

Cement Imports Soar as Production Costs Rise

By [The Moscow Times](#)

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Cement imports surged last year, as domestic producers are struggling with high production costs, an industry consultant warned.

The increase was led by Turkey. Cheaper imports swelled 80 percent year on year to account for almost 8 percent of total cement consumption last year, SM Pro said.

“Over the long term, this may not only cause the winding down of investment projects to build new plants but also make the country’s construction industry entirely contingent on the global supply,” it said in a statement earlier this week.

Germany’s Dyckerhoff said last month that it had nixed a plan to build a cement plant in the Orenburg region. The decision to back out of what could have been a 300 million euro (\$400 million) investment came after a market analysis at the end of last year, Moody’s said in a report.

The Cement Producers Union of Russia is pressing the authorities to investigate the imports with an eye toward establish quotas for foreign competitors, a source at the organization said.

Russia has a cement import duty of 3.5 percent, a measure that will end in 2017 as part of the country's commitments as a World Trade Organization member.

Cement sales were 64 million metric tons last year, while the capacity of domestic plants — although they are largely outdated — is enough to produce 93 million tons, the cement union source said.

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