

Reconstruction of shanty towns will reverse the weak demand of cement market in 1H 2014

Recently, Office of the State Council issued a *Notice on Further Strengthening the Reconstruction of Shanty Towns*, which deployed effective solutions to the difficulties and problems in the reconstruction, and promote the rebuilding of urban shanty towns and villages in which about 100 million people live.

According to the statistics of the Ministry of Housing and Urban-Rural Development of the PRC, above 3.2 million households in shanty towns has been rebuilt in 2013 and 4.7 million households are expected to be rebuilt in 2014. China Development Bank is the major financial support mechanism to the reconstruction of shanty towns. The loans to reconstruction projects in 1H 2014 reached to RMB219.5 billion, from which we can see the speeding up of reconstruction process of shanty towns under government's supports. In the meantime, some other investment that benefit people's livelihood, such as investment of RMB800 billion on railway projects is also promoted by government's attention now. The effect of all these "Micro stimulation" policies will show up in 2H 2014 and stimulate cement demand then.

(Source: Digital Cement)