GCC CEMENT MARKET AN OVERVIEW

HOLTEC CONSULTING

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GULF COOPERATION COUNCIL (GCC)

The Gulf Cooperation Council (GCC) was established in 1981, and constitutes:

1. Kingdom of Saudi Arabia (KSA)
2. United Arab Emirates (UAE)
3. Sultanate of Oman
4. State of Kuwait
5. Kingdom of Bahrain
6. State of Qatar

The GCC's **objectives** are to achieve coordination, integration, and interconnection among the member states in all fields leading to their unity **and** to deepen and strengthen existing ties, connections, and cooperation among their peoples in various domains.

GCC CEMENT MARKET: AN OVERVIEW

This presentation gives a holistic overview of the grey cement market in the GCC region covering:

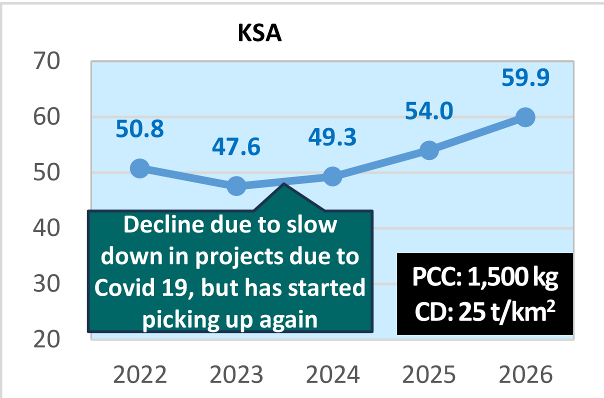
- Cement demand and capacities
- Key macro economic indicators, infrastructure, housing, etc. and future outlook
- Highlights of region's
  - Market Characteristics
  - Trade Dynamics
  - Technology Contemporariness
  - Input Material Availability
  - Sustainability Efforts

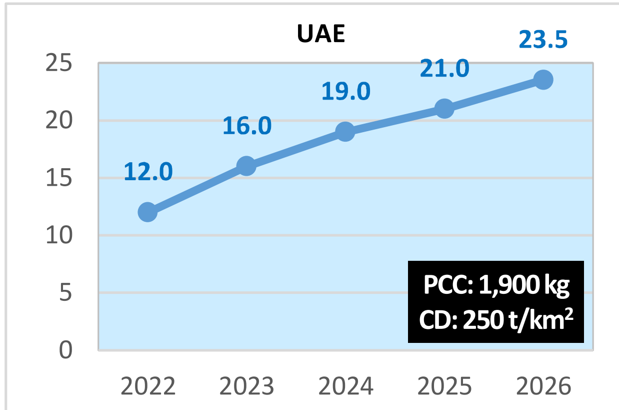
MACRO-ECONOMIC INDICATORS AND DEMOGRAPHICS

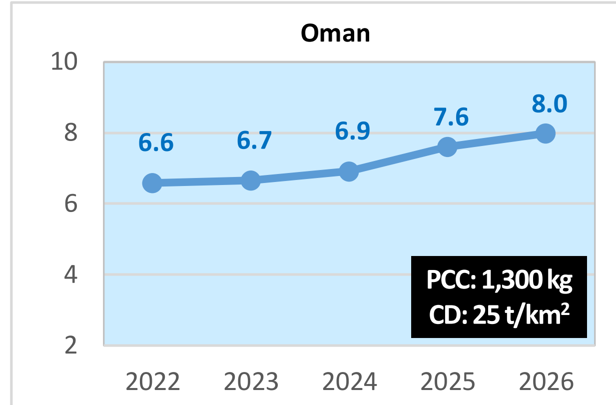
Countries/ Demographics	KSA	UAE	Oman	Kuwait	Bahrain	Qatar
Area (km^2)	2,150,000	83,600	3,10,000	17,800	785	11,500
Current GDP (USD billion)	1,085	537	107	159	47	221
Population (million)	35.3	11.0	5.3	5.0	1.6	3.1
GDP per capita (USD)	30,750	48,830	20,060	31,620	29,000	71,570

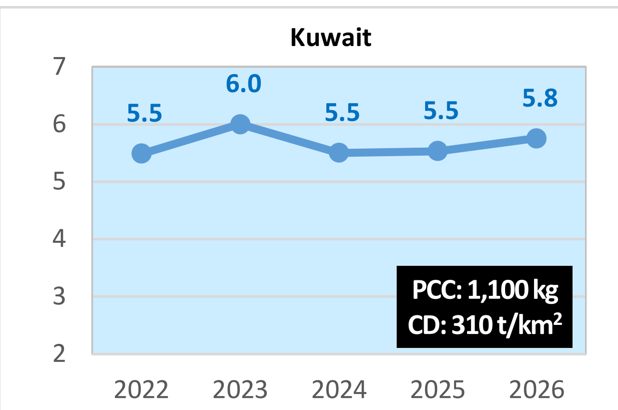
KSA stands out as the largest by area & population and has the region's highest GDP; however, Qatar leads in GDP per capita, reflecting its strong economic strength despite a smaller population.

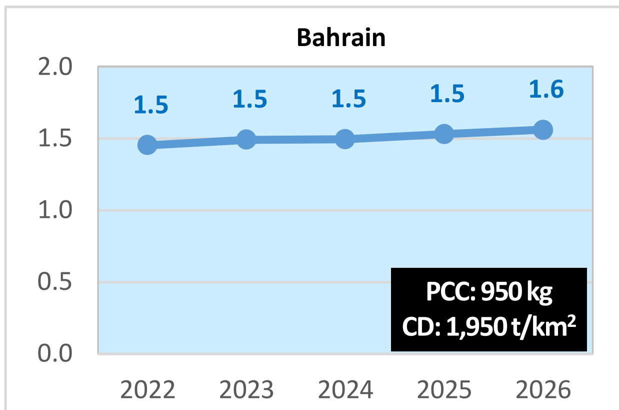
GCC: CEMENT DEMAND

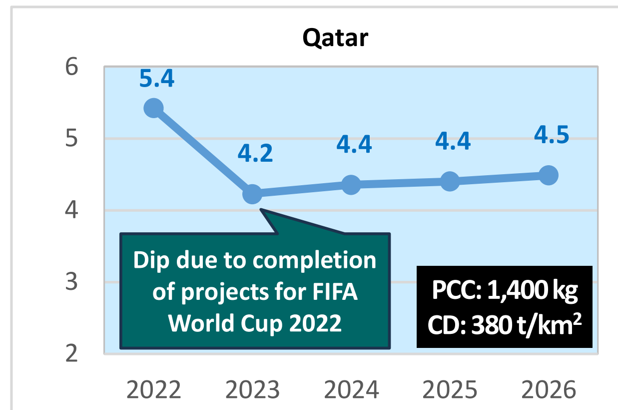












PCC: Per Capita Consumption,
CD: Consumption Density
**demand figures in million tons are estimated/ forecasted for 2025 & 2026*

Overall, in the GCC region, cement demand is likely to grow by about 6-8% p.a. over the next few years with the main cement growth coming from KSA and UAE.

MEGA PROJECTS IN GCC: DRIVING CEMENT DEMAND

A mega project in GCC region is Gulf Railway: A $250 billion project connecting all 6 GCC countries via a 2,177 km rail network, expected to be completed by 2030. It will significantly boost regional trade, travel & economic integration

KSA

Some major projects under construction are NEOM, Qiddiya Coast Project, Jeddah Central, Thakher Makkah, Red Sea Project, etc. Upcoming FIFA World Cup 2034 and Asian Winter Games 2029 are expected to further fuel the development .

Kuwait

Under Vision 2035 large projects under development are Silk City, Kuwait Island Development, Metropolitan Rapid Transit, Mubarak Al-Kabeer port, Kuwait National Rail Road (KNRR) Network.

UAE

Projects in Dubai, Abu Dhabi and Sharjah like Al Maktoum International Airport Expansion, Palm Jebel Ali Redevelopment, Creek Harbour & Tower, Hail & Ghasha Sour Gas Development, Urban Development projects like Alijada, Jubail Island, Ramhan Island, etc.

Bahrain

Bahrain's infrastructure landscape is likely to be reshaped by Metro project , U.S. Trade Zone (U.S.-Bahrain commercial collaboration) and development of five new offshore cities.

Oman

Guided by Vision 2040, Oman has initiated various projects, including Yiti Integrated Tourism Development, Boulevard Spray (Rathath), Rimal Park and Waste to Energy Plant in South Al Batinah.

Qatar

Some major projects in Qatar are expansion of North Field LNG, Infrastructure Plans of Public Works Authority, Ashghal (including transportation, urban development, healthcare, education, etc.), Doha Metro expansion.

GCC: PRESENT CEMENT CAPACITIES

KSA
17 players,
21 plants (20 IU + 1 GU)
86 -87 mtpa cement Capacity

Kuwait
4 players,
4 plants (1 IU + 3 GU)
11-12 mtpa cement Capacity

Bahrain
2 players,
2 plants (1 IU + 1 GU)
1.5-2.0 mtpa cement Capacity

Qatar
4 players,
4 plants (2 IU + 2 GU)
12.5-13.5 mtpa cement Capacity

UAE
14 players,
18 plants (9 IU+7 GU+2 CU)
37-38 mtpa cement Capacity

Oman
4 players,
5 plants (2 IU + 3 GU)
9.0-9.5 mtpa cement Capacity

Note: *The plants referred to in this presentation include only grey cement producers (i.e. Integrated Units, Grinding Units & Clinker Unit and NOT Cement terminals)*

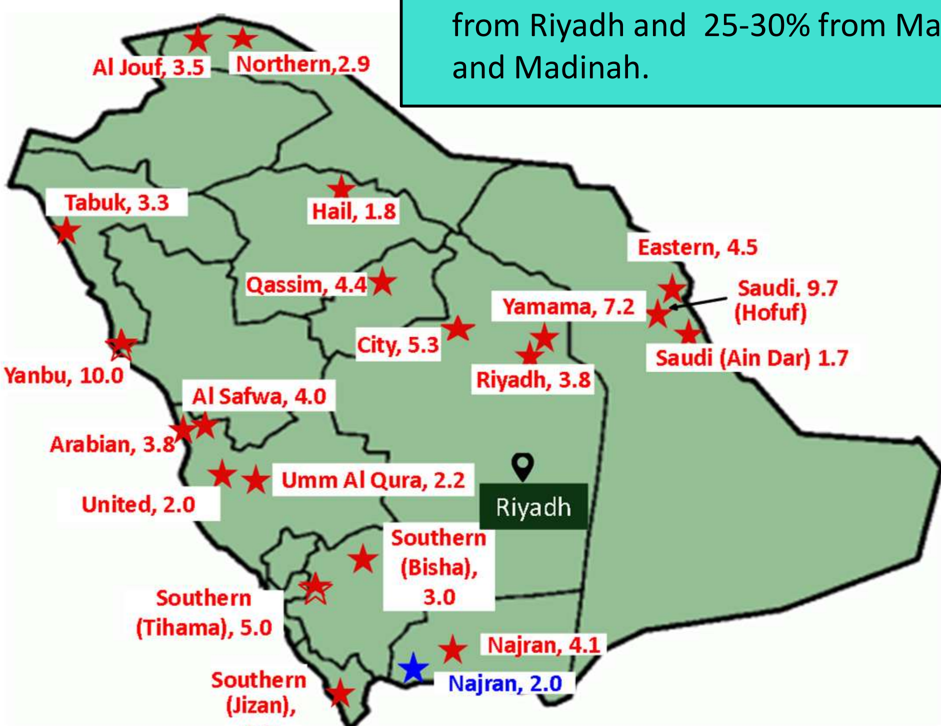
Overall GCC
53 cement plants with capacity of ~160 mio tpa

IU-Integrated Units, GU-Grinding Unit, CU-Clinker Unit (standalone)

GCC: CEMENT PLANT LOCATIONS

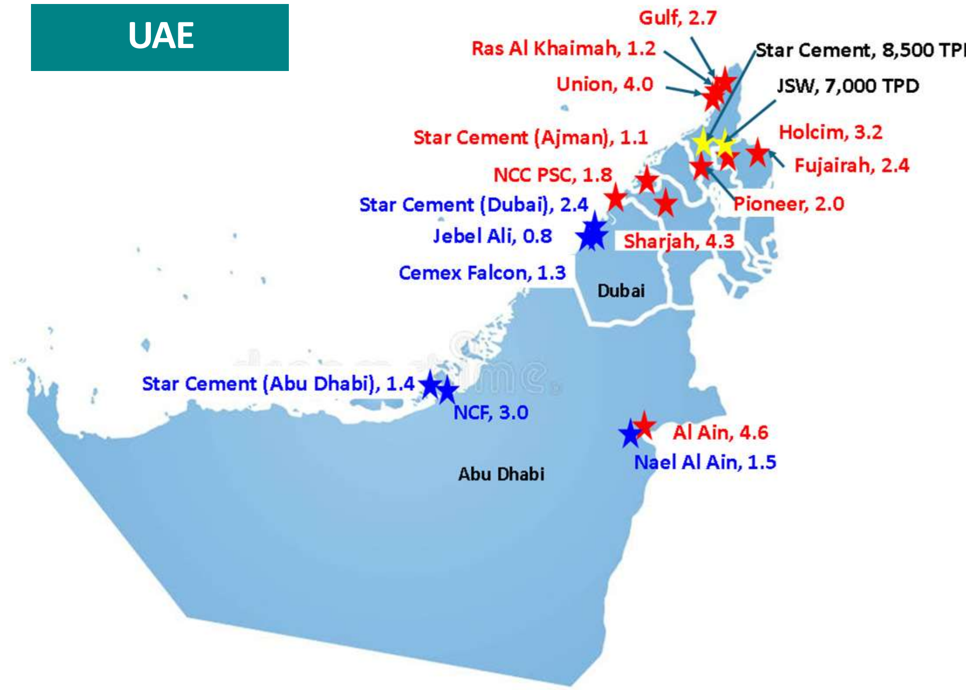
KSA

- 50% cement capacity is in Central and Western region.
- Around 30% cement demand comes from Riyadh and 25-30% from Makkah and Madinah.



Integrated Unit
Grinding Unit
Clinker Unit

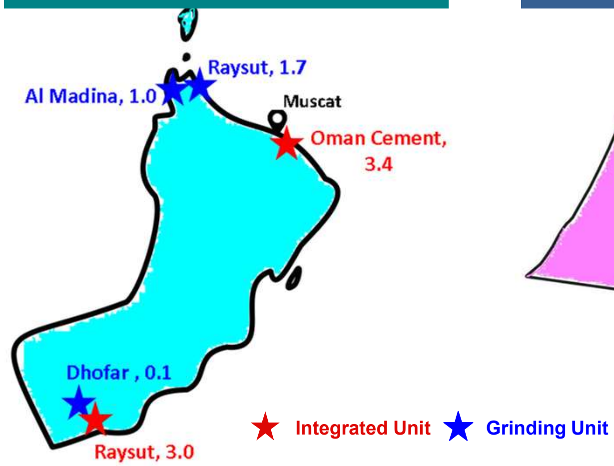
UAE



- Most of the plants are located in North.
- 70% cement capacity is in IUs and rest 30% in GUs.
- Abu Dhabi accounts for 45-50% cement demand , Dubai & Sharjah around 25-35% and balance 20-25% from other Northern Emirates.

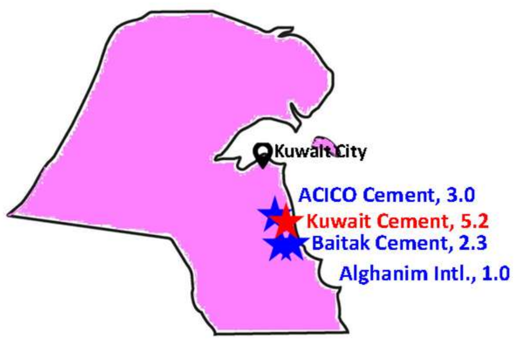
GCC: CEMENT PLANT LOCATIONS

Oman



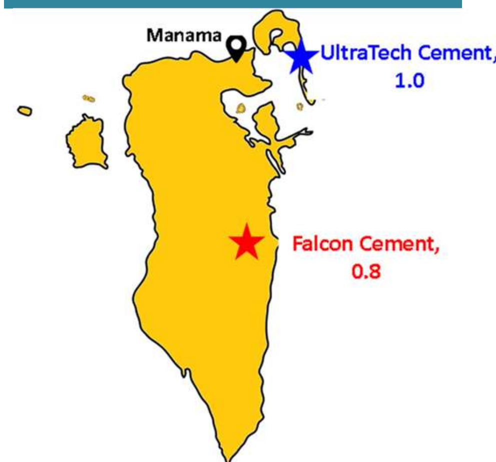
- Oman has two plants located in South and 3 plants in North.
- Main consumption centres in Oman are Muscat and Sohar in North. In South, Salalah in the main consumption centre and Duqm, a growing industrial port city, in central region.

Kuwait



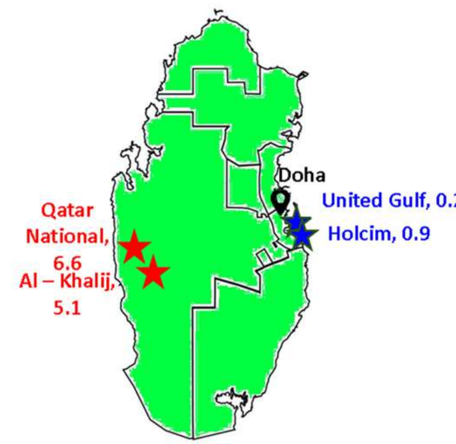
- Kuwait has 4 cement plants located at Shuaiba Port.
- The only integrated plant, relies heavily on imported limestone from UAE.
- Main consumption centres is Kuwait City

Bahrain



- Bahrain as one Integrated Unit and one Grinding Unit, however both work as grinding units.
- Main consumption centre is capital city of Manama and key development projects initiated by the government.

Qatar



- Qatar has 2 integrated plants on west coast and 2 grinding units near Doha.
- Main consumption is in and around capital city of Doha and in Umm Bab on the western coast.

GCC: MERGERS & ACQUISITIONS AND PRESENCE OF NON-GCC PLAYERS

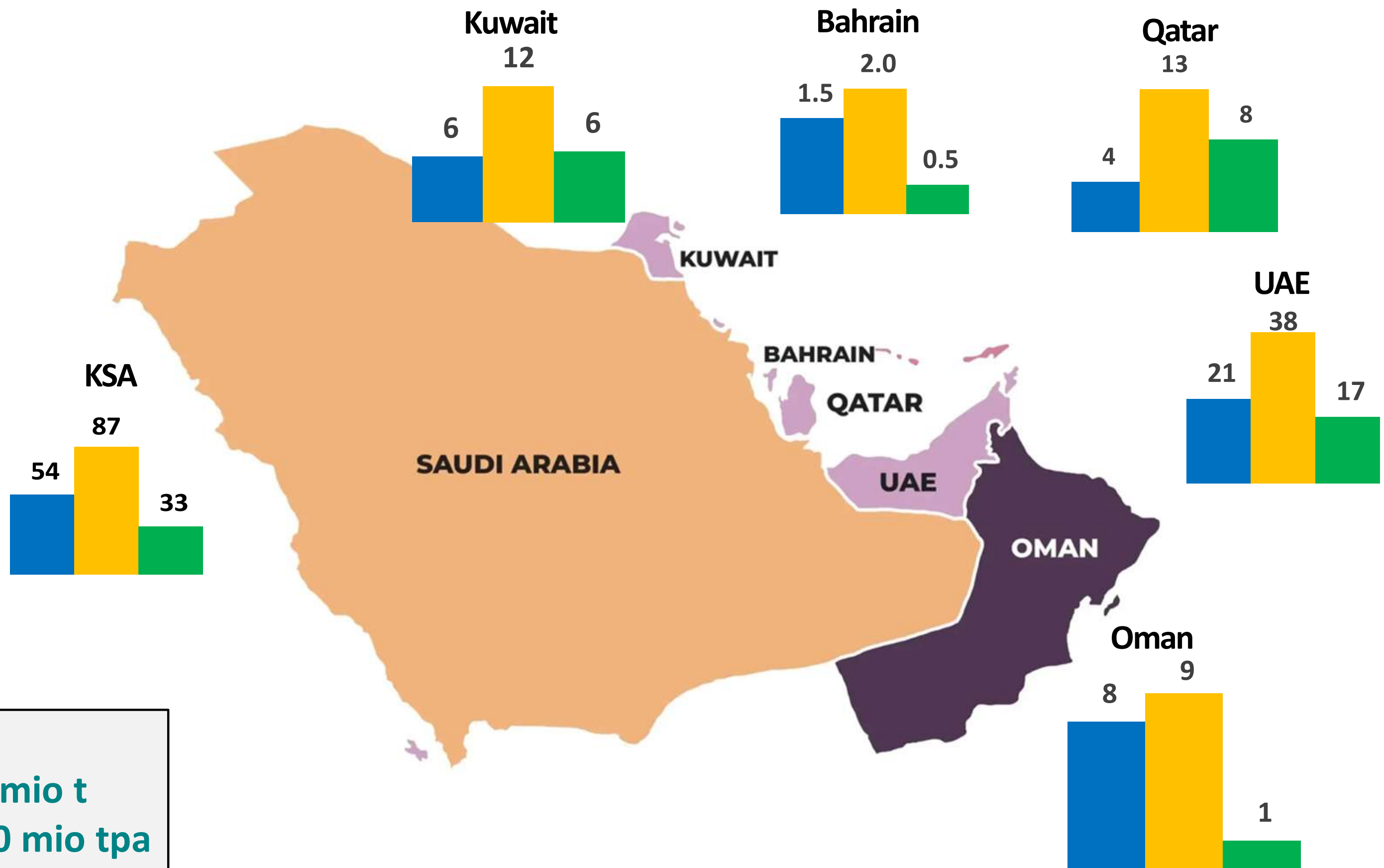
- **KSA:** All companies are Saudi owned. In 2016, Al-Khayyat Group acquired Lafarge's 25% stake in Al Safwa Cement, and the latter became a wholly Saudi-owned company. In 2024, KSA cement industry witnessed its first merger between Qassim Cement Co. and Hail Cement Co.
- **UAE:** UAE cement industry has presence of international companies like Holcim, Raysut Cement, Buzzi SpA, UltraTech, JK Cement and JSW.

  Holcim owns and operates Emirates Cement, UltraTech owns Star Cement and has stake in Ras Al Khaimah Cement , Buzzi SpA has a controlling stake in Gulf Cement and Raysut Cement of Oman owns Pioneer Cement. JK Cement owns a white cement plant and JSW Cement has a clinkerisation unit – both are in Fujairah.
- **Qatar:** Holcim owns a small grinding unit of around 1 million tpa capacity.
- **Oman:** Oman Cement Co is owned by Hauxin Cement. UltraTech has recently acquired a majority stake in Seven Seas Co's Duqm Cement Project.
- **M&A:** In recent years there have been discussions between cement companies within the GCC region for mergers/acquisitions to consolidate their market positioning, increase efficiency and promote regional integration.

GCC: DEMAND-CAPACITY BALANCE

Figures in mio t for 2025

Demand
Capacity
Surplus/ (Deficit)



Overall GCC

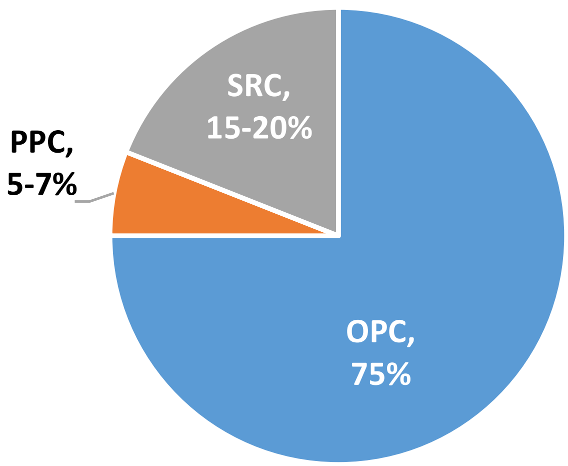
Cement Demand: 94 mio t

Cement Capacity: 160 mio tpa

Surplus: 66 mio t

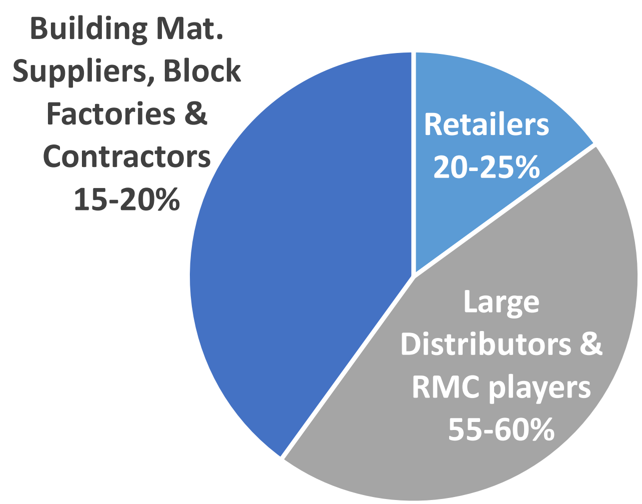
GCC: MARKET CHARACTERISTICS

Product Mix



- Blended cement is produced using natural pozzolana.
- RMC plants add ground slag (GGBFS) to OPC while making concrete to meet specific requirements of its customers.

Customer Segmentation



Bag: Bulk Ratio

Bag : 70-75%
Bulk : 25-30%

Prices

**October 2025*

- GCC: USD 46-70/ t.
- Oman is seen to have the lowest prices: USD 46-47/ t.
- UAE and Bahrain reported the highest prices: USD 68-70/t.
- Saudi Arabia, Kuwait and Qatar: USD 56–58/ t.
- As per market sources, no substantial change in prices is envisaged over the next couple of years.

Transportation

- Cement transportation in the region is almost entirely by road.
- Occasionally sea mode used for cement shipments within the GCC region.

GCC COUNTRIES: EXPORT & IMPORT

- KSA and the UAE are main exporters of cement and clinker.
- KSA exports to nearby countries and to Africa.
- UAE exports to nearby countries and to clinker-deficit countries in Asia and Africa.
- Some cement & clinker is imported in Oman
- Kuwait and Bahrain mainly import from KSA and UAE. Some import is also from Iran and Pakistan.
- Qatar also imports from Pakistan and Iran.

CEMENT TECHNOLOGY

- Most cement plants in the GCC region operate with **high levels of mechanization and automation**. Central control rooms are equipped with modern PLC-based DCS systems, and a full suite of scanners, analyzers, and instrumentation.
- Many facilities **use fully automated bagging and bulk loading systems**, as well as **robotic laboratories** with automatic sampling and sample-transport systems.
- Plants commonly employ high-efficiency motors, fans, separators, next-generation clinker coolers, soft starters, VFDs, weigh-feeders, harmonic filters, and power-factor correction systems.
- Overall, the **efficiency parameters of these plants are broadly in line with global averages** for facilities of similar size and technology.

GCC: AVAILABILITY OF RESOURCES

Input Materials

Limestone

- Adequate reserves in KSA, UAE, Oman and Qatar .
- Kuwait operates an integrated unit that depends on imported limestone.
- Bahrain also has one an integrated unit which most of the time operates as a grinding unit.

Gypsum

Adequately availability across the region.

Cementitious Materials

- Natural pozzolana is commonly used in the production of blended cement in the region.
- The region has pozzolana, albeit only in certain pockets.

Fuel

- Cement industry in the region uses Heavy Fuel Oil (HFO), Gas & Coal.
- In KSA, cement plants are on HFO, however, as per the new environmental regulations, cement plants are now converting from HFO to Gas.
- In UAE, most plants are on coal. UAE is expanding its gas pipeline network to supply gas to industries in Northern Emirates including cement.
- Oman, plants work on gas.
- Cement plants across region are also striving to improve use of alternate fuel.

Power

- In KSA most of the plants have oil fired captive power plants; however, with new regulations, the power supply will be sourced from 100% from grid.
- In other GCC countries, around 80% of cement plants depend on the electricity grid for power, and the remaining 20% use captive power plants (CPPs).
- WHR (waste heat recovery system) is installed or under installation in almost all the integrated plants for enhanced sustainability.

GCC: SUSTAINABILITY EFFORTS

The GCC region is now increasing its focus on reducing CO_2 emissions by focusing on decarbonization projects and renewable energy.

Green Hydrogen	• Some of the large-scale projects include the green hydrogen hub in Abu Dhabi ($5 billion), research & development program on hydrogen and advanced nuclear in Abu Dhabi ($2.5 billion), green hydrogen and green ammonia plant in Duqm ($0.75 billion) and Amnah green hydrogen project. • These projects reflect the region's determined push into green hydrogen, a strategic move poised to place it at the forefront of global sustainability and clean-energy efforts.
Renewable Energy	• GCC is in the process of creating solar plants which would reduce carbon emissions and assist the region to achieve their 2050 net zero carbon emission goal. • Some examples of this include Mohammed bin Rashid Al Maktoum solar park in Dubai ($13.6 billion), Expo city solar plant (320 MW) in Dubai ($0.3 billion), 2 GW solar project in Abu Dhabi (Al Dhafra) ($1 billion), solar plant in Duqm (near to completion) and Shagaya renewable energy complex in Kuwait ($1.5 billion).
Cement Companies	• **Cement companies** are also adopting sustainable practices in their cement plants. Apart from renewable energy, cement companies are using/ planning to use alternative fuel (co processing municipal waste to use as fuel) which would reduce CO_2 emission in their plants.

GCC: OUTLOOK AND CONCLUSION

- **Upward trend in Cement Demand:** With a surge of mega projects across the region and continued demand from the housing sector, cement demand in the GCC region is likely to maintain its upward trend over the next couple of years.
- **Movement of Clinker & Cement within GCC:** To meet the needs of smaller limestone/ clinker deficit markets, intra-GCC movement of clinker and cement is likely to continue.
- **Sustainability:** The region is also progressing toward sustainability, indicated by growing focus on green hydrogen and renewable energy.
- As a developing region, the GCC's growth is powered by strategic investments in infrastructure and energy. Region is also focusing on solutions that can be implemented more efficiently – this is likely to give it a leadership position in the global efforts for creating a sustainable and clean environment.

Thank You

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