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Oil well cement demand to grow through 2024; premium pricing to slowly recover

Greenwich (CT), USA, December 13, 2018 – Global oil well cement consumption is poised to increase through 2024, with key markets such as the US and Saudi Arabia forecast to experience robust average growth rates above 50 percent, according to [CW Research's World Oil Well Cement Market Forecast 2024](#).

"We're seeing a more pronounced trend of ordinary Portland cement (close to grade A API) used instead of oil well cement in onshore and shale drilling as a means for drillers to cut costs. However, API certification remains the golden standard, and not using oil well cement can have risky and often dangerous consequences", observes Raluca Cercel, CW Group's Associate.

Similarly, the demand for oil well cement consumption in large-sized markets of above 100 thousand tons per year is expected to improve after 2018. Additionally, most markets which registered negative growth rates in terms of oil well cement consumption between the years of 2008 and 2018 are expected to begin to recover in the forecast period after oil prices are estimated to start closing distance from previous price peaks.

A shrinking premium

In 2018, global oil well cement consumption is estimated to have improved by over 30 percent to 5,460 thousand tons from 4,136 thousand tons in 2017. Traditionally traded at a premium to the ordinary Portland cement, the previous decline in oil well cement demand has led to a contraction of the premium, with the drastic decrease in drilling activity in 2015/2016, following the oil price crash, also exerting a negative effect.

"Bargaining power lies with the buyers, and oil well producers have had no chance but to adapt to the point that oil well cement has lost its premium pricing to ordinary Portland cement in many geographies", notes Cercel.

Between 2012 and 2016, all the big oil well cement markets registered a decrease in their premium price, much due to the reduced drilling activity provoked by oil prices. Oil well cement prices in US have fell approximately 14.4 percent between 2012 and 2016, but are estimated to recover to USD 110 per ton in 2018. With the exception of Russia and the US, the price of oil well cement is still expected to register lower levels in 2018 in comparison with 2016.

US leading global consumption

The North American market contributed to about 80 percent of the global demand in 2014, at around nine thousand tons. Consumption has since declined to approximately four thousand tons in 2018.

In 2016, despite the globally rapid decrease in oil well cement consumption, the MENA (Middle East and North Africa) region only registered a 7.5 percent decline year on year. From 2018 to 2024, oil well cement demand in MENA is forecast to increase at a strong, double-digit annual growth rate.

For more information, placing an order, or interview inquiries, please contact Mihnea Manea, Media and Market Services Executive, CW Group, by phone at +40 723 281 704, or e-mail at mm@cwgrp.com.

About the Report

CW Research's World Oil Well Cement Market Forecast 2024 provides an in-depth forecast analysis of the worldwide oil well cement market, including regional market shares, demand, imports, exports and types of oil well cement used by geography, as well as price trends.

The report highlights detailed and specific demand by main types (including Class G & H) of oil well cement for key countries, and trends in the oil well segment. The World Oil Well Cement Market Forecast 2024 presents the role of extenders and onshore, offshore, and shale well counts with trajectory, depth, and well type to help ascertain oil well cement usage.

Bringing together CW Group's principal research team, this business intelligence tool addresses important market dynamics about API-certified oil well cements, including a global capacity overview (market and major producers), regional market shares, demand, imports, exports, the types of oil well cement, and pricing trends.

The scope of the report is further extended to include key operations of the main oil well cement producers, such as Dyckerhoff, HeidelbergCement, LafargeHolcim, Cemex, and of the most important well drillers, namely Halliburton, Baker Hughes and Schlumberger.

The information is provided in a data-rich format that combines qualitative insights with extensive facts and data series to allow readers to make critical business decisions. By leveraging CW Research's recognized and proven research capabilities in a highly accurate and precise format, the World Oil Well Cement Market Forecast 2024 is an indispensable tool to all professionals who wish to effortlessly navigate the complexities of the oil well cement industry.

More information about the report can be found here: <https://www.cwgrp.com/cemweek-reports/product/281-world-oil-well-cement-market-forecast-2024>

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