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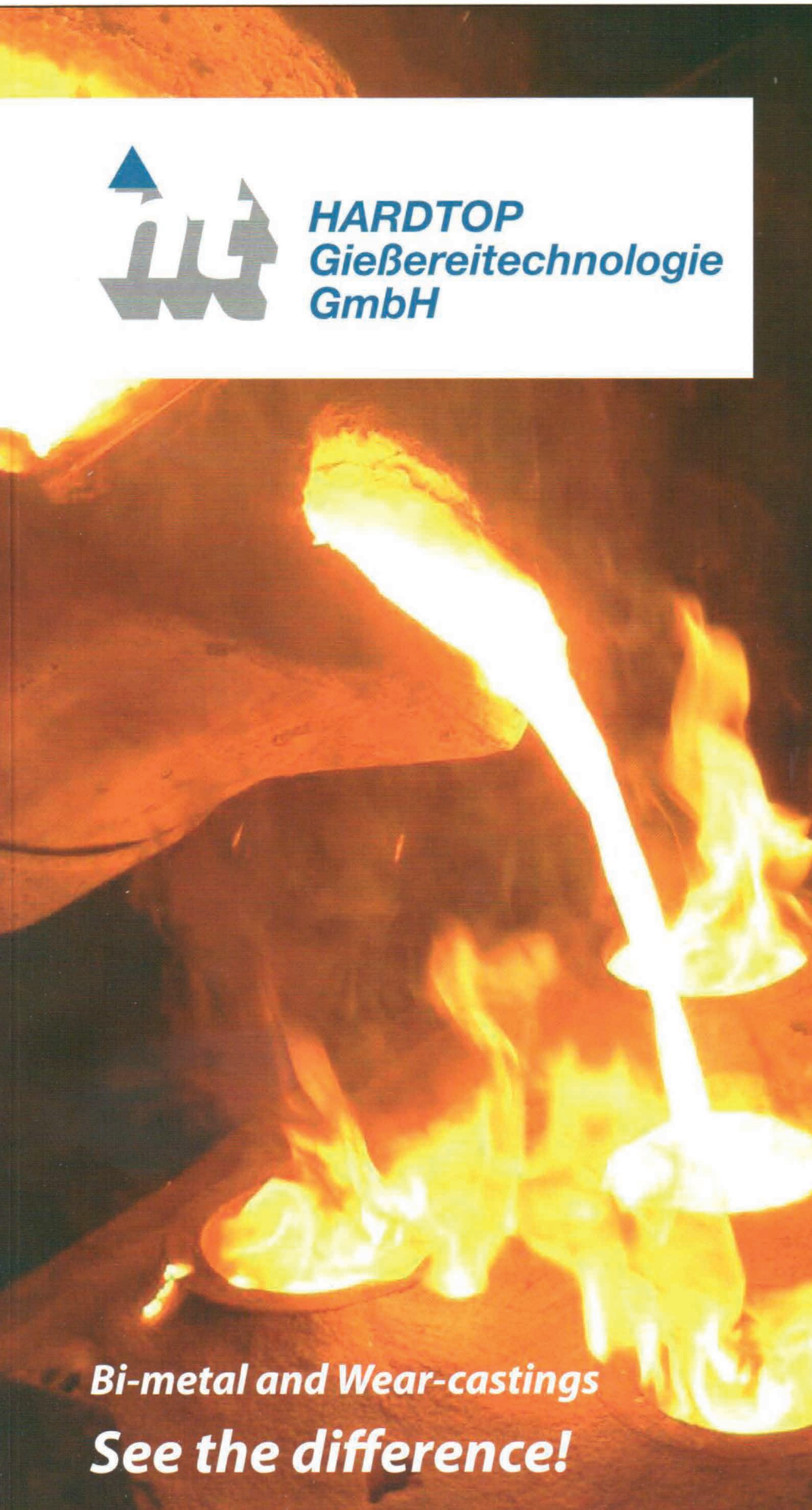

Cement industry

Power industry

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Saudi Arabia: Loesche to supply United Cement Industrial Company with a vertical mill

China's Tianjin Cement Industry Design and Research Institute Co Ltd Tianjin, part of Sinoma International, has signed a contract with Loesche for the delivery of a LM 56.4 vertical roller mill to the cement plant of United Cement Industrial Company in Saudi Arabia.

The Loesche mill will grind cement raw material at a production rate of 420t/hr with a fineness of 12% R 90µm / 2% R 200µm. Loesche will also deliver a 3600kW capacity gearbox. The very hot ambient conditions in the Kingdom of Saudi Arabia causes very dry raw materials, necessitating a grinding bed sprinkler system. Delivery for the key parts of the LM 56.4 is scheduled in August 2014. The commercial production of cement is expected in the second half of 2015.

Saudi Arabia: EPCC orders the AIRCHOC® Wireless from Standard Industrie International

Eastern Province Cement Company (EPCC) has placed an order for Standard Industrie's AIRCHOC® Wireless air cannons in order to end frequent kiln stoppages due to excessive build-ups.

In the next few months, the 150 AIRCHOC® Wireless 100 L DN 150 will be installed on two EPCC production lines, from the cooler right through to the cyclones. This solution guarantees the maintenance of production capacity by reducing kiln stoppages.

The AIRCHOC® Wireless cannons have a 100L capacity and a nominal diameter of 150mm to increase the impact force. The wireless technology reduces costs and installation time and improves safe running management, thanks to a centralised control box and the absence of cables. With spare parts that are guaranteed for two years and the presence of a local partner, Silicon Trading Company, to ensure follow-up for the customer, Standard Industrie is able to provide a full service.

The Standard Industries AIRCHOC® Wireless reduces costs and installation time.

Kenya: Savannah Cement to invest US$200m in clinker production

Savannah Cement plans to invest US$200m to develop a clinker plant in Kenya. Currently, most of the major cement companies in the country rely on imported clinker.

Savannah Cement board chairman Benson Ndeta announced that the company, which currently has 1.5Mt/yr of cement production capacity, will develop the clinker plant to boost its market share. Ndeta said that the firm hopes to be a major competitor in the regional market in the supply of cement to Rwanda, Burundi, Tanzania, Uganda, the Democratic Republic of Congo and South Sudan after satisfying its local market with cement.

Kenya: Lafarge faces price-fixing penalties from Competition Authority of Kenya

Lafarge could face penalties by the Competition Authority of Kenya (CAK) for suspected price-fixing. CAK has accused Lafarge of possible price-fixing owing to its cross-directorship in East African Portland Cement Company (EAPCC) and Bamburi Cement. Lafarge has a 41.7% stake in EAPCC and a 58.9% stake in Bamburi.

"Cross-shareholdings such as these are widely recognised to dampen competition," said CAK. "Even passive shareholdings change the incentives to set prices, as some of the earnings from sales diverted to a rival are now internalised."

CAK is expected to rule in June 2014 as to whether or not Lafarge is culpable of having 'Unwarranted concentration of economic power.' If found guilty, CAK could force Lafarge to sell off its stake in one of the businesses. The Competition Act (No 12 of 2010) also stipulates that Lafarge directors, if found guilty of price fixing, could be forced to pay up to US$115,000 in fines or serve five-year jail terms.

The report comes four months after the Kenyan government, which together with the National Social Security Fund (NSSF) has a controlling stake of 52.3% in EAPCC, accused Lafarge of attempting to destabilise the cement maker to protect its interests in Bamburi. Lafarge countered that its minority stake in EAPCC is insufficient to exert control over the firm. They added that EAPCC is a genuine competitor of Bamburi Cement and that Lafarge stands to lose if it were to destabilise EAPCC.

The director-general of CAK, Kariuki Wang'ombe, stated that the current shareholding structure is bad for business. "Cross-directorship could lead to price-fixing since this creates a position where a competitor is privy to the strategic decisions of another competitor. However, it is not conclusive that there is price-fixing going on," said Wang'ombe.