

**TURKISH
CEMENT**

**TURKEY'S ROLE
AS A SUPPLIER
FOR THE EAST-COAST
AMERICAS &
EXPECTATIONS
FOR 2019**

BY **FEYYAZ ÜNAL**

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**TURKISH CEMENT EXPORTERS BOARD MEMBER
BATIÇİM EXECUTIVE MEMBER OF THE BOARD**

15-17 OCTOBER INTERCEM AMERICAS, MIAMI

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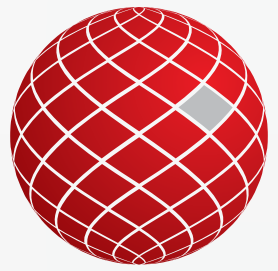


Discover
the potential



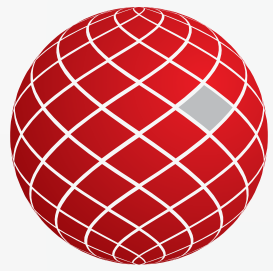
AGENDA

1. GLOBAL ECONOMY AND CONSTRUCTION SECTOR;
IMPROVEMENT CONTINUES
2. GLOBAL CEMENT SECTOR; ENJOYING SUNNY DAYS
3. TURKISH CEMENT INDUSTRY
4. TURKEY'S ROLE AS A SUPPLIER FOR THE
EAST-COAST AMERICAS
5. CONCLUSION



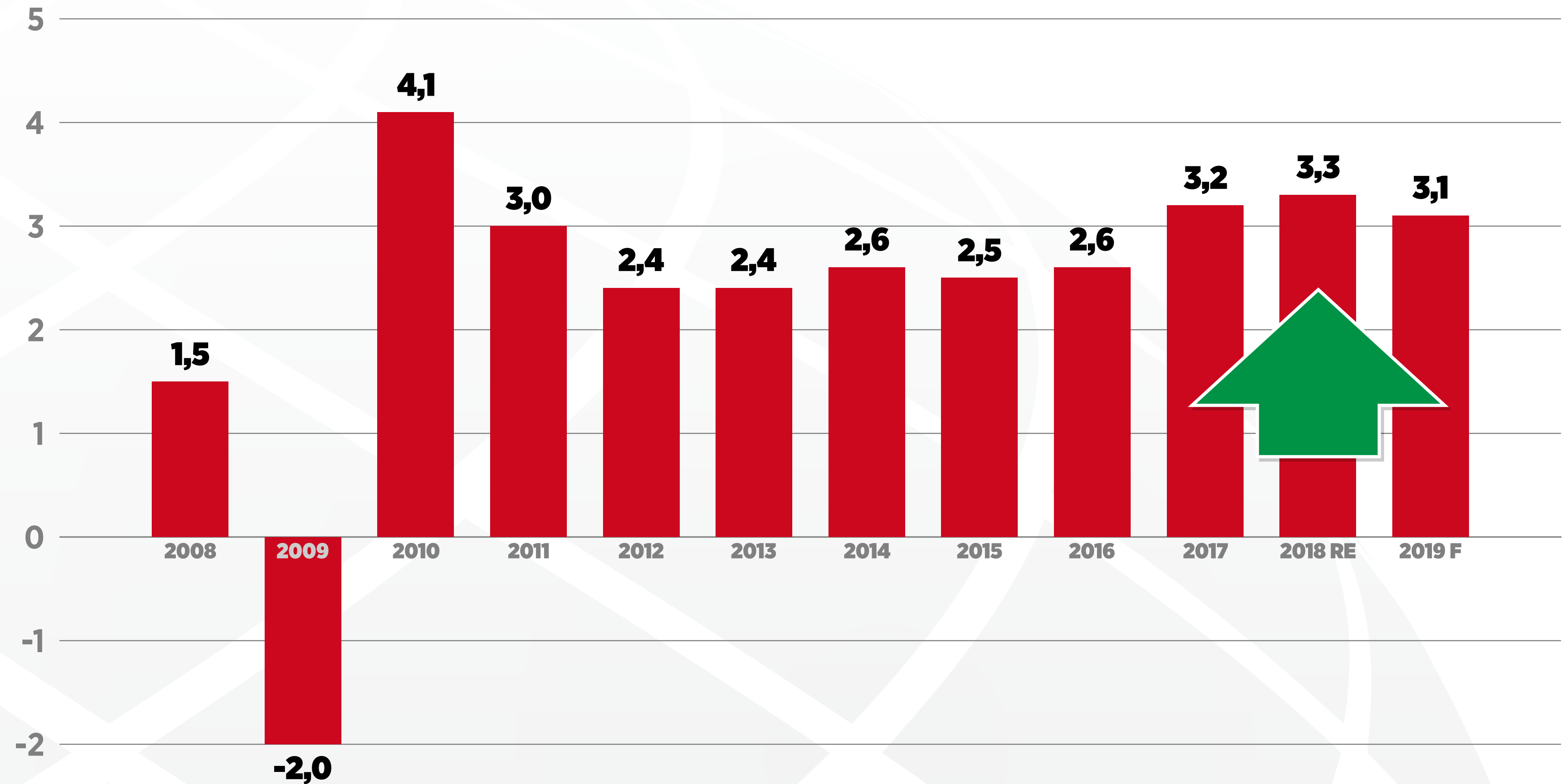
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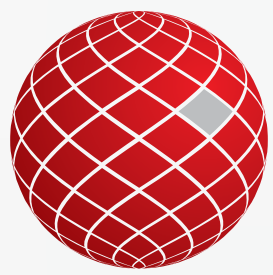


WORLD ECONOMY HAS ENTERED INTO A PERMANENT GROWTH ERA

WORLD ECONOMY GROWTH RATE PERCENTAGE



SOURCE: IMF, WORLD ECONOMIC OUTLOOK 2018 OCTOBER



**TURKISH
CEMENT**

WHY IS THE GLOBAL GROWTH PERMANENT

BALANCED

ALL REGIONS AND COUNTRIES ARE GROWING

INCLUSIVE

ALL INDUSTRIES ARE GROWING

CLOSED TO
POTENTIAL

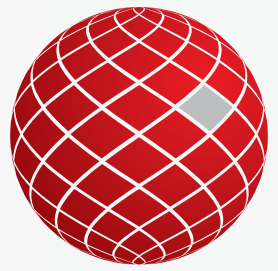
THERE ARE NO BALLOONS

CREATE
EMPLOYMENT

UNEMPLOYMENT DECREASES

SUPPLY SIDE

ON PRODUCTION BASED AND INDUSTRY
PRODUCTION HIKES



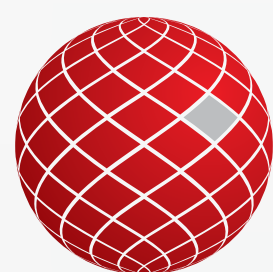
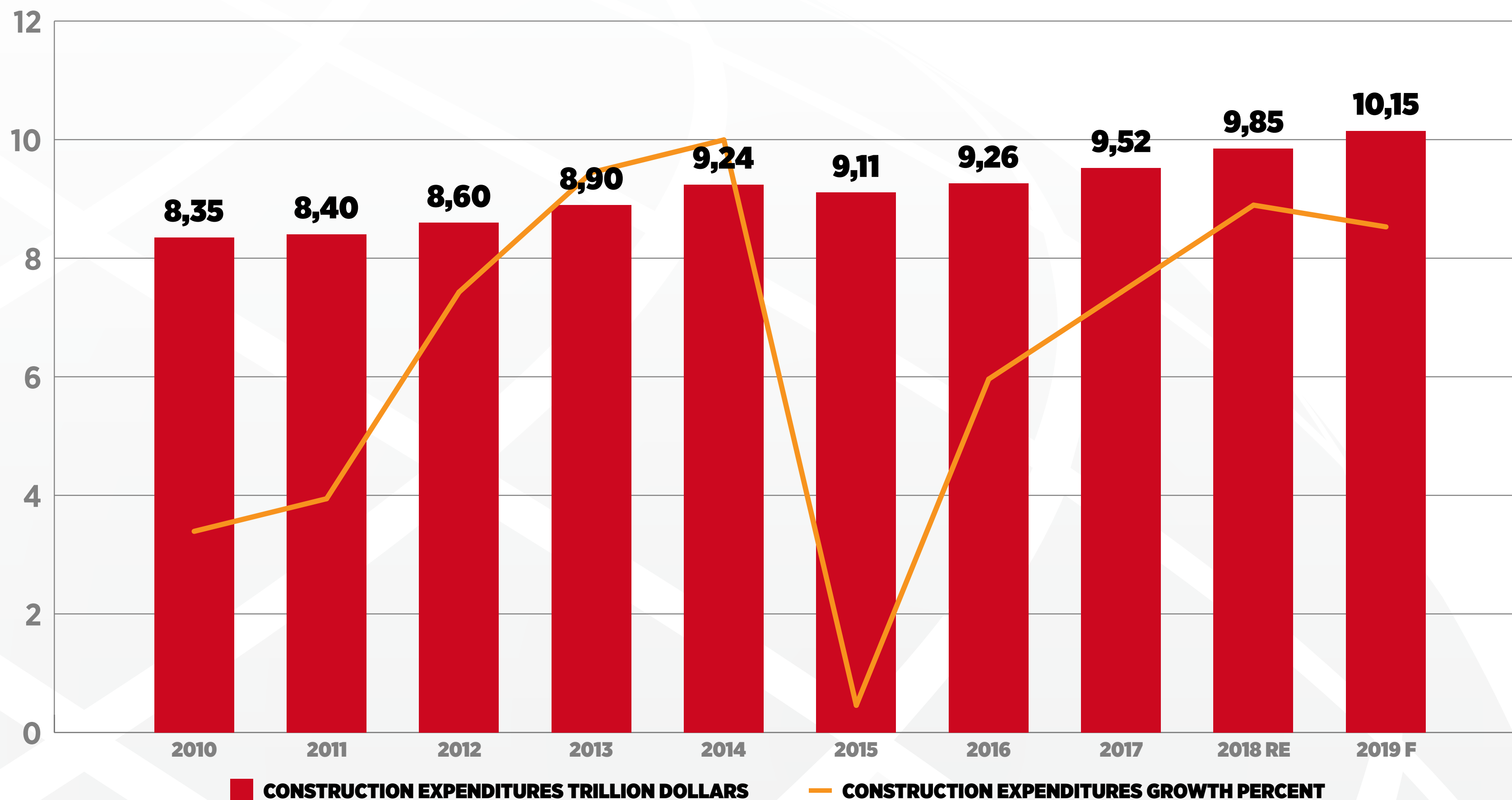
GLOBAL ECONOMIC GROWTH EXPECTATIONS ARE OPTIMISTIC

COUNTRIES AND COUNTRY GROUPS	2017 PERCENT	2018 PERCENT ESTIMATION	2019 PERCENT FORECAST
WORLD	3,2	3,3	3,1
ADVANCED ECONOMIES	2,4	2,4	2,1
UNITED STATES	2,3	2,9	2,6
EURO AREA	2,4	2,2	1,8
EU-28	2,7	2,4	2,0
JAPAN	1,7	1,0	0,9
CANADA	3,0	2,1	2,0
OTHER ADVANCED ECONOMIES	2,7	2,8	2,7
EMERGING MARKET AND DEVELOPING ECONOMIES	4,7	4,9	5,0
EMERGING AND DEVELOPING EUROPE	5,9	4,3	3,5
CIS	2,1	2,3	2,2
EMERGING AND DEVELOPING ASIA	6,5	6,5	6,3
MIDDLE EAST AND NORTH AFRICA	2,2	3,5	3,9
SUB-SAHARAN AFRICA	2,8	3,4	3,7
LATIN AMERICA	1,3	1,6	2,6-

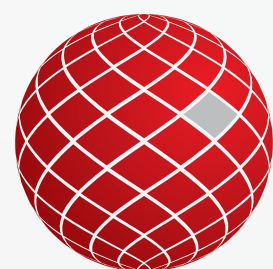
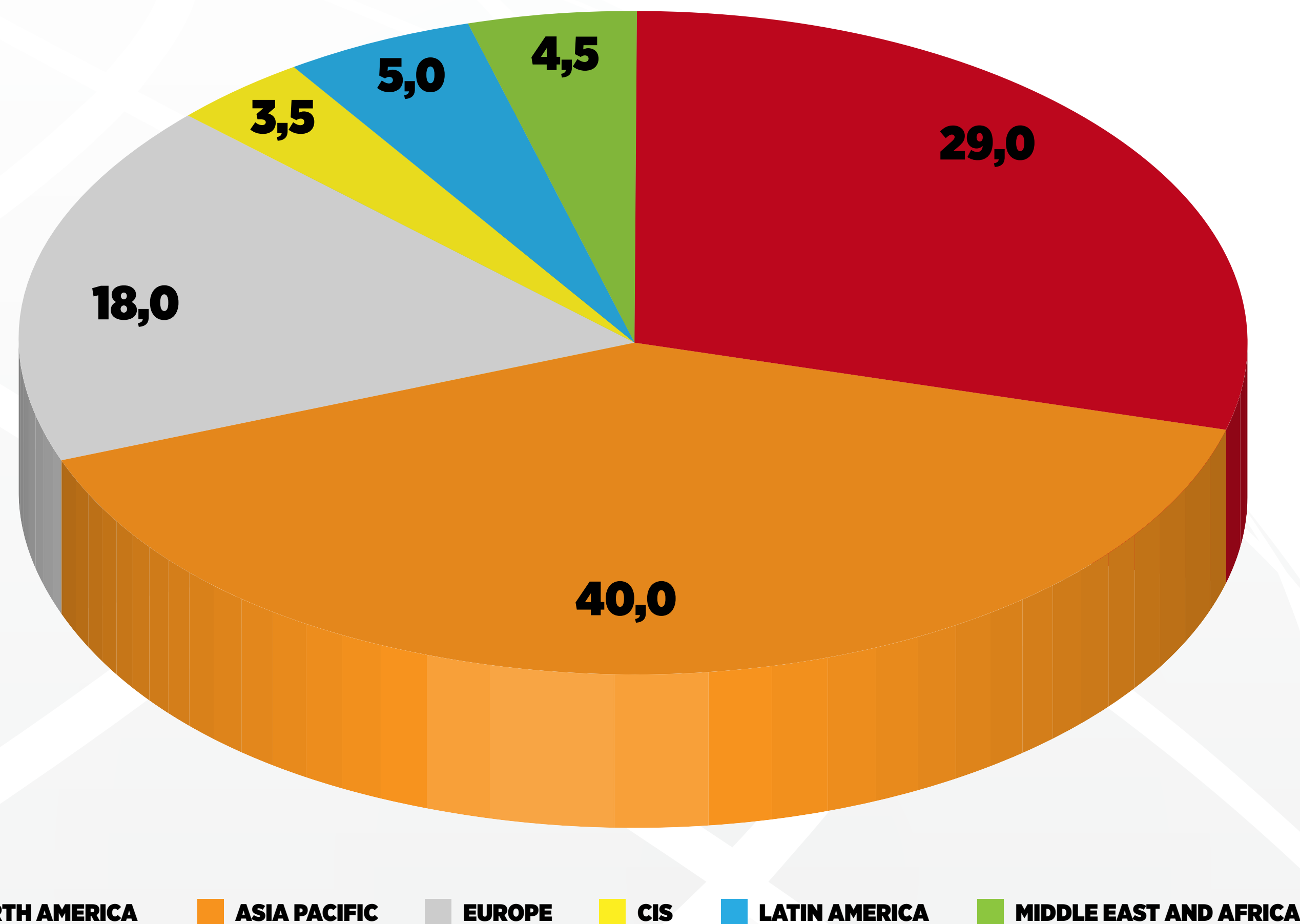
SOURCE: IMF WORLD ECONOMIC OUTLOOK 2018 OCTOBER

WORLD CONSTRUCTION EXPENDITURES

GLOBAL ECONOMIC GROWTH SUPPORTS CONSTRUCTION EXPENDITURES

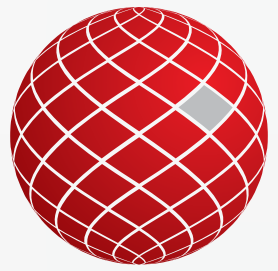


REGIONAL DISTRIBUTION OF WORLD CONSTRUCTION EXPENDITURES, 2018



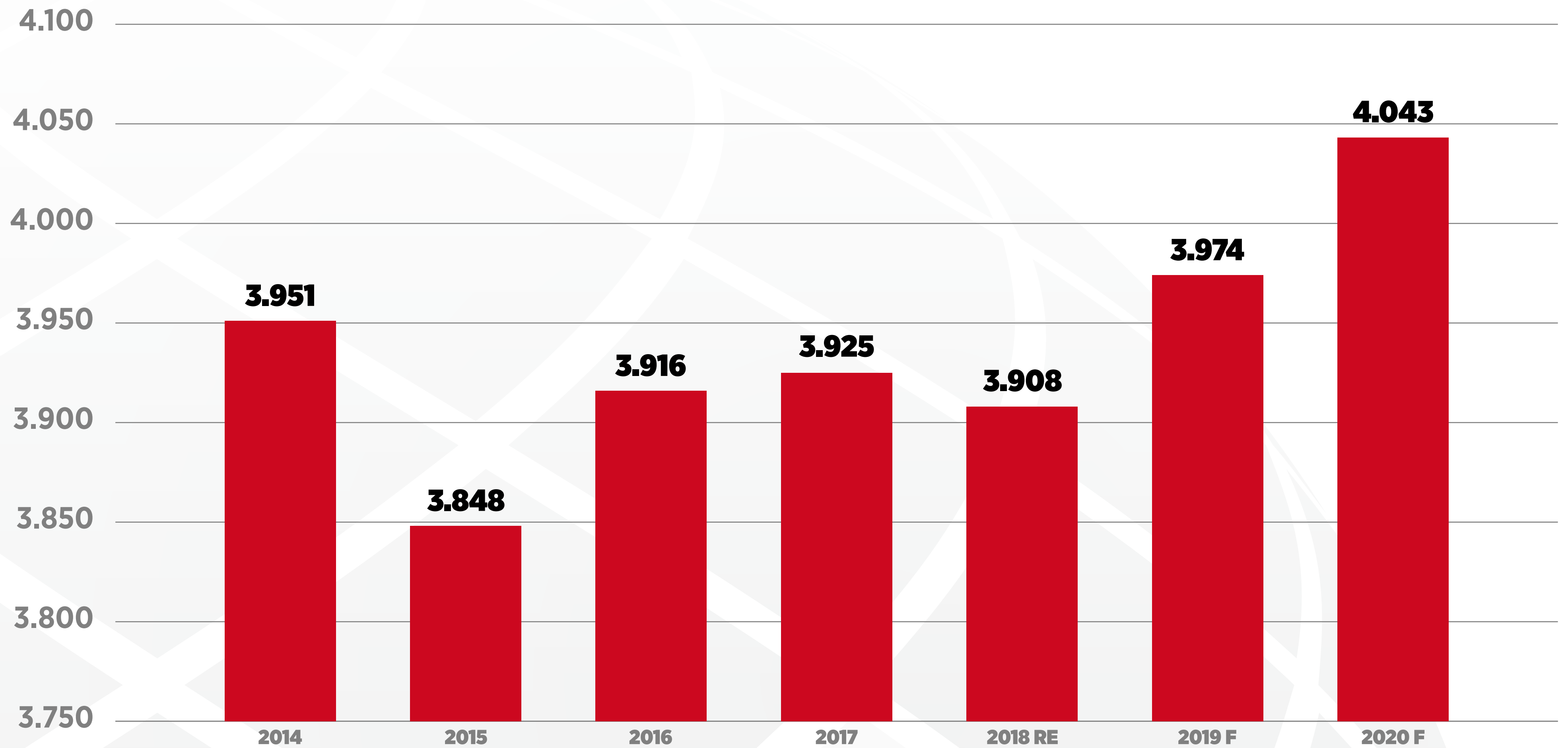
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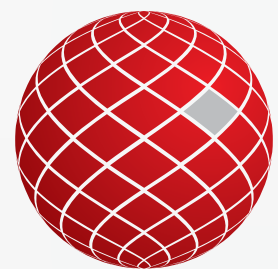


GLOBAL CEMENT CONSUMPTION IS GAINING MOMENTUM

GLOBAL CEMENT DEMAND MILLION TONNES



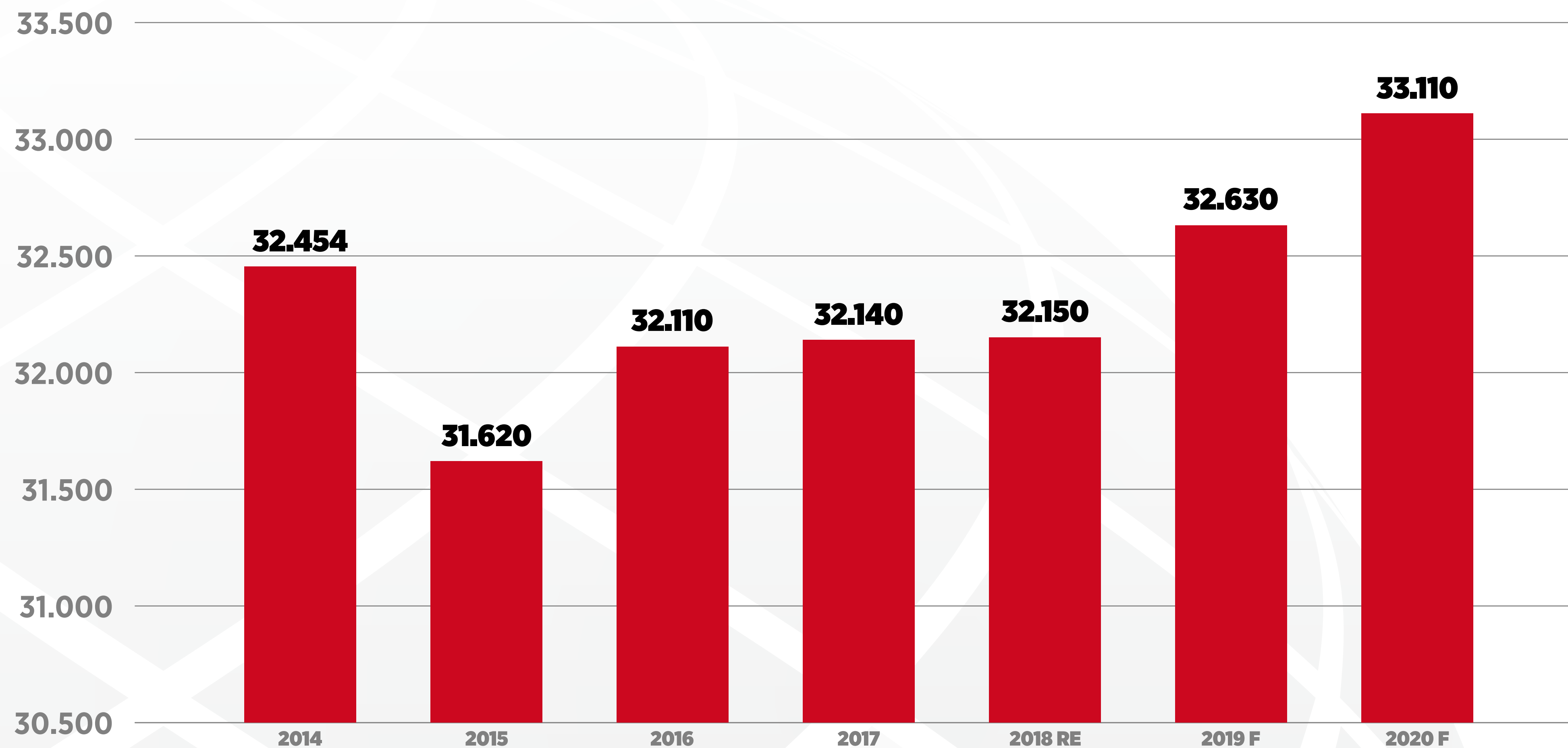
SOURCE; THE GLOBAL CEMENT AND CONCRETE OUTLOOK 2028
RE; REALIZATION ESTIMATION, F; FORECAST



**TURKISH
CEMENT**

WORLD CONCRETE CONSUMPTION IS STARTING TO RISE

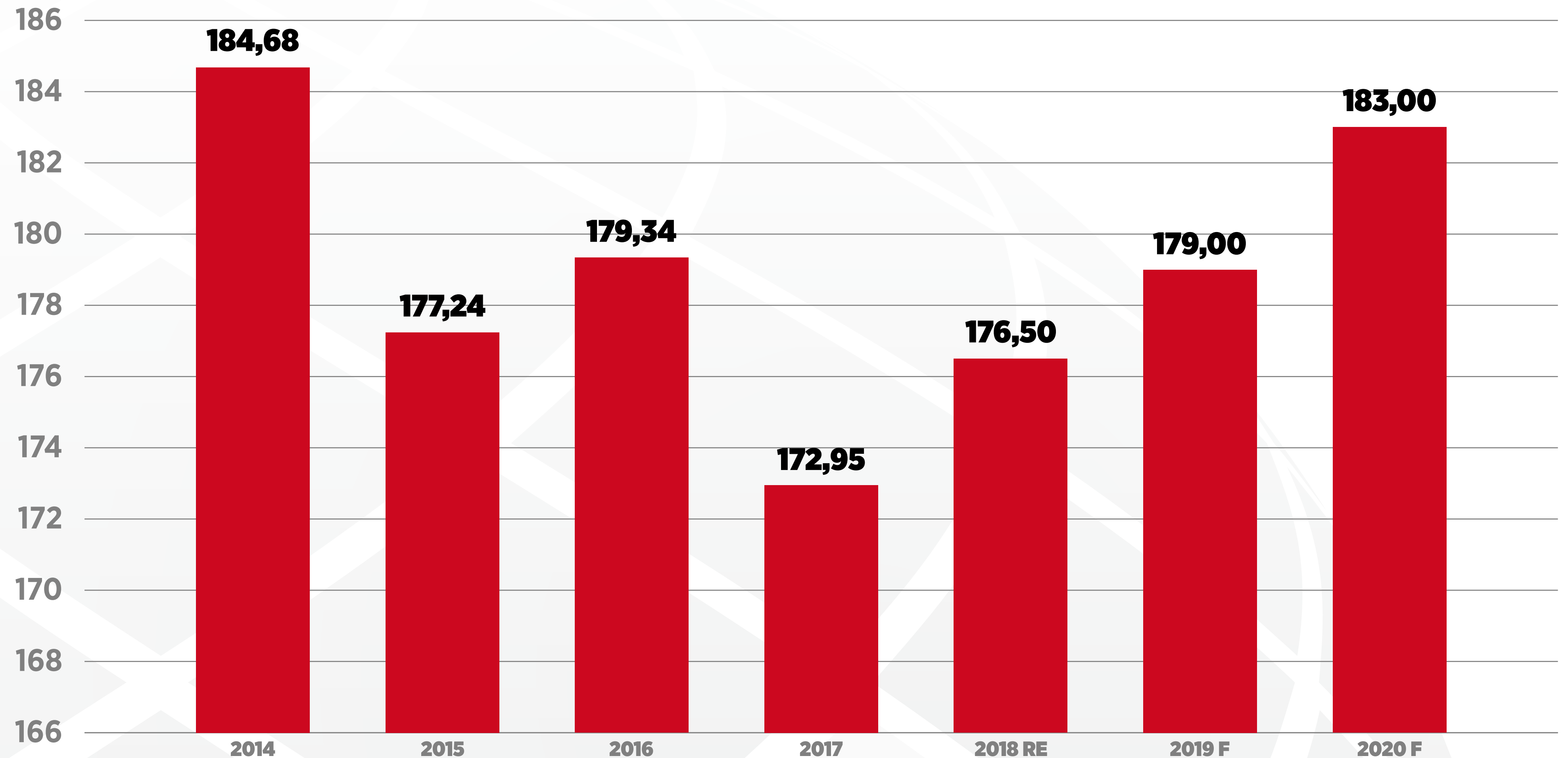
GLOBAL CONCRETE DEMAND MILLION TONNES



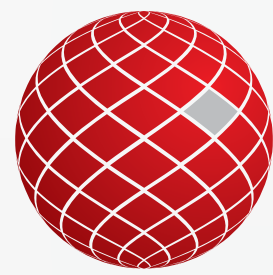
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CEMENT EXPORT IS EXPECTED TO RISE DUE TO REVIVING OF CONSTRUCTION EXPENDITURES

GLOBAL CEMENT EXPORT MILLION TONNES

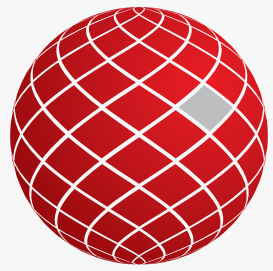


SOURCE; THE GLOBAL CEMENT AND CONCRETE OUTLOOK 2028
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WORLD CEMENT EXPORT PRICES ARE RISING (US DOLLAR/TONNES)

YEARS	CLINKER	GREY	WHITE
2012	58	62	118
2013	48	64	113
2014	51	62	120
2015	43	62	123
2016	36	56	110
2017	38	57	114
2018 RE	41	60	120

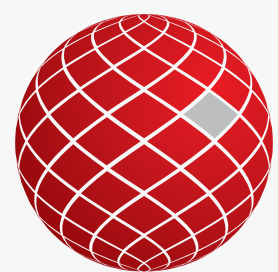


OIL PRICE WOULD PUSH THE CEMENT PRICES UPWARDS IN 2019

BRENT CRUDE OIL



SOURCE: TRADINGECONOMICS.COM | OTC



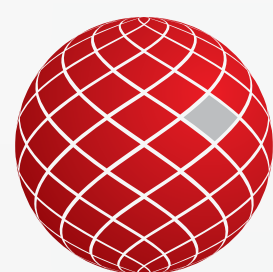
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COAL PRICE WOULD PUSH THE CEMENT PRICES UPWARDS IN 2019

COAL



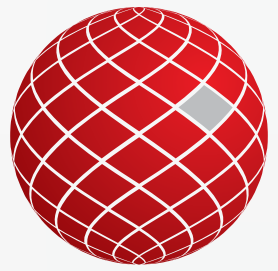
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TURKISH CEMENT SECTOR MAIN INDICATORS 2018

PRODUCTION
CAPACITY

82 MILLION TONNES CEMENT

PRODUCTION

72 MILLION TONNES CEMENT

CONSUMPTION

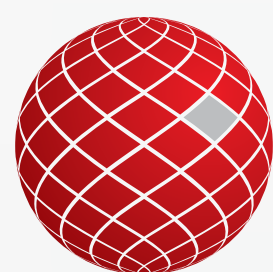
72 MILLION TONNES CEMENT

EXPORT

13 MILLION TONNES

AVERAGE EXPORT
PRICE

43 USD



**TURKISH
CEMENT**

TURKISH CEMENT SECTOR; GLOBAL POSITION

1st

**Turkey ranks 1st
in Europe total
cement export
in 2017.**

**Turkey ranks 1st
in Europe total
cement production
in 2017.**

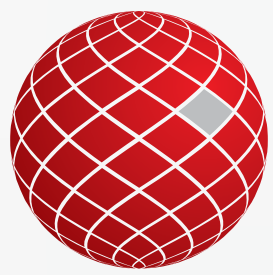
1st

3rd

**Turkey ranks 3rd
in the world total
cement export
in 2017.**

**Turkey ranks 4th
in the world total
cement production
in 2017.**

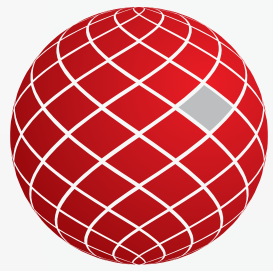
4th





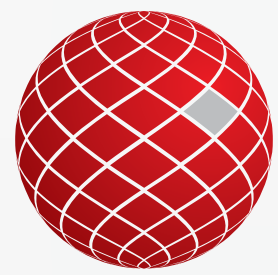
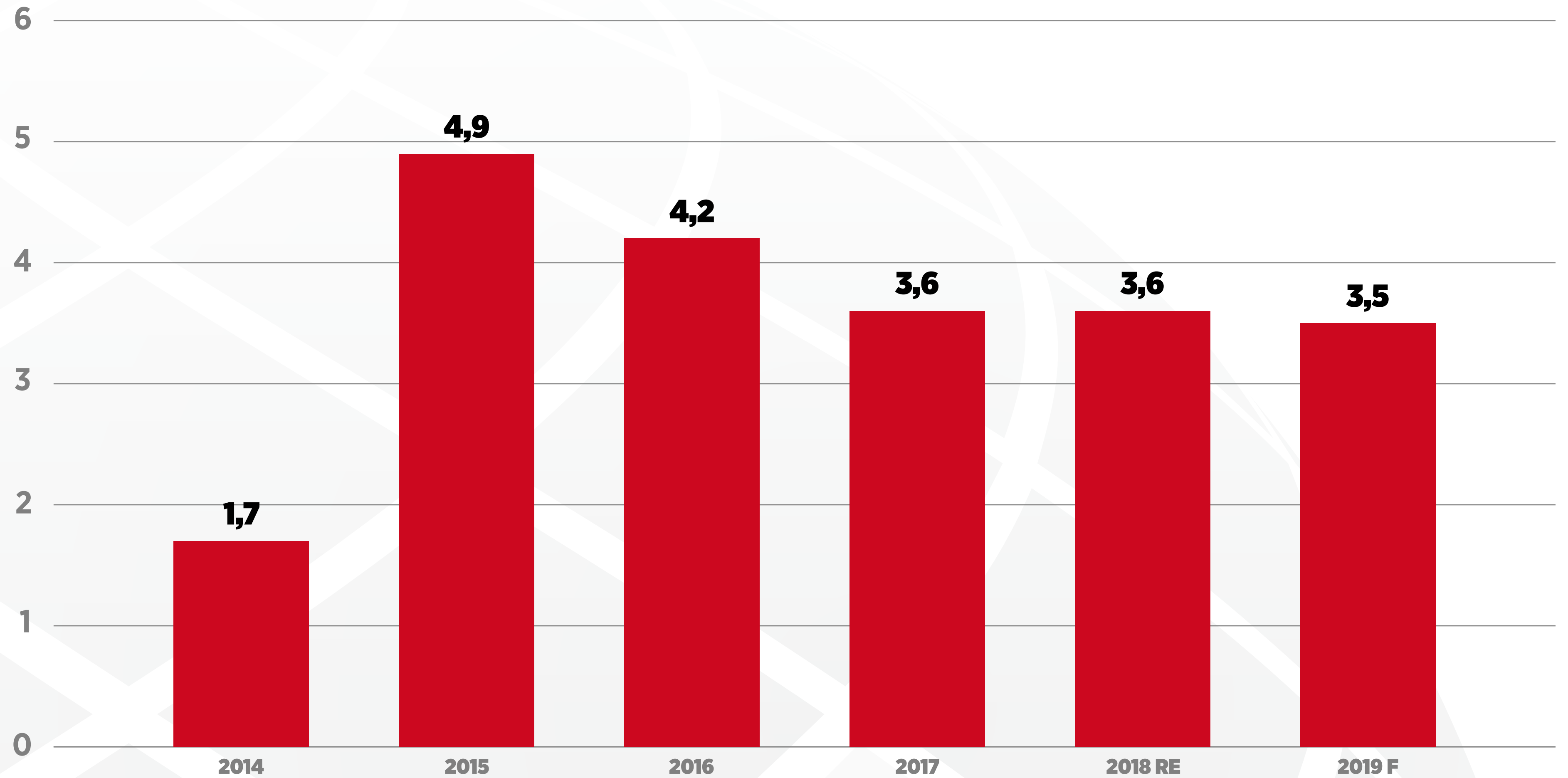
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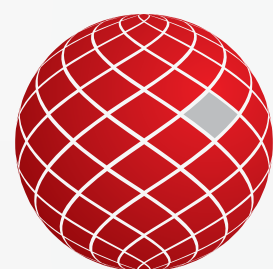
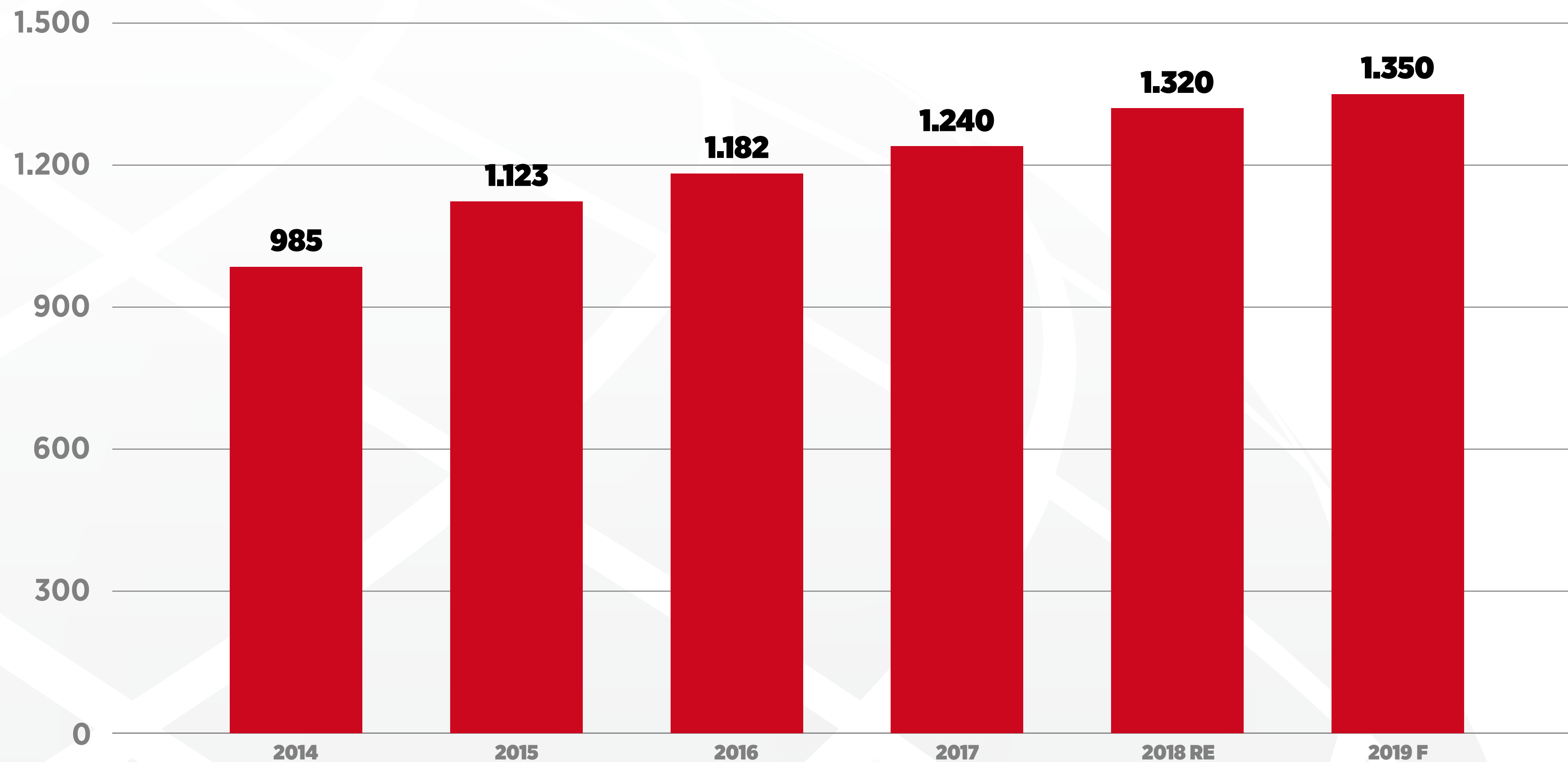
US CONSTRUCTION SECTOR IS GROWING

US CONSTRUCTION SECTOR GROWTH RATE PERCENT



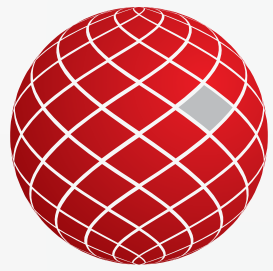
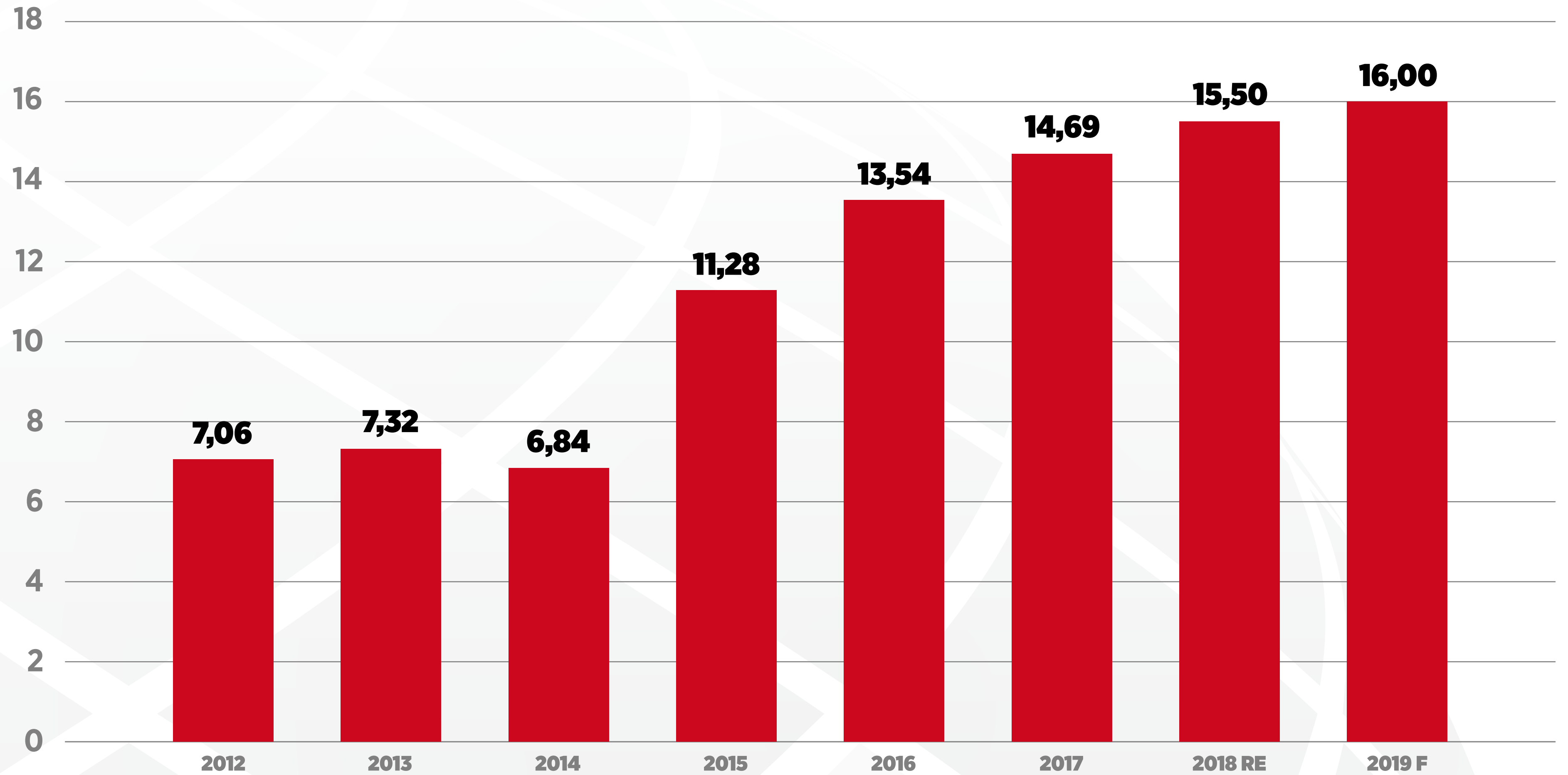
CONSTRUCTION EXPENDITURES ARE INCREASING

CONSTRUCTION EXPENDITURES BILLION DOLLARS



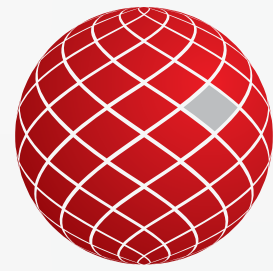
CEMENT IMPORT IS INCREASING

CEMENT IMPORT MILLION TONNES



TURKEY'S ROLE AS A SUPPLIER FOR THE EAST-COAST AMERICAS; 5%

	CEMENT IMPORT US DOLLAR	
	World Total us	Turkey
All States	984.229.460	76.350.904
Alabama	3.037.396	
Connecticut	4.624.347	
Florida	91.221.207	11.811.817
Georgia	11.787.647	113.400
Illinois	26.032.225	10.811.754
Indiana	7.964.198	
Kentucky	256.002	
Maine	9.899.647	
Maryland	314.695	
Massachusetts	39.529.661	
Michigan	85.051.068	
Mississippi	185.858	
New Hampshire	25.970.961	
New Jersey	32.202.998	12.615
New York	29.310.392	747.874
North Carolina	824.068	
Ohio	75.142.810	
Pennsylvania	37.413.992	449.400
Rhode Island	1.074.334	1.027.890
South Carolina	2.478.774	1.341.546
Tennessee	1.379.779	
Vermont	3.898.006	
Virginia	51.254.272	
West Virginia	412.777	
Wisconsin	5.470.113	
Total East Coast States	546.737.227	26.316.296

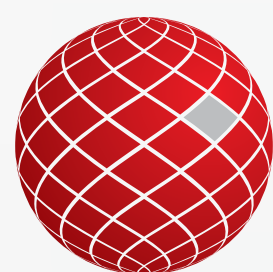


TURKEY HAS QUITE ENOUGH CAPABILITY FOR US MARKET

Type of cements for the US Markets	
Type I Low Alkali ASTM	✓
Type I/II Low Alkali ASTM	✓
Type II/V Low Alkali ASTM	✗

- ✓ **PRODUCTION WISE;
WE HAVE THE CAPACITY**
- ✓ **QUALITY WISE, WE HAVE IT**
- ✓ **PORT WISE, WE HAVE DEEP
DRAFT PORTS**

**So why are we exporting
so Little Grey Clinker &
OPC into the USA?**



**TURKISH
CEMENT**

TURKISH CEMENT INDUSTRY HAS MANY ADVANTAGES FOR THE US MARKET

1

**ALL CEMENT PLANTS MEET ASTM STANDARDS FOR THE US MARKET AND
EN STANDARD FOR EU MARKET**

2

SOME CEMENT PLANTS ARE ABLE TO PRODUCE LOW ALCALI CEMENT

3

HIGH LOADING RATES AND HIGH QUALITY SERVICES

4

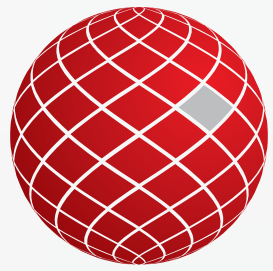
COMPETITIVE BAGGED CEMENT LOADING CAPACITY

5

ONE OF THE LARGEST WHITE CEMENT PRODUCER

6

FLEXIBLE PRODUCTION AND DELIVERY CAPACITY



**TURKISH
CEMENT**

HOWEVER THERE ARE SOME MISMATCHES BETWEEN RECEIVERS AND SUPPLIERS AT EAST COAST

END RECEIVER'S SIDE:

SHIPPER'S SIDE:

CLINKER

1.- For the time being, there are **NOT SO MANY** Grinding stations on the East Coast US (actually only 1 in 2018 - Argos Plant in Tampa).

In 2018 imports, till April 2018 we were down to abt **60.000 MT** of Clinker Imported

In 2017 imports, were at about 1,200 Mio (650 KMT deducting Clinker from Canada)

1.- There are **MANY** Turkish exporters able to export Normal OPC Clinker and a few being able to export LA Clinker

The clinker is stored at port and loaded with shore or Vessels means in big size vessel

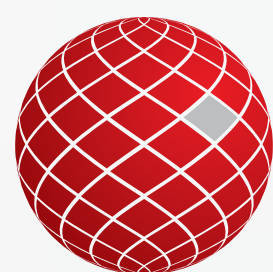
BULK OPC

2.- There are **MANY** Bulk import stations today on the East Coast US (around 16).

As the market gets a bit stronger, there will be a few more sites which will reopen when need arises.

- | | |
|-----------------------|-------------------------|
| a.- Canada: | g.- Port Everglades/Ft. |
| b.- Providence, R.I.: | Lauderdale: |
| c.- Philadelphia : | h.- Tampa: |
| d.- New York: | i.- Miss River: |
| e.- Norfolk: | j.- Texas: |
| f.- Savannah: | |

2.- **Although** there are **MANY** Turkish exporters able to export Bulk Normal OPC there are a few who can also export LA OPC

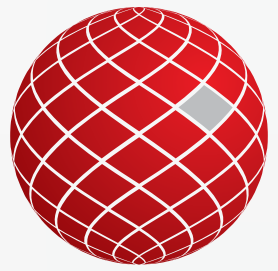


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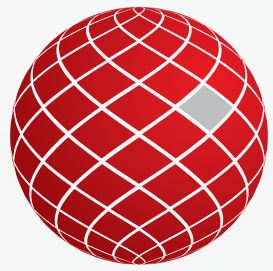


CONCLUSIONS

**TURKISH CEMENT INDUSTRY COULD MEET US MARKET DEMANDS
BOTH QUALITY AND QUANTITY VISE**

**HOWEVER THERE ARE SOME MISMATCHES BETWEEN RECEIVERS AND
SUPPLIERS AT EAST COAST**

**TURKISH CEMENT INDUSTRY COULD BE A PREFERRED SUPPLIER FOR THE
EAST-COAST AMERICAS**





THANK YOU

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