

Brazil Produces 36.6 Million Tons of Cement, a 6.3% Growth

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The Industrial, Commercial and Mining Enterprise Society (Soeicom), owner of cement brand Cimentos Liz, is going to invest approximately US\$ 180 million in increasing and modernizing production in their plant in the city of Vespasiano, in the southeastern Brazilian state of Minas Gerais.

The production is going to rise from the current 1.9 million tons per year to 2.9 million by 2009, according to company president Paulo Vasconcelos. The increase will be 53%.

According to information disclosed by the government of the state of Minas Gerais, the works are going to begin this year and should be completed by 2008. The forecast is for the works to generate 1,000 jobs.

After the implementation of the project, Soeicom should create another 100 direct jobs, raising the number of factory employees to 522. The number of indirect jobs should rise from 650 to 860.

In the first quarter of this year, Soeicom sold a total of 463,000 tons of cement. The volume is 69% greater than the total in the same period last year, when trade totaled 273,000 tons of cement.

The company has an 11% market share in the state of Minas Gerais, 7.8% of the market in the South and Southeast of Brazil, and 5.13% of the national market as a whole.

Cimentos Liz net assets total US\$ 263 million. The company was established in Brazil in 1969 by the Portuguese group Champalimaud. Once the Soeicom productive capacity has been increased, the company should be among the greatest cement producers in the country.

Currently, Votorantim group is the largest cement producer in Brazil, with 3.6 million tons in the first quarter of the year. Company João Santos is the second, with 1.2 million tons in the period and Cimpor is the third, with 925,800 tons.

According to figures supplied by the Brazilian Cement Industry Union, the country produced 9.1 million tons of cement between January and March 2006.

In the whole of last year, production totaled 36.6 million tons. In the previous year, 2004, production had totaled 34.4 million tons. The growth was 6.3% in the period.

Anba