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Interview by Peter Edwards, Global Gypsum Magazine

In discussion: Stefan Trojer, Mada Gypsum Company, Saudi Arabia

The Saudi Arabian market and wider Gulf Cooperation Council (GCC) region are growing markets for the gypsum and gypsum wallboard sectors. Here, *Global Gypsum* looks at the region, in discussion with Stefan Trojer, President of Saudi Arabia's Mada Gypsum Company.

Mada Gypsum Company

Global Gypsum (GG): Can you provide a summary of Mada Gypsum's history and current activities in the gypsum and wallboard sector?

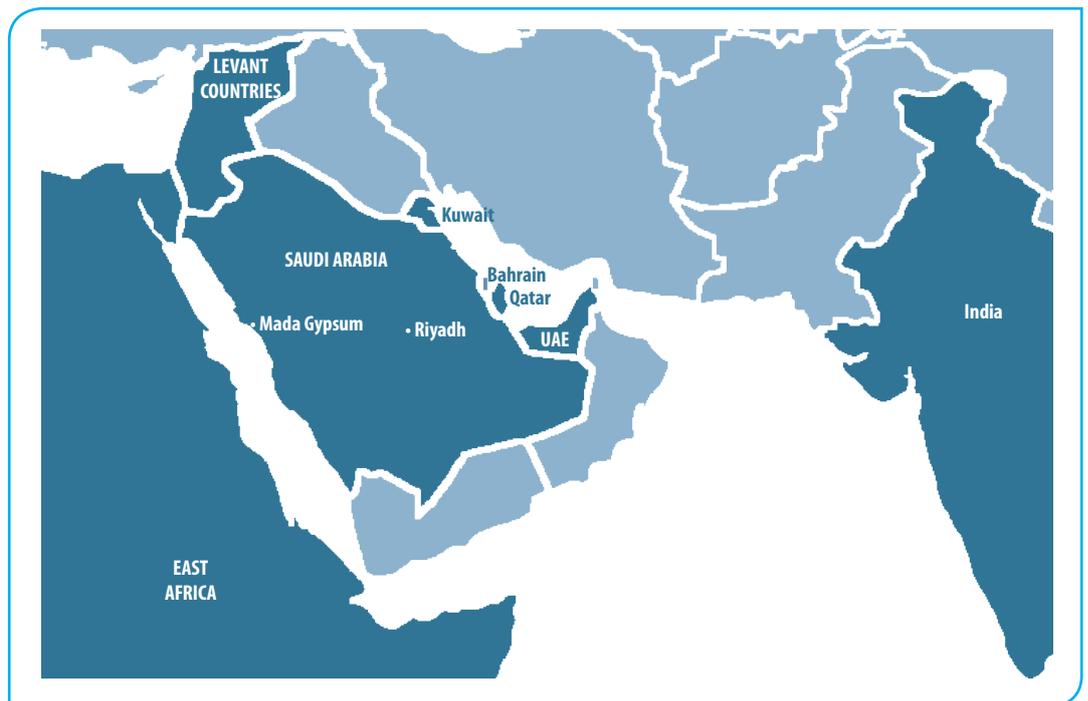
Stefan Trojer (ST): Mada Gypsum Company (MGC) is a member Al Rajhi Building Solutions, which is a sector under the roof of Al Rajhi Holding. MGC was established in 2008 in Yanbu Industrial City with an initial factory setup consisting of a 10Mm²/yr plasterboard line and a 140,000t/yr calcination and plaster plant.

Over the past eight years the capacity of plasterboard and stucco has been extended and new products were added to the product portfolio. MGC currently has a production capacity of 400,000t/yr of plaster, 42Mm²/yr of gypsum wallboard with two board lines, 2Mm²/yr of cement boards, besides production capacity of laminated gypsum ceiling tiles, dry mix and wet mix products.

Production uses natural gypsum extracted in the north of the Yanbu area and flash calcining process to produce stucco. The wallboard lines are equipped with state-of-the-art control equipment to ensure full compliance with health and safety and quality standards.

Besides this, MGC is also working on several other projects to enhance its range of products and services. Prominent among these projects is the expansion of our plasterboard recycling facility, collaboration with Protektor of Germany to produce a state-of-the-art metal profiles plant and new cement-based dry mix production line. Once these products are integrated into the MGC product lineup, MGC will have one of the most diverse and exhaustive product ranges in the Middle East to provide full systems solutions to its customers.

GG: Can you summarise the production processes for gypsum wallboard and plaster?



Right: Overview of Arabian Peninsula and surrounding markets for gypsum wallboard. Mada Gypsum factory is highlighted.



Left: A view of Mada Gypsum's cement board production line.

ST: MGC owns its own quarry to guarantee the highest quality gypsum rocks in the production process and extract raw materials, which reach up to 98% purity and 95% whiteness. After crushing, gypsum will then be calcined in a flash calciner or rotary kiln to produce stucco.

For plasterboard production, stucco, water and additives are mixed into a slurry, which is sandwiched between two layers of plasterboard liner, left to set and dried in a longitudinal drier, before trimming and packing according to the product requirements.

For plaster products, the stucco will be mixed with the necessary additives, when required, and bagged before being loaded directly on flat bed trailers or palletised. Quality controls throughout the process, from quarry to loading of finished products, will ensure that MGC products meet internal specifications and international quality standards where applicable.

GG: Where are Mada Gypsum's main markets for gypsum / gypsum wallboard?

ST: MGC, being a Saudi-based company, primarily focuses on the Saudi Arabian market, which accounts for 60% of our total gypsum wallboard sales. Other Gulf Cooperation Council (GCC) countries, the Levant region and India are further important markets for MGC. Recently we started a strategic drive to diversify our presence further into the African market.

Saudi Arabia and the GCC

GG: Where are the 'hot-spots' for gypsum and gypsum wallboard consumption in the GCC region and where has the most potential?

ST: The biggest market in the GCC is the Kingdom of Saudi Arabia, which is seeing constant growth in terms of wallboard knowledge. The population is becoming more and more educated regarding the importance and benefits of wallboard, which is causing a natural increase in demand. Expansion of facilities in the holy cities of Makkah and Madinah, development of a number of hospitals, universities and other commercial facilities will drive demand in the Kingdom in the years to come.

The UAE is the second-largest market. Allocation of Expo 2020 to the UAE has given a boost to the



Left: Outside Mada Gypsum, located in Yanbu, Saudi Arabia.



Right: Material heading from the quarry to the crushers.



In addition, GCC manufacturers are also able to export a significant volume to India and Africa, which suffer from higher production costs and/or non availability of local gypsum wallboard. This further helps in balancing the demand / supply situation.

GG: What are the main barriers to the wider adoption of wallboard and similar systems in Saudi Arabia / the wider GCC region?

ST: So far, people have accepted wallboard in commercial buildings, hotels, hospitals and many other types of building. However, the full market will only be unlocked once wallboard partitions are introduced into private houses, which is not the case at present. The brick wall still reigns supreme, even when people are shown test results showing the advantages of wallboard, their tendency is still to simply 'knock on the wallboard,' point to the hollow sound it makes and say, "I am building a house to last for 40-50 years." This attitude does not help wallboard sales!

projects there and a number of residential and commercial projects have started. These will continue to drive up demand in UAE.

The third major market is Qatar, which has one locally-based wallboard producer. The market profile is similar to Saudi Arabia but smaller in size. However, demand is growing, especially with all the projects lined up for the FIFA World Cup in 2022.

GG: Does the region make enough wallboard to satisfy its own demand?

ST: There is huge oversupply of gypsum wallboard installed capacity with respect to the demand, which has led to the erosion of prices over the years. However, it has to be noted that per-capita consumption of wallboard in the GCC remains considerably lower than North American and European levels as the use of gypsum wallboard is currently restricted to commercial projects only. As gypsum wallboard gains more acceptance in the residential housing market, per-capita consumption will rise sharply, creating more balance between demand and supply.

GG: What changes could be made to help gypsum wallboard sales increase in the country / region?

ST: Some very heavy marketing is needed to educate the population and work on convincing the public that installing wallboard partition structures in their private houses is a sustainable and cost effective option. However, even in the absence of this, the market is slowly changing. I think it is really just a matter of time - acceptance is slowly coming.

GG: Thank you for your time today.

ST: You are very welcome indeed!



Right: Wallboard product packing and palletising area.

