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Lafarge and Holcim unveiled plans in April this year to create the world's biggest cement group with USD44-billion in annual sales.

Quarry Southern Africa

TEAMING UP TO BUY ASSETS

Irish cement maker CRH has teamed up with Mexican rival Cemex to explore a bid for all the assets that industry giants Lafarge and Holcim must sell to get the go-ahead from competition watchdogs for a planned merger, reports Reuters.

Meanwhile, Germany's HeidelbergCement and Brazilian firm Votorantim Cimentos SA are said to be weighing up a joint bid for the entire portfolio. These would compete with several

private equity groupings that have been formed to pursue a deal for the assets, which could be valued between USD5-billion and USD9-billion.

Teaming up will allow companies to carve up the assets according to their geographic fits and help to split the cost.

Lafarge and Holcim unveiled plans in April this year to create the world's biggest cement group with USD44-billion in annual sales. However, competition

regulators in about 15 countries, as well as the European Commission, are expected to take a hard look at the deal which brings together the world's top two cement makers with a combined stock market value of more than USD55-billion.

In South Africa, the local aspects of the deal have been approved on condition that Holcim divests its interests in AfriSam, another local cement producer.

INDIA OPTS FOR CEMENT ROADS

The Indian government has apparently decided to use cement for all new road projects at the expense of bitumen, the most popular raw material for road construction.

Detailed reports for new roads will assess project costs factoring in cement as the raw

material. The Ministry of Transport has also changed the model for assessing costs which will be valued on the basis of the life cycle cost, against the current model of using just the cost of construction.

"We have decided to use cement for all

new projects in the pipeline as long as the cost of construction of a concrete road is not more than 20% higher than that of a road made using bitumen. The idea is that using cement will significantly bring down the cost of maintenance," says a ministry source.