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Magazine

ZAMBEZI PORTLAND CEMENT





Cementing Their Reputation

We talk to the company that broke the Zambian cement monopoly, and that was just the start.



THE TIME WAS THAT IF YOU WANTED TO BUY CEMENT IN ZAMBIA THERE WAS ONLY ONE PLACE TO GO – LAFARGE, THE FRENCH BASED MULTINATIONAL, WHICH SELLS CEMENT, CONCRETE AND CONSTRUCTION AGGREGATES AROUND THE WORLD, WAS THE ONLY NAME IN THE ZAMBIAN CEMENT MARKET. THIS IS WHERE ZAMBEZI PORTLAND CEMENT COMES IN.

“Zambezi Portland Cement was established in December 2004 with the purpose of breaking the monopoly of cement manufacturing in Zambia,” explains company CEO Peter Kanaganayagam. At that time Lafarge was the only company producing cement in the country. Zambezi Portland Cement (ZPC) set out to establish a cement manufacturing plant with a production capacity of 1,000 tonnes per day, and also to create employment. That’s how ZPC was established, trading locally and internationally, and starting production in late November 2009.”

Of course, while generally most people consider monopolies to be bad for business, those same people are usually far more likely to go with a trusted name rather than a Johnny come lately. So how do you go about convincing people to try a new product? Fortunately for Zambezi Portland Cement, the appetite for a new cement provider was high due to the massive demand for the product which outweighed the capacity of Lafarge Zambia. However to be attractive in the market the company would have to compete on quality.

“The market was used to Lafarge producing cement of a quality of 32.5N,” Kanaganayagam says. Zambezi Portland Cement manufactured and rolled out a far superior product at 42.5N. It was of a superior strength, making it more suitable for structural work. This was very much appreciated in the market and was used for the construction

of a 40,000 seater state of the art football stadium in Ndola (The Levy Mwanasava Stadium) donated by the Chinese government. The Chinese contractor was looking at importing cement, but after inspecting and analysing the quality of ZPC’s cement, which met their criteria, ordered the entire cement requirement for the construction of the project from the Company in November 2009. ZPC met that order to their satisfaction in quality, quantity and time.

This project helped the name of Zambezi Portland Cement make a mark in the cement industry in Zambia and the neighbouring countries.

“People were looking forward to having an alternate product,” Kanaganayagam tells us. “When people saw that ZPC cement was used for the construction of the football stadium, it was a great advertisement for the firm.”

LAYING FOUNDATIONS

That stadium was just the start however. Zambezi Portland Cement’s products can be found throughout Zambia today. “There are huge mining developments, part of the First Quantum Group, being set up in the northwest of Zambia also using our cement,” Kanaganayagam says. “There’s a lot of infrastructure development going on throughout Zambia from roads to hospitals to schools, universities and mines, and our cement is being sold right across every sector, housing, office blocks, shopping malls, road works etc.”

Recently the company started the construction of 127 two bedroom houses and six boreholes to provide new accommodation for people who will be displaced from land acquired for industrialisation. The project, which will cost over US\$1.5 million and will take six months to complete, is a project the company is



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“Zambezi Portland Cement brought in a far superior product at 42.5N. It was of a superior strength, making it more suitable for structural work.”

passionate about and bearing the total cost.

At the ground-breaking ceremony for the project the company’s Chairman Dr Rajan Mahtani said, “Although the number of households that got affected was identified as 69 and was approved by Zambia Environmental Management Agency (ZEMA) in 2012, the company went a step further from its obligation to resurvey the possibly affected households in March this year before commencing the construction of the houses.”

The houses will be free for the displaced families as part of ZPCs corporate social responsibility.

But as their popularity grows, challenges will come with it.

“Our biggest challenge is to meet the growing market demand, especially during the dry season when most construction takes place,” Kanaganayagam says. “It’s the construction season right now and the demand is so high that we’re taking extra steps to see how we can best enhance our production and boost our capacity. We’re already producing over 1,200 tonnes of cement per day - thanks to our efficient production process.”

WIDENING THE RANGE

While the company is meeting growing demand, they’re also not afraid to expand into new markets.

“In the future we want to put up a lime plant to manufacture quick lime, which we plan to launch into over the next 12 months,” Kanaganayagam explains. “We also want to do some value adding to cement as well as upping production by another 30%. We’re looking at ways and costs of doing that. We’re also considering the manufacture of certain value added products where cement is used.”

Zambezi is even revisiting its original USP, the quality of its cement.

“Our product is 42.5N in strength, compared to the 32.5N which other companies (Lafarge) are producing, which is less strong but much cheaper to produce,” says Kanaganayagam. “We’ve seen many people are more interested in price than strength. People who want to make houses or roads will go for cheaper products, so we’re launching a 32.5N product to compete with that and meet the demand in that area. We’re widening the options people can choose from. We plan to launch



that by the end of this month. The new product is called ‘Timange’ which means, ‘Let us build.’

At time of writing Timange has just been launched, and has met with a fantastic response.

LET US BUILD

Overall, the outlook is bright for Zambezi Portland Cement. Talking to Kanaganayagam it’s clear he is proud of the things ZPC has achieved, but more importantly he’s looking forward to the exciting opportunities ahead.

“Things have run very smoothly for the last 12 months. In 2013 the Company produced 476,000 tonnes of cement for the year,” he says. “We have experts in the field of cement from India who are able to maximise and optimise the whole process to give us an even bigger output moving forward.”

In driving forward though, the company is going to need a new generation of talent, and Kanaganayagam acknowledges it’s the people behind Zambezi that have made it the success it is today.

“We recruit staff generally through advertisement,” Kanaganayagam says. “There have been changes in management and during that process we head-hunted some senior staff from India and have Zambian staff being trained over a couple of years to slowly take over. We’re trying to encourage graduates to join the firm. There are many graduates from universities here looking for work so we’re training them to take Zambezi Portland Cement into the next generation.” ◀







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