

Sunshine for Argos Honduras

The Honduran cement industry will see a further round of upgrades and expansion as Argos invests US\$23m in key projects at its Piedras Azules and Río Blanquito cement plants. In addition to the expansion of Piedras Azules' cement capacity, the company will also be investing significantly in renewable energy, including solar power.

■ *by Argos, Honduras*

Argos has announced that it will invest US\$23m in strategic projects over the next two years in Honduras with the aim of boosting the country's growth and development as well as contributing to its economic reactivation since the start of the pandemic. With this investment project, the company will make operational improvements to expand its installed cement capacity nationwide.

In addition, Argos will invest in sustainability projects aimed towards a transition to renewable energy sources, by expanding its solar farm in Comayagua, where its cement plant is located, and installing a new one in Río Blanquito, a city located in the northern part of the country, where the company runs a grinding mill. Furthermore, Argos will launch a refuse-derived fuel (RDF) programme to reduce its consumption of fossil fuels.

This programme, which will take place between 2022 and 2023, will allow the company to generate at least 500 direct jobs during its construction phase, while also boosting local economies and promoting a more prosperous future for Honduran families.

A key project in consolidating Argos' presence in Honduras is the expansion of its Piedras Azules cement plant



Distribution centres take the company's products to its end customers

Argos substantially benefits thousands of families, motivated by a corporate purpose that transcends and focusses the organisation on continuing to move forward to generate value for customers, communities, suppliers and families. The company firmly believes this

translates into business strength and growth, long-term profitability for its shareholders and investors, and the construction of a better society.

The strategic decision to invest in a project of this magnitude stems from the need to become increasingly competitive in the market, as well as to act responsibly and with awareness regarding the environmental needs that the company faces at the national and global level.

Piedras Azules expansion

The investment funds will be used for three strategic projects, the main one being the expansion of production capacity at the Piedras Azules cement plant in Comayagua, which has become



The work at Piedras Azules will be carried out across a range of equipment, including the grinding systems and calciner

logistics centres nationwide, all located in strategic points throughout the country.

The process of increasing capacity includes the intervention of crude oil milling, belt system for crushing raw material in the current pre-grinding process, substitution of the pre-grinding hammers, and the raw mill draught fan. Additionally, some works will be carried out in terms of the calcination and calciner equipment and air ducts in the annex tower. Finally, the introduction of cooling fans and a fixed plate system at the inlet will be added.

Renewable energy drive Solar energy

Argos in Honduras is the first and only cement company to power its production processes through renewable sources such as solar energy. In 2020 the company inaugurated its first solar farm next to its cement plant in Comayagua, which it operates hand in hand with Celsia, another subsidiary of Grupo Argos Holding. Consisting of 32,160 panels, the solar farm supplies around 20 per cent of the plant's energy consumption and can generate up to 10.6MW. The company will invest to increase the installed capacity by 5MW, reaching a total of 15.6MW, and meeting up to 28 per cent of the plant's energy requirements. This is all part of the company's efforts to shift towards renewable energy sources and reduce CO₂ emissions.

an increasing need for the company due to the accelerated growth of market demand. In 2021 the firm saw record production and cement sales in Honduras, marking the largest milestone for the Piedras Azules operation in over 40 years.

"This investment project is our vote of confidence in Honduras and its people, and it represents our commitment to the country's economic reactivation and our firm determination to contribute to the consolidation of prosperous and sustainable communities, through competitive and visionary initiatives. We will continue our efforts to promote

the development of Honduran families through the creation of social value at a national level. Our purpose at Argos is to contribute, hand in hand with our customers and partners, to the construction of more housing dreams, better infrastructure, and a prosperous and equal future," stated Luis Eduardo Tovar, CEO of Argos Honduras.

The expansion of the Piedras Azules plant will see annual cement and clinker capacity by 35 and 28 per cent, respectively. It is Argos' way of preparing to meet accelerated market demand, which it serves from its three production and



The solar farm at Argos' Piedras Azules plant, inaugurated in 2020

At the Río Blanquito grinding unit, the staff will see the construction of a second solar farm



In recent years Argos has co-processed more than 1.5m waste tyres in its kilns



Additionally, at its Río Blanquito grinding mill, Argos will install a second solar farm, also with Celsia. It will include approximately 2000 solar panels and will have an installed capacity of around 1.2MW. The renewable energy project will contribute to the company's goal of achieving a 27 per cent substitution with clean energy in Honduras, as part of its commitment to sustainability and environmental responsibility.

Co-processing of RDF and tyres

Along the same lines of sustainability, caring for the environment and the constant search for alternative fuels for its production processes, Argos Honduras will strengthen its industrial waste co-processing programme through the acquisition of new equipment and facilities to work, for the first time, on a RDF project.

The opportunity of working with RDF represents an environmental benefit for the company as it reduces its CO₂ emissions and is an alternative way to contribute to the responsible management

of more than 5500tpa of solid waste generated by several industrial sectors.

In recent years the company has co-processed more than 1.5m waste tyres in Honduras and has recently signed an alliance with strategic partners in the industrial sector to collect up to 5000 tyres per month and co-process them as an environmentally responsible solution for this waste.

To make this RDF programme a reality, the cement producer will invest US\$600,000 to strengthen industrial waste co-processing operations. Effective logistics for the transportation of the industrial waste from various regions towards the cement factory in Comayagua will be established by Argos Honduras. The success of the programme must ensure that the cement's final quality is not altered or compromised. To achieve this, it is crucial that all waste be correctly prepared and handled. This process will begin by shredding a mixture of the industrial solid waste, which is composed mainly of agricultural plastics (60 per cent),

cardboard/paper (30 per cent) and textiles (10 per cent). The shredded mixture will later be fed into the main kiln burner to be consumed as fuel. Through this process, the company plans to substitute up to eight per cent of its fossil fuel consumption, contributing to its goal of 27 per cent fossil fuel replacement and a 14 per cent reduction in its CO₂ emissions by 2030 in Honduras.

"The necessary logistic and operational preparations for the development of this ambitious plan have already begun. It will ultimately allow us to become a more solid company, prepared to supply the market in a more efficient and orderly manner, while maintaining our firm commitment towards caring for the environment," explained Mr Tovar. "The project will be executed in 2022 and 2023. It will not only provide more direct jobs but also contribute to the dynamisation of the local economies in communities neighbouring our operations and with whom we maintain a relationship of trust and support for their socioeconomic growth," he added.

Supporting Honduran development

Argos is the leading cement producer and distributor in Honduras, backed by a 40-year track record in the country's cement market. It employs more than 2500 people directly and indirectly, making it a key ally to the country's social and economic growth. The company has been a great contributor to the country's development, participating in important infrastructure projects such as the construction of the CA-5 highway that connects Honduras' northern and southern ports, as well as the new building for the Central Bank, the US Embassy's new headquarters in Tegucigalpa, the El Cajón hydroelectric dam (one of the biggest infrastructure projects in the country), and the recently-inaugurated Palmerola International Airport, among others.

Over the last five years, the company has invested over US\$2.2m in social support programmes to benefit its neighbouring communities. Backed nationally and internationally by certifications and recognitions in sustainability, social responsibility, road safety, gender equity, and environmental management, Argos is a benchmark in Honduras for its good business practices with a high sense of social, economic and environmental responsibility. ■



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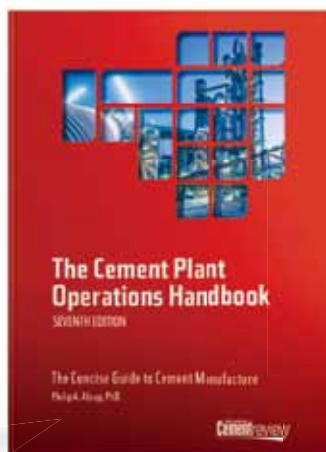
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