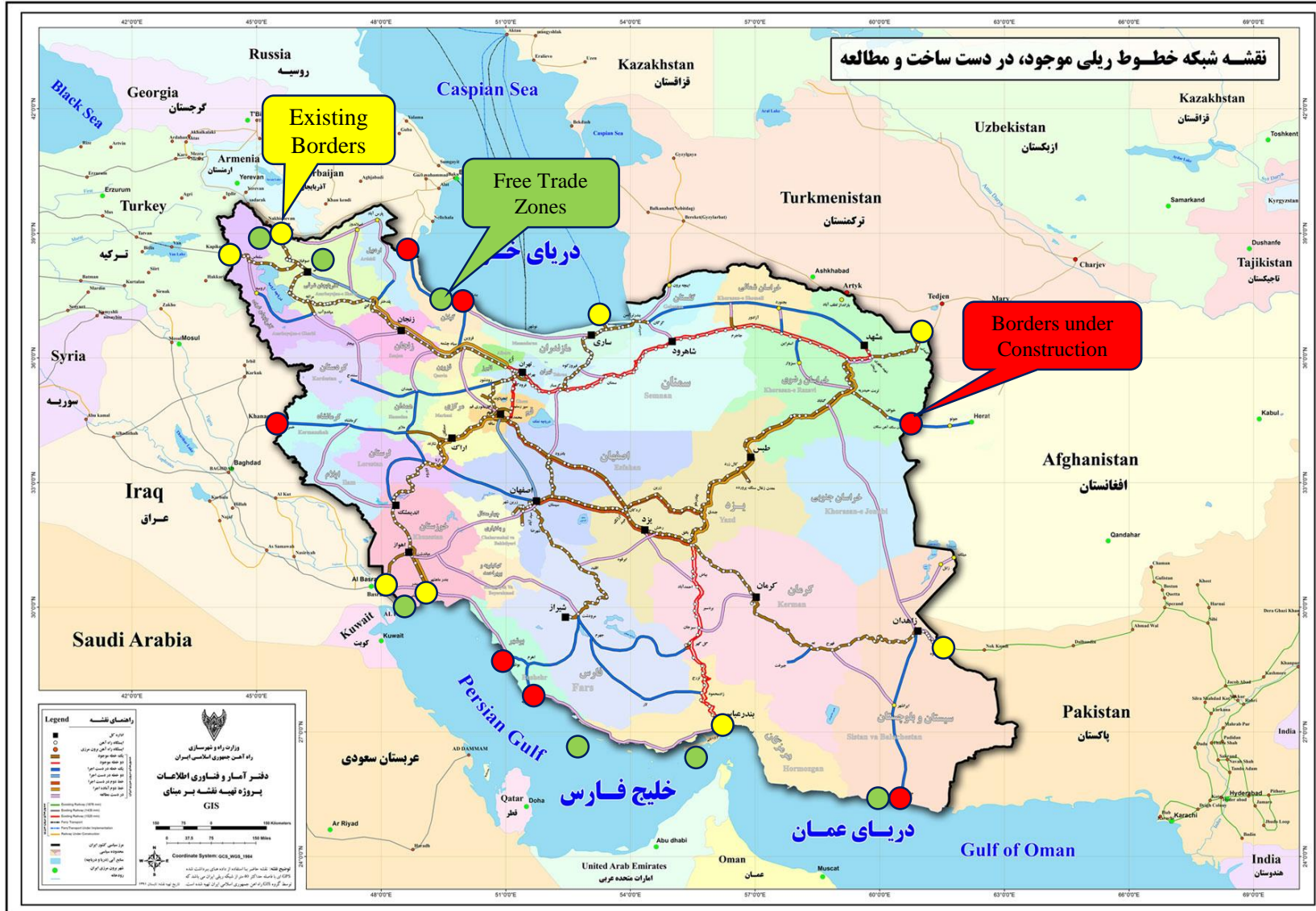


Potential Market in Middle East

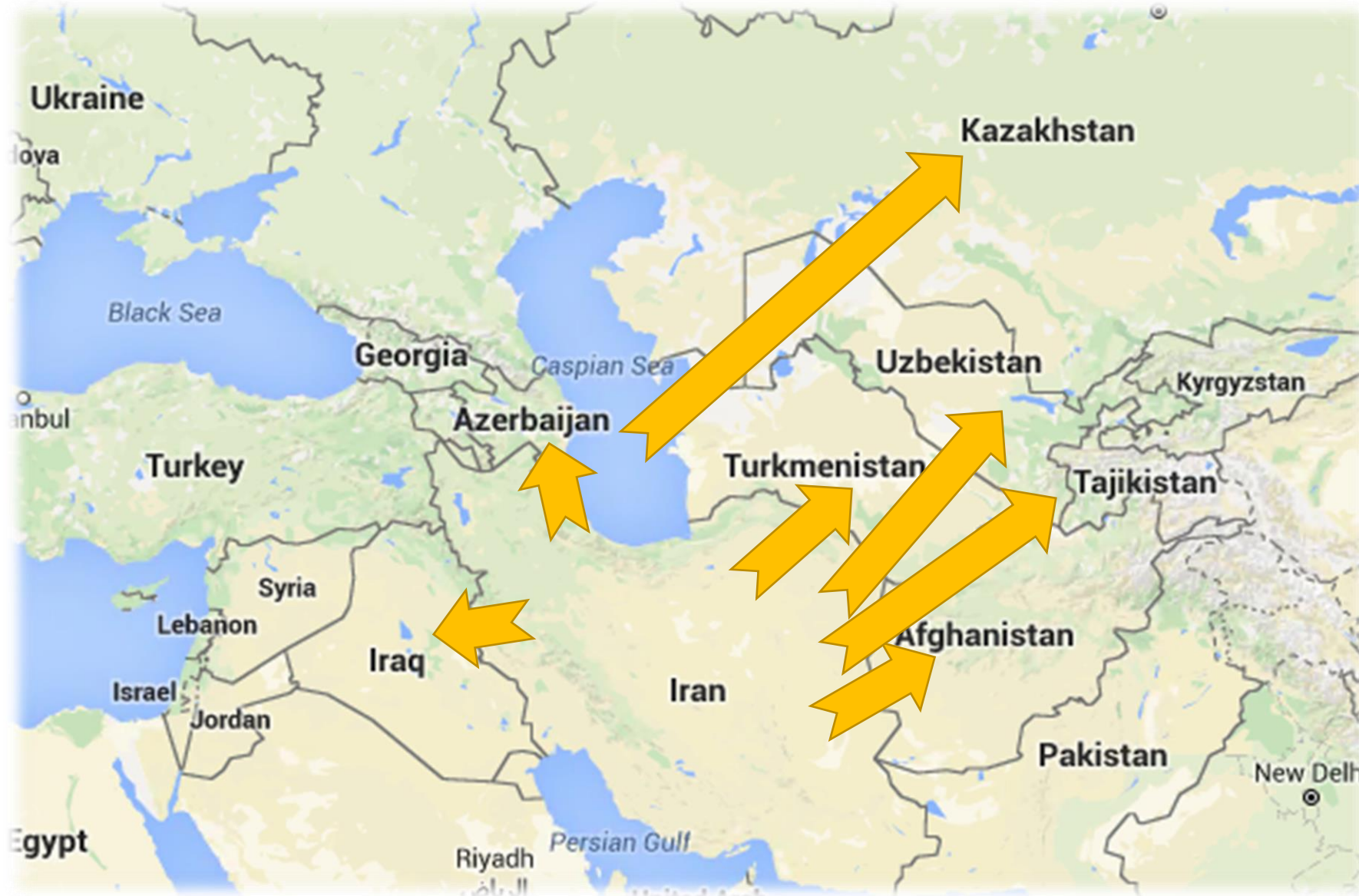
- **18** Countries
- **7.1** Million Square Meters
- Population is more than **370** Million



Roads and Borders in Order to Develop Exporting to Potentially Target Markets



Iranian's Cement Exporting Potentially Target Markets



Iranian's Cement Exporting Potentially Target Markets



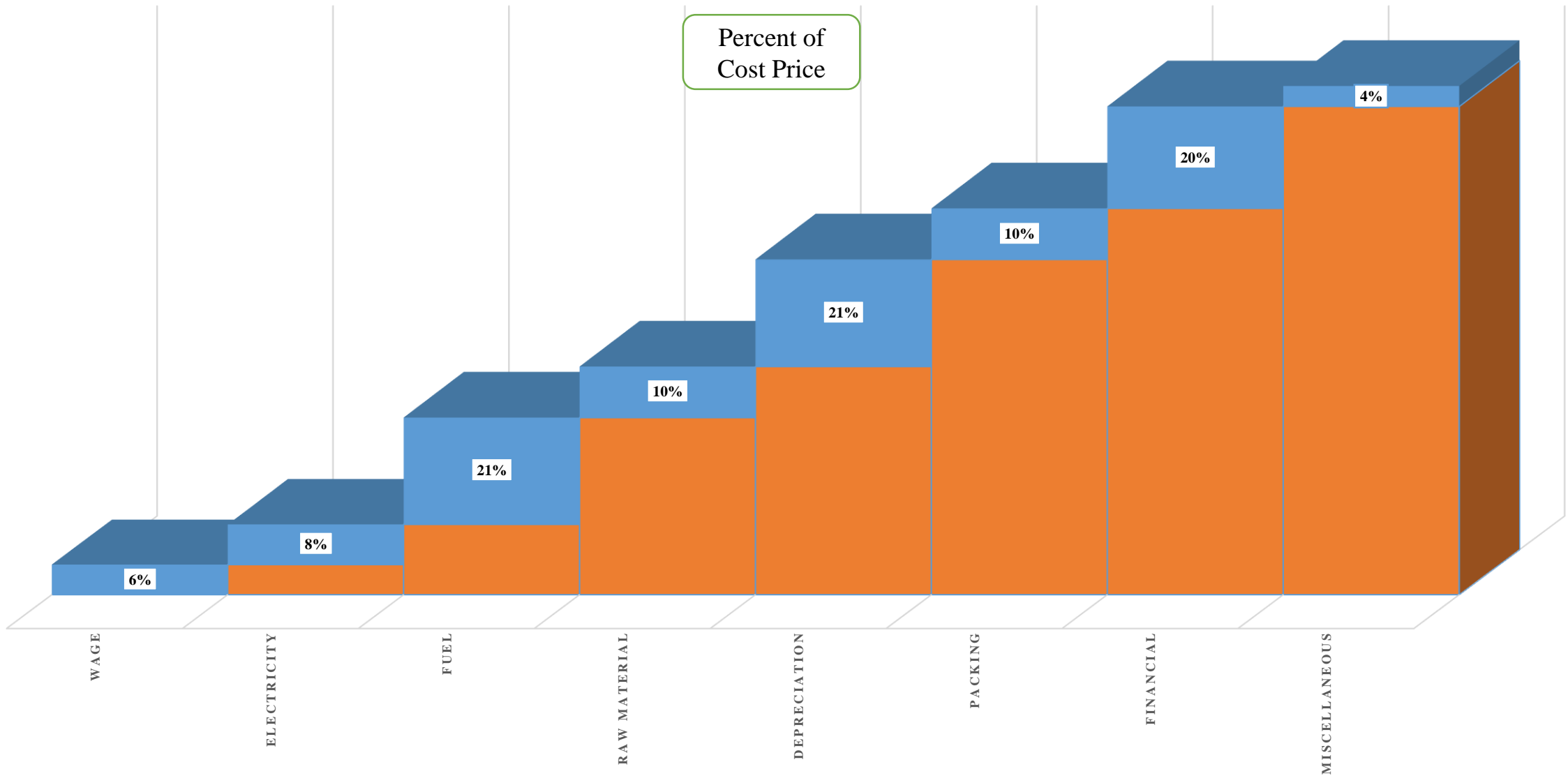


Strength of Iranian Cement Industry



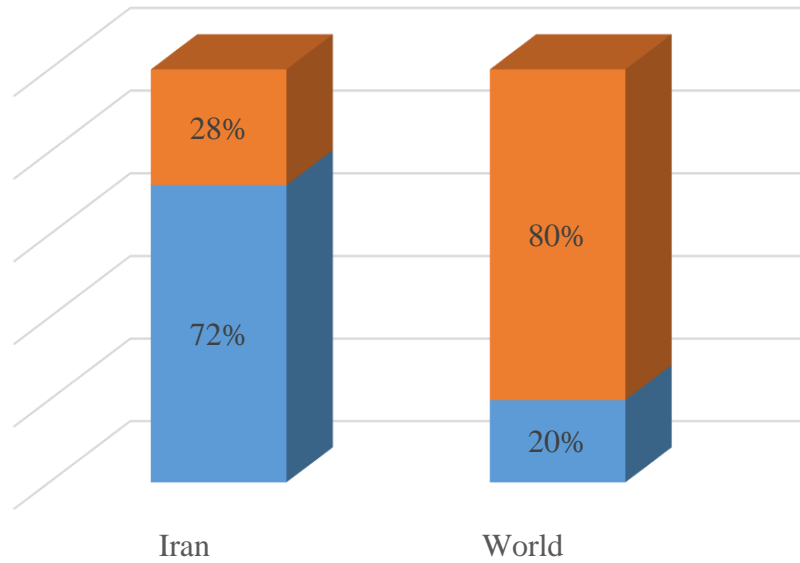
- Mostly Modern Machinery and Up to Date Technologies
- Good Practices in Production Processes
- Good Quality and Capability to Produce a wide Variety of Products
- Access to the High Seas
- Sufficient Technical Expert Human Recourses
- Capability of Export Oriented Activities

Strength of Iranian Cement Industry

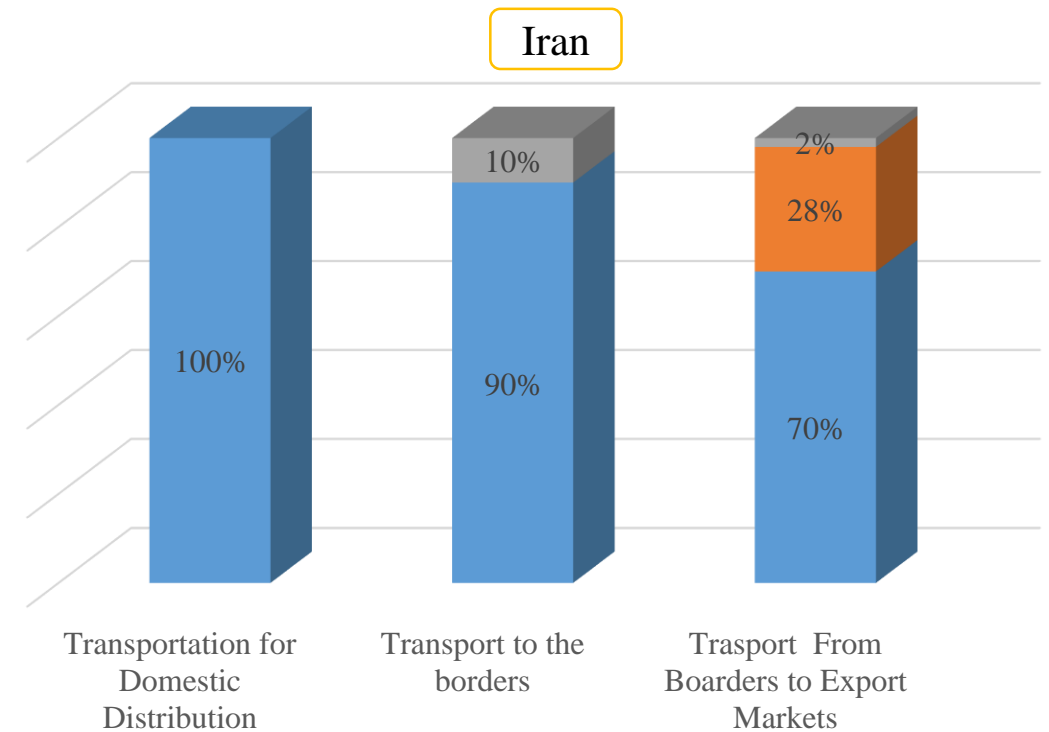


Risks of Iranian Cement Industry

- Transporting Systems



■ Land ■ Sea



■ Road ■ Sea ■ Rail/Rod

Risks of Iranian Cement Industry

- Insufficient Infrastructures of Ports and Border Terminals
- Lack of International Agreements on Custom Duties to Facilitate Export
- Reduction of Domestic Consumption from 2013 to 2016
- Decreasing Oil prices Caused GDP Reduction and Effect the Domestic Cement Consumption



Outlook of Iranian Cement Industry

- Incentive Policies of the Government to Enhance the Construction Industry
- Encouraging Policies of the Government to Substitute Concrete for Structure and Asphalt in Buildings and Roads.
- Facilities of Export Fund for Foreign trade
- Organize Trilateral Consortium by Government, Banks and Cement Producers to Provide Credit Lines for Progressive Programs and National Projects.



Opportunities for Foreign Investment in Iran

- Comparison of the Cost of Establishment and Stock Market Value Of a 1Mt/Y Cement Factory In Iran Shows That There Is An Opportunity To Invest In Iranian Cement Industry

A vibrant field of white daisies with bright yellow centers, set against a lush green background. The flowers are in various stages of bloom, with some in sharp focus and others blurred in the background, creating a sense of depth and a bright, cheerful atmosphere.

Thank You

for

Your Kind Attention