

INDIAN CEMENT SECTOR

**Cement volumes higher by 3% YoY in
October 2024**

DECEMBER 2024



1 Trends in cement production



2 Region-wise trends in cement prices



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In October 2024, cement volumes stood at 35.8 million MT, an increase of 3% YoY.

In 7M FY2025, the volumes increased by 2% to 248.0 million MT on a YoY basis.



- **Outlook:** ICRA continues to maintain a Stable outlook on the Indian cement sector.



- **Cement volumes higher by 3% YoY in October 2024:** In October 2024, cement volumes were 35.8 million metric tonnes (MT), up 3% YoY. In 7M FY2025, the volumes increased by 2% YoY to 248.0 million MT. ICRA expects cement volumes to grow by 4-5% YoY to 445-450 million MTPA in FY2025 and further by 6-7% YoY to 475-480 million MT in FY2026, backed by sustained demand from the housing and infrastructure sectors.



- **Average cement prices declined by 11% YoY in November 2024:** In November 2024, the average cement prices decreased by 11% YoY to Rs. 335/bag. However, they were stable on a MoM basis. In 8M FY2025, they declined by 11% YoY to Rs. 330/bag. In FY2024, the average prices stood at ~Rs. 365/bag over Rs. 375/bag in FY2023.



- **Slight increase in coal prices; pet coke and diesel prices lower in December 2024 on YoY basis:** In December 2024, coal prices increased by 4% YoY to \$123/MT on a lower base and pet coke prices were down 20% YoY to Rs. 10,640/MT. Diesel prices also declined by 2% YoY to Rs. 88/litre. In 9M FY2025, the prices of coal, pet coke and diesel were lower by 29%, 17% and 2%, respectively, on a YoY basis, resulting in reduced input costs.



- **Moderation in operating margins:** The operating margins are likely to moderate by 130-180 bps to 15.6-16.1% in FY2025 due to a decline in cement prices.



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