

DRY BULK MARKET INSIGHTS

January 2026

Latest commodity and trade developments

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TRADE WAR NEWS

EARLY DECEMBER

The US Commerce Secretary confirmed at the start of December that the general tariff rate on US imports from South Korea, including vehicles, would drop to 15% retroactive to November 1. The decision was attributed to South Korea introducing legislation in parliament to implement the country's strategic US investment commitments.

The Trump administration was reported in early December to be considering fallback options should the Supreme Court rule against the legality of its tariff agenda enacted under the International Economic Emergency Powers Act. This could involve greater use of alternative tariff measures unaffected by the ruling such as the Section 201 tariffs on Chinese products and the Section 232 tariffs on steel, aluminium and copper plus cars and car parts. Major US companies, including Costco, have filed lawsuits against the US government to ensure they will receive refunds if tariffs are ruled illegal. A Supreme Court decision appears most likely to be made in early 2026. Given the Trump administration's continued commitment to tariffs, we could be in for an even more chaotic period in the ongoing trade war saga should Trump lose the case.

MID-DECEMBER

The US has paused implementation of a \$40 billion technology agreement with the UK covering AI, quantum computing and civil nuclear energy agreed during President Trump's state visit in September. The US administration is said to be frustrated with the UK's online safety rules, digital services tax and food safety restrictions.

LATE DECEMBER

The Trump administration said it will impose tariffs on Chinese semiconductor imports due to Beijing's "unreasonable" pursuit of chip industry dominance but delay the measure until June 2027. The delay is seen as an effort to reduce trade tensions with China in the face of Chinese export curbs on rare earth metals that global tech companies rely on.

Mexico has imposed sweeping import tariffs on thousands of goods in a move that largely aligns the country with US trade policy. The tariffs, mostly up to 35%, apply to countries without free trade agreement with Mexico, including China, India, Indonesia, South Korea and Thailand. The new tariffs come into effect at the start of January and cover products such as steel, automobiles and auto parts.

ECONOMIC NEWS

OECD

Third quarter GDP growth showed a mixed picture across the 16 countries in the G20 for which data was available (the US being a notable exception). Adjusting for absentees, the OECD assessed GDP growth in the G20 increased marginally to 0.8% in Q3, up from 0.7% in the previous quarter, according to provisional estimates.

The OECD Economic Outlook, released on December 2, found that the global economy has proved more resilient than expected in 2025, supported by improved financial conditions, rising AI-related investment and trade, and macroeconomic policies. However, underlying fragilities are increasing. The OECD projects global GDP growth to ease from 3.2% in 2025 to 2.9% in 2026 and then strengthen slightly to 3.1% in 2027. Inflation is expected to gradually return to target in most major economies by mid-2027. World real trade growth is expected to decline from 4.2% in 2025 to 2.3% in 2026, recovering slightly to 2.8% in 2027. Tariffs are expected to continue to weigh on trade volumes as announced tariffs come into full effect.

UNCTAD

UN Trade and Development released its Trade and Development Report 2025 in early December, noting that rising trade barriers and geopolitical tensions are straining multilateral norms and weighing on global economic prospects. Global growth is expected to decelerate to 2.6% in 2025, from 2.9% in 2024. The rate of expansion is 0.4% below the pre-pandemic average from 2016 to 2019. Growth in developing countries is projected to stay at 4.3% in 2025. Global growth is forecast to stay subdued in 2026 at 2.6%, while growth in developing countries is expected to slow marginally to 4.2%. World trade grew about 4% in real terms in the first half of 2025, buoyed by pre-tariff frontloading and investments in AI. When UNCTAD exclude these transitory factors, underlying trade growth is closer to 2.5% to 3%. A projected trade deceleration into late 2025 and 2026 reflects deeper challenges which suggests a cautious outlook to 2026 with trade growth likely to slow further.

UNCTAD's latest Global Trade Update found that global trade grew 2.5% between July and September compared with the three previous months, with goods trade rising nearly 2% and services up 4%. Growth is expected to

continue in the final quarter, though at a slower pace with increases of 0.5% for goods and 2% for services.

WTO

The WTO's latest annual overview of developments released in early December commented that the value of global goods imports affected by new tariffs and import measures increased more than fourfold from mid-October 2024 to mid-October 2025 compared to the prior 12-month period. At the same time, WTO members introduced trade facilitating measures on both imports and exports covering 1.5 times more trade than the previous period and were pursuing dialogue more than retaliation. The WTO estimates world merchandise trade growth of 2.4% in 2025 falling to 0.5% in 2026.

LOGISTICS NEWS

BLACK SEA

Ukrainian security services confirmed at the start of December that they had attacked two Russian tankers off the coast of Turkey in Turkish waters in late November, marking an intensification in the conflict in the Black Sea. A shadow fleet crude oil tanker Kairo and a sanctioned product tanker Virat were hit by naval drones. This followed on from an earlier Ukrainian attack on the Russian Black Sea port of Novorossiysk in mid-November. All this opens the possibility of retaliatory strikes on Ukraine's port infrastructure and shipping and spreading the conflict further out across the Black Sea. Unsurprisingly, there were reports that fears of further attacks were driving up war risk insurance costs for shipping commodities through the Black Sea.

SUEZ CANAL/RED SEA/GULF OF ADEN

The Egyptian President announced that the Suez Canal is losing around \$800 million in revenue each month due to regional instability as attacks in the Red Sea area reduced canal traffic. Meanwhile, the Houthis in Yemen have vowed to resume attacks on US vessels citing retaliation for US airstrikes on Yemen in late November.

A bulk carrier was reported to have been attacked in the Bab el Mandeb on December 5 by skiffs exchanging small arms fire with the vessel's security team, after which the ship continued its journey southward. It was unclear who the attackers were with local fishermen protecting their nets being alternative perpetrators to Somali pirates or Houthi militants.

STEEL SECTOR DEVELOPMENTS

WSA

The latest November 2025 crude steel production data from the World Steel Association had global output across 70 reporting countries at 140.1 million tonnes, a decrease of 4.6% year-on-year. Chinese output for the month was estimated at 69.0 million tonnes, down sharply by 10.9% compared to a year earlier. Outside China, other major producers that recorded year-on-year decreases in November included Russia (-6.6%), South Korea (-4.8%), the EU (-3.5%) and Japan (-1.6%). There were year-on-year gains in India (+10.8%), Turkey (10.0%), Iran (+9.2%), the US (+8.5%) and Brazil (+0.7%). The WSA estimated Chinese crude steel output in the first 11 months of 2025 at 891.7 million tonnes, down 4.0% year-on-year. India's output over the same period totalled 150.1 million tonnes, up 10.3% year-on-year, while EU production totalled 116.1 million tonnes, down 3.3% year-on-year.

ALBANIA

Turkey's Kurum has signed an investment agreement the Italian engineering group Danieli to build a new steel plant in Elbasan, Albania. The plant will produce 700,000-750,000 tonnes/year of steel bars and compact coils and is expected to take around 24 months to complete.

AUSTRALIA

Yilgan Iron has resumed iron ore exports from the port of Esperance in Western Australia with a cargo of 176,000 tonnes loaded for China. It comes less than 12 months after the final export from the Koolyanobbing operations in the Yilgan Hub, which were acquired by Yilgan Iron in June.

BRAZIL

Brazil's Vale has opted for a more conservative iron ore production outlook for 2026 of 335-345 million tonnes, only about 3% above its expected 2025 output. This is notably below the company's long-held ambition of reaching 360 million tonnes/year, although Vale still hopes to hit the target by 2030. Vale also warned that its unit costs will continue to rise in 2026. With the prospect of declining Chinese steel production and increased iron ore supplies, notably from Guinea's Simandou start up, starting to weigh on iron ore prices, iron ore majors are looking to shore up their financial resilience rather than going for all out expansion.

The Brazilian steel association Aco Brasil has forecast that the country's imports of rolled steel products will rise 10% in 2026 to reach 6.324 million tonnes. It also forecast apparent steel consumption in Brazil is expected to increase by 1% in 2026 to 27.005 million tonnes. Brazil's steel production in 2025 was expected to be down 2.2% at 33.129 million tonnes and is forecast to fall by a further 2.2% in 2026. Meanwhile, Brazil's steel exports are estimated to end 2025 at 10.234 million tonnes, a rise of 6.4%. Exports in 2026 are projected to fall 0.6% to 10.175 million tonnes.

CANADA

Canada's Algoma Steel announced on December 1 it would eliminate around 1,000 jobs, or about a third of its workforce, as it shuts down production from its blast furnace and coke ovens in Sault Ste. Marie, Ontario, that has become unsustainable due to 50% US tariffs. The layoffs will be effective on March 23, 2026. The company had previously said it would accelerate its transition to scrap-fed electric arc technology.

CHINA

China's state-backed iron ore buyer, China Mineral Resources Group, has reportedly asked authorities overseeing import terminals to raise storage costs, in a move that could dent the pricing power of foreign miners and traders. Major players such as BHP and Vale would find it harder to justify storing iron ore at ports for lengthy periods, weakening their ability to influence iron ore supply and prices. Apparently, CMRG want to cut free storage at ports down to 30 days from current general practice of 60 days and then apply progressively higher per tonne per day storage charges. If implemented, this could have major implications for the iron ore and shipping markets.

China announced on December 12 that it plans to establish a licence system for some steel exports from the start of 2026 to regulate the record volume of steel exports which is fuelling a growing global protectionist backlash. The Commerce Ministry said exporters of some 300 steel items will have to apply for licences based on export contracts and product quality inspection certificates from manufacturers. The short-term impact may be limited if obtaining necessary licences proves to be relatively easy, but the move will give the government the means to control future steel export trade.

China's crude steel production in November fell to 69.87 million tonnes according to the National Bureau of Statistics, down 10.9% year-on-year. It was

the sixth consecutive monthly decline and the lowest level since December 2023. Year to date output totalled 891.67 million tonnes, down 4% year-on-year.

China's steel exports totalled 9.98 million tonnes in November, up 7.5% year-on-year. Steel exports in the first 11 months of this year totalled a record 107.72 million tonnes, up 6.7% year-on-year.

China's iron ore imports in November totalled 110.54 million tonnes according to customs data, up 8.5% year-on-year and up 2.6% on October when measured on an average daily tonnage basis. Iron ore imports in the first 11 months of 2025 totalled 1.139 billion tonnes, up 1.4% from the same period in 2024.

China's Baowu Steel Group has launched what it describes as the world's first million tonnes/year hydrogen-based steel production line at its Zhanjiang City works in Guangdong Province.

EU

The EU Commission voted to accept benchmarks and default emission values on December 10 which will be key measures in laying down rules to implement the Carbon Border Adjustment Mechanism from January 1, 2026. The Commission is expected to publish the legally binding benchmarks before the end of the month. Benchmarks for different steel products will vary depending on the production route – blast furnace v DRI/EAF v scrap-based EAF. They will also vary depending on whether actual emissions data or default emission values are used. Default emission values will also vary by country. For each product a benchmark will be expressed in tonnes of CO2 equivalent per tonne of steel produced. There will also be annual mark-ups as CBAM is phased in alongside declining availability of free allowances in the EU Emissions Trading System. Earlier draft default values drew concerns over their accuracy from market participants. There were also reports that Asian steel shipments to Europe had slowed sharply due to uncertainty over the EU's CBAM rules. Stand by for a CBAM rocky start. CBAM measures will also apply to other imported commodities including aluminium and cement.

The European steel association Eurofer published its latest Economic and Steel Market Outlook at the start of December which expects some improvement in apparent steel consumption across Europe at the beginning of 2026. The association now say that apparent steel consumption will grow by 3% in 2026,

down slightly on its previous forecast. Eurofer also confirmed its earlier projection of a 0.2% drop in 2025 consumption.

The EU's new steel safeguard regime is scheduled to come into effect on July 1, 2026, according to the latest draft of the regulation. Only Norway, Iceland and Liechtenstein will be exempt from the measures due to their participation in the European Economic Area agreement. All other third-country suppliers will be subject to the terms of the new framework.

FRANCE

ArcelorMittal's Fos-sur-Mer plant has resumed production following a fire in October that caused a complete shutdown. Blast furnace No.2 was restarted in mid-December and rolling operations have also resumed.

GERMANY

Thyssenkrupp Steel Europe said at the start of December that it had agreed with the IG Metall union to cut or outsource about 11,000 jobs, or 40% of its workforce, and reduce annual steel production capacity to a shipping level of 8.7 to 9 million tonnes from 11.5 million tonnes at present.

Thyssenkrupp Steel said it will cut back and partially shut down production of electrical steel in response to increased low-priced imports of grain-oriented electrical steel, especially from Asia. These imports had tripled between 2022 and 2024 and rose a further 50% in 2025. From mid-December, the company's plants in Gelsenkirchen, Germany, and Isbergues, France, will be closed to the end of the year. In addition, the Isbergues site will operate at 50% of its capacity for at least four months beginning in January.

INDIA

A report in late December indicated that India has imposed three-year safeguard duties on flat steel products from China and Viet Nam through April 2028, aimed at curbing cheap imports. The duty will be 12% in the first year followed by 11.5% and 11% duty in the subsequent two years.

India has imposed anti-dumping duty on cold-rolled non-oriented electrical steel imports from China for five years to protect its domestic industry. The per tonne duty ranges from \$223.8 to \$414.9 depending on the product and exporter.

India's coking coal imports in October increased 12% year-on-year to 5.04 million tonnes, reportedly driven by winter restocking by steel mills.

ITALY

Two bids had been submitted for the acquisition for the former Ilva steel plant in Taranto, from Bedrock Industries and Flacks Group. Back in June the Italian government earmarked 200 million euros to keep Acciaierie d'Italia (ADI) afloat while negotiations to sell it were ongoing. Separately, the Italian Minister of Enterprises and Made in Italy said in December that ADI's maintenance programme aims to restore a 4 million tonnes/year run rate by next March. At the end of December, it was reported that the US-based private investor Flacks Group had reached an agreement with the Italian government to acquire the Ilva steelworks.

LIBERIA

US miner Ivanhoe Atlantic has reached a key access agreement with the Liberian government to support its high -grade iron ore development in Guinea. The agreement grants Ivanhoe guaranteed access to transport iron ore from the Kon Kweni project in Guinea to the Liberian port of Buchanan using the state-owned Yekepa-Buchanan rail line. The company says it will now focus on completing environmental approvals with both governments. Under a Phase 1 plan, initial production will be two million tonnes/year, ramping up to five million tonnes/year. A Phase 2 expansion, targeted for 2029, aims to increase output to 30 million tonnes/year, along with associated infrastructure upgrades.

MEXICO

As noted under Trade War News, Mexico has imposed sweeping import tariffs on countries with which it does not have free trade agreements. This includes tariffs on steel imports from China and other Asian exporters which will take effect from the start of January.

ROMANIA

The Ukrainian mining and metals company Metinvest said it has acquired the Romanian steel pipe plant ArcelorMittal Tubular Products Iasi to which it will supply hot-rolled coil. The pipe plant has a capacity of 240,000 tonnes/year.

RUSSIA

The Deputy Prime Minister said in late December that Russian steel output is expected to decline by about 5% in 2025 to 67 million tonnes, reflecting cooling demand in key domestic sectors, including construction.

TURKEY

The Turkish Steel Producers Association reported that domestic steel demand in the first ten months of 2025 increased by 2.6% year-on-year to 32.2 million tonnes. Over the same period, domestic steel production was up 1.2% to 31.3 million tonnes and steel imports were up 13.8% to 15.6 million tonnes.

UNITED KINGDOM

The UK government has postponed publishing its long-awaited Steel Strategy until early 2026. It was originally expected in Spring 2025. As we have been reporting, the government has faced major challenges involving the sector including intervening in the running of British Steel in April followed by an absence of agreement with its owners, the compulsory liquidation of Liberty Speciality Steels in August, and a lack of a trade deal with the US on steel tariffs. In mid-December the government said it had spent £274 million in running British Steel since April. It also faces the prospect of being subject to tighter restrictions on steel exports to the EU under the EU's CBAM rules and the EU's new steel safeguard regime (see EU above).

USA

South Korean steelmaker POSCO has confirmed that it will invest \$582 million to take a 20% equity stake in Hyundai Steel's planned project in the US. As we reported in March, this includes building a new \$5.8 billion integrated steel plant in Donaldsonville, Louisiana, that will be capable of producing 2.7 million tonnes/year of steel using electric arc furnace technology. Operations are expected to commence in 2029.

US Steel said in early December that it has begun restart operations at one of two blast furnaces at its Granite City Works, citing analysis of customer demand. The furnace was idled in 2023 as part of plans to wind down steel processing at the mill. However, the company has reversed its stance following pressure from the Trump administration. US Steel expects to resume steel production at the mill in the first half of 2026.

POWER COAL SECTOR DEVELOPMENTS

IEA

The International Energy Agency published its Coal 2025 report in mid-December with a headline that global coal demand has reached a plateau and may well decline slightly by 2030. The report sees increased competition from

other power sources, though developments in China's electricity sector will remain key for coal's prospects. Amid a tepid outlook for demand, abundant stocks and lower prices, the report sees coal output declining in most major producer countries through 2030. This includes China, as domestic demand decreases, and Indonesia, which is set to be affected by weaker trade. Indian is seen as an exception, with coal production rising as the government seeks to reduce the country's dependence on imports.

CHINA

China's coal imports in November totalled 44.04 million tonnes according to customs data, down 19.9% year-on-year. However, this was still above the 41.74 million tonnes reported in October. Over the first 11 months of 2025 total imports of coal of all grades reached 431.68 million tonnes, down 12% from the same period in 2024.

The China Coal Transportation and Distribution Association said that China's coal consumption is set for its first decline this year since 2017, although consumption could still grow moderately next year without giving figures. Coal consumption in the power industry is seen growing steadily next year while demand in the steel and construction sectors is expected to fall. Reflecting overcapacity in the sector, the association said that since the beginning of the year, 53.9% of industry firms have been operating at a loss, with mine mouth prices falling by 16.8% year-on-year.

INDIA

India's power ministry said it wants to raise the country's coal-fired power capacity from the current 210 GW to 307 GW by 2035, a rise of 46%. The ministry does not have any immediate plans to add to coal power generation capacity beyond 2035. However, the country could add more coal capacity after taking three years to understand how power demand is growing and the speed of integration of clean energy into the grid.

India has reportedly already added 7.2 GW of coal-fired power capacity in the current fiscal year starting in April, which is 60% above the previous fiscal year's capacity expansion, with the final third of the current fiscal year still to come.

The Indian cabinet has agreed to allow domestic coal exports given that the country's power plants have healthy coal stocks. Power plants will be

permitted to export up to 50% of their coal allocation and use coal flexibly across group companies.

INDONESIA

We reported last month that Indonesia's Finance Minister said the country will begin to impose export duties on coal starting in 2026. The minister has since said the Indonesia plans to impose a tax on coal exports of between 1% and 5% in 2026, amid a push to increase state revenues. Coal exports this year have been impacted by slower demand from major buyer China. Coal exports in the first ten months of 2025 were down 4% year-on-year at 320.47 million tonnes.

In a further development in late December, Indonesia's Energy and Resources Minister said the government will cut coal mining output quotas to support prices, without indicating the scale of quota cuts.

JAPAN

Japan is set to restart the Kashiwazaki-Kariwa nuclear power plant, the world's largest, following a regional approval vote. The plant has a total capacity of 8.2 GW. However, the restart plan aims to bring online one 1.36 GW unit in 2026 and another similar unit around 2030. Japan's new Prime Minister has backed nuclear restarts to strengthen energy security and to reduce the cost of imported fossil fuels.

ZIMBABWE

The Zimbabwe government has finalised and signed a deal with Jindal to add a 400 MW upgrade to its Hwange coal-fired power plant, according to the head of the state-owned power utility ZESA. The 15-year concession deal will see the additional capacity coming online within four years with rehabilitation work set to commence in the first quarter of 2026.

ALUMINIUM SECTOR DEVELOPMENTS

IAI

The International Aluminium Institute reported that global primary aluminium production in November rose 0.5% year-on-year to total 6.086 million tonnes, with 59.9% produced in China. Global production in the first 11 months of this year totalled 67.49 million tonnes, up 1.1% year-on-year.

The IAI also reported that global metallurgical-grade alumina production in November totalled 12.378 million tonnes, up 6.1% year-on-year, of which

61.4% was produced in China. Global metallurgical-grade alumina production in the first 11 months of 2025 totalled 132.228 million tonnes, up 5.1% year-on-year.

AUSTRALIA

Last month we reported that the Australian government is pushing forward with a multi-billion-dollar rescue plan to prevent the Tomago Aluminium smelter in New South Wales from shutting down when its electricity contract expires in 2028. On December 12, the Australian Prime Minister confirmed the government is working with the company and the New South Wales government to make sure there are long-term energy solutions to go forward beyond 2028. The deal, which has yet to be finalised, would involve securing a long-term, fixed-price energy supply for the smelter.

The Tasmanian Government reported on December 1 that Rio Tinto-owned Bell Bay Aluminium has signed an agreement with state-owned Hydro Tasmania for a 12-month power supply extension. The Minister for Energy and Renewables said the deal provides the time to work with the federal government on a long-term sustainable arrangement.

CAMEROON

Australia-based Canyon Resources has provided an update on development progress at its Minim-Martap bauxite project in northern Cameroon which is expected to produce high-grade bauxite over a period of 20 years. Construction of an ore haulage road to an inland rail facility is ongoing which is expected to provide an existing rail link to the port of Douala in the second quarter of 2026. Initial capacity on the route is targeted at two million tonnes/year with subsequent increases up to 15 million tonnes/year under review. Final tenders for bauxite transshipping are being assessed, and a contractor is due to be confirmed in the first quarter of 2026, with a maiden bauxite shipment to be made in June 2026.

CHINA

China's National Development and Reform Commission plans to tighten oversight of new alumina projects during its next five-year plan from 2026 to 2030 to curb "irrational investment and disorderly expansion". In the first 11 months of 2025, China produced 84.7 million tonnes of alumina, on track for record output in 2025.

Chinese customs reported that the country imported 15.11 million tonnes of bauxite in November, up 22.9% year-on-year. Bauxite imports in the first 11 months of 2025 totalled 186 million tonnes, a rise of 29.4% on the same period a year earlier.

The National Bureau of Statistics reported that China produced 3.79 million tonnes of primary aluminium in November, up 2.5% year-on-year. Production in the first 11 months of the year totalled 41.17 million tonnes, also up 2.5% year-on-year.

China's exports of refined aluminium and products in the first 11 months of 2025 have dropped 9.2% year-on-year to 5.59 million tonnes, constrained by aluminium production approaching the government's annual cap of 45 million tonnes and increased domestic demand from the manufacturing and energy sectors.

EU

Imports of aluminium into the EU could face higher costs than previously expected from January under the EU's Carbon Border Adjustment Mechanism. See comments under EU in Steel Sector Developments.

GUINEA

The Guinean government was reported to be in talks with Emirates Global Aluminium over a possible bauxite supply agreement that would see the company source bauxite from state-owned Nimba Mining. The latter took over EGA's mining assets after they were seized by the government in a row over a commitment to build an alumina refinery. A deal could also avert the legal action threatened by EGA over the seizure, after it has invested more than \$1 billion in developing 14 million tonnes/year of bauxite export capacity.

Last month we reported that Guinea's mines minister said the country aims to install five to six alumina refineries, boosting domestic processing capacity to about 7 million tonnes/year by 2030. This has been underlined by news of the official launch of construction of a new 1.2 million tonnes/year alumina refinery in Dobali by Winning Consortium Alumina Guinea.

Norden has signed a Guinean bauxite logistics contract with Africa Oil Supply commencing in early 2026. Under the agreement, Norden will transport bauxite from the Compagnie des Bauxites de Guinee jetty using Panamax bulk carriers. The cargo will then be transferred offshore onto Capesize ships using floating cranes for onward shipment to China.

INDIA

AM Green and Japan's Mitsui & Co have signed an agreement to explore investment options in Indian aluminium manufacturing. Separately, AM Green had signed a MoU with the Andhra Pradesh government in November 2025 to build a one million tonnes/year aluminium smelter and a two million tonnes/year alumina refinery, both powered by renewable energy.

Vedanta Aluminium said it has increased its Lanjigarh alumina refinery capacity to 5 million tonnes/year. This has boosted India's total alumina refining capacity to nearly 13 million tonnes/year.

State-owned National Aluminium Company is aiming to start its Pottangi bauxite mining operations in Odisha by June 2026 in line with expanding its integrated aluminium business. The company operates the 2.275 million tonnes/year Damananjodi alumina refinery where it is installing a fifth stream that will add 1 million tonnes/year of additional capacity.

INDONESIA

Indonesia is to auction in mid-December around 629,000 tonnes of bauxite stockpiles that were taken over by the government after mining licences expired and when it banned bauxite exports in mid-2023. The auction aims to boost state revenues by around \$12 million according to an energy ministry official.

MOZAMBIQUE

South32 said in mid-December that it will mothball its Mozel Aluminium smelter in Mozambique by March 2026 due to the failure to secure a new electricity supply deal. As we reported in October, South 32 was in discussions with the Mozambique government, Hidroelectrica de Cahora Bassa and Eskom to secure sufficient and affordable electricity for the smelter. The failure to reach a deal will see the smelter placed in care and maintenance at a one-off cost of \$60 million. The company added that it had not procured raw materials to sustain operations beyond March. Mozambique has been a key supplier of primary aluminium to the EU.

USA

The Novelis' Scriba aluminium plant suffered a third fire in late November. Last month we reported that a second fire had broken out at the plant on November 20. The hot mill was damaged in a September fire and was due to restart at the end of December. Novelis and Ford have now issued a further joint statement saying that the cold mill and heat treatment operations at the

Oswego, New York, plant are still running with no update on when the hot mill will restart. Ford now say that the fallout from the original fire could cost the company up to \$2 billion.

AGRICULTURE SECTOR DEVELOPMENTS

FAO

The FAO's World Food Price Index for November averaged 125.1 points, down 1.2 points from a revised October figure. The FAO's November Cereal Price Index turned around, increasing by 1.3% despite a comfortable supply outlook with good harvest prospects in Argentina and Australia. International wheat prices rose by 2.5% supported by potential Chinese interest in US supplies, continued hostilities in the Black Sea region and expectations of reduced plantings for next year's Russian harvest. International maize prices also rose, underpinned by firm demand for Brazilian supplies. The FAO All Rice Price Index declined again amid subdued import demand for Indica and fragrant rice varieties. Meanwhile, the FAO Sugar Price Index fell again, down 5.9% from October, driven by expectations of ample global sugar supplies and strong production trends in Brazil, India and Thailand.

The FAO revised its 2025/26 Cereal Supply and Demand Brief in early December. It now forecasts world cereal output to increase by 4.9% year-on-year to 3.003 billion tonnes, the first time ever to exceed three billion tonnes. Coarse grain and rice outputs are both expected to increase. World cereal trade in 2025/26 was also raised, up 3.3% year-on-year to total 500.6 million tonnes.

IGC

The International Grains Council did not publish a December update to its Grain Market Report.

USDA

The US Department of Agriculture's December forecasts for 2025/26 season export trade included an increase for US maize exports and cuts to Ukraine grain exports. Looking across all the principal commodities (wheat, coarse grains, rice, soyabeans, and soyabean meal), net changes to the 2025/26 season compared to November forecasts saw a fourth consecutive overall export trade increase, this time of 3.86 million tonnes, a rise of 0.48%. The global wheat outlook for 2025/26 is again for larger supplies, consumption,

trade and ending stocks. Wheat exports from Australia and Canada were both marked up by 1 million tonnes due to the strong pace of exports and bumper crops. Argentine wheat exports were raised by 0.5 million tonnes, again off the strong pace of exports and higher available supplies, but this was offset by a 0.5 million tonnes decrease in Ukrainian wheat exports. There was also a 2 million tonnes cut to Ukraine's coarse grain exports due to a smaller maize crop and increased competition for barley exports. However, this was more than offset by a 3.17 million tonnes increase in the estimate for US maize exports following record first quarter season grain inspections. There were only very small adjustments made to rice, soybean and soybean meal export forecasts.

The USDA also released its biannual report on sugar markets and trade in December. It expects global sugar production in 2025/26 to rise by 8.3 million tonnes year-on-year to total 189.3 million tonnes, with higher production in Brazil and India more than offsetting lower EU production. However, global sugar exports in 2025/26 are expected to fall by 4.6 million tonnes to 63.4 million tonnes.

AUSTRALIA

The Australian Bureau of Agricultural and Resource Economics and Sciences (ABARES) said in its December crop report that the country's winter crop production is forecast to increase by 10% to 66.3 million tonnes in 2025/26, 35% above the ten-year average and the second highest on record. Wheat production is expected to increase by 4% in 2025/26 to 35.6 million tonnes, 29% above the ten-year average while barley production is forecast to increase by 18% to a record 15.7 million tonnes, 33% above the ten-year average. Canola production is forecast to increase by 13% to 7.2 million tonnes. Summer crop production is estimated to fall by 15% to 4.4 million tonnes in 2025/26 with sorghum production down 4% to 2.6 million tonnes.

The Australian Sugar Manufacturers association has reduced its sugarcane crush in the current season to 29 million tonnes, well below recent highs of 34 million tonnes. The ASM added that sugarcane prices have declined to five-year lows with many mills operating at a loss and the campaign also started with floods that imposed additional challenges to the sector. The association also said the long-term viability of the Queensland sugar industry is at risk, unless the government acts to underpin a biofuels and bioenergy industry in the state.

BRAZIL

Brazilian customs data showed Brazilian soybean exports in November jumped 64% year-on-year to 4.2 million tonnes. Brazil's grain exporters' association Anec expects December shipments to be up around 90% from a year earlier at 2.8 million tonnes. This would see total exports in 2025 reach 110 million tonnes, up from 97.3 million tonnes in 2024. However, Anec has downgraded its 2025 maize export forecast by 1 million tonnes to 41 million tonnes, citing increasingly higher domestic demand. This revised total is still up on the 37.8 million tonnes exported in 2024.

Brazil's crop agency Conab has slightly trimmed again its soybean crop estimate to 177.124 million tonnes on a slight cut in planted area, but it is still a record crop up 3.3% from last year. Its forecast of maize production was slightly increased to 138.879 million tonnes, down 1.5% from last year.

CANADA

Statistics Canada's crop survey reported record harvests of wheat and canola for 2025. Total wheat production rose 11.2% from 2024 to about 40.0 million tonnes beating the prior record set in 2013 while canola production increased by 13.3% to 21.8 million tonnes surpassing the previous record set in 2017. However, soybean production in 2025 was down 10.2% at 6.8 million tonnes.

CHINA

China's soybean imports in November totalled 8.11 million tonnes, up 13.4% year-on-year, according to customs data. Market reports indicated that Chinese state-owned buyers continued taking US soybean cargoes into late December and that China has bought at least 8 million tonnes in 2025, putting it on track to meet its 12 million tonne soybeans import pledge by the end-February deadline.

The USDA's Foreign Agricultural Service expects China's sugar production to rise to 11.5 million tonnes in the 2025/26 season, up from 11.2 million tonnes in the previous season, driven by increased cane and beet acreage. China's sugar imports are forecast at 5.3 million tonnes in 2025/26, up from an estimate 5 million tonnes in 2024/25, supported by relatively low sugar prices.

EU

The European Commission has released its latest EU Agricultural Outlook report with projections for EU agricultural markets out to 2035. The report depicts continued productivity growth, albeit at a slower pace amidst challenges from climate change and availability and affordability of inputs.

Among its findings, the EU is projected to keep its self-sufficiency in cereals, meat and dairy. Despite a decrease in area, EU cereal production is expected to increase marginally, driven by improved wheat yields and demand-driven growth for oats. EU cereal exports are expected to remain competitive. Oilseed and pulse yields (including soybeans, sunflower seeds and rapeseed) are forecast to grow marginally over the outlook while cultivated areas are also expected to increase, resulting in higher production. Rapeseed production is projected to remain stable due to declining biofuel demand. While the EU remains a net importer of oilseeds and pulses, imports are set to decline by 2035.

INDIA

India's rice inventories totalled a record 57.57 million tonnes at the start of December, up nearly 12% from a year earlier, after state agencies boosted procurement of the new season's crop. The Rice Exporters Association expects Indian rice exports to rise to 22.5 million tonnes in 2025, up by nearly 25% on 2024.

India's sugar production in the 2025/26 marketing year, which began on October 1, is projected to rise 18% to 30.9 million tonnes even after diverting 3.4 million tonnes for ethanol production, according to India's food secretary. New Delhi has already approved sugar exports of 1.5 million tonnes in the current season. The government said it aims to shield sugarcane farmers from loss of income by managing surplus supplies through exports and diverting more sugar for ethanol production.

The Indian Sugar & Bio-Energy Manufacturers Association reported that mills have produced 4.1 million tonnes of sugar from the start of the new season on October 1 to the end of November, up 43% from last year. This was driven by better recovery rates and faster crushing across major producing states.

INDONESIA

Indonesia's food ministry was reported to be planning to import 3.1 million tonnes of sugar for industrial use in 2026. Separately, an additional import quota of just over 0.5 million tonnes of sugar is planned for industries that export their products.

The USDA's Foreign Agricultural Service expects Indonesia's wheat imports in the 2025/26 season to rebound to 12 million tonnes from 10.45 million tonnes a year earlier. The FAS also notes that Indonesia's government has stated that

it will not issue any authorisation for the Indonesian National Logistics Agency to import rice, other than specialist varieties, in 2025/26 due to ample domestic supply.

KAZAKHSTAN

The Ministry of Agriculture said that Kazakhstan's potential grain exports in the 2025/26 season are estimated at about 13 million tonnes, down slightly from the 13.4 million tonnes exported in the previous season.

MEXICO

Sugar production in Mexico is expected to rise 7% to 5.4 million tonnes in the 2025/26 season due to favourable seasonal rains and a recovery in planted area, according to the USDA's Foreign Agricultural Service. Consequently, sugar imports in 2025/26 are forecast to decline by 19% to 150,000 tonnes, with around half coming from the US.

PAKISTAN

The USDA's Foreign Agricultural Service has reduced its estimate of Pakistan's 2025/26 sugar production by more than 6% to 6.6 million tonnes due to crop losses from flooding, lower sucrose recovery and reduced sugarcane yields. Sugar imports in 2025/26 are currently estimated at 500,000 tonnes.

RUSSIA

The Russian government has approved a tariff quota on grain exports for the first half of 2026 which will be in effect from February 15 to June 30, 2026. Under the measure, exports of wheat, meslin, barley and maize outside the Eurasian Economic Union will be capped at a combined total of 20 million tonnes. The quota for rye exports has been set at zero.

The Russian Ministry of Agriculture has revised its grain harvest forecast for 2025, including "reunified territories", to 137 million tonnes with wheat accounting for 90 million tonnes. Oilseed crops are expected to total 31.7 million tonnes, with record totals for soybeans and rapeseed.

SAUDI ARABIA

Saudi Arabia's wheat imports in 2025/26 are expected to drop 10% to 3.1 million tonnes, according to a report by the USDA's Foreign Agricultural Service. However, barley imports are expected to jump from 1.9 million tonnes in 2024/25 to 4.2 million tonnes in 2025/26, supported by lower international prices. Imports of maize are forecast at 4.7 million tonnes in 2025/26, up from

3 million tonnes in the previous season, reflecting continued expansion of domestic poultry operations and feed processors.

THAILAND

Sugar cane farmers in Thailand are switching to cassava as sugar prices plunge and some farmers in the key growing area in the north-east battle white leaf disease, according to analyst Green Pool. While they say that sugar output in the 2025/26 season ending September may increase 6% year-on-year to 10.7 million tonnes, production could fall to 9.9 million tonnes in the following season.

UKRAINE

The USDA's Foreign Agricultural Service expects Ukraine's maize production in 2025/26 to increase 15% year-on-year to 31 million tonnes based on preliminary yield estimates due to more favourable weather conditions in the late summer and early autumn. Maize exports are expected to increase 25% to 25 million tonnes. Wheat production is projected at 22.8 million tonnes, similar to 2024/25.

USA

President Trump unveiled on December 8 a \$12 billion aid package for American farmers hurt by the fallout of his trade policies. It will be disbursed by the end of February, and payments will be calculated based on acres planted, production costs and other factors. According to the American Soybean Association, US soybean farmers expect to see their third consecutive year of losses in 2025. The association added that the federal aid will only address about one-quarter of soybean losses. The National Farmers Union said the support will serve as a lifeline for those trying to make it to next year, but it was not a long-term solution.

FERTILISER SECTOR DEVELOPMENTS

BELARUS

The US has granted limited sanctions relief to three Belarusian potash companies following the country's release of prisoners, including opposition figures. No details of US Treasury Department authorised transactions with state-owned Belaruskali, Belarusian Potash Company, and Agrorozkvit were released. A question mark remained over whether EU sanctions on exporting

potash from landlocked Belarus through EU ports would continue to be applied.

BRAZIL

The Mosaic Company announced that it has started to idle its single super phosphate (SSP) production in Brazil due to sharp increases in sulphur prices in 2025. The company said it had halted operations at its Fospar and Araxa facilities and suspended sulphur purchases.

CANADA

The premier of British Colombia has weighed in on Nutrien's provisional decision to build a new US export terminal in Longview, Washington, to meet rising demand for Saskatchewan potash which we reported on last month. He argued that shipping potash out of British Colombia would not only create new jobs in Canada but also reduce the risk that President Trump will impose tariffs on potash. The company had cited freight rail transportation bottlenecks in western Canada as a key reason for choosing Longview. Nutrien is expected to take a final investment decision in 2027.

ETHIOPIA

In addition to the story reported under NIGERIA, Dangote Fertiliser and Saipem have signed a Letter of Intent to award Saipem front end engineering design services for Dangote's new Ethiopian fertiliser complex in Gode being developed in partnership with Ethiopian Investment Holdings. The plant will have a urea production capacity of 3 million tonnes/year.

INDIA

Russia's PhosAgro said its fertiliser exports to India continued to rise sharply this year, accounting for more than a quarter of India's phosphorus-containing fertilisers. The company said it shipped more than 1.3 million tonnes of mineral fertilisers to India in 2024, nearly triple the volumes supplied in 2021. PhosAgro's shipments to Indian buyers reached 2.57 million tonnes in the first 11 months of 2025.

NIGERIA

Dangote Fertiliser has awarded contracts to Saipem for technology and basic engineering and design services in the construction six new urea plants, four in Nigeria and two in Ethiopia. Each plant will have a capacity of 4,235 tonnes/day, taking their combined urea production capacity to over 25,000 tonnes/day.

RUSSIA

Indian firms are expected to sign a deal with Uralchem group, Russia's leading potash and ammonium nitrate producer, to jointly set up a natural gas-fed urea plant in Russia with an annual capacity of 1.8 -2.0 million tonnes. India Potash and Rashtriya Chemicals and Fertilisers are each expected to take a 22.5% stake in the venture with National Fertilisers to take a 5% holding. This follows President Putin's recent visit to New Delhi.

FOREST PRODUCTS SECTOR DEVELOPMENTS

BELARUS

The Belarus Forestry Ministry said the country exported more than 1 million cubic metres of sawn timber in the first 11 months of 2025, exceeding the record set last year,

BRAZIL

According to the International Tropical Timber Organisation, Brazilian exports of wood-based products (excluding pulp and paper) totalled US\$257.3 million in October, down 2% year-on-year. Among main products, pine sawnwood export volumes increased 9% year-on-year to 207,700 cubic metres, while pine plywood export volumes fell 16% year-on-year to 142,800 cubic metres.

CANADA

West Fraser Timber said it plans to indefinitely curtail its oriented strand board mill in High Level, Alberta, in the spring of 2026 after consuming the mill's existing log supply. The decision was due to a significant weakening of OSB demand and is expected to reduce the company's capacity by 860 million square feet.

Statistics Canada reported that Canadian sawmills produced 3.845 million cubic metres of lumber in September, up 2.3% from August but down 2.7% year-on-year.

Domtar announced in early December that it will permanently close operations at its Crofton pulp facility in British Columbia. This will reduce the company's annual pulp production by around 380,000 tonnes of northern bleached softwood kraft pulp. The decision was attributed to persistently weak pulp pricing and limited access to affordable wood fibre. A later report indicated that the mill closure had been delayed to January 4.

CHINA

China's imports of logs and timber totalled 4.707 million cubic metres in November, up 0.5% year-on-year. This included log imports which reached 2.849 million cubic metres, up 0.2% year-on-year, and sawn timber imports which totalled 1.857 million cubic metres, up 1% year-on-year. Cumulative log and timber imports over the first 11 months of 2025 totalled 51.194 million cubic metres, down 11.2% year-on-year. Over the same period, the import values of log and timber imports amounted to \$10.29 billion, a drop of 14.2% year-on-year.

FINLAND

Finland's softwood lumber exports totalled 7.67 million cubic metres in the first ten months of 2025, up 27% from a year earlier, supported by strong demand in Egypt, Japan, the UK, China, Israel and Saudi Arabia.

Metsa Fibre said it would restart production at its Joutseno pulp mill in Finland on December 8, following a shutdown that began in June. However, the company warned that the market for softwood pulp remains uncertain and that it was preparing for significant curtailments at the mill during 2026.

Last month we reported that Metsa Fibre said it has launched negotiations on potential temporary layoffs of up to 90 days at its Finnish sawmills in Lappeenranta, Rauma, Renko and Vilppula. At the start of December, the company said talks had ended and, if necessary, it may implement temporary layoffs at the four sawmills from January 2026 through to the end of June 2026.

INDONESIA

Indonesia's forestry minister announced that the government would revoke 22 forestry permits that encompass more than one million hectares of land. The decision followed flash flooding and landslides that killed more than 1,000 people in Sumatra. There have been claims that forest loss had contributed to the disaster.

NEW ZEALAND

The Wood Processors and Manufacturers Association of New Zealand said the New Zealand-India Comprehensive Free Trade Agreement will immediately eliminate tariffs on more than 95% of New Zealand wood products exported to India. The WPMA Chief Executive said India is poised to become one of the world's largest wood consumers, with its wood products market projected to grow from \$1 billion in 2025 to \$1.47 billion by 2029.

POLAND

Poland's timber exports to non-EU countries in the first three quarters of 2025 fell by 47% year-on-year, according to the Ministry of Climate and Environment. Shipments to China dropped to around 251,000 cubic metres, roughly half the level recorded previously. These changes follow reforms introduced by State Forests in 2024 to prioritise domestic processing and curb exports outside the EU.

RUSSIA

Russia's Deputy Industry and Trade Minister was reported to have said that the country's forestry sector could face a deep contraction in 2026 as sanctions tighten, interest rates remain high and the ruble stays strong. Logging volumes are expected to hit a four-year low of 182 million cubic metres in 2025. A worse-case scenario pointed to a 20-30% drop in output in 2026. The ministry also expects production to continue declining in 2027 if geopolitical conditions worsen.

SWEDEN

The Swedish state forest owner Sveaskog said it is lowering timber and pulpwood prices across Sweden citing tough market conditions and profitability pressures on sawmills and pulp producers.

UKRAINE

Ukraine's Cabinet of Ministers has decided to extend restrictions on the export of timber until the end of 2026, including zero quotas on unprocessed wood and fuelwood. The Prime Minister noted that logging volumes have dropped sharply due to hostilities while woodworking enterprises face raw material shortages.

UNITED KINGDOM

Timber Development UK reported that total wood product imports in the first nine months of 2025 reached 7.01 million cubic metres, down 2.1% year-on-year. However, overall imports in the third quarter were only down 0.2% year-on-year, with higher volumes than in Q3 2024 across the softwood, hardwood, plywood, OSB and engineered wood product sectors.

USA

The National Association of Home Builders/ Wells Fargo Housing Market Index reported that builder confidence for newly built single-family homes rose 1 point in December to 39. However, sentiment has now remained in negative territory for 20 consecutive months as builders continued to be impacted by

rising material and labour costs, tariff and economic uncertainty and affordability concerns among potential buyers.

The USDA Foreign Agricultural Service reported that the US exported 830,469 tonnes of wood pellets in September, down 7.5% year-on-year. The UK was the largest destination, taking 73.7% of shipments in September. Wood pellet exports in the first nine months of 2025 reached 7.55 million tonnes, up 2.4% from the same period last year.

The US formerly implemented a 15% tariff on hardwood lumber imported from the EU in early December under the terms of the existing US-EU trade agreement.

CEMENT SECTOR DEVELOPMENTS

ARGENTINA

Argentina's cement consumption declined by 4.7% year-on-year to 829,432 tonnes in November, according to the national cement association AFCP. However, cement consumption in the first 11 months of 2025 reached 9.262 million tonnes, up 6% from a year earlier. Over the same period, cement production totalled 9.330 million tonnes, up 6.2% year-on-year.

BRAZIL

The National Cement Industry Union, SNIC, reported that cement sales in November totalled 5.5 million tonnes, up 4% year-on-year. Sales in the first 11 months of 2025 rose by 4% year-on-year to total 62.2 million tonnes. The President of SNIC said the progress of the Minha Casa, Minha Vida housing programme, continuous investments in infrastructure and the renewed commitment to the climate agenda will be decisive in sustaining demand next year.

COLOMBIA

Colombian cement dispatches in October increased by 9.8% year-on-year to 1.179 million tonnes, according to the country's statistical agency, DANE. Dispatches in the first ten months of 2025 rose 4.6% year-on-year to 10.556 million tonnes. Cement production over the same period rose 2.8% year-on-year to 11.466 million tonnes.

CONGO, DEMOCRATIC REPUBLIC

Cimenterie Kongo plans to invest \$300 million to expand its cement production capacity from 1.31 million tonnes/year to 2.91 million tonnes/year by 2027 by adding a fully integrated 1.6 million tonnes/year line. The company is a joint venture between Rawji Group and Lucky Cement and operates a cement plant in Songololo. Elsewhere in the DRC, China-based WIH Cement plans to raise its cement capacity to 2.2 million tonnes/year by 2027 while the Chinese consortium Avic-Conch is in partnership with the Congolese government to restart the National Cement plant in Kimpese.

EU

Imports of cement into the EU could face higher costs than previously expected from January under the EU's Carbon Border Adjustment Mechanism. See comments under EU in Steel Sector Developments.

INDIA

India's JSW Cement has unveiled a \$122 million investment plan aimed at expanding its cement production capacity from around 20 million tonnes/year to 41 million tonnes/year by 2028. This includes both greenfield and brownfield developments. Meanwhile, Jindal Cement is planning to quadruple its cement production capacity to 10 million tonnes/year over the next two to three years.

IRAN

Iran's Cement Industry Association said the country's cement production reached 31.7 million tonnes in the first six months of the current year (March 21-September 22), down 9% year-on-year. Exports in the same period totalled 6.9 million tonnes, up 7% from a year earlier.

KENYA

Bamburi Cement has signed an engineering, procurement and construction contract with China's CBMI Construction to build a new 1.6 million tonnes/year clinker plant in Kwale county, Kenya. The company said the facility will reduce the country's reliance on imported clinker.

MALAWI

Huaxin Building Materials Group and its subsidiary Portland Cement Malawi have commissioned an 800,000 tonnes/year integrated cement plant in Balaka. It is expected to reduce Malawi's dependence on imported cement and clinker.

MALAYSIA

Cahya Mata Sarawak has started construction of its Mambong Clinker Line 2 project which will increase clinker output from 0.9 to 1.9 million tonnes/year with operations scheduled to begin in mid-2027.

MOROCCO

Cement deliveries in Morocco reached 13.71 million tonnes in the first 11 months of 2025, up 10.6% year-on-year, according to the housing and planning ministry.

PAKISTAN

According to the All-Pakistan Cement Manufacturers Association, domestic sales of cement increased 2.23% year-on-year in November to 3.549 million tonnes, reflecting a mild recovery in construction activities. Cement exports in the month fell sharply by 26.5% year-on-year to 590,183 tonnes due to the closure of borders with Afghanistan.

SOUTH KOREA

The Korea Cement Association expects cement exports to reach 4.5 million tonnes in 2025, up 52% year-on-year, as producers seek to offset weak domestic demand and rising raw material costs. Domestic shipments in 2025 are projected to fall 16.5% to 36.5 million tonnes, the lowest level in 34 years. Demand in 2026 is expected to fall further to 36 million tonnes due to continuing stagnation in the domestic construction sector.

TANZANIA

Mbeya Cement has signed an engineering, procurement and construction contract with China's Sinoma International for two new clinker production lines in Tanzania, one at an existing plant in Mbeya and the other as a new facility in the Tanga region. The expansion is expected to raise the company's annual cement production capacity from 1.1 million tonnes to 4.2 million tonnes and take two to three years to complete.

USA

Amrize announced the commissioning of a 600,000 tonnes/year expansion at its flagship Ste Genevieve, Missouri, cement plant, taking total capacity to 5.0 million tonnes/year. The company added that the facility is the largest cement plant in North America.

VIET NAM

The Viet Nam National Cement Association reported that cement dispatches increased by 8% year-on-year in November to total 6.930 million tonnes. Cement exports in the same month jumped 71% year-on-year to 3.744 million tonnes while clinker exports rose 205% year-on-year to 1.712 million tonnes. Over the first 11 months of 2025, cement dispatches rose 14% year-on-year to 68.614 million tonnes, while over the same period cement exports increased 7% year-on-year to 19.883 million tonnes and clinker exports climbed 54% year-on-year to 13.771 million tonnes.

OTHER INDUSTRIAL MINERAL DEVELOPMENTS

ICSG

The International Copper Study Group reported that preliminary data indicated that world **copper** mine production increased by 1.2% over the first ten months of 2025 to 19.137 million tonnes of copper content. World primary refined copper production grew by 3.9% over the same period to 19.592 million tonnes while world apparent refined copper usage, including secondary production, rose by 4.9% to 23.612 million tonnes. The ICSG analysis of the world's refined copper balance indicated an apparent surplus of 122,000 tonnes over the months of January to October.

IEA

The International Energy Agency has warned that **copper** is heading towards a supply shortage that could reach 30% by 2035 making the commodity one of the most vulnerable links in global supply chains supporting energy transition and AI development. This fragility is exacerbated by China's overwhelming dominance of the **critical minerals** sector, with market concentration deepening rather than easing. Removing China from supply calculations leaves the rest of the world able to meet only half of its own demand for battery metals and rare earths.

ANGOLA

The US International Development Finance Corporation has signed a \$553 million loan to a consortium of companies to refurbish the Angolan Lobito Corridor railway which will be extended with new rail lines to connect **copper** mines in Zambia and **cobalt** mines in the Democratic Republic of Congo to the Angolan port of Lobito on the Atlantic Coast. The annual capacity of the

existing Lobito Atlantic Railway will be expanded tenfold to 4.6 million tonnes. The move is focused on countering Chinese influence in Africa and its revival of the Tanzania-Zambia railway, in particular. As we reported last month, China has signed a \$1.4 billion agreement with Zambia and Tanzania to modernise the TAZARA railway linking landlocked **copper**-rich Zambia to the Indian Ocean.

CHILE

Chilean state-owned copper producer Codelco has signed a MoU with Glencore to advance plans for a new **copper** smelter in the Antofagasta region. The plant is expected to have the capacity to process 1.5 million tonnes of copper concentrate/year. Codelco will negotiate a long-term concentrate supply contract of up to 800,000 tonnes/year for at least ten years with an option to extend for another decade. Construction is targeted to start in 2030 for commissioning between 2032 and 2033.

CHINA

China's National Development and Reform Commission plans to tighten oversight of new **copper** projects during its next five-year plan from 2026 to 2030 to curb "irrational investment and disorderly expansion". In the first 11 months of 2025, China produced 13.3 million tonnes of refined copper, up 9.8% year-on-year.

CONGO, DEMOCRATIC REPUBLIC

Canada's Ivanhoe Mines confirmed the start of the heat-up of the 500,000 tonnes/year **copper** smelter at its joint venture Kamo-a-Kakula complex in the DRC, with the first feed of concentrate expected by year-end. Separately, Ivanhoe has set copper production guidance at between 380,000 tonnes and 420,000 tonnes for 2026 and at between 500,000 tonnes and 540,000 tonnes for 2027.

INDONESIA

The Indonesian government is proposing a 34% reduction in **nickel** production in 2026 to keep prices from declining further, according to the Indonesian Nickel Miners Association.

IVORY COAST

Kodal Minerals announced its maiden shipment of 28,950 tonnes of lithium **spodumene** concentrate from the port of San Pedro in the Ivory Coast, destined for China. The concentrate was hauled 800 km by road from the Bougouni Lithium Project in Southern Mali.

SOUTH AFRICA

Glencore-Merafe Chrome Venture announced in early December that an electricity tariff proposal by South Africa's state-owned power utility Eskom is supporting the continued operation of the Lion ferrochrome smelter in Limpopo province. However, a viable tariff solution has still not been found for the Wonderkop and Boshhoek ferrochrome smelters, both of which will be placed on care and maintenance from January 1 if no suitable agreement can be reached. Glencore Alloys produces **chrome ore** but says it is currently getting most value by exporting chrome ore rather than adding value by beneficiating it into ferrochrome product.

Transalloys, which operates South Africa's last functioning **manganese** smelter, said at the end of December that it may have to close the plant due to soaring electricity costs. The company's CEO added that the business has been loss-making for about three years.

USA

Korea Zinc announced a \$7.4 billion project to build a **zinc** smelter and critical minerals processing facility in Tennessee. It will begin commercial operations in phases starting in 2029. The company said that the US Department of War will hold a 40% stake in the venture, while Korea Zinc's holding will be less than 10%.