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White cement demand outlook driven by increasing purchasing power

Greenwich (CT), USA, July 5, 2017 – Between 2017 and 2022, consumption of white cement is projected to increase by an average of three percent per year, according to CW Research's Global White Cement Market and Trade Report (2017 update). White cement consumption growth rate will outperform that of gray cement, which is projected to grow at an annual average of two percent. The popularity of the white building material, fueled by its diverse and specialized applications as well as a rising consumer purchasing power in developing economies, is laying the foundation for growth until 2022.

Raluca Cercel, Senior Consulting Analyst at CW Group, further illustrates the correlation between white cement consumption and buying power: "accounting for less than one percent of global cement demand, white cement is a premium product and priced accordingly. We anticipate white cement applications to continue to be in their majority of aesthetic nature and therefore contingent on disposable income."

Asia ex-China is forecasted to be the fastest-growing region in terms of white cement consumption. Within the region, India shows the strongest growth potential, with consumption projected to soar in the next five years. Mirroring the increasing trend in consumption, the Chinese booming construction sector and economy are also expected to contribute to a solid expansion in the white cement market, partly due to the sheer size of the Chinese market.

The worldwide white cement market today is somewhat shy of twenty million tons. The Mexican and American white cement markets showed strong growth over the past five years, expanding at an average annual rate of thirteen and eight percent, respectively. Considering the premium nature of the white-colored construction material, it is unsurprising that the surge in its consumption followed an increased consumer purchase power as well as a rebound in economic prospects in these two countries, respectively.

Masonry applications lead the way

At a global level, masonry applications, such as stucco, mortars, grouts, adhesives and flooring, account for 60 percent of white cement consumption. Other sectors, such as architectural precast and pool finishes, represent the balance. However, there are substantial geographic differences in the end-user demand profile. Not only do construction preferences dictate application needs, but also economic development.

As a relatively expensive building material product, large-scale applications in structural work, such as bridges and museums, limit such uses to developed markets. Looking forward, architectural precast will remain the main white cement segment in North America and Western Europe, while masonry will still account for most of the global white cement consumption.

Trade plays key role in global market

Out of the 130 white cement plants worldwide, over 50 percent are operated by the ten largest white cement producing groups. Capacity and production-wise, Cementir / Aalborg is the largest producer, followed by Cemex, LafargeHolcim, Cimsa, HeidelbergCement, JK Cement and RAK White Cement.

As opposed to ordinary Portland cement, white cement is not always consumed where it is produced. With its premium pricing and relative scarcity, white cement travels much farther than gray cement. In 2017, 93 percent of the total traded volume used seaborne routes.

Consequently, globally 28 percent of all white cement produced comes from a foreign country. Within the trade, United States absorbed 30 percent of the global imported volume in 2017. Most of the country's white cement imports come from Canada or Mexico. Turkey kept its place as the leading world white cement exporter in 2017, shipping 30 percent of its exports to the Middle East.

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About the Report

CW Research's Global White Cement Market and Trade Report (2017 update) examines the worldwide white cement industry and presents the latest market data which cover the 2007 – 2017 period, with a medium-term forecast until 2022. The comprehensive report includes cement consumption and production figures, import and export data, as well as pricing trends and white cement capacity developments. Additionally, this data-rich research product provides extensive quantitative information on consumption, usage segments, production, local prices, trade prices, type of handling, trading facilities and trade-flows, by region and major countries. Furthermore, the report analyzes region specific user segments by white cement type and their main consumption drivers as well as perspective for 2022.

More information about the report can be found here: http://www.cwgrp.com/research/research-products/product/200-Global-White-Cement-Market-and-Trade-Report-2017-update

About CW Group

The Greenwich (Conn.), USA-headquartered CW Group is a leading advisory, research and business intelligence boutique with a global presence and a multi-industry orientation. CW Group is particularly recognized for its sector expertise in heavy-side building materials (cement), light-side building materials, traditional and renewable power & energy, petrochemicals, metals & mining, industrial minerals, industrial manufacturing, bulk cargo & shipping, among others. We have a strong functional capability, grounded in our methodical and quantitative philosophy, including due diligence, sourcing intelligence, feasibility studies and commodity forecasting. www.cwgrp.com