APCMA I Cement I Dispatches – Oct'24

REP # 048

ADAM SECURITIES LIMITED

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Cement dispatches rose on back of significant jump in exports

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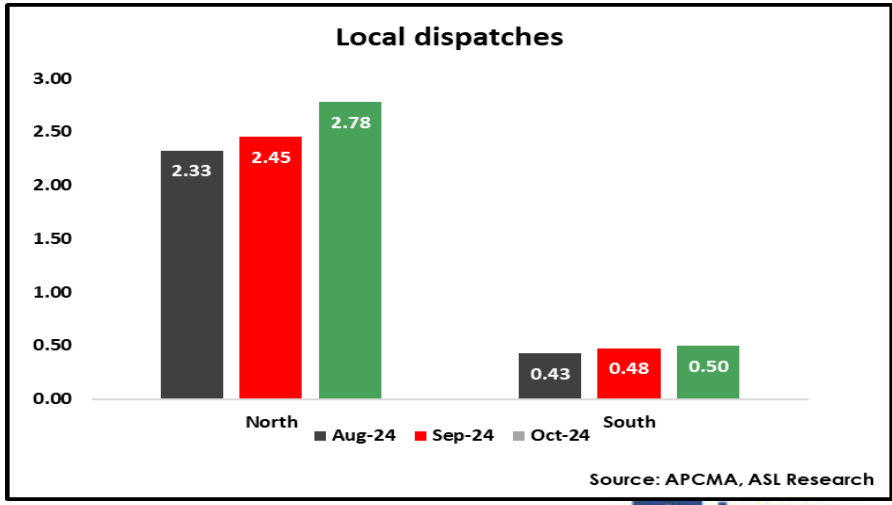
- ***According to data released by APCMA, total cement dispatches in Oct'24 clocked in at 4.36mn ton, up by 9% YoY. This growth is primarily attributed to significant jump in exports, as domestic dispatches showed slightly downward trend.***
- Local dispatches declined marginally by 1% YoY in October 2024, marking the 14th consecutive month of downward trend. The YoY decline in local dispatches is attributed to (i) slowdown in construction activity mainly due to high cost of construction (ii) less spending of government on PSDP (iii) high cement prices.
- On export front, dispatches rose to 1.08mn tons, reflecting a 51% YoY increase. This is after Oct'20, where industry has marked above 1mn tons of dispatches. Increase in exports can be attributed to revival of international economies, after FED rate cut and as per news reports, Afghanistan authorities has launched the construction of a major highways and bridges in south Afghanistan.
- On MoM basis, local dispatches marked a growth of 12%, this is primarily due to start of rehabilitation work after monsoon season. Area wise, south based mills posted growth of 4%, MoM, like wise, north based mills posted growth 13% MoM.

(mn tons)	Oct-24	Oct-23	YoY	Sep-24	MoM	4MFY25	4MFY24	YoY
Local								
North	2.78	2.78	0%	2.45	13%	9.65	11.11	-13%
South	0.50	0.51	-3%	0.48	4%	1.77	2.31	-24%
	3.28	**3.29**	**-1%**	**2.93**	**12%**	**11.42**	**13.43**	**-15%**
Export								
North	0.20	0.12	66%	0.20	0%	0.71	0.55	29%
South	0.88	0.59	48%	0.78	13%	2.51	1.92	31%
	1.08	**0.71**	**51%**	**0.98**	**10%**	**3.22**	**2.47**	**31%**
Total dispatches	**4.36**	**4.01**	**9%**	**3.91**	**11%**	**14.64**	**15.9**	**-8%**

Source: APCMA, ASL Research



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Cement dispatches rose on back of significant jump in exports

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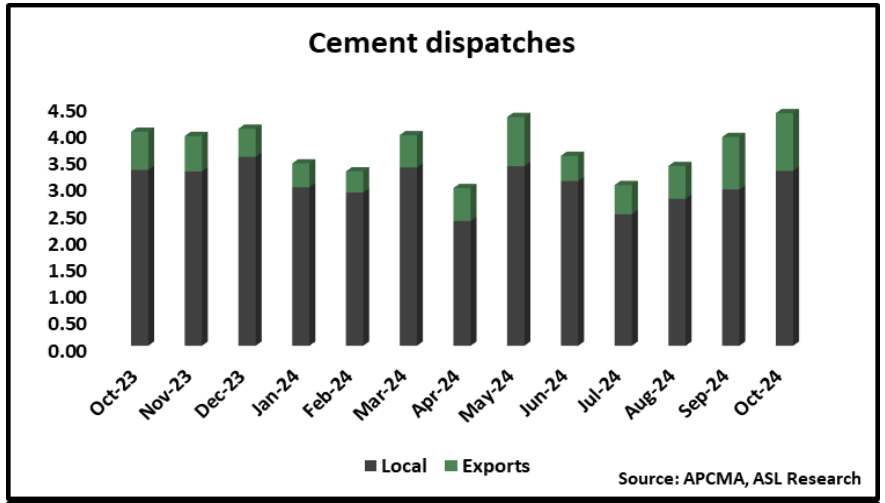
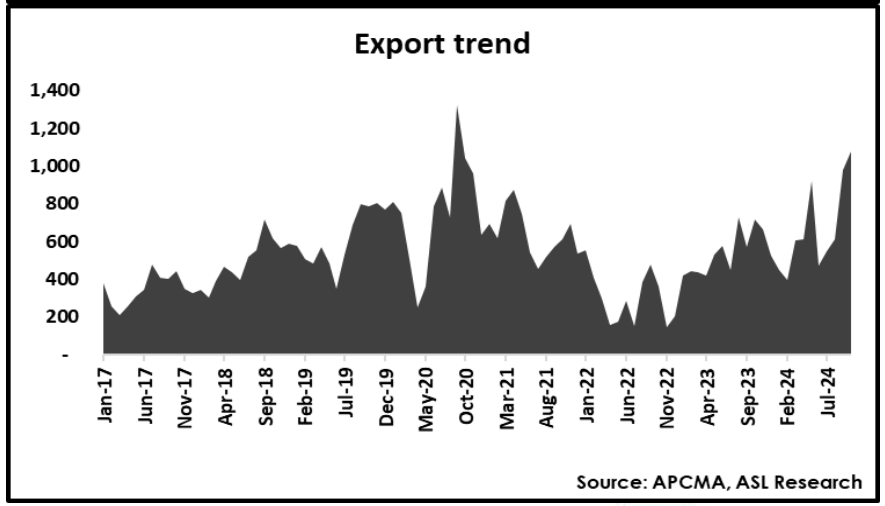
- Export dispatches from north based mills rose substantially by 66% YoY, similarly, exports from south based mills grew by 48% YoY.
- During the 4MFY24, total cement dispatches marked a decline of 8% compared to same period of last year. Where domestic dispatches during the said period, plummeted by 15% YoY, however, exports dispatches marked a growth 31% YoY.
- During the 4MFY24, total dispatches of north based mills (local and exports) decreased by 11% YoY, whereas, south based mills posted growth of 1% YoY.
- As per PBS data, during the month of Oct'24, cement prices per bag decreased by 1.6% in north to Rs.1,473/bag, whereas, same increased by 0.54% in south to Rs.1,399/bag.

Future outlook

- We anticipate, local demand to remain sluggish during this quarter, however, exports are projected to grow, mainly on the stable USDPKR.
- Further, with the reduced housing demand, the dispatches to remain tumbled for the 1HFY25. With decrease in inflation and consequently, interest rate, some recovery in local demand is expected by the 1HFY25.





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