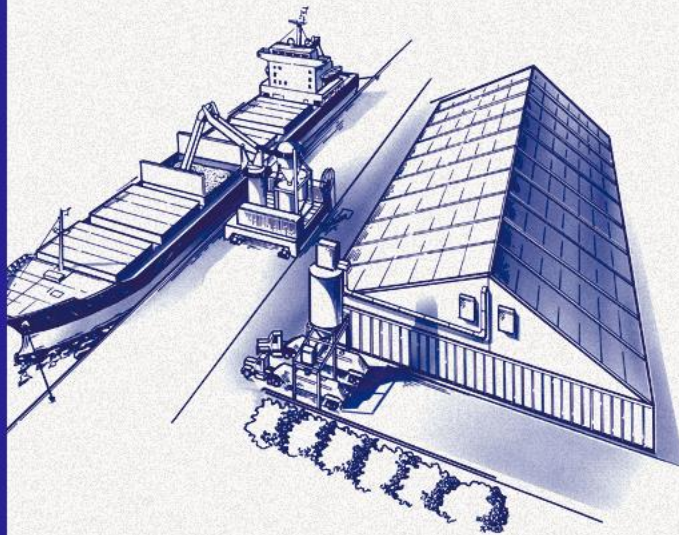
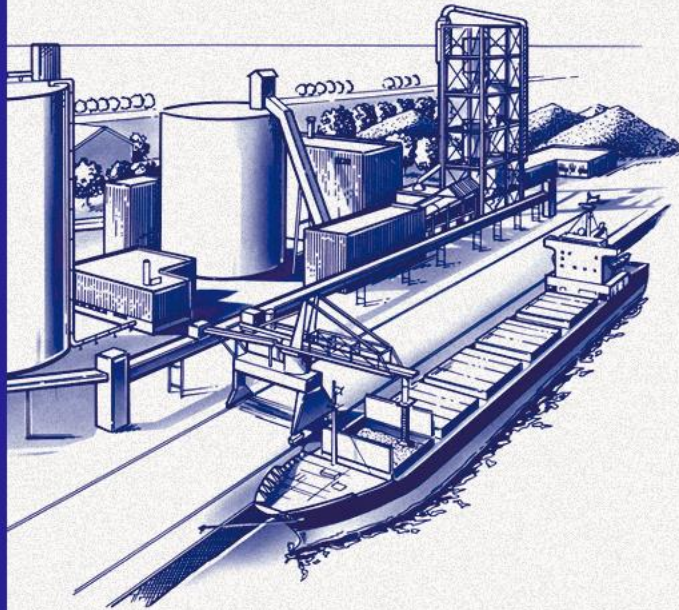




# Who's who in North American cement imports

Ad Ligthart


INTERCEM Americas 16 October 2018



**CEMENT**  
**DISTRIBUTION**  
**CONSULTANTS**



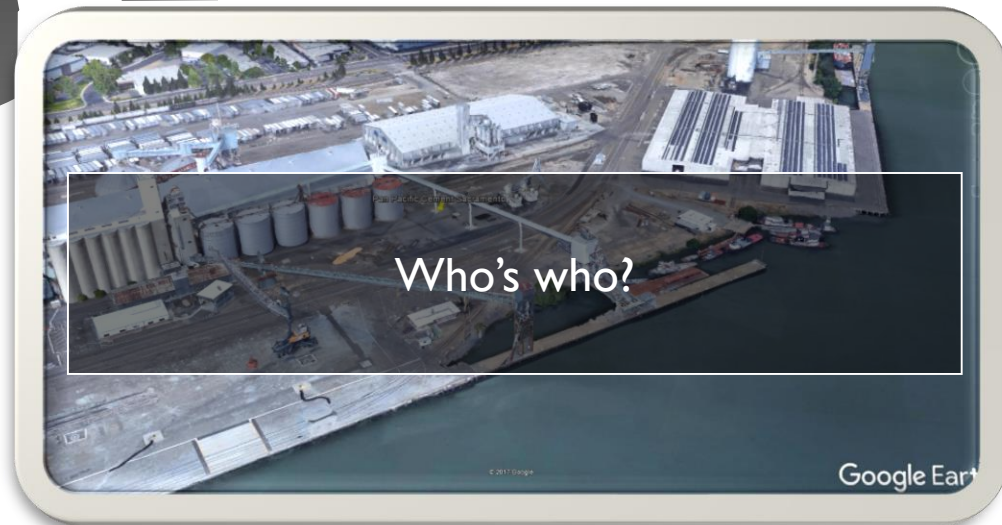
# Cement Distribution Consultants an introduction

Market knowledge	Consulting	Project / interim management
<ul style="list-style-type: none"> <li>The global cement industry on Google Earth.</li> <li>The most comprehensive global database on waterside cement plants, waterside grinding plants and terminals.</li> <li><a href="http://www.cementdistribution.com">www.cementdistribution.com</a> (a free and comprehensive website on cement trade and distribution).</li> <li>Authors of the Handbook on Global Cement Trade and Distribution.</li> <li>35 Years experience.</li> </ul> 	<ul style="list-style-type: none"> <li>The ability to advise customers on every aspect of cement and clinker trade and distribution including strategic, economical, logistical, technical and operational aspects as well as sourcing, shipping, facilities, handling systems, etc., etc.</li> <li>A clear vision on port and facility design that can adapt to changing trade and industry conditions.</li> <li>Projects realised on every continent.</li> <li>Currently consultant to 5 terminal projects in North America of which the two largest cement terminals in the world.</li> </ul>	<ul style="list-style-type: none"> <li>Substantial experience in realising projects and managing complete logistical chains.</li> <li>Examples: <ul style="list-style-type: none"> <li>Setting up and managing the cement and fly ash supply to a large construction project including self-discharging cement carriers, floating terminal, etc.</li> <li>Redevelopment of a large brown field bulk terminal.</li> <li>Setting up a fly ash import operating</li> <li>Resolving operational and managerial problems of a grinding facility.</li> </ul> </li> </ul>

# INTRODUCTION



To understand the dynamics of the current cement import situation in North America it is important to look behind the statistics. To understand what is going to happen in the coming years you need to look at the players. Why is there a wave of new terminal with so many of the existing terminals still mothballed? Where will the further growth of imports materialize? Who will do this? To get the answers we need to know who's who in North American cement imports,





# Contents of presentation

- The current US import situation
- US and Canadian terminal ownership
- The effect of type of ownership
- Who's who?
- Final considerations

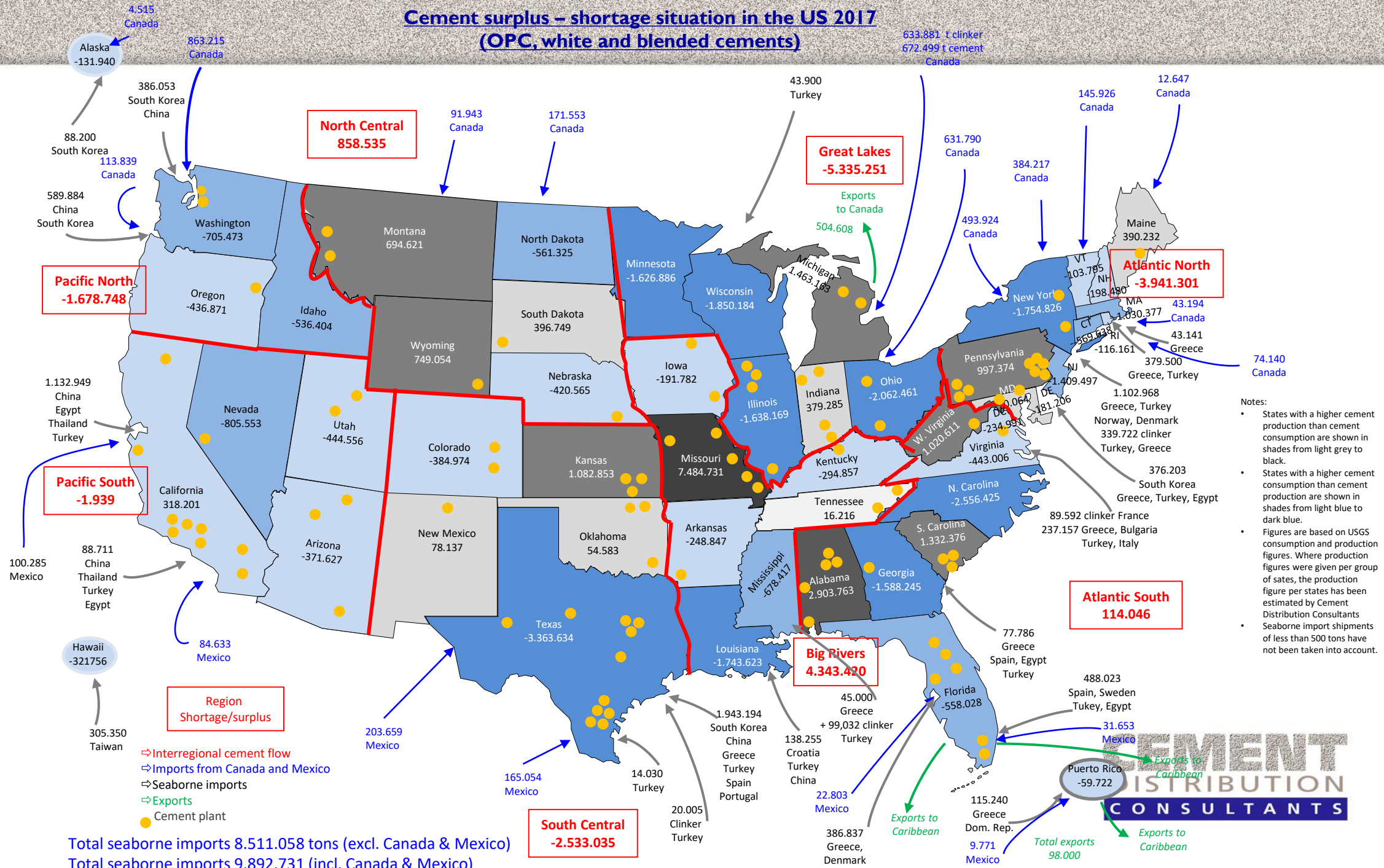




## The current US import situation



# Cement surplus – shortage situation in the US 2017 (OPC, white and blended cements)





# US cement terminals in 2018

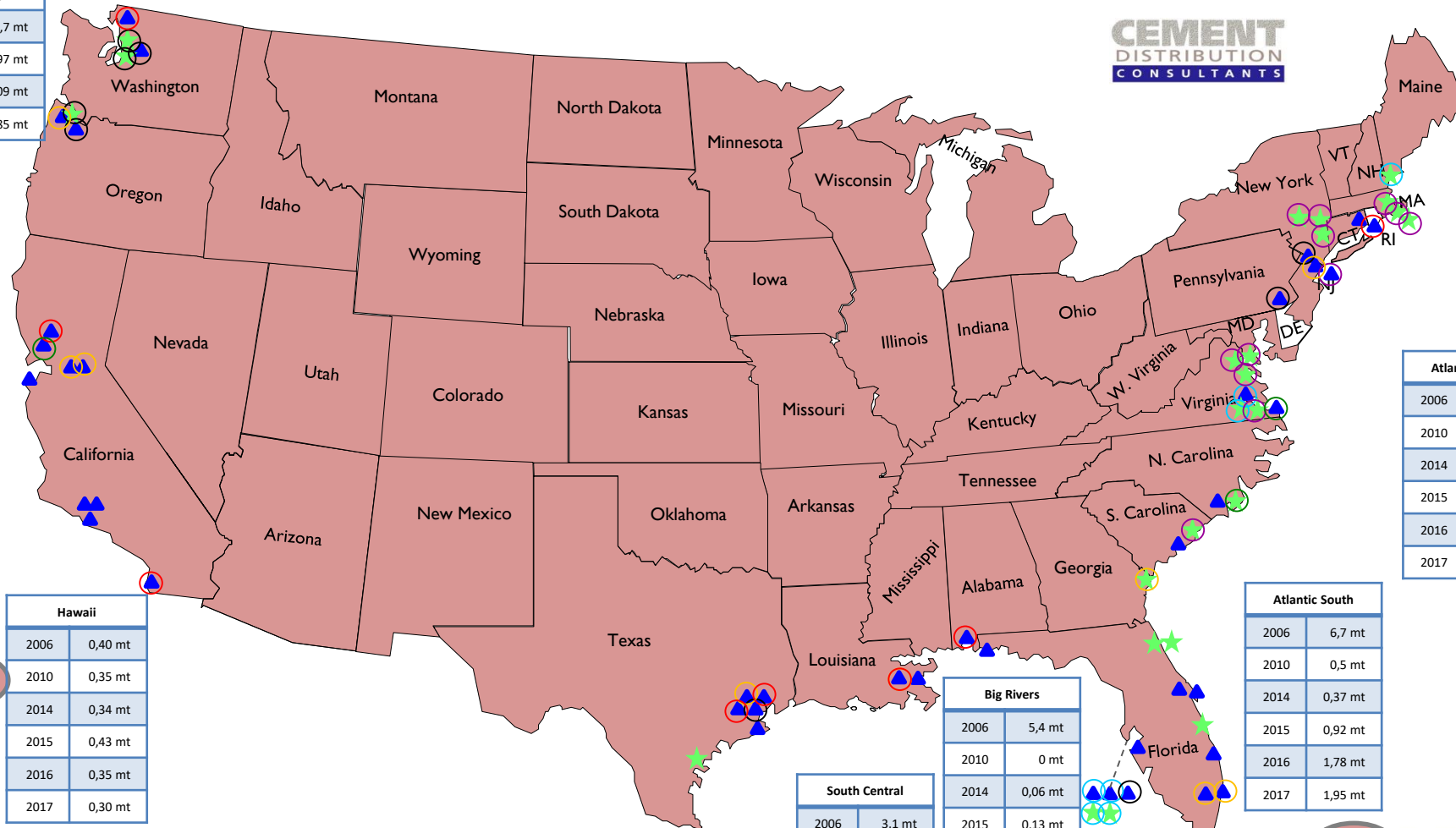
Alaska

Quebec

Total 2017 seaborne imports 9,9 mt (est.)

CEMENT  
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Pacific North	
2006	2,1 mt
2010	1,0 mt
2014	1,7 mt
2015	1,97 mt
2016	2,09 mt
2017	1,85 mt



Pacific South	
2006	6,7 mt
2010	0,2 mt
2014	0,03 mt
2015	0,43 mt
2016	0,88 mt
2017	1,27 mt

Hawaii	
2006	0,40 mt
2010	0,35 mt
2014	0,34 mt
2015	0,43 mt
2016	0,35 mt
2017	0,30 mt

Atlantic North	
2006	3,8 mt
2010	0,4 mt
2014	0,06 mt
2015	1,4 mt
2016	2,61 mt
2017	2,62 mt

Atlantic South	
2006	6,7 mt
2010	0,5 mt
2014	0,37 mt
2015	0,92 mt
2016	1,78 mt
2017	1,95 mt

Big Rivers	
2006	5,4 mt
2010	0 mt
2014	0,06 mt
2015	0,13 mt
2016	0,65 mt
2017	0,13 mt

South Central	
2006	3,1 mt
2010	0,3 mt
2014	1,5 mt
2015	2,2 mt
2016	1,82 mt
2017	1,96 mt

	Total	Mothballed	Domestic use	Importing cement during crisis	Started importing again in			
					2014	2015	2016	2017
▲ Terminals with ship unloading system	45	14	1	8	7	9	3	3
★ Terminals receiving self-discharging vessels	24	5	10	3	0	1	4	1
Total	69	19	11	11	7	10	7	3

Puerto Rico

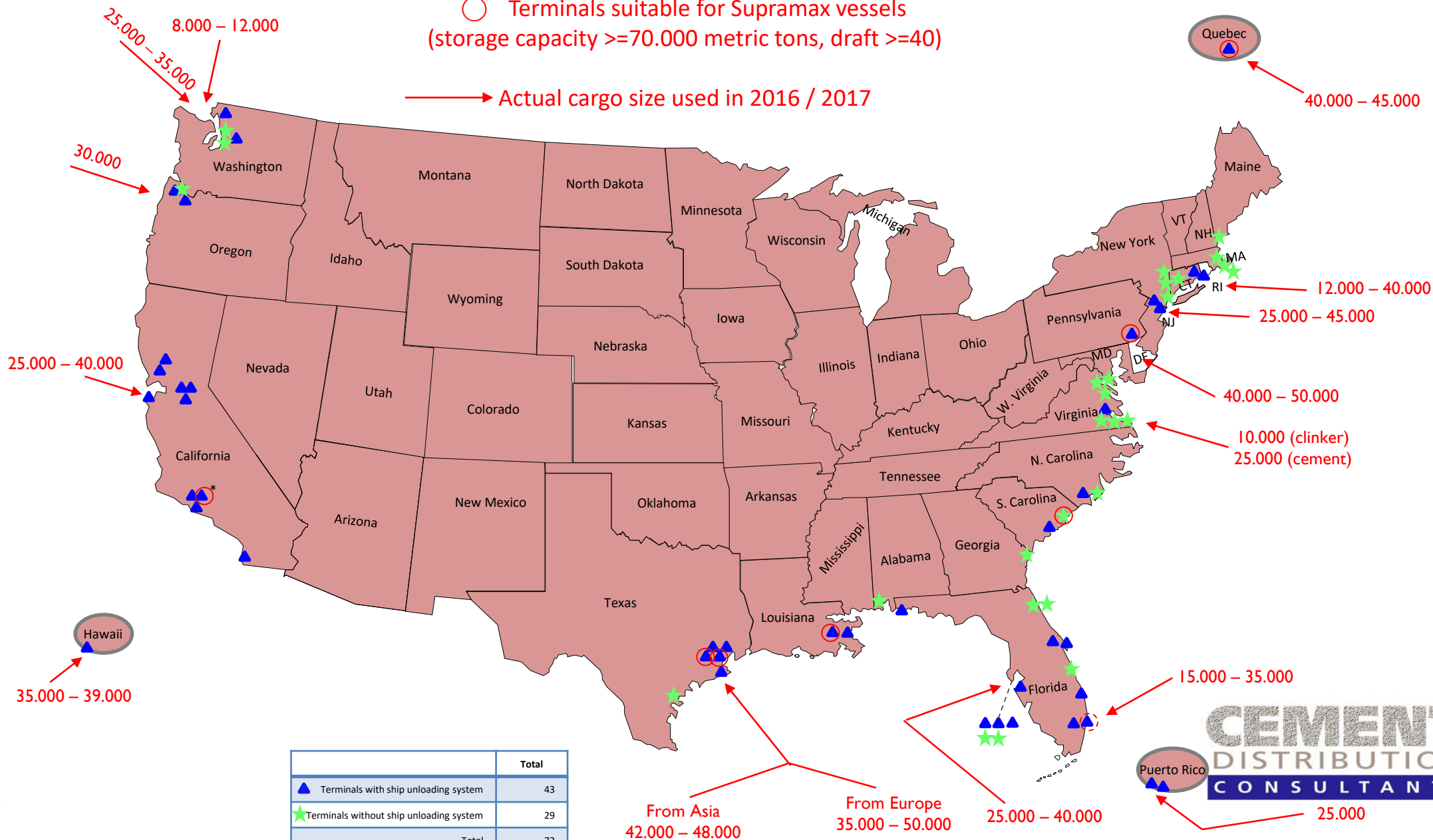
CEMENT  
DISTRIBUTION  
CONSULTANTS



# Are US terminals able to handle bigger vessels

○ Terminals suitable for Supramax vessels  
(storage capacity  $\geq 70,000$  metric tons, draft  $\geq 40$ )

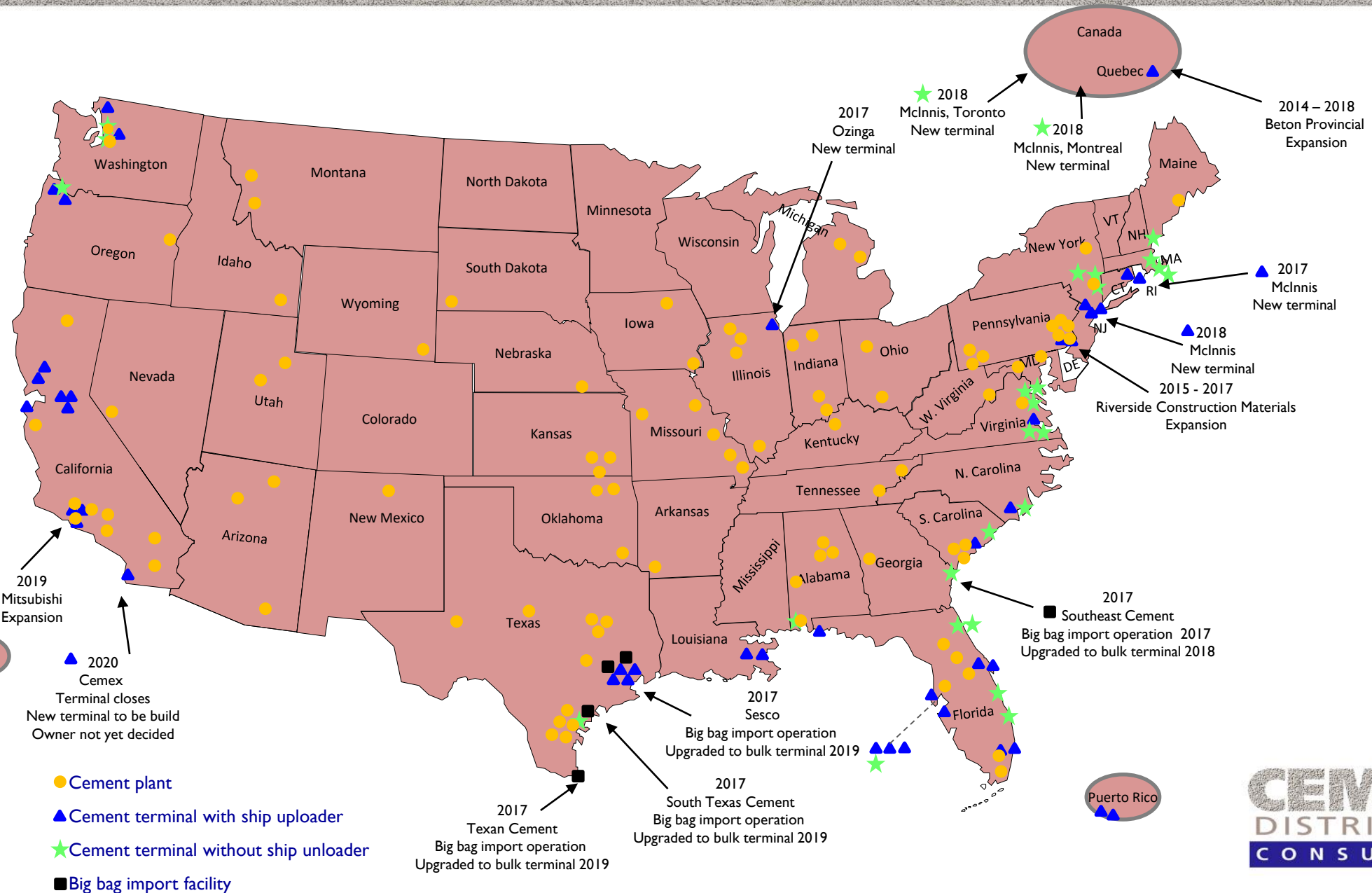
→ Actual cargo size used in 2016 / 2017





# Terminal projects 2014 - 2018

Alaska







## US and Canadian terminal ownership



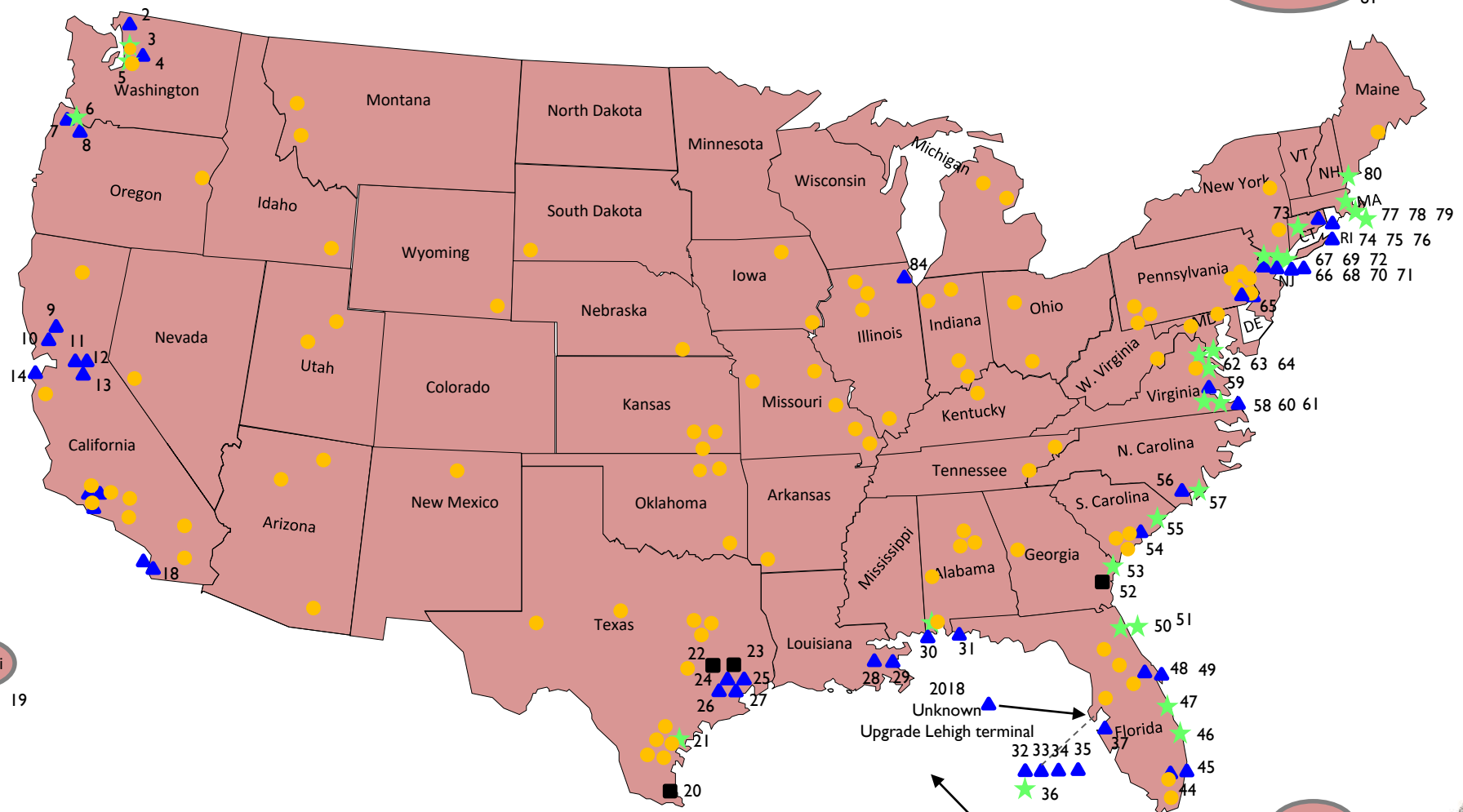
# Seaborne cement terminal ownership

Alaska  
1

Canada  
83  
82  
Quebec 81

Hawaii  
19

Puerto Rico  
42  
43

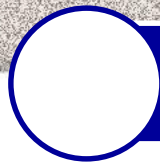


- Cement plant
- ▲ Cement terminal with ship uploader
- ★ Cement terminal without ship uploader
- Big bag import facility

- 2018 – 2020
- New terminals
- By independents
- 41

**CEMENT**  
DISTRIBUTION  
CONSULTANTS



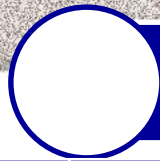


# US and Canadian terminal ownership



No.	Location	Owner	Type	Remarks		No.	Location	Owner	Type	Remarks
1	Anchorage AL	CPC (Taiheiyo)	▲	Active		14	Redwood City CA	Cemex	▲	Not active
2	Everett WA	Lehigh (Heidelberg)	▲	Active		15	Los Angeles CA	CPC (Taiheiyo, Lehigh)	▲	Not active
3	Seattle WA	LafargeHolcim	★	Active, cement supply from LH Canada		16	Long Beach CA	Cemex	▲	Not active
4	Seattle WA	Lehigh (Heidelberg)	★	Active, cement supply from Lehigh Canada		17	Long Beach CA	Mitsubishi	▲	Not active, preparing for expansions
5	Seattle WA	CPC (Taiheiyo)	▲	Active		18	San Diego CA	Cemex	▲	Received some white cement shipments from Mexico
6	Vancouver WA	LafargeHolcim	★	Active, cement supply from LH Canada		19	Barbers Point HI	Hawaiian (Ind)	▲	Active
7	Portland OR	Ash Grove (CRH)	▲	Active		20	Brownsville TX	Texan Cement (Ind)	■	Active, started 2017
8	Portland OR	CPC (Taiheiyo)	▲	Active		21	Corpus Christi TX	Lehigh (Heidelberg)	★	Not active
9	Sacramento CA	Two Rivers (A&A, Lehigh)	▲	Active		22	Houston TX	Sesco (Ind)	■	Active, white + grey cement
10	Sacramento CA	Cemex	▲	Active		23	Houston TX	Royal White (Ind)	■	Active, white cement
11	Stockton CA	CPC (Taiheiyo)	▲	Active		24	Houston TX	Houston Cem. East (CRH, Lehigh, Buzzi)	▲	Active
12	Stockton CA	Sunshine (Lehigh)	▲	Closed		25	Houston TX	Houston Cem. West (CRH, Lehigh, Buzzi)	▲	Active
13	Stockton	Lehigh (Heidelberg)	▲	Active (GGBFS)		26	Houston TX	Cemex	▲	Active





# US and Canadian terminal ownership



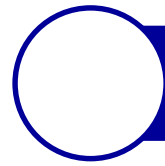
No.	Location	Owner	Type	Remarks		No.	Location	Owner	Type	Remarks
27	Houston, TX	Argos	▲	Not active		44	Port Everglades FL	Lehigh (Heidelberg)	▲	Active
28	New Orleans LA	Buzzi	▲	Used for domestic distr.		45	Port Everglades FL	Cemex	▲	Active, white cement shipments from Mexico
29	Reserve LA	LafargeHolcim	▲	Used for domestic distr.		46	West Palm Beach FL	Cemex	▲	Not active
30	Mobile AL	Argos	▲	Active		47	Ft Pierce FL	Florida Sun (American)	▲	Not active
31	Pensacola FL	Cemex	▲	Not active		48	Port Canaveral FL	Cemex	▲	Not active
32	Tampa FL	Argos	▲	Not active, domestic supply by trucks		49	Port Canaveral FL	Lehigh (Heidelberg)	▲	Not Active
33	Tampa FL	Titan	▲	Active		50	Jacksonville FL	Lehigh (Heidelberg)	★	Not active (receives cement by road)
34	Tampa FL	Cemex	★	Active		51	Jacksonville FL	LafargeHolcim	★	Not active
35	Tampa FI	Cementir	▲	Active, white cement		52	Savannah GA	Argos	★	Not active
36	Tampa FL	Unknown	?	Under construction		53	Savannah GA	Southeast (Ind)	■	Active, started 2017
37	Port Manatee FL	Eastern (American)	▲	Active		54	Charleston SC	LafargeHolcim	▲	Not active
38	Gulf Area	Independent	▲	Expected 2018-2019		55	Georgetown SC	LafargeHolcim	★	Domestic use
39	Gulf Area	Independent	▲	Expected 2018-2019		56	Wilmington NC	Argos	★	Not active
40	Gulf Area	Independent	▲	Expected 2018-2019		57	Wilmington NC	Cemex	▲	Not active
41	Gulf Area	Independent	▲	Expected 2018-2019		58	Chesapeake VA	LafargeHolcim	★	Domestic use
42	San Juan PR	Argos	▲	Active		59	Chesapeake VA	Titan	▲	Active
43	San Juan PR	Cemex	▲	Not active		60	Norfolk VA	Lehigh (Heidelberg)	★	Domestic use

## US and Canadian terminal ownership

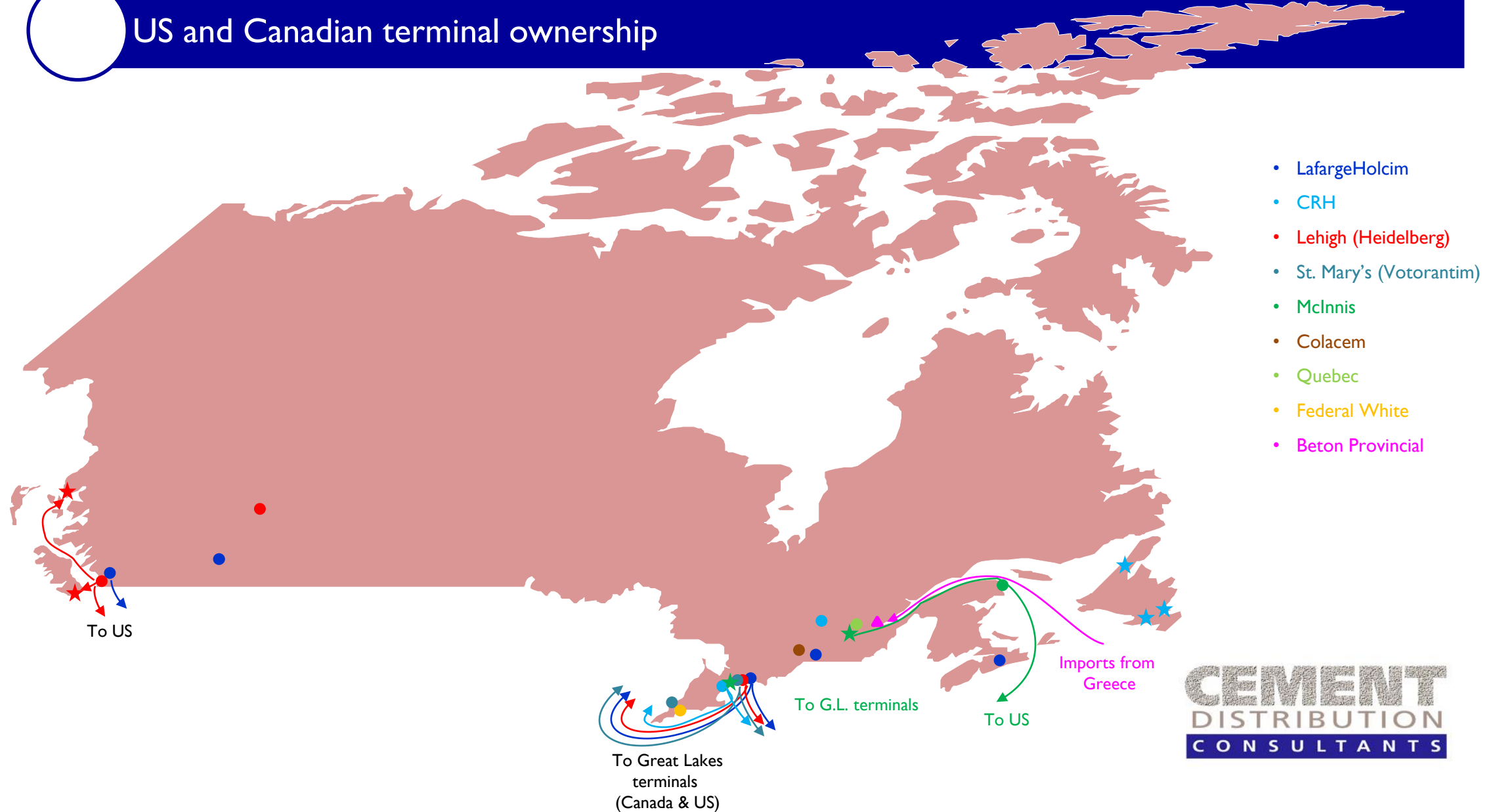
No.	Location	Owner	Type	Remarks	No.	Location	Owner	Type	Remarks
61	Newport News VA	Pier X (Lehigh)	▲	Active	73	New Haven CT	LafargeHolcim	★	Domestic
62	Baltimore Md	LafargeHolcim 1	★	Domestic	74	Providence RI	LafargeHolcim	▲	Active
63	Baltimore MD	LafargeHolcim 2	★	Domestic	75	Providence RI	Lehigh	▲	Active
64	Baltimore MD	Lehigh	★	Domestic	76	Providence RI	McInnis (Ind)	▲	Active
65	Bristol PA	Riverside (Ind)	▲	Active	77	Boston MA	LafargeHolcim	★	Domestic + Canada
66	Newark NJ	Titan	▲	Active	78	Boston MA	Lehigh	★	Domestic
67	Brooklyn NY	LafargeHolcim	★	Domestic	79	Boston MA	Dragon	★	Domestic
68	Brooklyn NY	Lehigh	▲	Active	80	Newington NH	Dragon	★	Domestic
69	Bayonne NJ	LafargeHolcim	★	Domestic	81	Quebec QC	Beton Provincial (Ind)	▲	Active
70	Brooklyn NY	NYC (Ind)	▲	Domestic	82	St. Catharine QC	McInnis (Ind)	★	Domestic
71	Bronx NY	McInnis (Ind)	▲	Under construction	83	Oshawa ON	McInnis (Ind)	★	Domestic
72	Queens NY	LafargeHolcim	★	Domestic	84	Chicago IL	Chicago (Ind)	▲	Active (via New Orleans, slag)

Note: (Ind) = Independent = No cement production facility in US





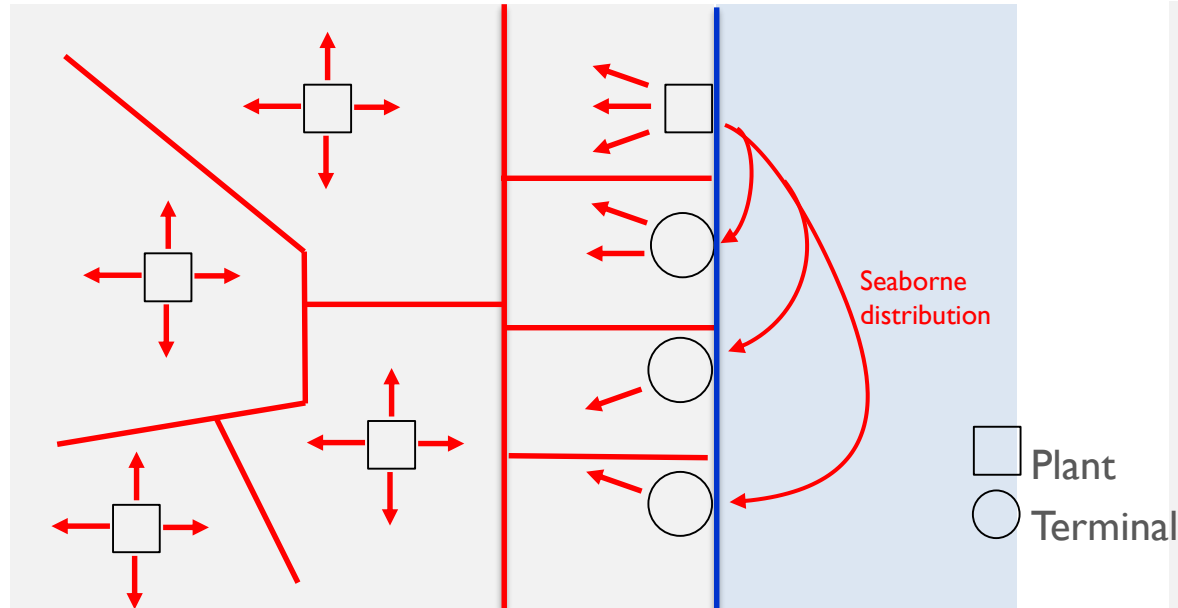
## US and Canadian terminal ownership



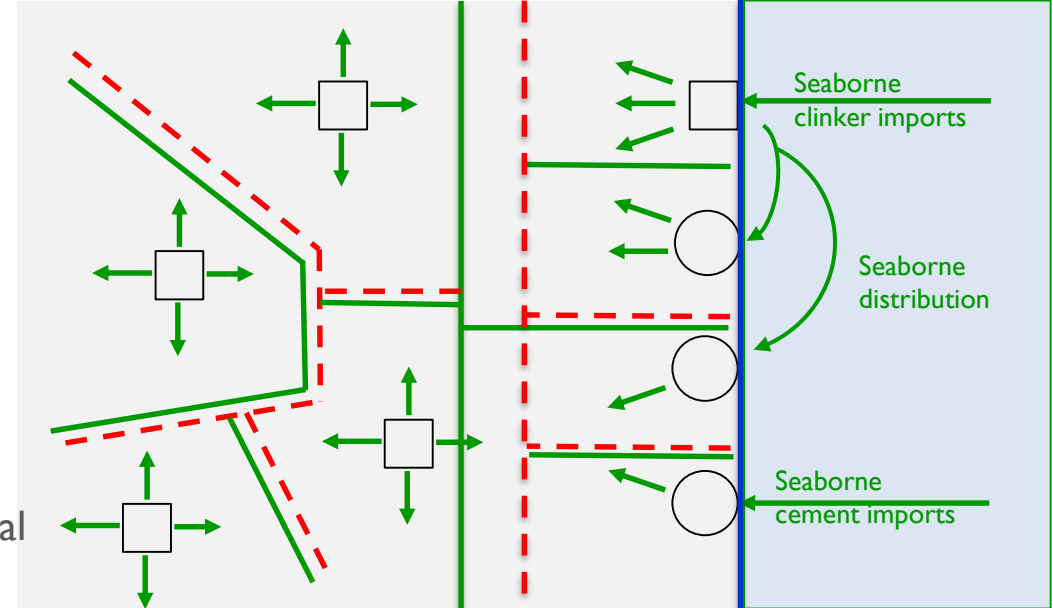




## The effect of type of ownership



Sales areas and cement flows in over supply situation.

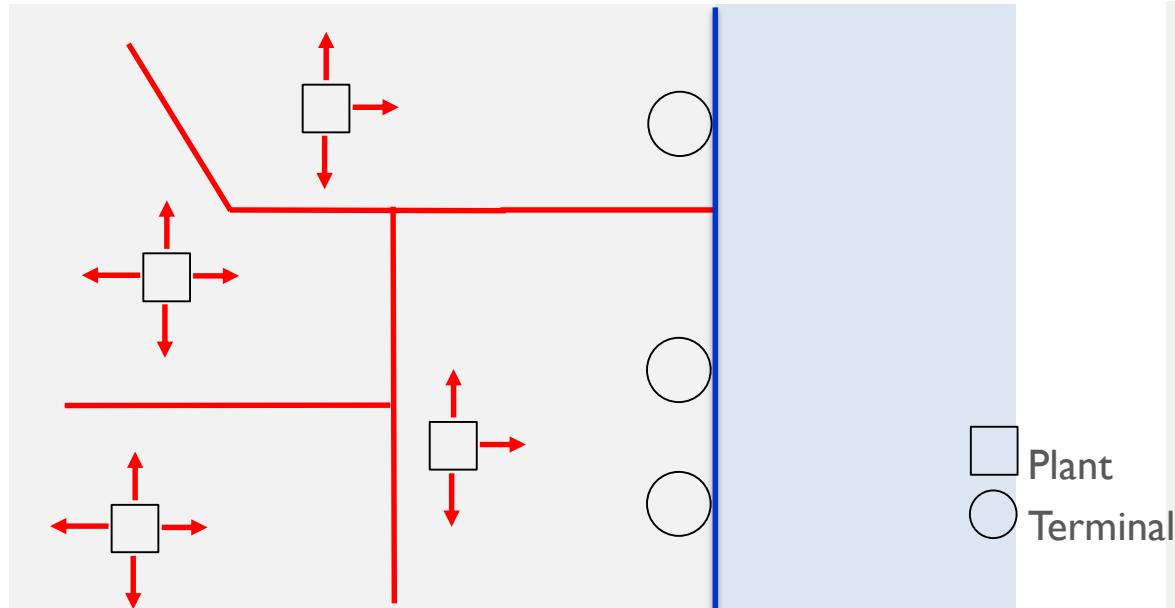


Sales areas and cement flows in a shortage situation.

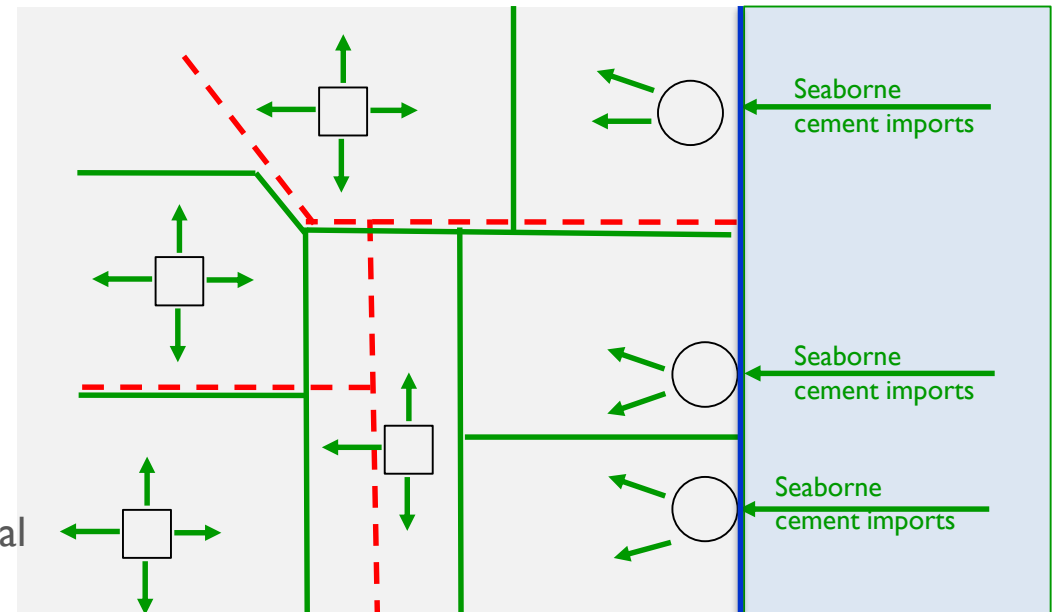
1) Production group with at least one cement plant on the coast.

In an oversupply situation all imports are stopped and terminals are used for domestic distribution only. In a shortage situation one (or more) of the materials are used for imports and the sales areas of each facility move more inland. In both cases a maximum possible plant utilisation is achieved and market share receiving the same.

## The effect of type of ownership



Sales areas and cement flows in over supply situation.



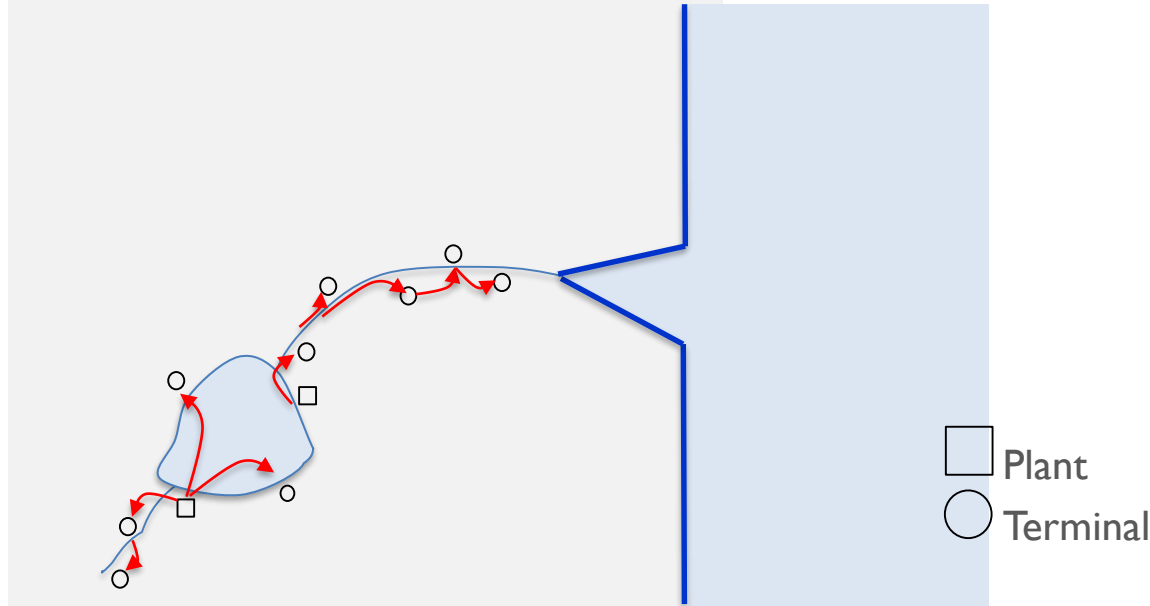
Sales areas and cement flows in a shortage situation.

### 2) Production group with inland plants and terminals.

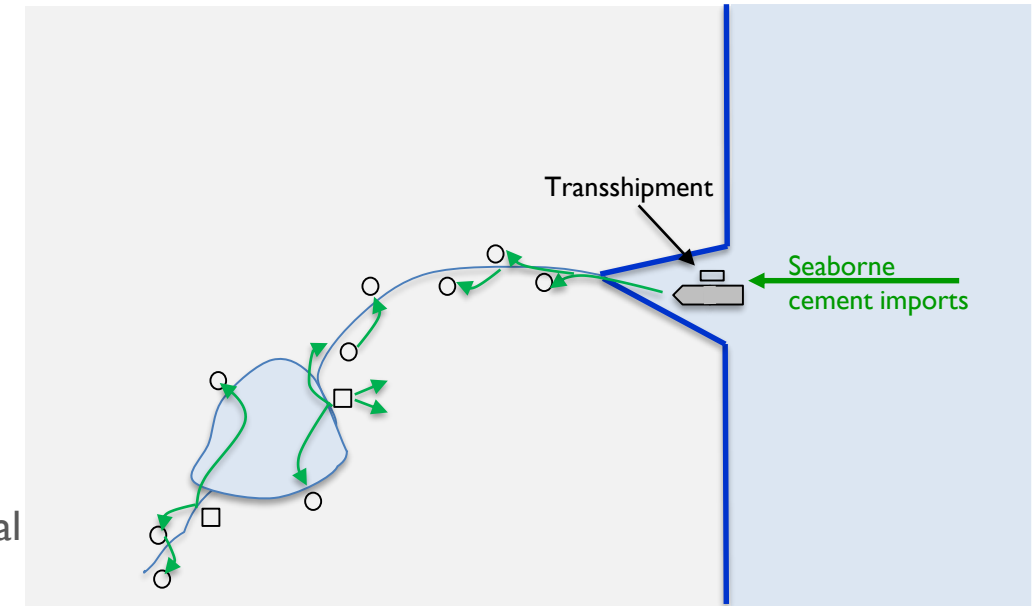
In an oversupply situation all imports are stopped and terminals are mothballed. In a shortage situation the terminals import cement and the sales areas of the plants move inland. Plant utilisation stays as high as possible and market share remains the same. In practice this is not as easy as it seems!



## The effect of type of ownership



Sales areas and cement flows in over supply situation.

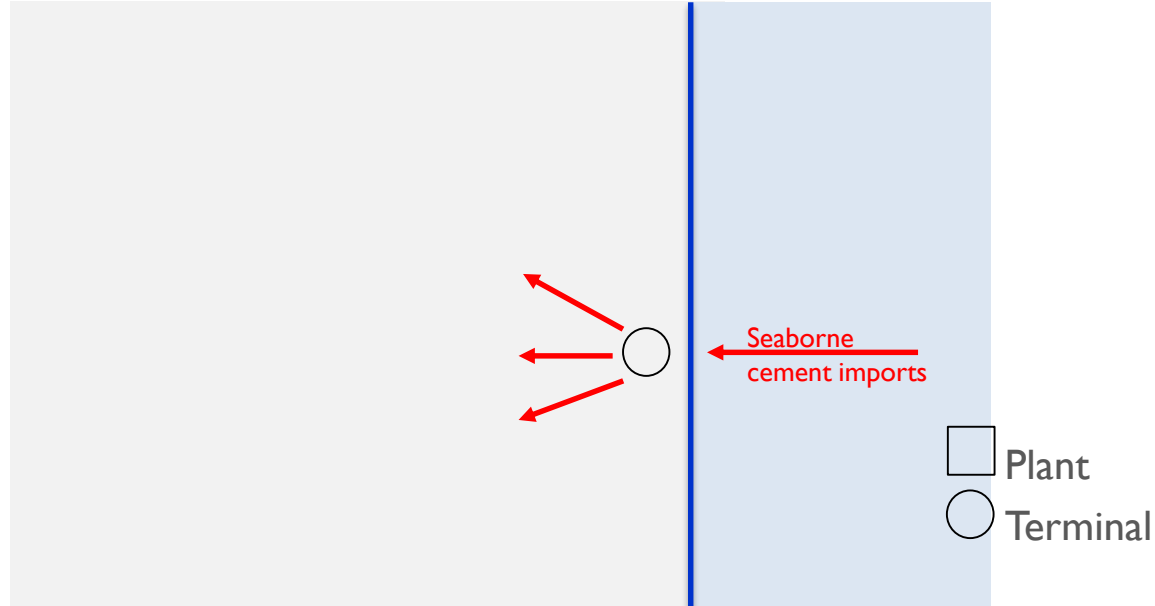


Sales areas and cement flows in a shortage situation.

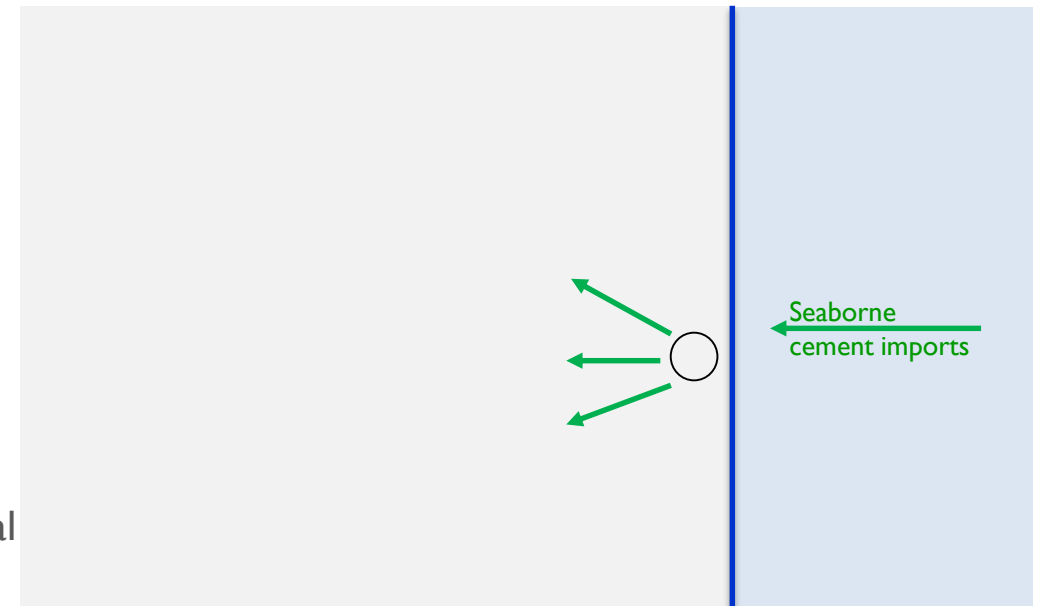
### 3) Production group with plants and terminals on the inland waterways.

In an oversupply situation all imports are stopped and all river terminals are supplied from the plants. In a shortage situation seaborne imports and transshipment supply part of the terminals. In both cases plant utilisation is as high as possible whilst market share remains the same.

## The effect of type of ownership



Sales areas and cement flows in over supply situation.



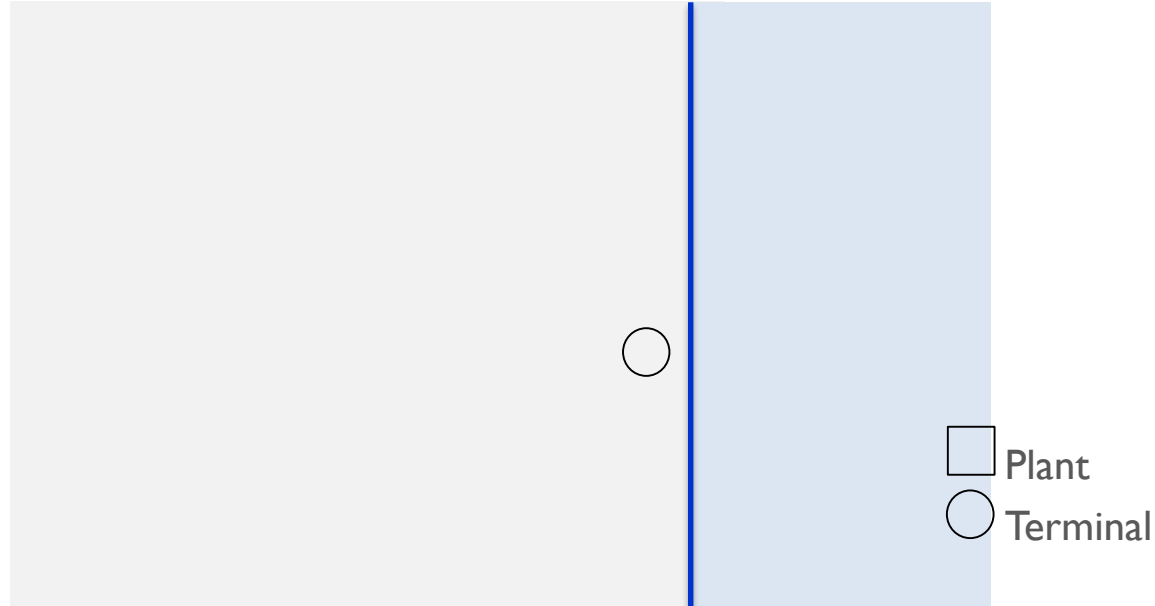
Sales areas and cement flows in a shortage situation.

4) Ready mix group imports its own cement.

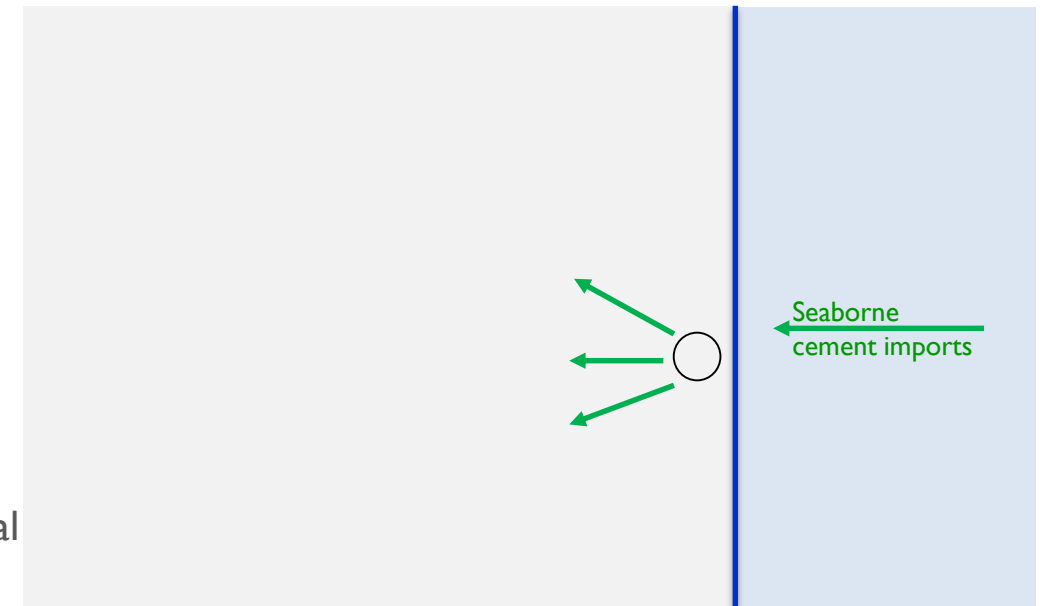
Both in oversupply and shortage situation the terminal imports cement but for the own use of the group only.



## The effect of type of ownership



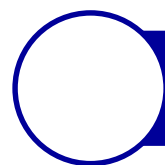
Sales areas and cement flows in over supply situation.



Sales areas and cement flows in a shortage situation.

5) Terminal owned by cement trader.

Trading terminals usually only import in shortage situation. In an oversupply situation they are vulnerable as they do not have a guaranteed market and can be subject to antidumping duties.



## The effect of ownership on overall trade margins (Example only!!)

Plant ownership 100%	Terminal ownership 100%	Plant ownership 100%	Terminal ownership 50%	Plant ownership 100%	Terminal ownership 0%
Same (multinational) owner owns 100% of export plant and 100% of import terminal		Same (multinational) owner owns 100% of export plant and 50% of import terminal		Export plant owner has no ownership in import terminal	
Achieved total margin per ton is B + C + F (20 + 6 + 50 = US\$76)		Achieved total margin per ton is B + C + 0,5 F (20 + 6 + 25 = US\$51)		Achieved total margin per ton is B + C (20 + 6 + 50 = US\$26)	

Export plant			Shipping	Terminal	
A	B	C	D	E	F
Pure production and loading cost	Improved prod.cost by exports	Marging (contribution) towards capital cost and profit	Shipping cost	Pure terminal operating cost	Marging Contribution towards capital cost and profit
			F.O.B	CIF	Ex. terminal
	\$36		\$42	\$60	\$70
					\$120

All figures assumed and indicative only and in US\$/metric ton

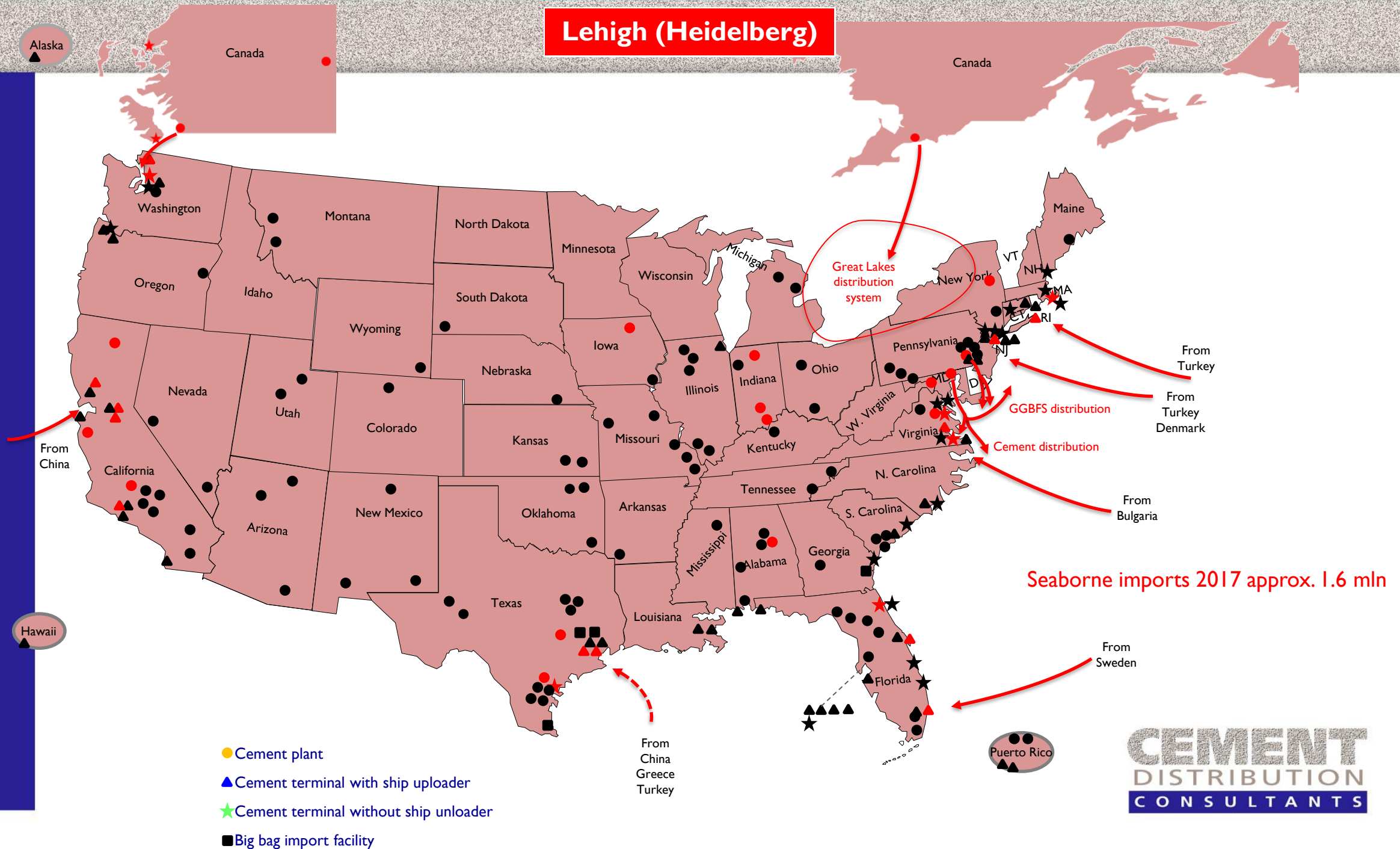
B is the improved production cost over the full production of the export plant. When the production of a plant increases with 25% because of exports and production, cost savings are \$5 m/ton. As a result the contribution to the margin of the lower production cost per exported ton is \$20.





Who is who?

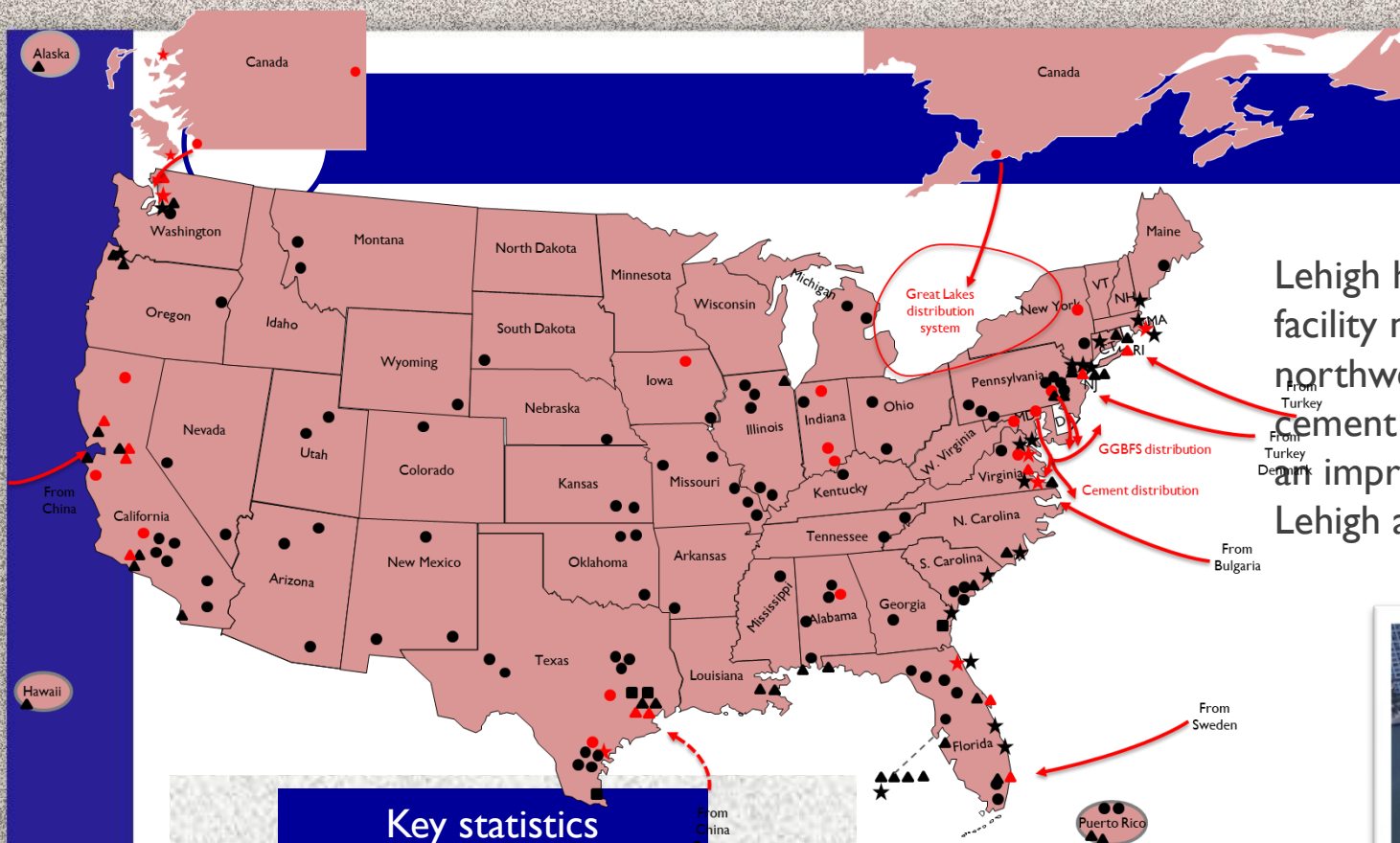
# Lehigh (Heidelberg)





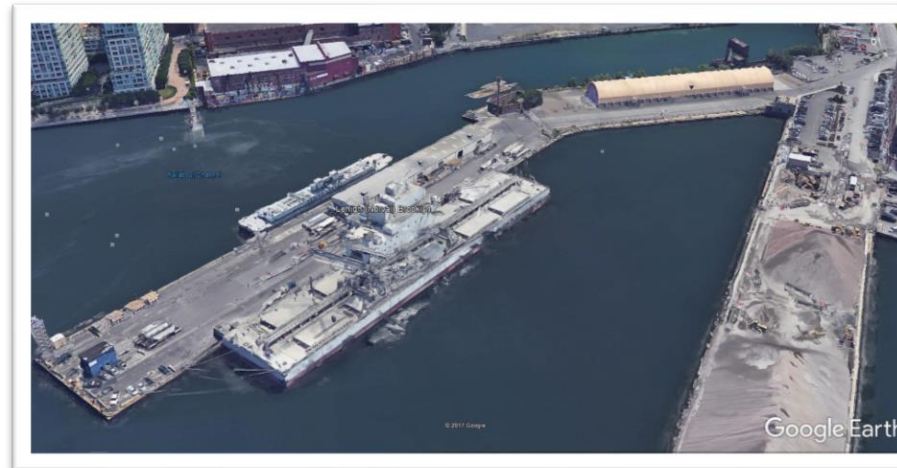
## Lehigh (Heidelberg)

Lehigh has a substantial seaborne distribution and import facility network consisting of a distribution network in the northwest importing cement from Canada, a slag and cement domestic distribution system in the Northeast and an impressive number of import terminals on all coasts. Lehigh also has a distribution networks on the Great Lakes.



### Key statistics

Seaborne imports 1,6 mt (2017)	
of which 0,5 mt from Canada	
Sea terminals with a ship unloader (imports) 12	
Sea terminals without a ship unloader	
- importing	2
- domestic distribution	4
Great Lakes terminals	5
Big River terminals	0
US cement plants	13

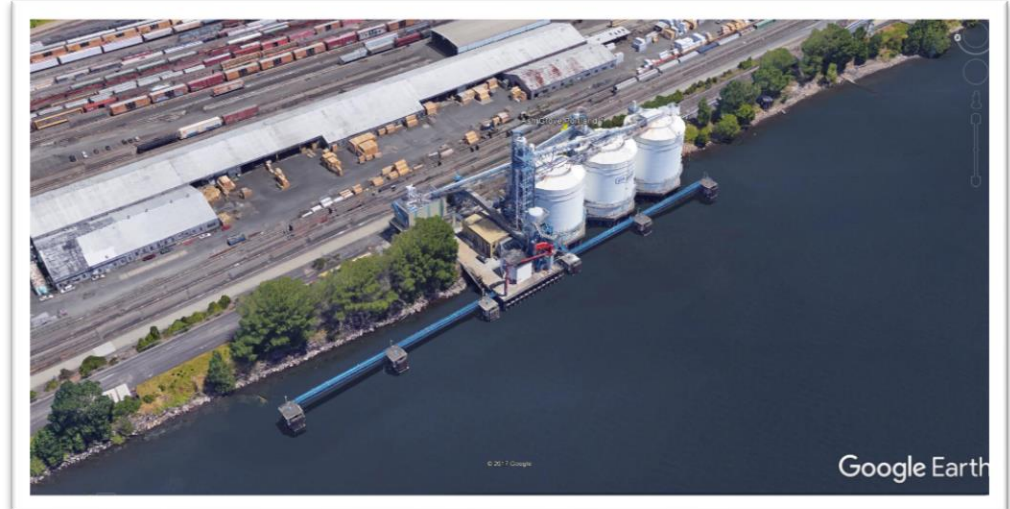






## CRH (incl. Ash Grove)

CRH (incl. Ash Grove) has three large seaborne import terminals that support its cement plants very well. It also has a small distribution network on the Great Lakes to supply its ready mix assets in the US Great Lakes region. One of the Great Lakes terminals has been used for seaborne imports in 2017. The recently acquired cement plant in Florida, American cement (see separate sheet) has also two terminals.



### Key statistics

Seaborne imports 1,45 mt (2017)

Sea terminals with a ship unloader (imports) 3

Sea terminals without a ship unloader

- importing 0

- domestic distribution 0

Great Lakes terminals 2

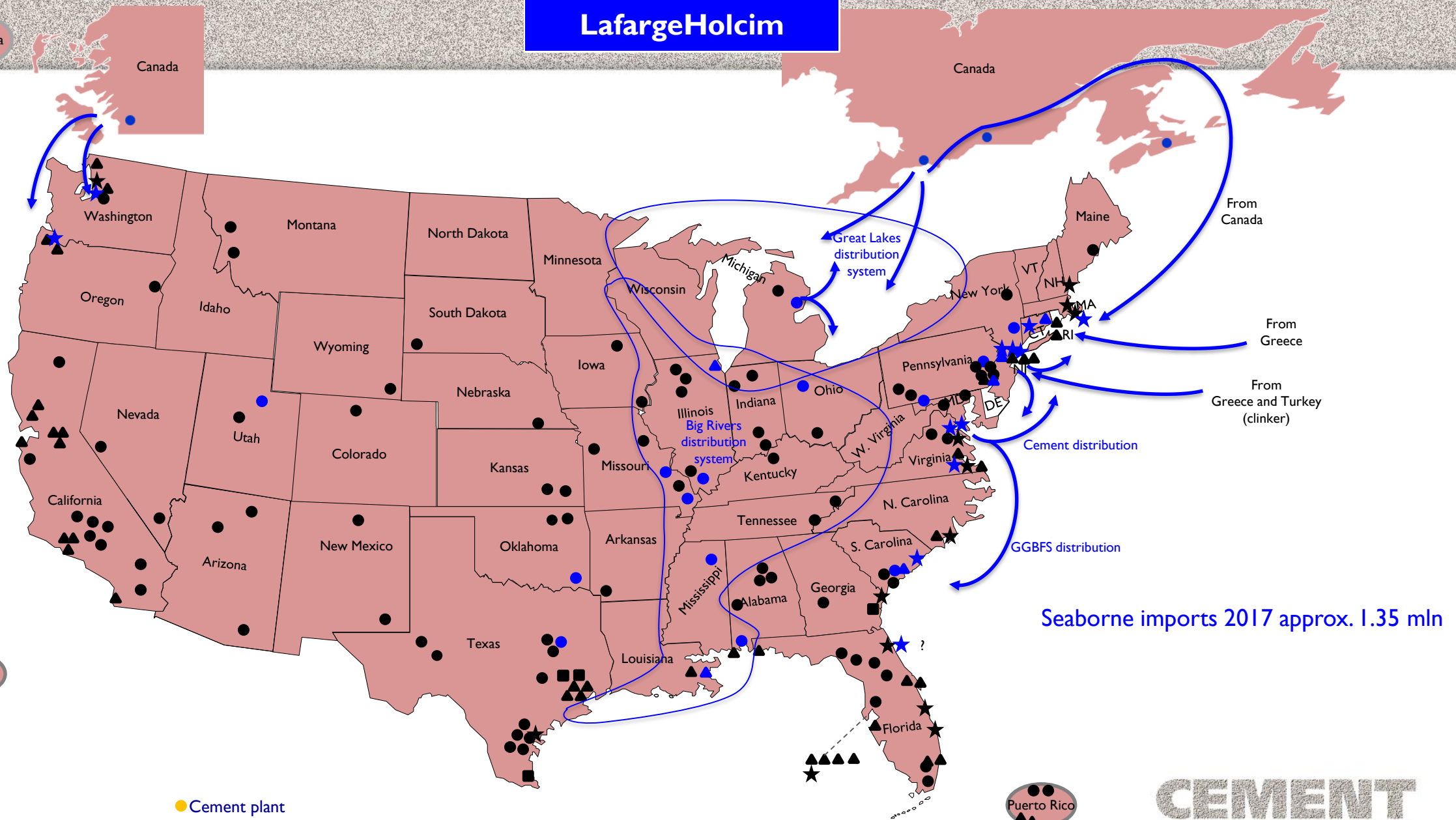
Big River terminals 0

US cement plants 10

From  
Greece  
Turkey  
China  
South Korea

Puerto Rico

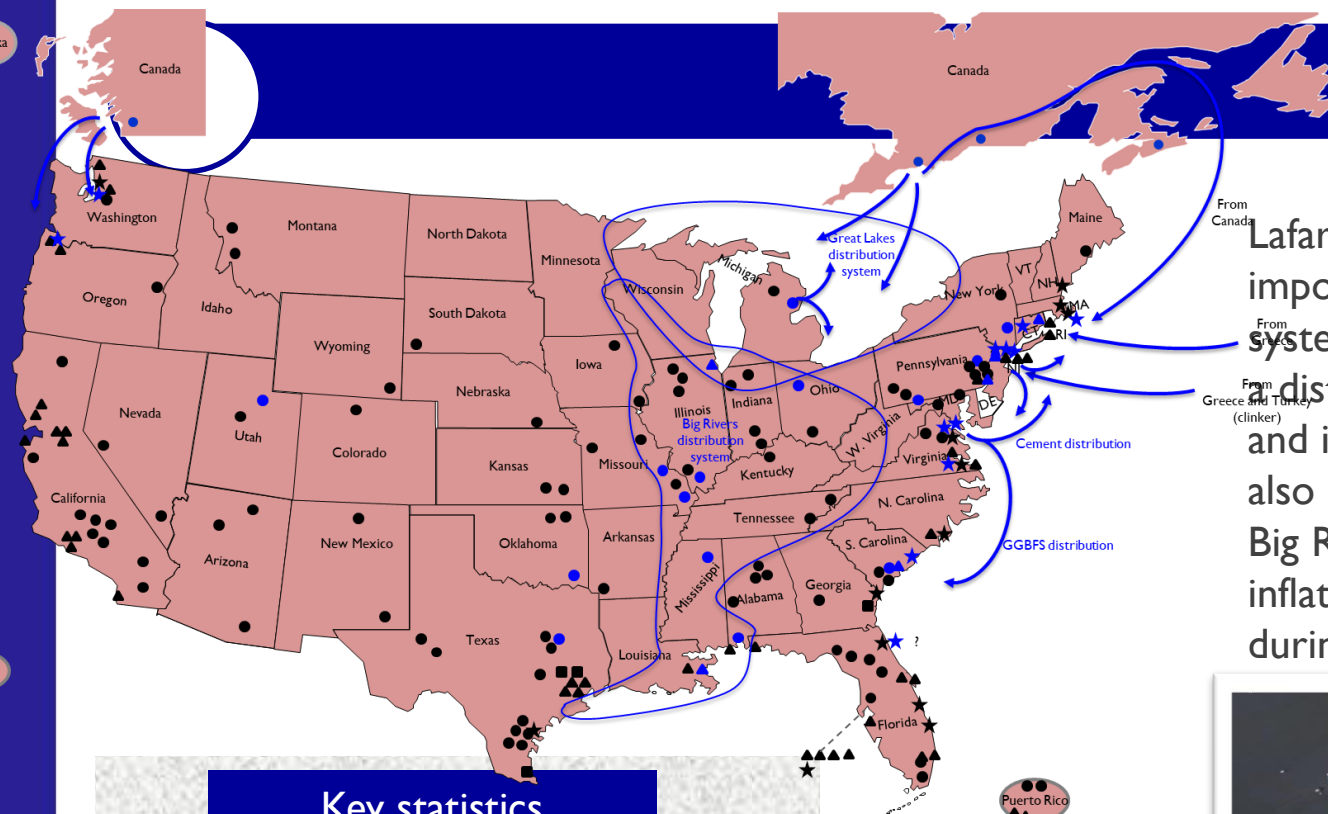
# LafargeHolcim



- Cement plant
- ▲ Cement terminal with ship uploader
- ★ Cement terminal without ship unloader
- Big bag import facility

**CEMENT**  
DISTRIBUTION  
CONSULTANTS

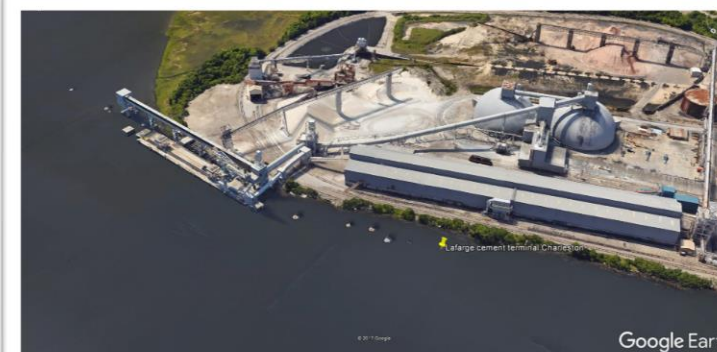




LafargeHolcim has an extensive seaborne distribution and import terminal network consisting of a distribution system in the Northwest bringing in cement from Canada, a distribution system in the Northeast for slag and cement and import terminals on the East Coast and Mississippi. It also has distribution systems on the Great Lakes and the Big Rivers. The seaborne import figure of 2017 is a bit inflated as it included 0,35 mt clinker for the Ravenna plant during its modification.

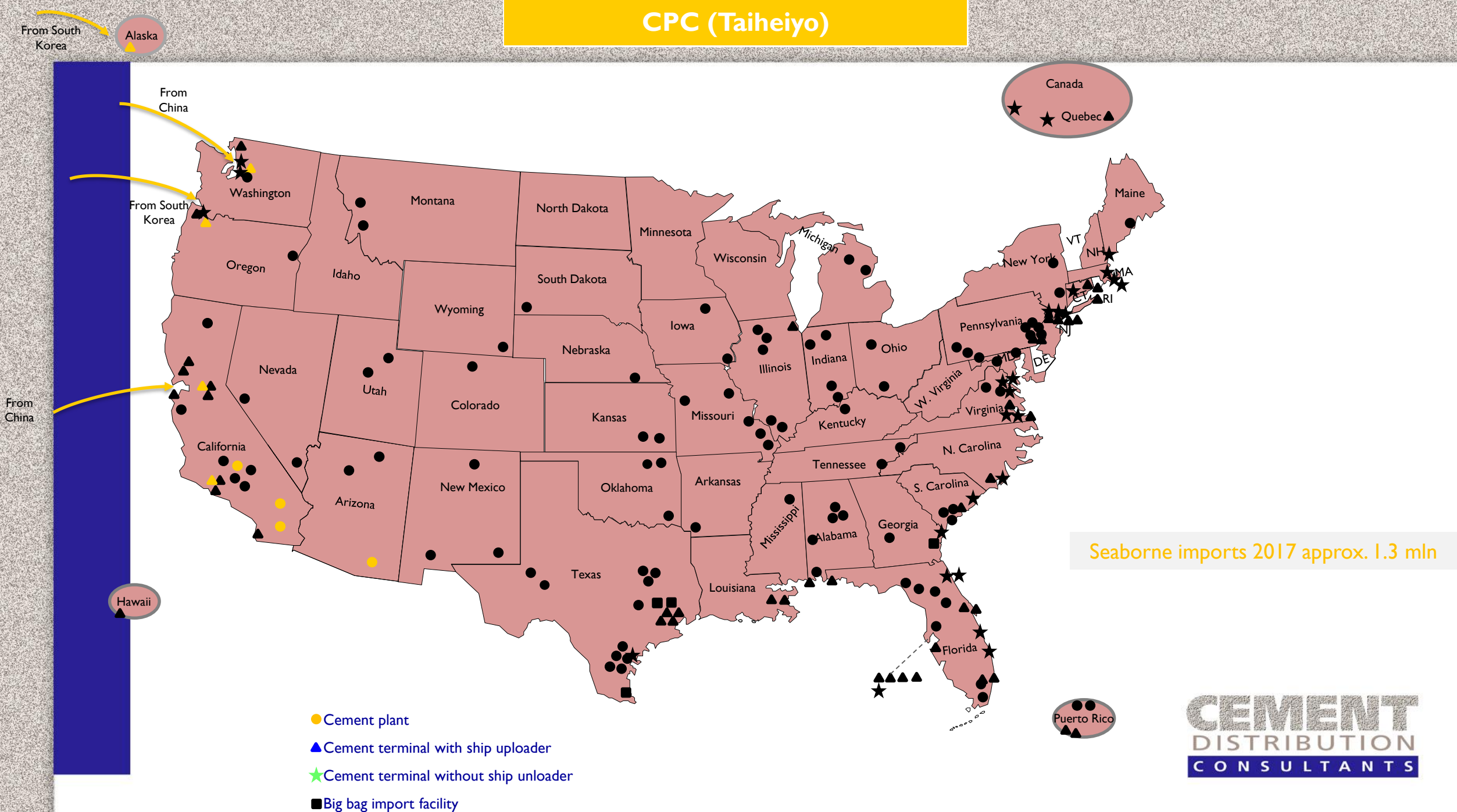
## Key statistics

Seaborne imports	1,35 mt (2017)
of which	0,55 mt from Canada
Sea terminals with a ship unloader (imports)	3
Sea terminals without a ship unloader	
- importing	3
- domestic distribution	9
Great Lakes terminals	17
Big River terminals	18
US cement plants	13



Google Earth

# CPC (Taiheiyo)



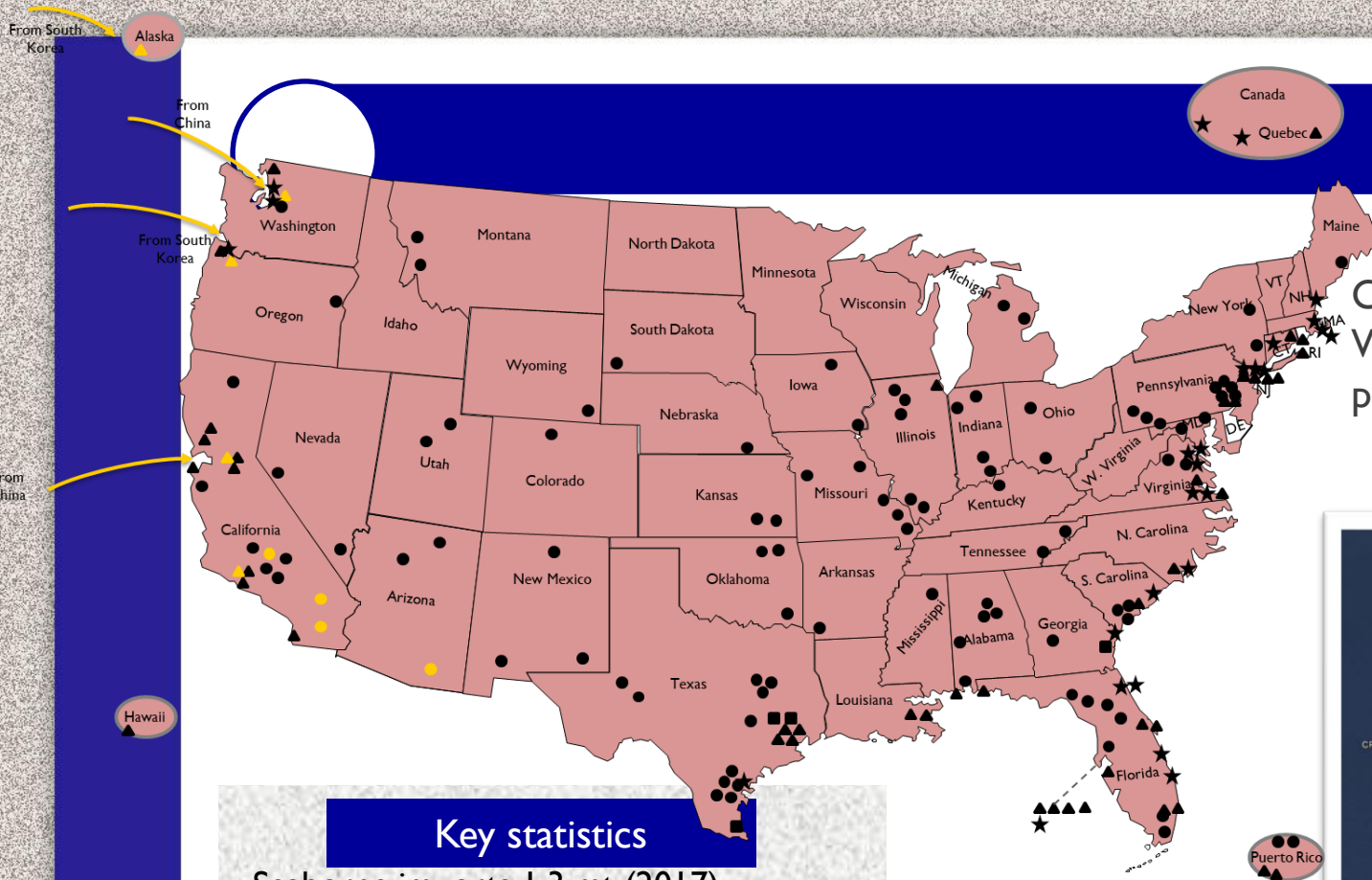
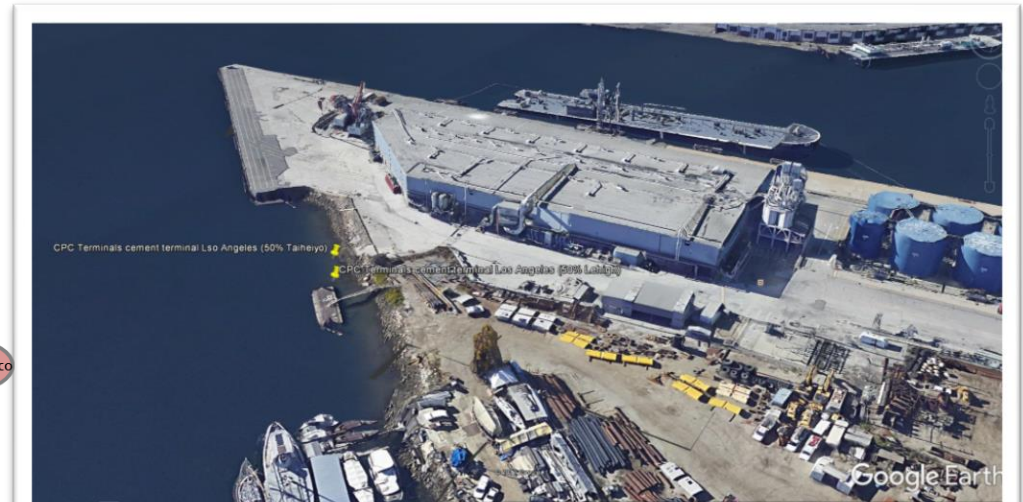


## CPC (Taiheiyō)

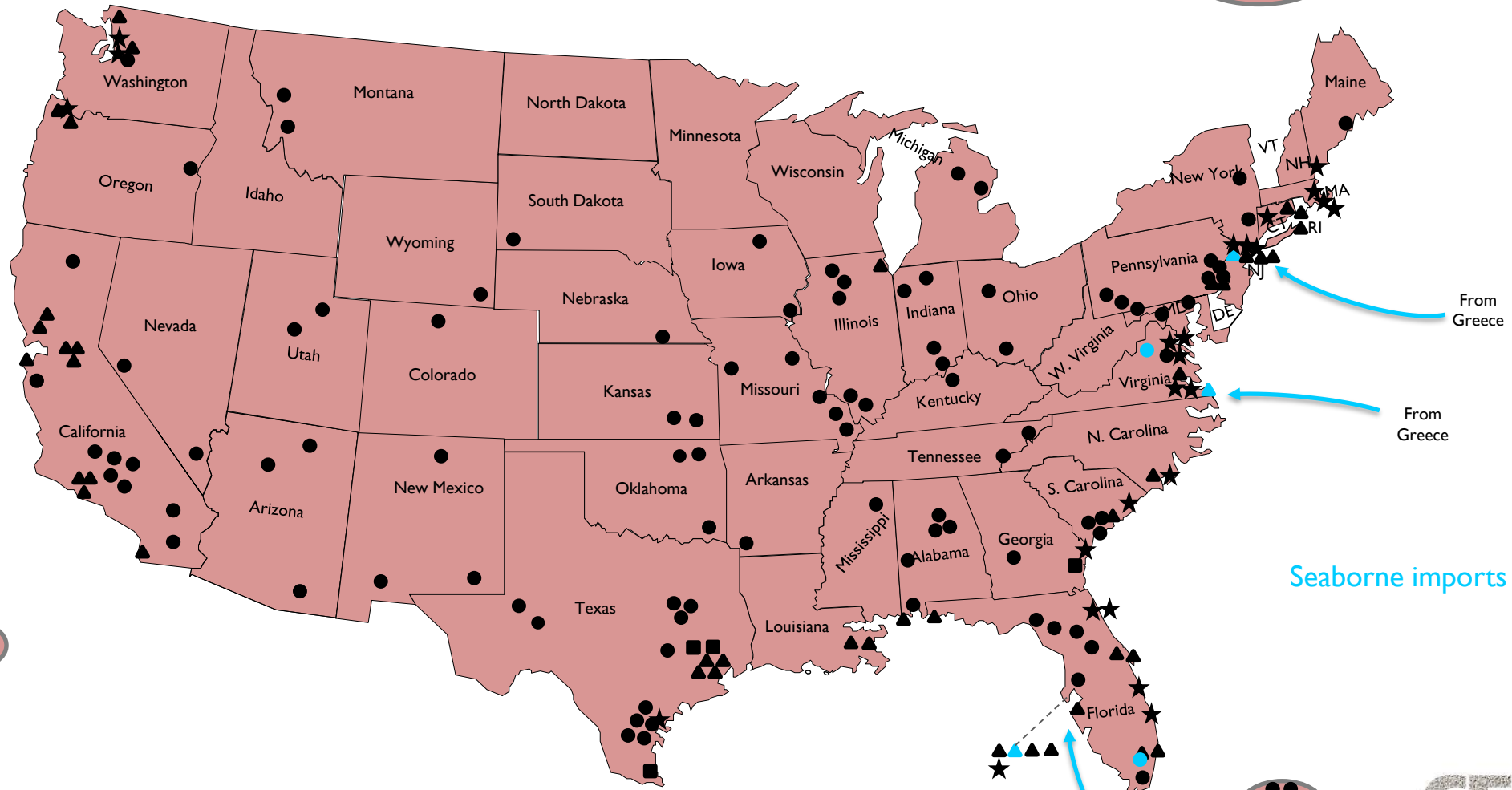
CPC (Taiheiyō) has five import terminals all along the Westcoast and 4 cement plants. The terminals support its plants and ready-mix assets very well.

### Key statistics

Seaborne imports 1,3 mt (2017)	
Sea terminals with a ship unloader (imports) 5	
Sea terminals without a ship unloader	
- importing	0
- domestic distribution	0
Great Lakes terminals	0
Big River terminals	0
US cement plants	4



# Titan



- Cement plant
- ▲ Cement terminal with ship uploader
- ★ Cement terminal without ship unloader
- Big bag import facility

**CEMENT**  
DISTRIBUTION  
CONSULTANTS



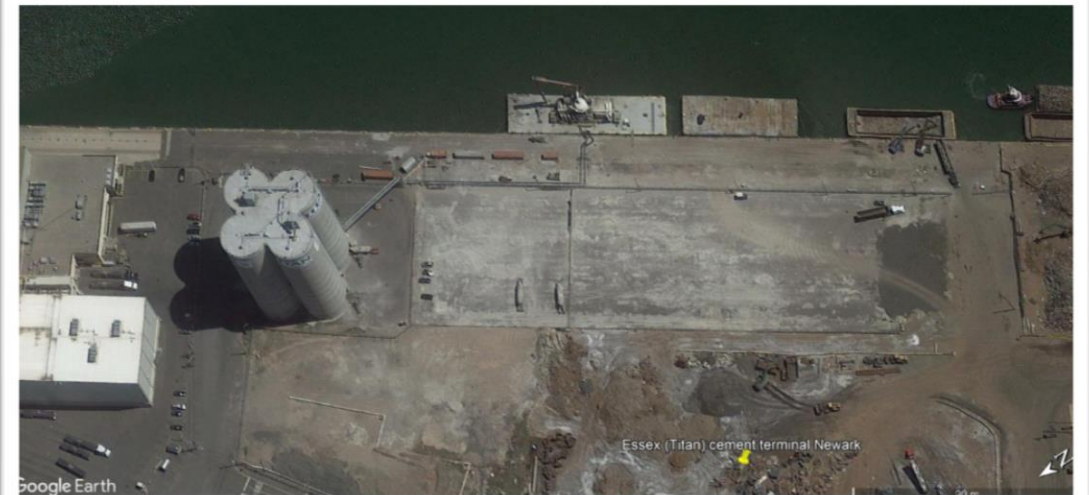
Alaska

Canada

★ Quebec ▲

Titan

Titan has a two cement plants and three large import terminals on the US east coast between New York and Florida. Although this is a small network Titan is within the top five cement importers.

From  
GreeceFrom  
Greece

### Key statistics

Seaborne imports 1.1 mt (2017)

Sea terminals with a ship unloader (imports) 3

Sea terminals without a ship unloader

- importing 0

- domestic distribution 0

Great Lakes terminals 0

Big River terminals 0

US cement plants 2

Puerto Rico

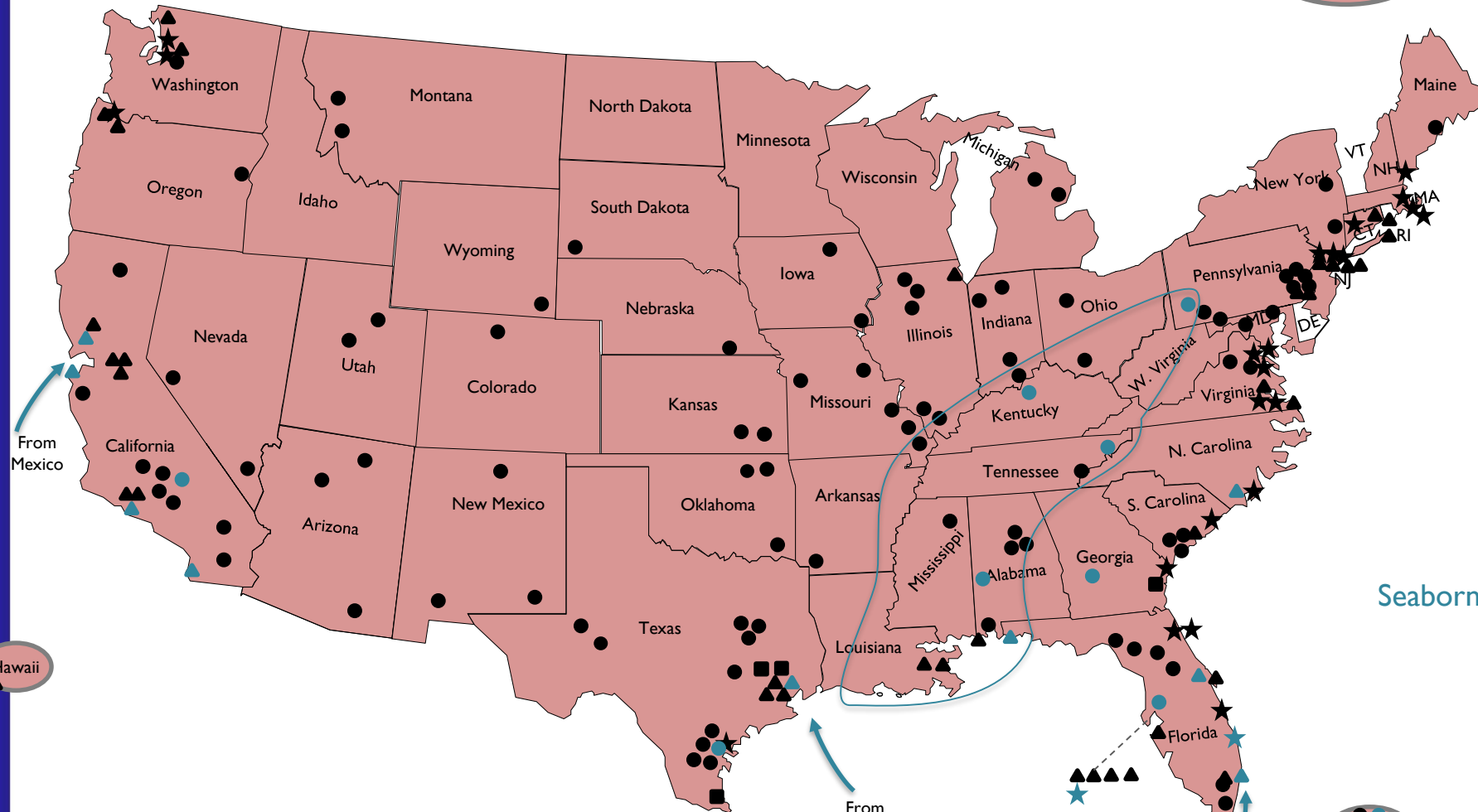
# Cemex

Alaska

Canada

★ Quebec ▲

Hawaii



Seaborne imports 2017 approx. 0.6 mln

- Cement plant
- ▲ Cement terminal with ship uploader
- ★ Cement terminal without ship unloader
- Big bag import facility

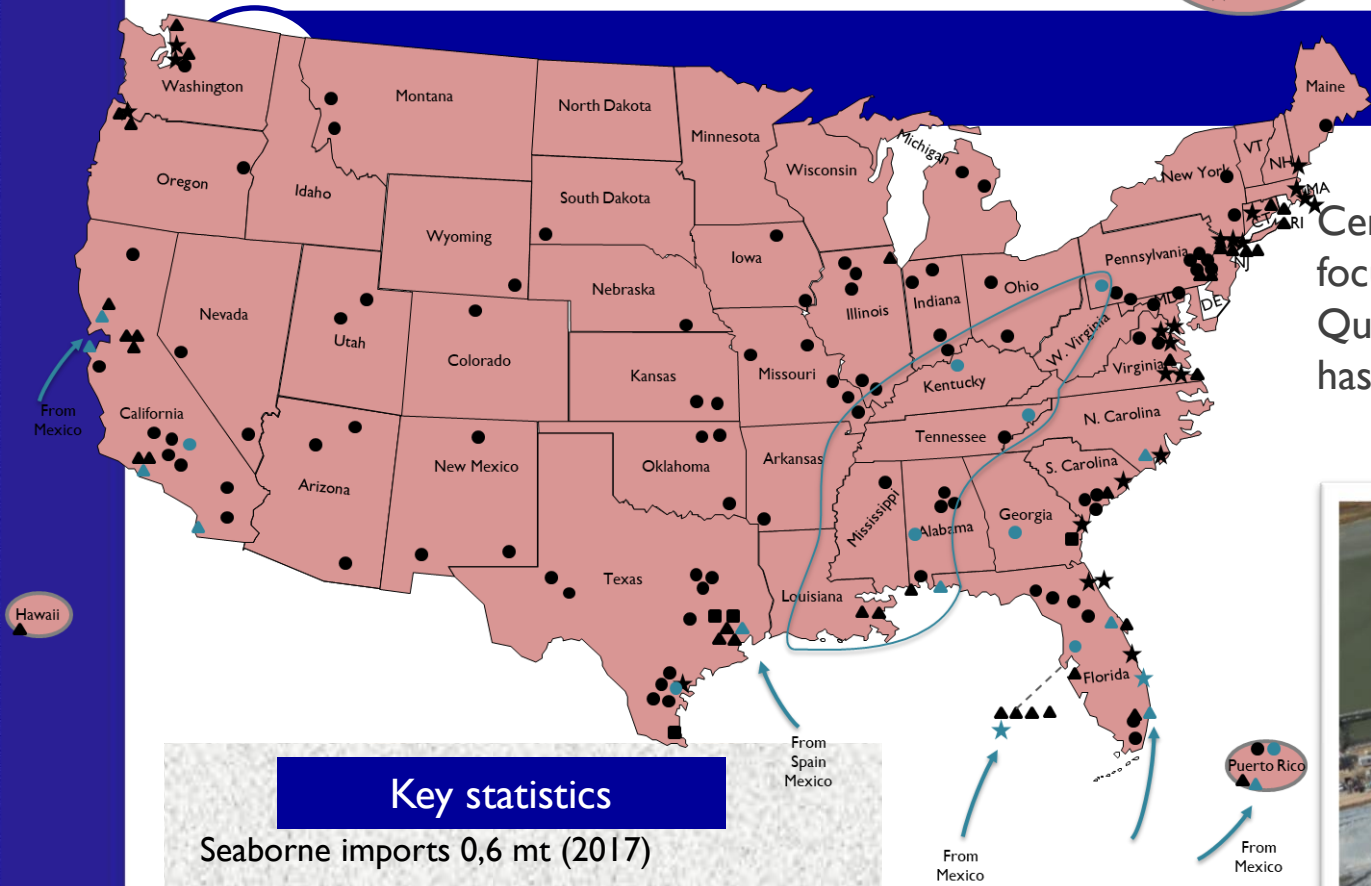
**CEMENT**  
DISTRIBUTION  
CONSULTANTS



Alaska

Canada  
★ Quebec ▲

Cemex



Cemex has a large number of seaborne import terminals focussed on the Southwest, Southeast and Gulf coasts. Quite a few of these terminals are still inactive. Cemex also has a distribution network on the Big Rivers.

### Key statistics

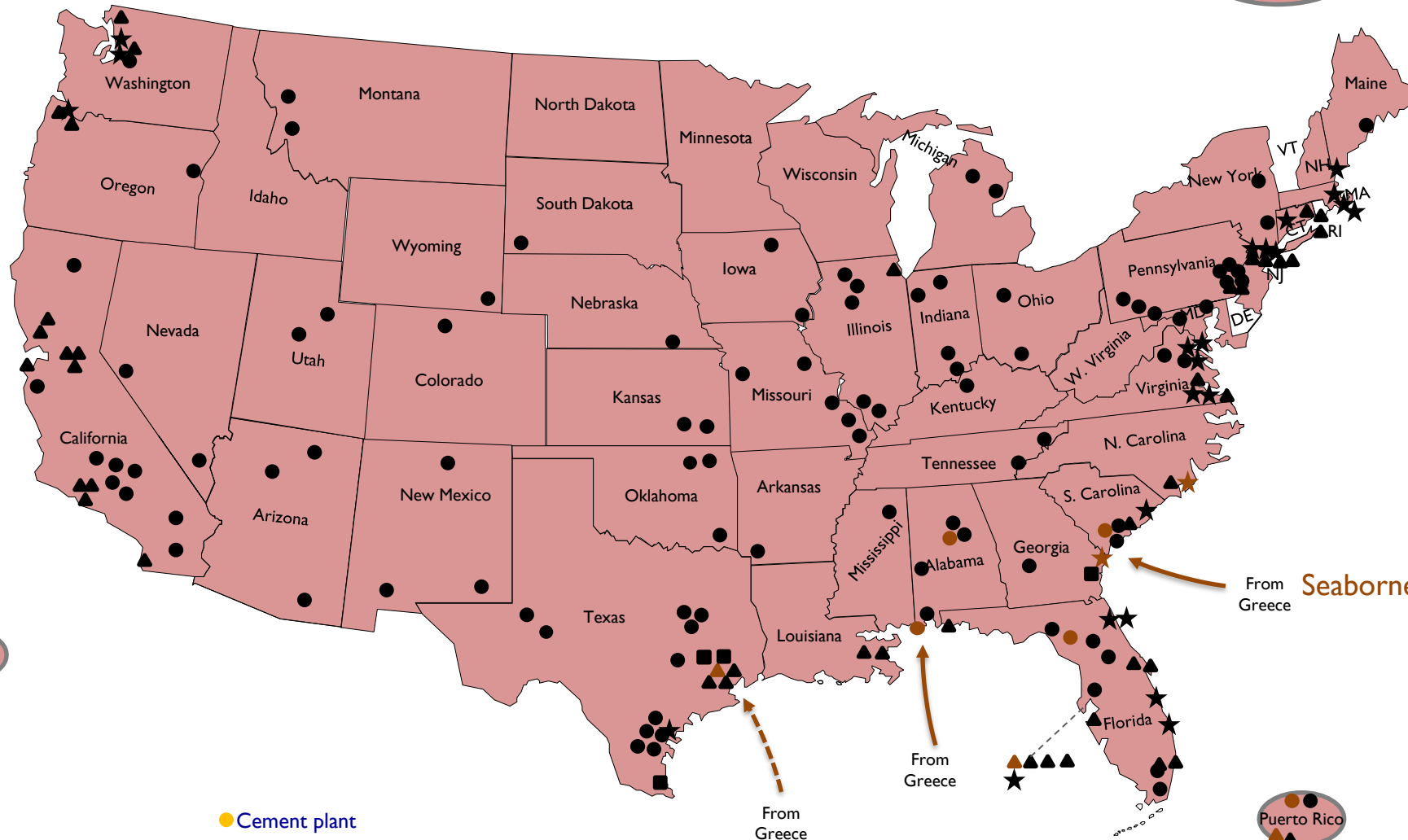
Seaborne imports 0,6 mt (2017)	
Sea terminals with a ship unloader (imports) 11	
Sea terminals without a ship unloader	
- importing	1
- domestic distribution	0
Great Lakes terminals	0
Big River terminals	11
US cement plants	10



**CEMENT**  
DISTRIBUTION  
CONSULTANTS



# Argos

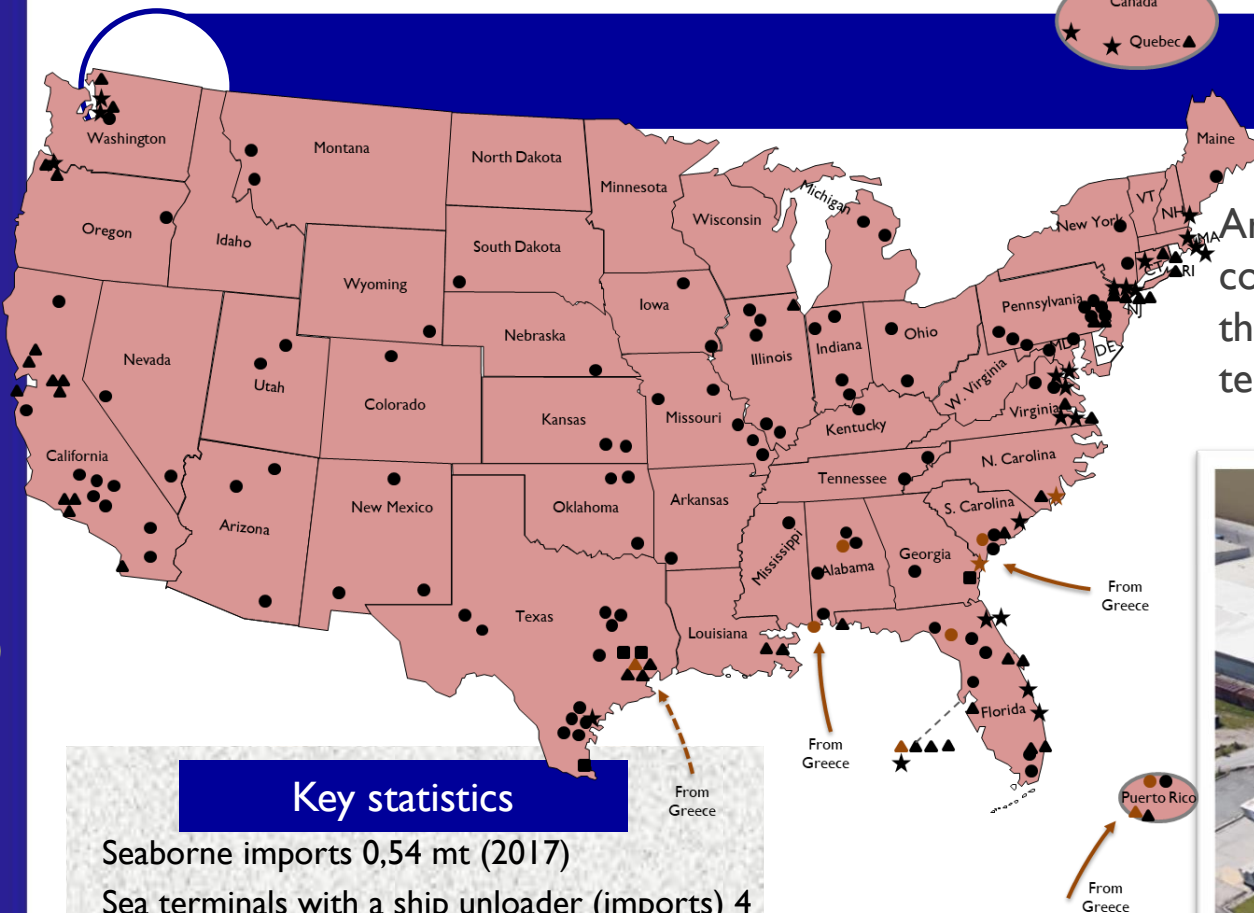


From Greece Seaborne imports 2017 approx. 0.54 mln

**CEMENT**  
DISTRIBUTION  
CONSULTANTS

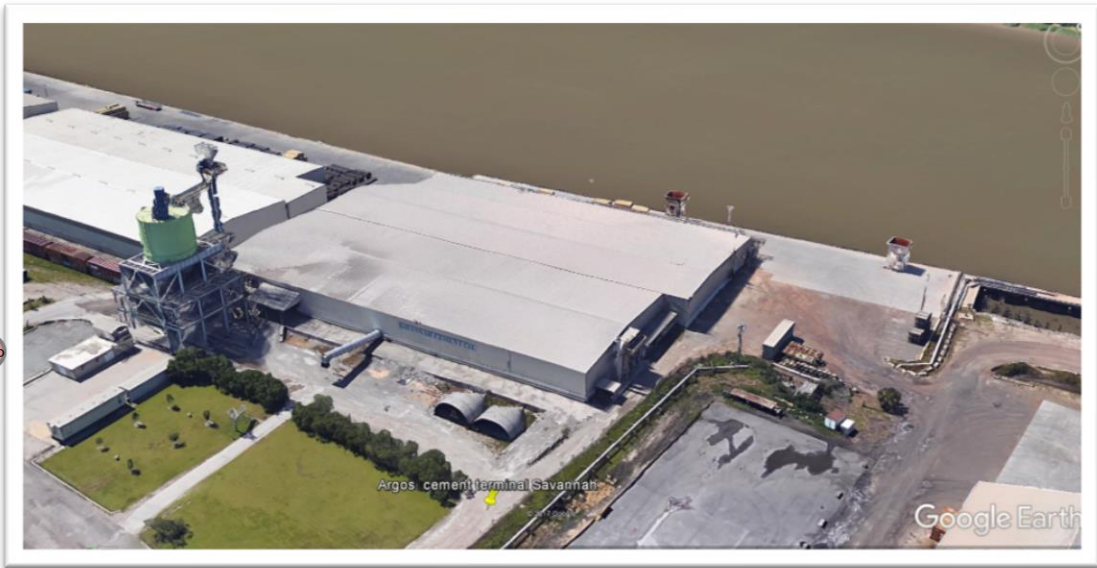


Argos has a network focussed on the Gulf and Southeast coasts. It has six import terminals going back to the days that it did not have cement plants in the US. These terminals are partially inactive.

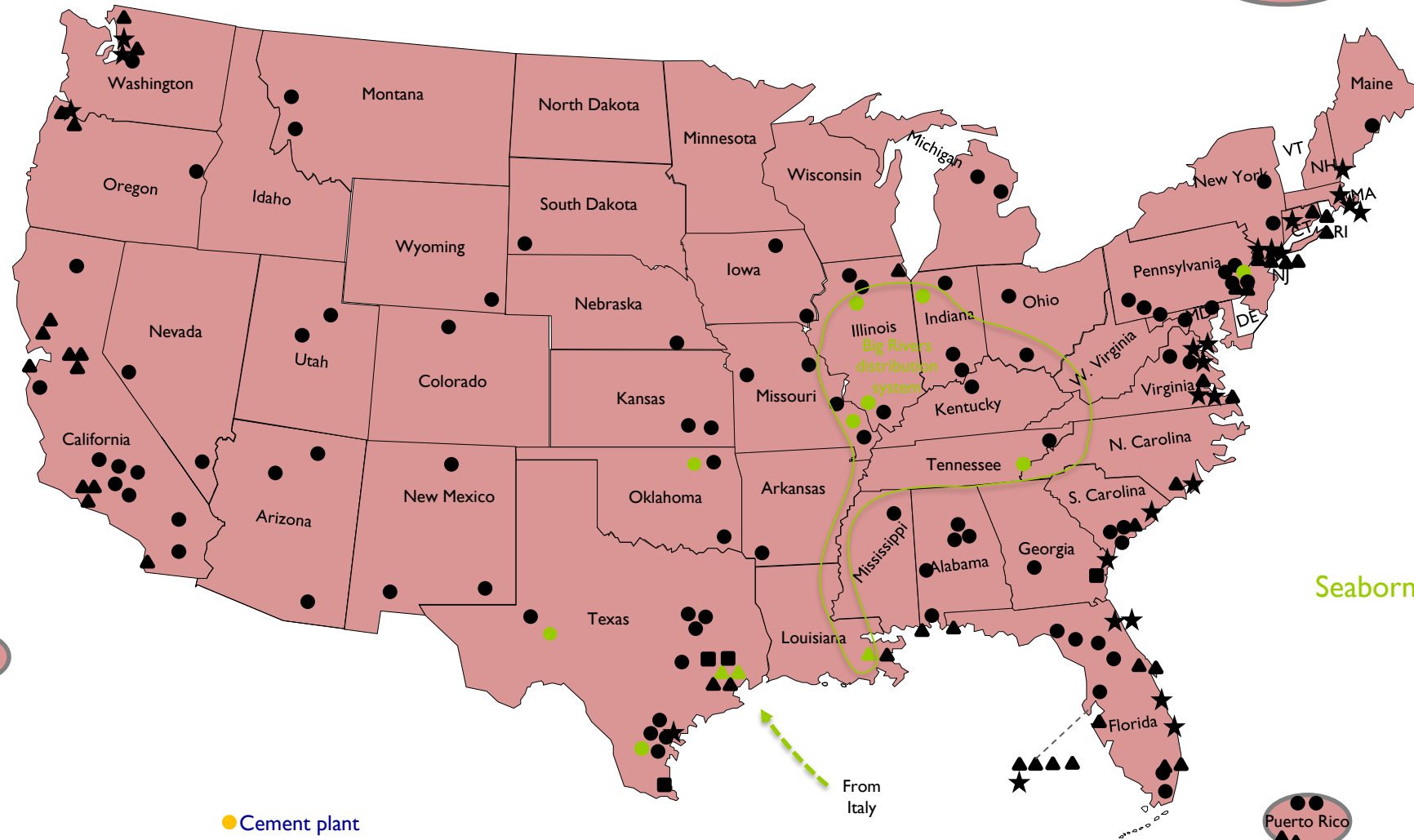


### Key statistics

Seaborne imports	0,54 mt (2017)
Sea terminals with a ship unloader (imports)	4
Sea terminals without a ship unloader	
- importing	2
- domestic distribution	0
Great Lakes terminals	0
Big River terminals	0
US cement plants	4



# Buzzi Unicem



Seaborne imports 2017 approx. 0.2 mln  
(Via Houston Cement)

- Cement plant
- ▲ Cement terminal with ship uploader
- ★ Cement terminal without ship unloader
- Big bag import facility

**CEMENT**  
DISTRIBUTION  
CONSULTANTS



Alaska

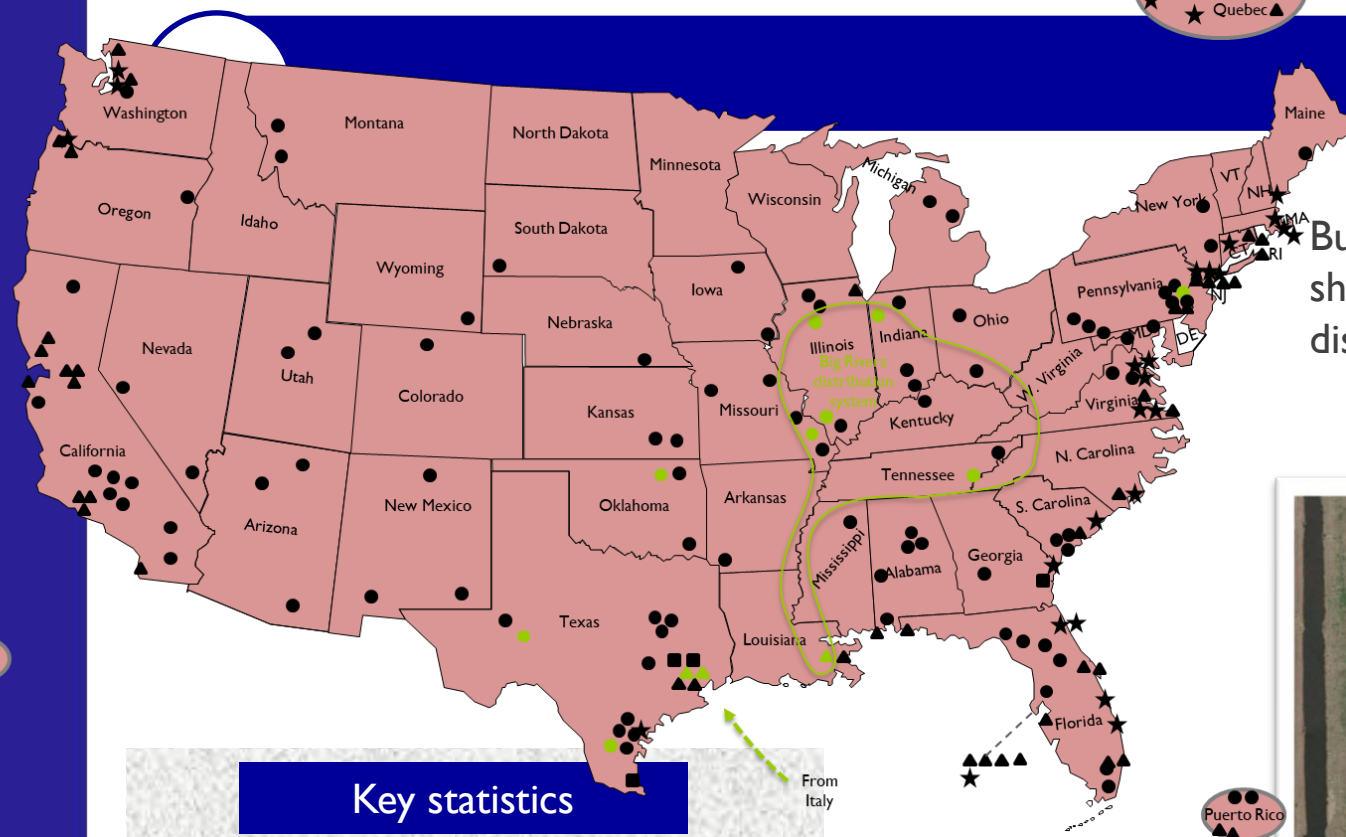
Hawaii

Canada

★ Quebec ▲

## Buzzi Unicem

Buzzi Unicem has an import terminal in New Orleans and a share in the two terminals of Houston cement. It has a distribution network on the Big Rivers



### Key statistics

Seaborne imports 0,2 mt (2017)

Sea terminals with a ship unloader (imports) 3

Sea terminals without a ship unloader

- importing 0

- domestic distribution 0

Great Lakes terminals 0

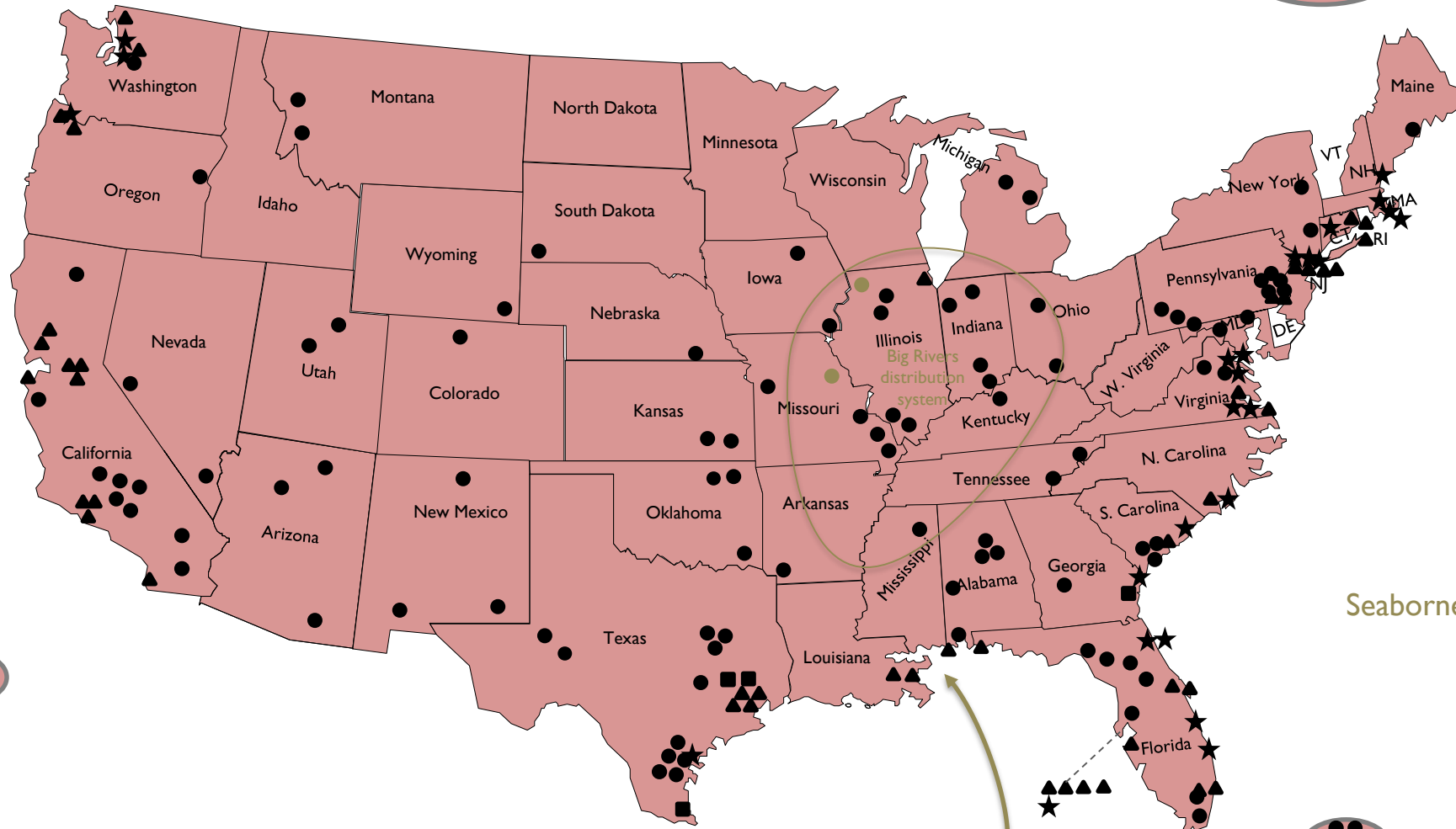
Big River terminals 11

US cement plants 7

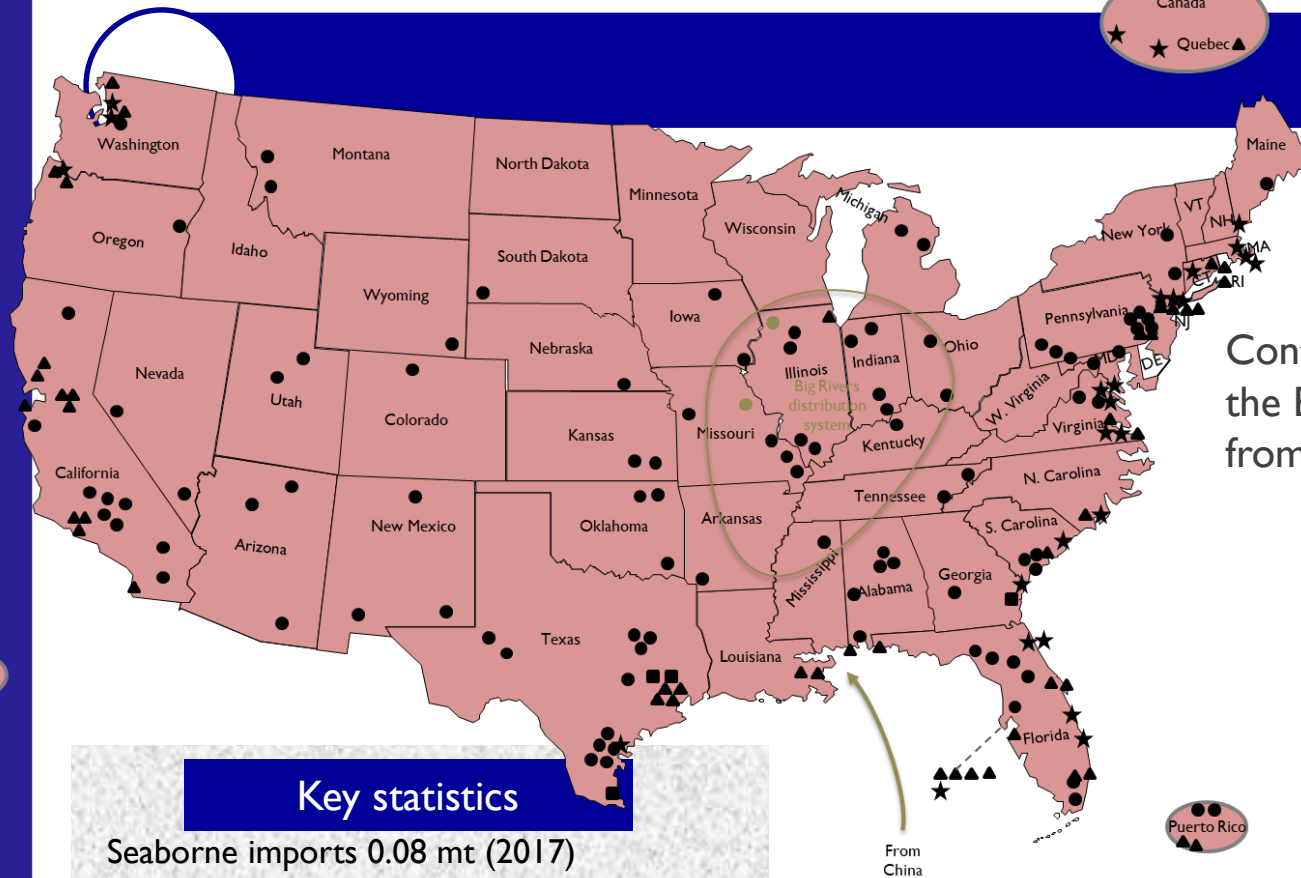


**CEMENT**  
DISTRIBUTION  
CONSULTANTS

# Continental







Continental has two plants and a distribution network on the Big Rivers. It has started to import cement transshipping from ships to barges in New Orleans.

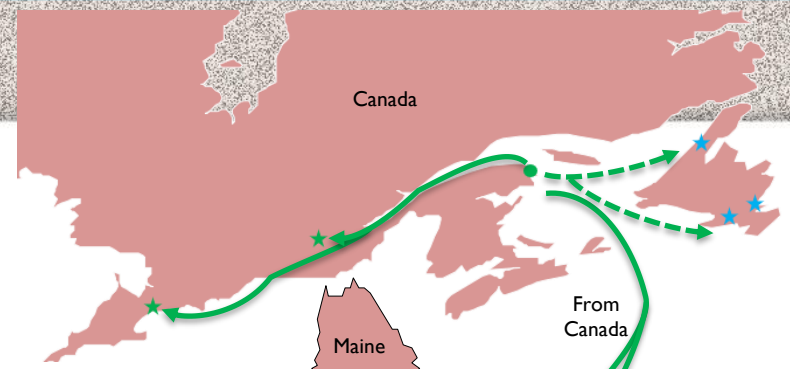
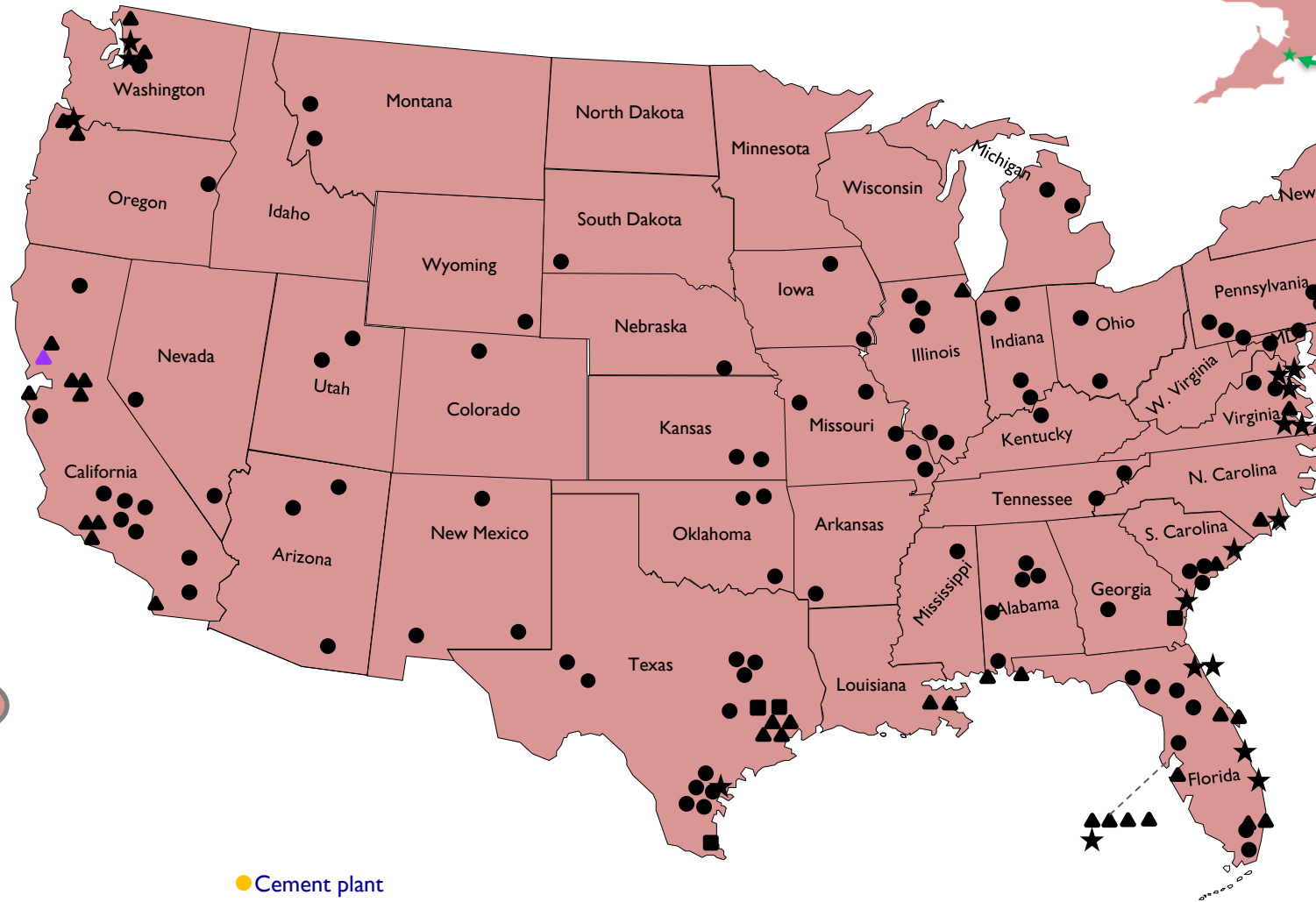
## Key statistics

Seaborne imports	0.08 mt (2017)
Sea terminals with a ship unloader (imports)	0
Sea terminals without a ship unloader	
- importing	0
- domestic distribution	0
Great Lakes terminals	0
Big River terminals	4
US cement plants	2

# McInnis

Alaska

Hawaii



Seaborne imports 2017 approx. 0.07 mln

Puerto Rico

**CEMENT**  
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McInnis has one operating import terminal in the US and one under construction supplied from its cement plant on the Canadian East coast. It has two terminals in Canada and also supplies the CRH terminals in Newfoundland.



## Key statistics

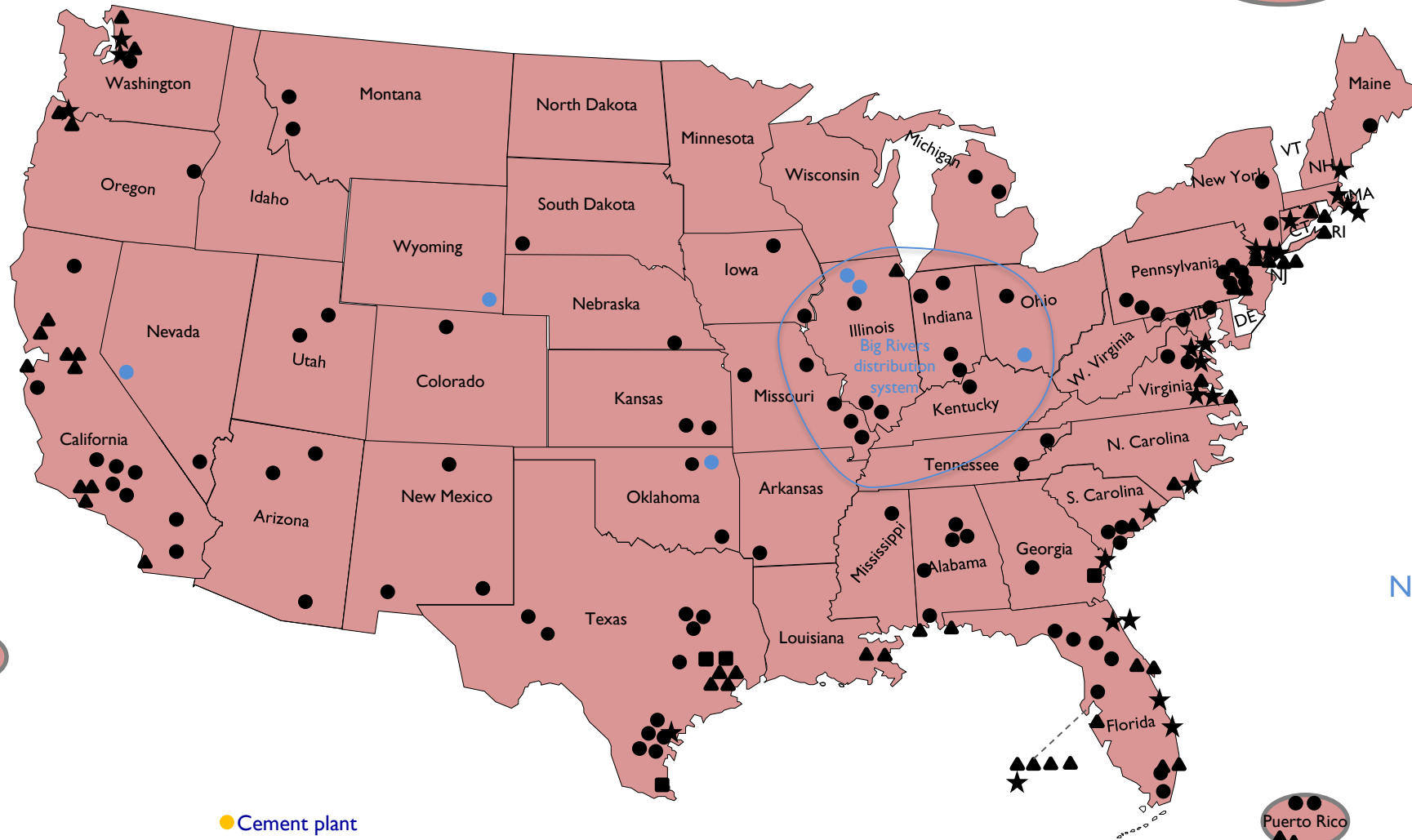
Seaborne imports 0.07 mt (2017)	
from Canada	
Sea terminals with a ship unloader (imports) 2	
Sea terminals without a ship unloader	
- importing	0
- domestic distribution	0
Great Lakes terminals	2
Big River terminals	0
US cement plants	0

Alaska

Hawaii

Puerto Rico

# Eagle Materials

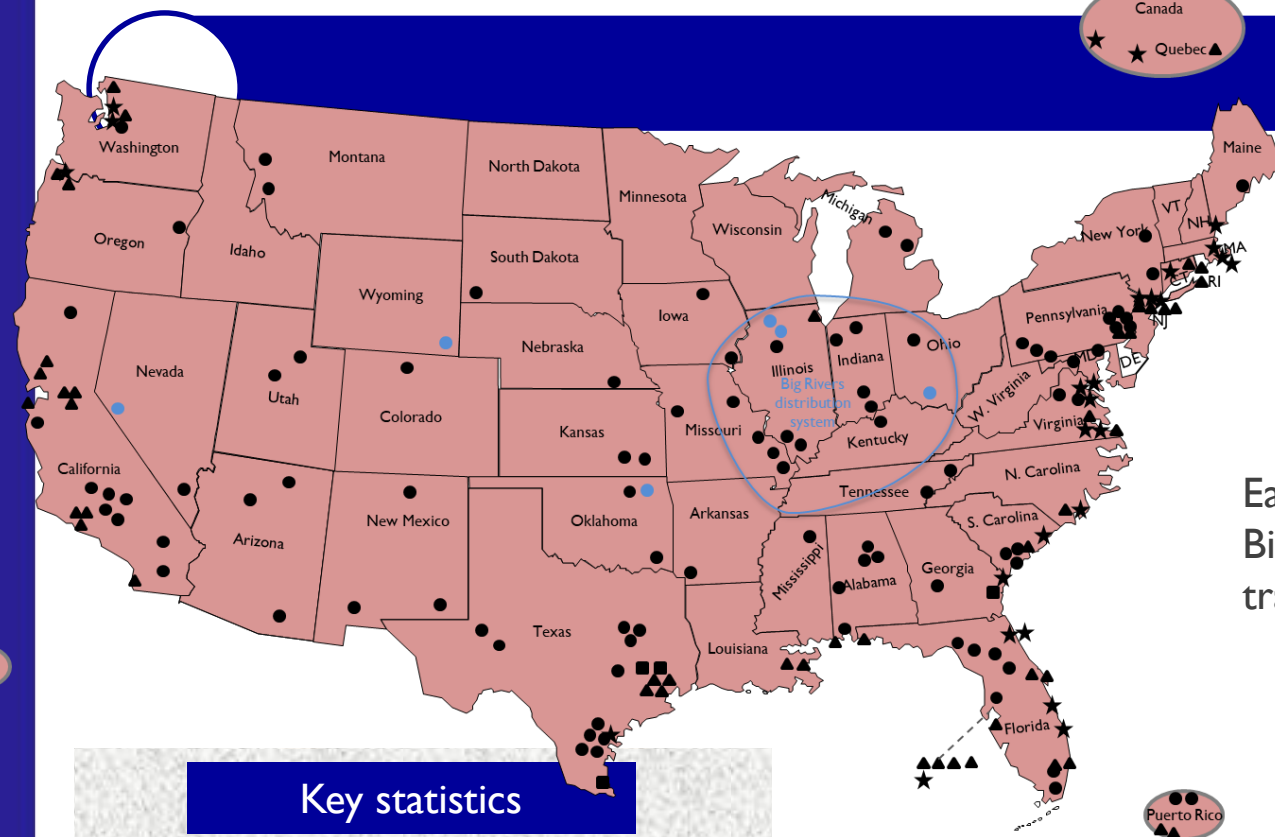


No seaborne imports 2017

- Cement plant
- ▲ Cement terminal with ship uploader
- ★ Cement terminal without ship unloader
- Big bag import facility

**CEMENT**  
DISTRIBUTION  
CONSULTANTS



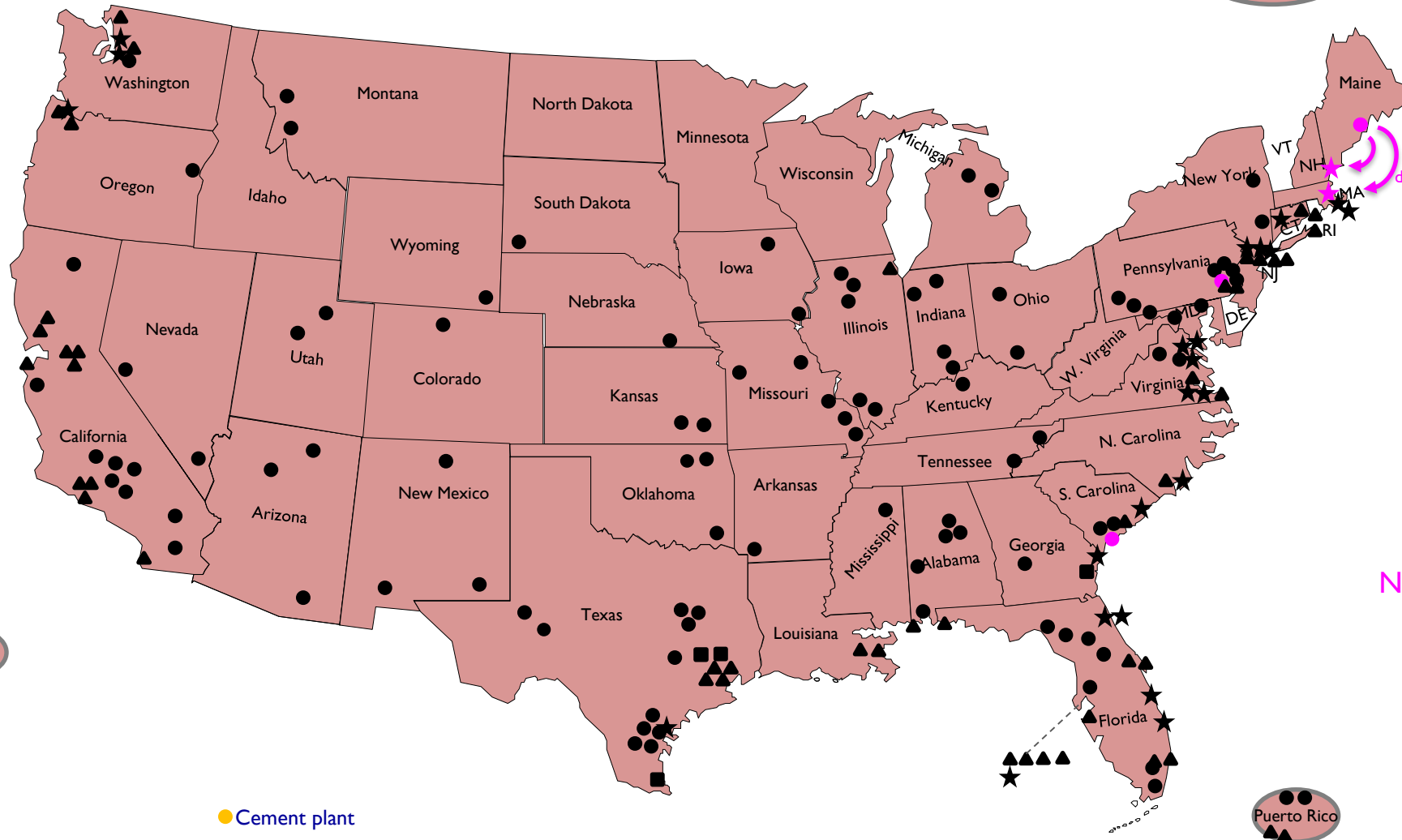


Eagle Materials has a GGBFS distribution network on the Big Rivers which possibly could be used for imports with transshipment from ship to barges in New Orleans

## Key statistics

Seaborne imports 0 mt (2017)	
Sea terminals with a ship unloader (imports) 0	
Sea terminals without a ship unloader	
- importing	0
- domestic distribution	0
Great Lakes terminals	0
Big River terminals	5
US cement plants	6

# Elementia (Dragon, Keystone, Giant)



- Cement plant
- ▲ Cement terminal with ship uploader
- ★ Cement terminal without ship unloader
- Big bag import facility



Alaska

Canada

★ Quebec ▲

## Elementia (Dragon, Keystone, Giant)

Elementia has two terminals for domestic sea distribution and three plants but lacks seaborne import capability.

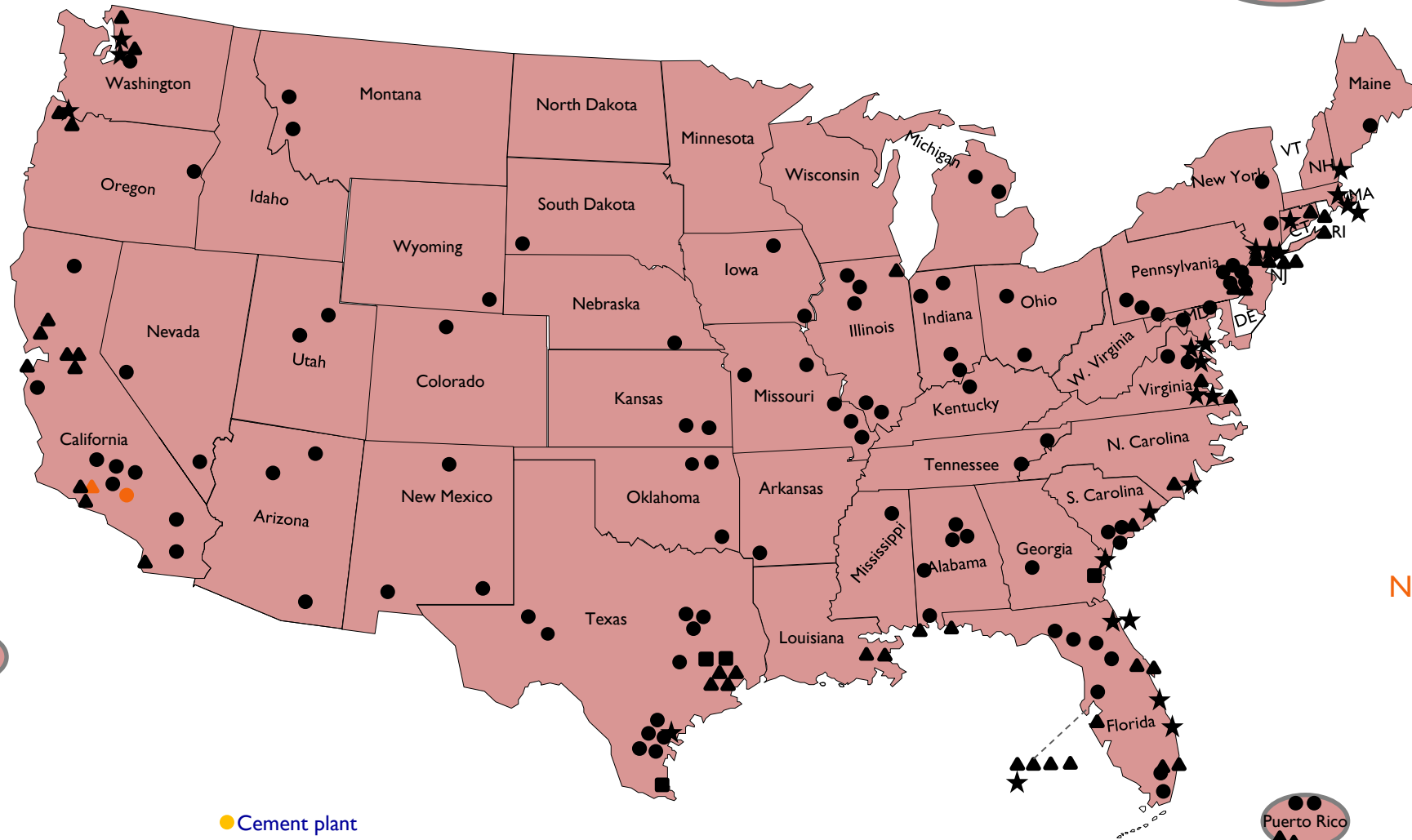


### Key statistics

Seaborne imports 0 mt (2017)	
Sea terminals with a ship unloader (imports) 0	
Sea terminals without a ship unloader	
- importing	0
- domestic distribution	2
Great Lakes terminals	0
Big River terminals	0
US cement plants	3

Puerto Rico

Hawaii



No seaborne imports 2017



Alaska

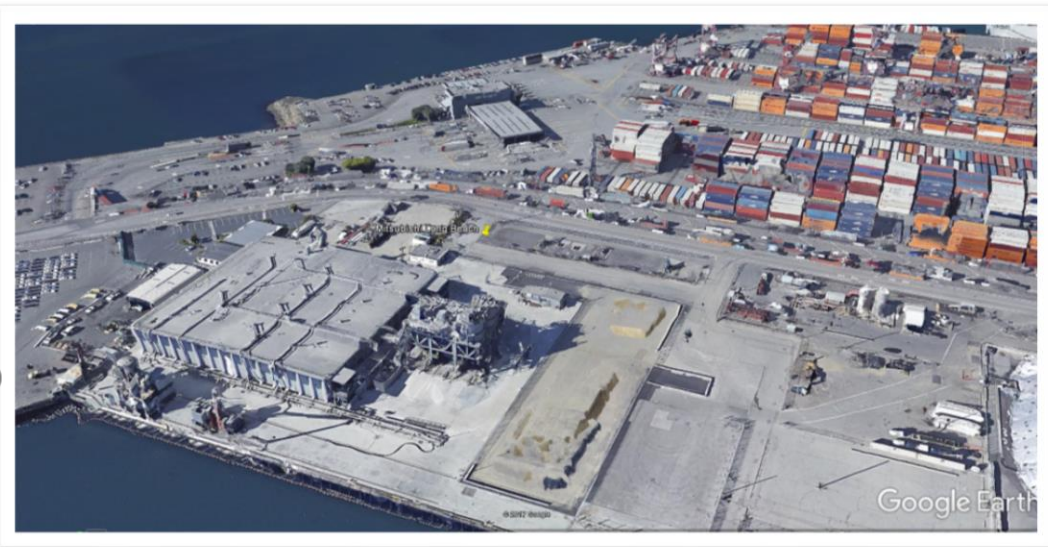
Hawaii

Canada

★ Quebec ▲

Mitsubishi

Mitsubishi has a large cement import terminal and one cement plant in California. The terminal is still not active but a substantial upgrade of the terminal has been planned.



### Key statistics

Seaborne imports 0 mt (2017)

Sea terminals with a ship unloader (imports) 1

Sea terminals without a ship unloader

- importing 0

- domestic distribution 0

Great Lakes terminals 0

Big River terminals 0

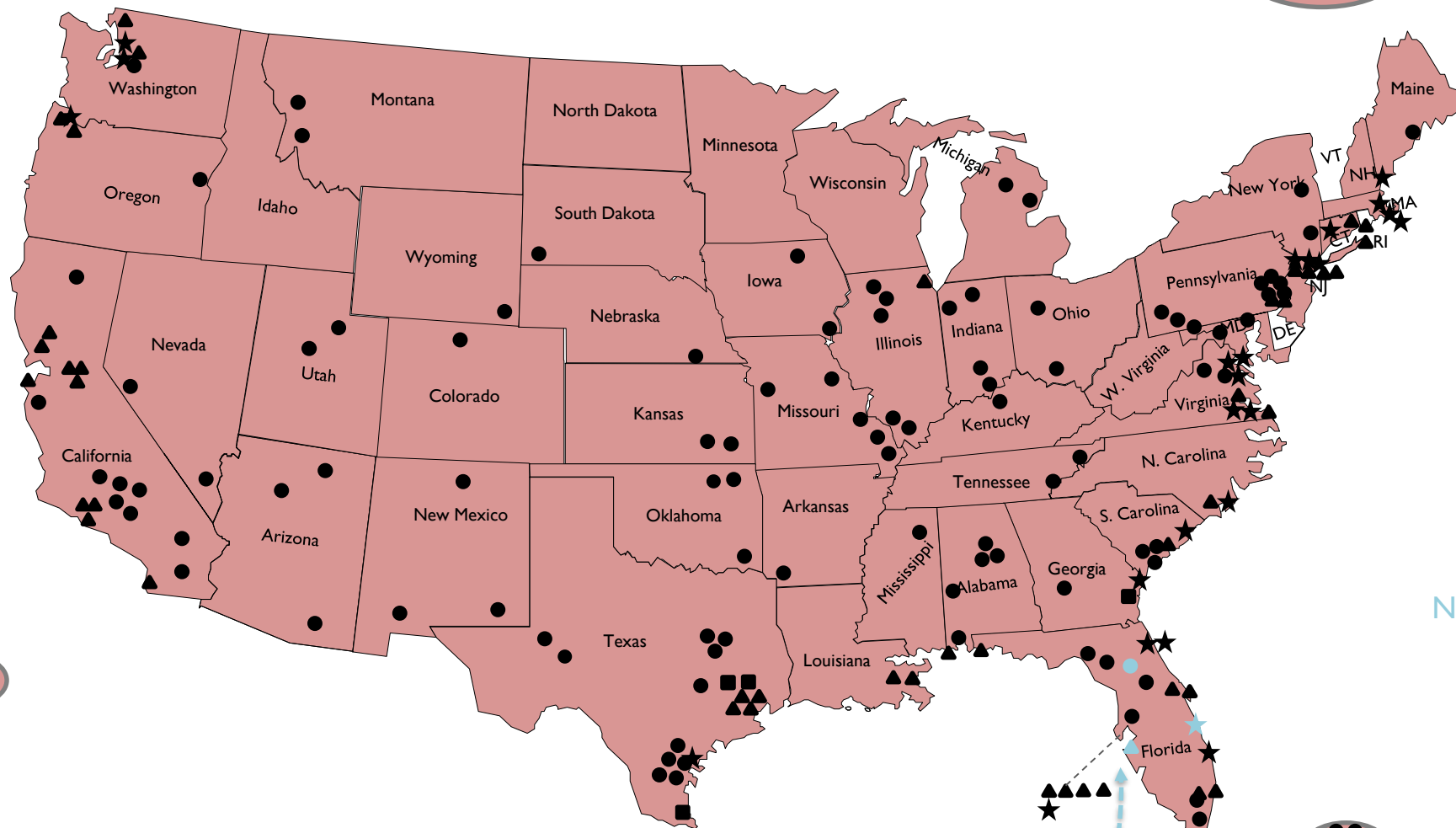
US cement plants 1

Puerto Rico

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# American Cement



No seaborne imports 2017  
(import started in 2018)

- Cement plant
- ▲ Cement terminal with ship uploader
- ★ Cement terminal without ship unloader
- Big bag import facility

**CEMENT**  
DISTRIBUTION  
CONSULTANTS



Alaska

Canada

★ Quebec ▲

American

American has one cement plant and two import terminals in Florida. One terminal has started importing in 2018. American cement has recently been acquired by CRH.



### Key statistics

Seaborne imports 0 mt (2017)

Sea terminals with a ship unloader (imports) 1

Sea terminals without a ship unloader

- importing 1
- domestic distribution 0

Great Lakes terminals 0

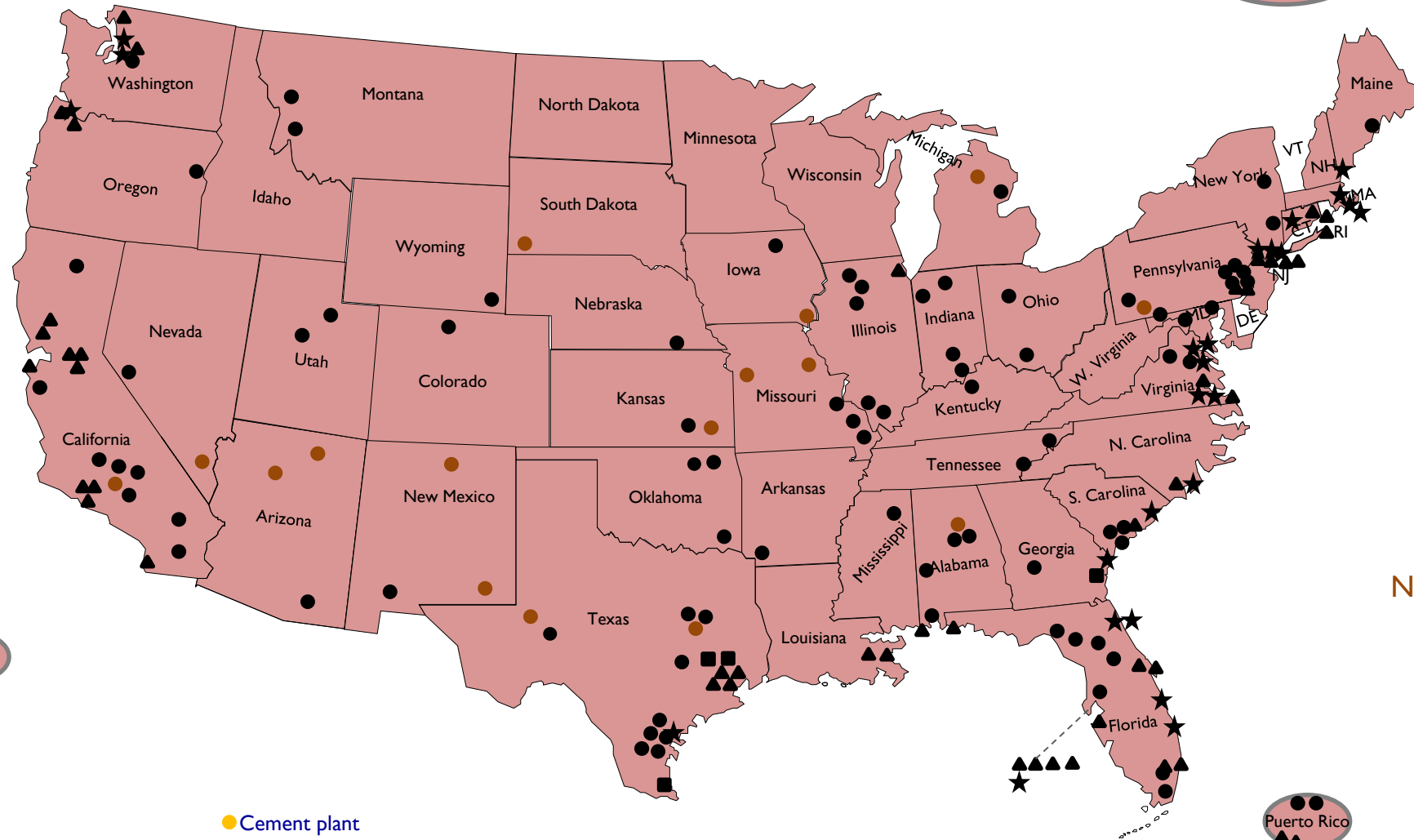
Big River terminals 0

US cement plants 1

Puerto Rico

**CEMENT**  
DISTRIBUTION  
CONSULTANTS

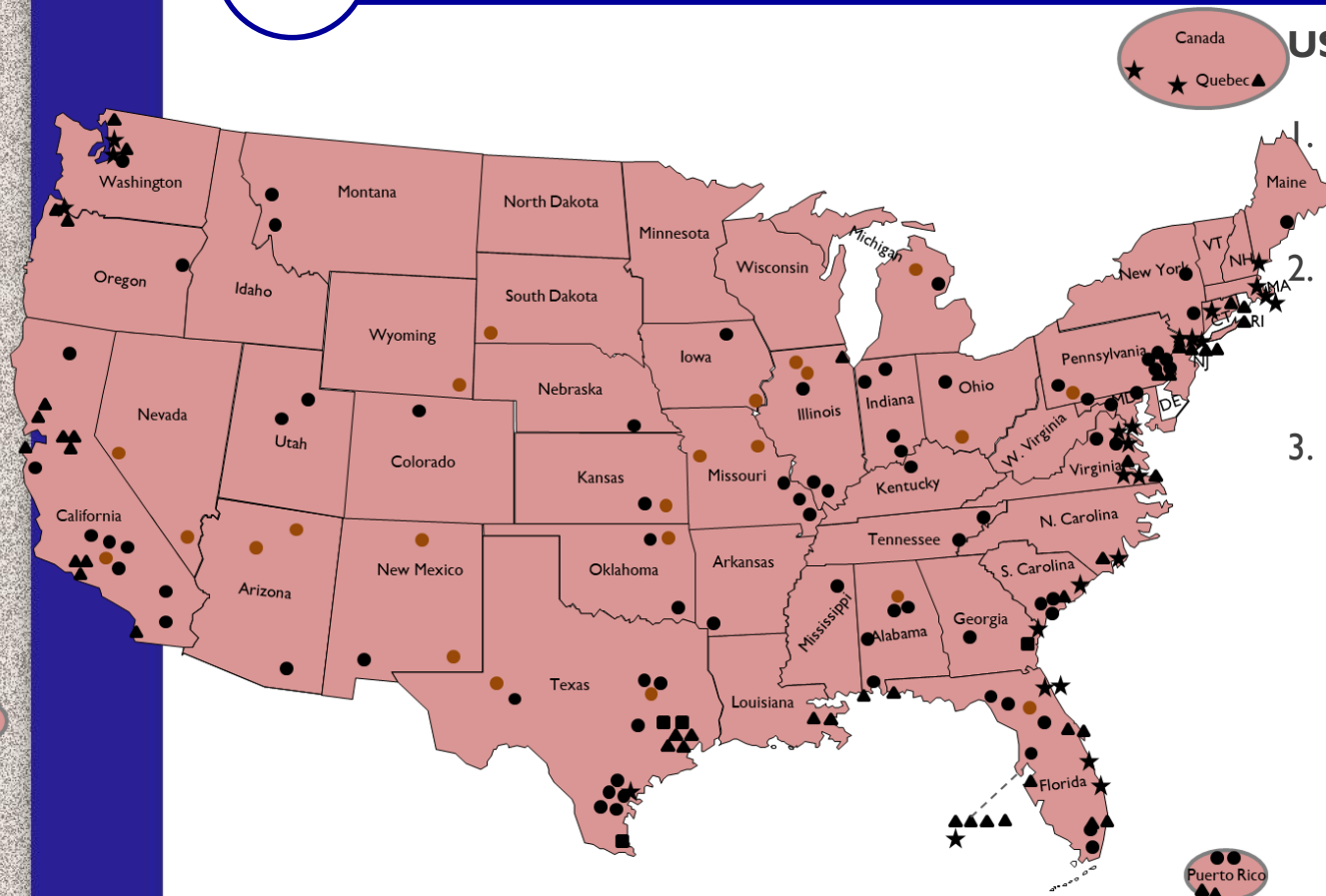
# Cement producers without import terminal



No seaborne imports 2017



## Cement producers without sea terminals



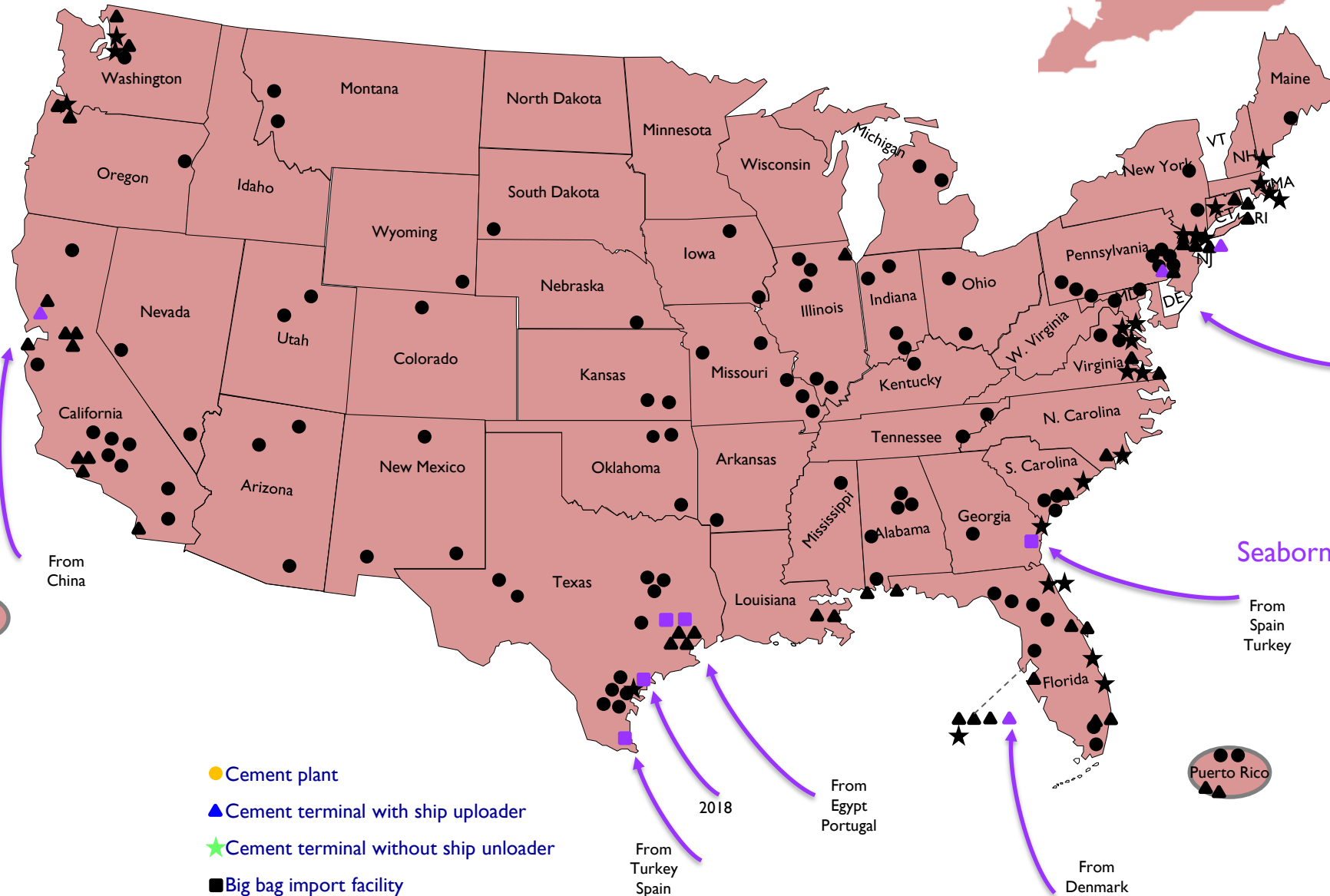
### US cement producers without terminals for seaborne cement

1. St. Mary's has an extensive network on the Great Lakes and can import more cement from Canada when needed.
2. CCC has several plants in Southcentral US with a rail network to distribute it. It imports cement by rail from its plants in Mexico and can expand on that.
3. Martin Marietta, National, Drake Armstrong, Capital, Royal and Summer have standalone cement plants. Some of these are in a location where the addition of seaborne import capability might be of interest.

# Independent import terminals

Alaska

Hawaii

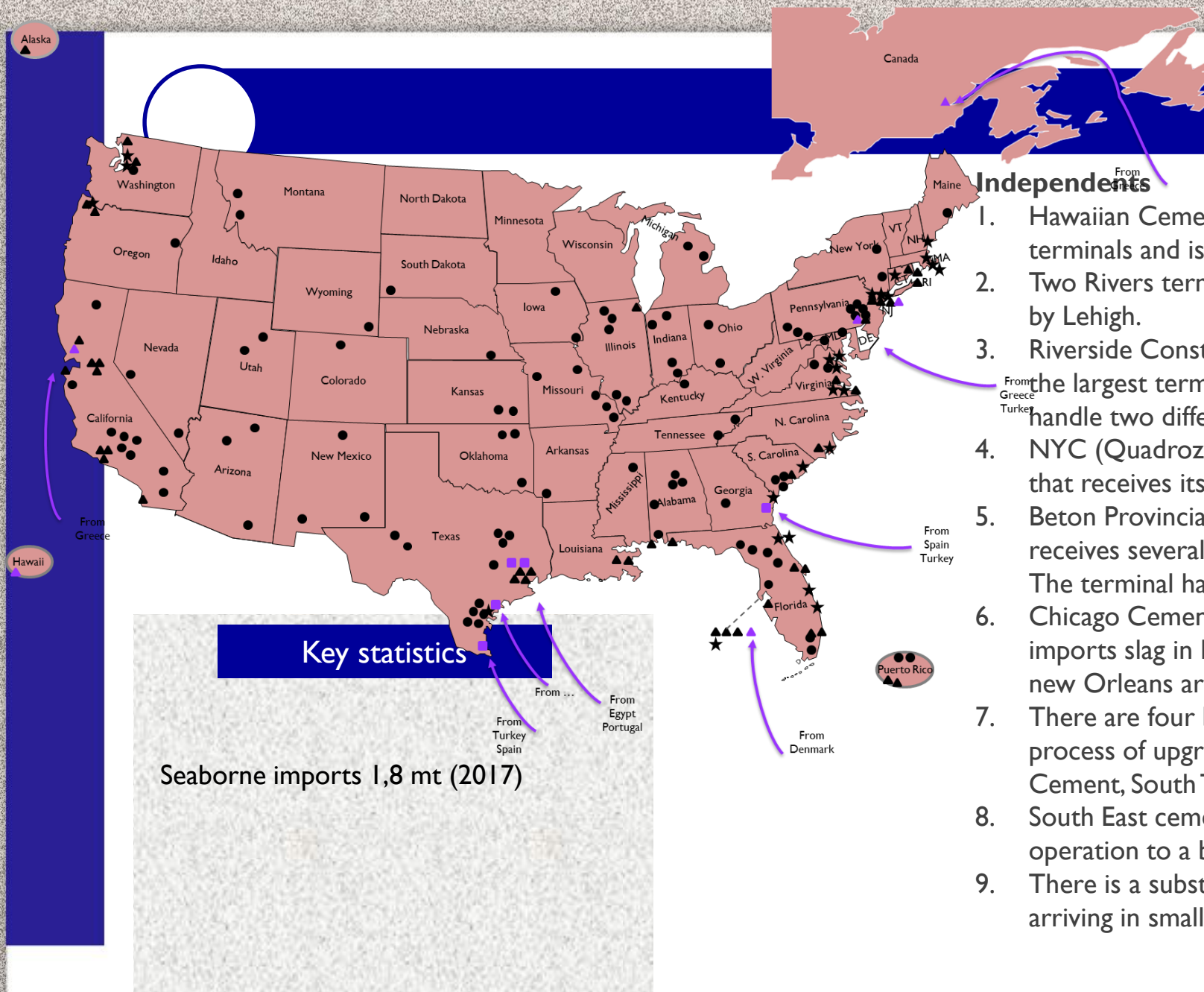


Seaborne imports 2017 approx. 1.8 mln

2018

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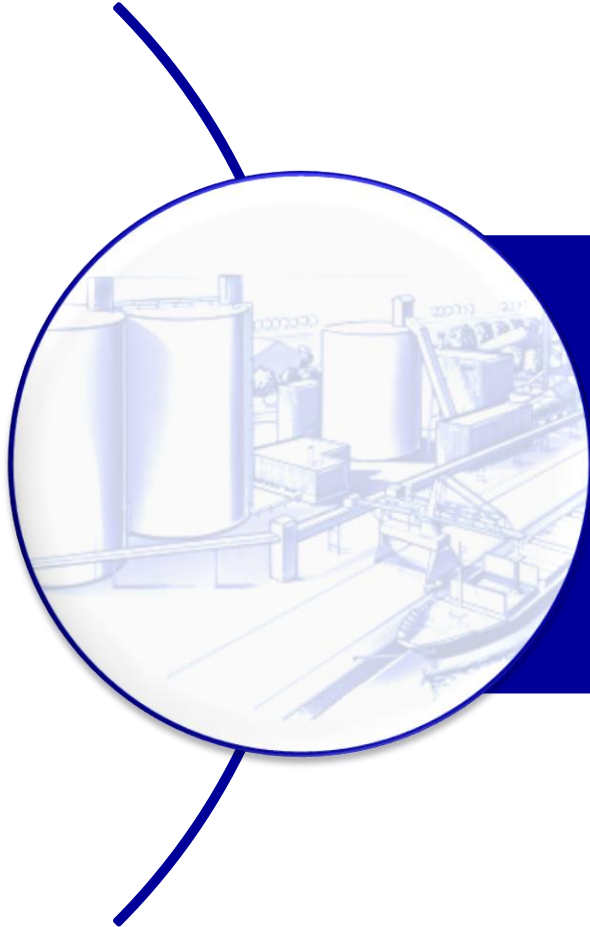




## Independent import terminals

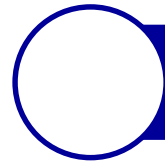
### Independents

1. Hawaiian Cement has one import terminal and four distribution terminals and is the only importer in Hawaii.
2. Two Rivers terminal in Sacramento is 50% owned by A&A and 50% by Lehigh.
3. Riverside Construction Materials (owned by the Silvi Group) owns the largest terminal in the US (170,000 tons of storage) and can handle two different types of cement and a cementitious material.
4. NYC (Quadrozzi) has a small floating terminal in Brooklyn, NYC that receives its cement from domestic sources.
5. Beton Provincial has a very large terminals in Quebec which receives several types of cement as well as cementitious material. The terminal has its own blending plant.
6. Chicago Cement (Ozinga) has a large river terminal in Chicago. It imports slag in large bulkcarriers that is transhipped in barges in the new Orleans area.
7. There are four big bag import operations of which three are in the process of upgrading to a bulk import terminal (SESCO, Texan Cement, South Texas Cement)
8. South East cement in Savannah recently upgraded its big bag import operation to a bulk import terminal.
9. There is a substantial volume of white cement imports in big bags arriving in small shipments all over the US



## Final considerations





## Final considerations

- 1) In 2017 US seaborne imports reached 9.9 million tons. This is still a small figure compared to the 30 million tons of seaborne imports in 2006 before the crisis. If the US economy keeps growing, and especially if funding for a national infrastructure upgrade is approved, it should be possible to reach such import levels again.
- 2) With the growing seaborne imports North American cement producers have steadily reopened their mothballed terminals again but a number of them are still closed. Despite that there have been a significant number of new terminal projects and terminal expansions. All of these are by independents (companies without cement production capacity in North America).
- 3) The growing cement imports by independents raise concerns regarding price stability and dumping. However independent imports so far have been quite disciplined, only importing within the overall cement shortage volume and keeping pricing stable. As such the combined reason for dumping (imports below fair value and harm done to local producers) does not apply. Moreover, most of the new terminal projects are based on ready mix ownership and as long as imports are for their own consumption it is not dumping either.
- 4) The revolutionary development of modular and even containerized (mini) grinding plants is having a major impact on global cement and clinker trade with a clear movement forwards clinker. The US so far has gone against this trend and has returned to large volume bulk cement imports. There is a case to be made for independent importers to move to clinker imports not only from an economic perspective but also (becoming in fact a cement producer) a strategic one.



# THANK YOU



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Disclaimer: All information in this presentation has been provided by Cement Distribution Consultants to the best of its knowledge and ability but can not be guaranteed.

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