DRY BULK MARKET INSIGHTS

August 2026

Latest commodity and trade developments

Contents

TRADE WAR NEWS

EARLY JULY

At the beginning of July, as widely expected, the Trump administration announced its decision not to extend the US-Mexico-Canada Agreement triggering a decade-long wind down of the free trade pact that has been in effect for 32 years.

President Trump said on July 8 at the NATO summit that he had ordered his Treasury Secretary to cut off all trade with Spain accusing Madrid as a “terrible partner” in NATO. Spain responded by saying EU customs rules bar singling out individual member states.

MID-JULY

The US Treasury Department reported that growing refunds from President Trump’s tariffs, ruled illegal by the US Supreme Court, had pushed the June federal budget deficit to $120 billion compared to a $27 billion surplus a year earlier.

The US imposed 25% tariffs on a multitude of Brazilian products on July 15 which the US Trade Representative justified on the grounds of unfair trade practices. Brazilian President Liula accused the Trump administration of using tariffs to interfere in Brazil’s October presidential elections in which he is running against the son of Trump ally and former President Jair Bolsonaro.

LATE JULY

On July 20 President Trump announced 50% tariffs on a wide range of imports from Canada in response to claimed discriminatory treatment of American-made cars, alcohol and dairy goods. In a new tactic, the US administration invoked Section 338 of the Tariff Act of 1930 which allows the president to impose punitive tariffs up to 50% against trading partners deemed to have discriminated against US goods.

The Trump administration imposed new import tariffs ranging from 10% to 12.5% on 60 countries that account for most US imports with effect from July 24. These tariffs effectively replace the temporary 10% global duty imposed in February after the US Supreme Court ruled that previous tariffs were illegal. The new measures fall under Section 301 of the Trade Act of 1975 which was intended to address unfair trade practices. The Office of the US Trade Representative said the new tariffs were imposed after an investigation which found the countries had failed to prohibit the importation of goods produced with forced labour. However arbitrary or farfetched the claims, the legal mechanism used is considered more robust against challenges. The USTR added that there would be exemptions such as when tariffs lead to a shortage of materials or items cannot be produced in sufficient quantity or at a reasonable price domestically. The US has a second investigation running looking into excess capacity which looks set to impose additional tariffs.

ECONOMIC NEWS

IMF

The IMF released its World Economic Outlook Update on July 8, and global growth is now projected at 3.0% in 2026 and 3.4% in 2027, compared to 3.1% and 3.2% in its April outlook. The report highlights that the outlook is uneven. The war shock is weighing on energy importers and vulnerable economies, while AI-driven demand is lifting countries integrated into the global technology value chain. Risks to the forecasts are now more balanced, but downside risks from renewed conflict and financial market repricing persist.

OECD

Year-on-year inflation in the OECD as measured by the Consumer Price Index rose further to 4.6% in May, up from 4.4% in April. OECD energy inflation reached 15.8% year-on-year in May compared to 13.2 % in April.

UNCTAD

In its latest global trade update, UNCTAD estimates that global goods trade has reached approximately $13.7 trillion in the first half of 2026, up 12.5% year-on-year, while services trade grew by 10.5%. However, a significant share of the increase reflects higher prices rather than stronger trade volumes. Disruptions to shipping due to the Middle East war, together with concerns over energy supplies, raised energy, transport, logistics and production costs. Prices of traded goods increased by about 3.6% in the first quarter and by an estimated 5% in the second quarter.

UNCTAD has released its World Investment Report 2026 which states that global foreign direct investment showed resilience in 2025 rising by 6% to $1.6 trillion, despite geopolitical tensions, trade policy uncertainty and high financing costs. Excluding the conduit flows through major European financial centres, global FDI increased by 4% after two consecutive years of decline. The report also notes that the outlook for FDI in 2026 is highly uncertain, with significant downside risks.

WORLD BANK

The chief economist of the World Bank warned on July 21 that escalating hostilities between the US and Iran could reignite inflation, drive interest rates higher and knock back global growth this year to as low as 1.3%, down from 2.9% last year, based on modelling carried out for the bank's June Global Economic Prospects report (see last month's issue). He also noted that prolonged fighting and damage to the region's oil infrastructure would also deepen food insecurity by disrupting shipments of fertiliser, helium and sulphur needed in agriculture, setting off a chain of secondary effects that could include higher interest rates.

WTO

The WTO reported that the seasonally adjusted volume of world merchandise trade in the first quarter of 2026 was resilient, growing by 1.9% compared to the previous quarter and by 3.2% compared to the same quarter in the previous year according to recent WTO/UNCTAD data. This was impressive given the war in the Middle East and considering that trade in the first quarter of 2025 was boosted by the frontloading of imports in North America ahead of expected tariff hikes.

LOGISTICS NEWS

CHINA PORT CONGESTION

The arrival of Typhoon Bavi on July 11 has caused major port shutdowns across eastern China and Taiwan with shipping delays of three to seven days expected. At the end of July, Super Typhoon Dolphin was heading into the same corridor as Typhoon Bavi, an area that was still facing continuing disruption with dry bulk anchorage queues

MIDDLE EAST WAR

At the start of July, the US and Iran concluded a round of talks in Doha which produced little sign of progress towards a solid peace deal.

After another exchange of strikes between the US and Iran, President Trump declared the interim MoU deal with Iran to be "over" during his attendance at a NATO summit on July 8. Meanwhile, Iran said parts of the ceasefire deal had been rendered unworkable including interference in Iran's arrangements for clearing passage in the Strait of Hormuz. Separately, Iran has been accused of having a mining strategy intended to channel commercial shipping to use sea lanes near its shores making it easier to control traffic and collect tolls.

A pattern of escalating tit-for-tat air strikes between the US and Iran continued into mid-July following another Iranian strike on a ship passing through the Strait of Hormuz. On July 13 President Trump said the US would probably take over and run the Strait and should be reimbursed for controlling the vital waterway adding that the US will charge a 20% tariff on each cargo transiting the Strait, a policy he backed off from on the following day. The President also announced the US will reimpose the blockade on ship traffic to and from Iranian ports from July 14. Another round of mutual strikes left two tankers damaged, and one crew member killed and eight others injured.

Going into late July, the US and Iran continued to attack each other daily with the Joint Maritime Information Centre reporting 14 Iranian attacks on commercial vessels since June 25. Over the last weekend in July, President Trump paused attacks on Iran after a two-week bombing campaign with Iran still claiming control of the Strait of Hormuz.

On July 28 it was reported that Oman had received the backing of Gulf states for a plan that would allow Tehran to manage the Strait of Hormuz alongside Oman and to collect voluntary fees from ships transiting the Strait. The envisioned fee collection process was said to be analogous to the system in the Strait of Malacca whereby Malaysia, Indonesia and Singapore ask ships to pay a voluntary fee to fund navigation, environmental protection and search and rescue operations. However, on the next day came news that the US and Iran had resumed attacks, with Iran rejecting the Omani proposal and insisting on having full control of the Strait.

It was reported on July 30 that an apparent drone strike hit a floating storage and regasification unit and an LNG carrier at Egypt's Damietta terminal in the Mediterranean widening the maritime footprint of the conflict.

PANAMA CANAL

Last month we reported on a spike in Panamanian-flagged vessels detained during port state control inspections at Chinese ports as part of an ongoing dispute between Panama and China over the cancellation in February of Panama Canal port management contracts held by a subsidiary of Hong Kong’s CK Hutchinson. In early July the US Federal Maritime Commission chairperson said she was concerned over China's "weaponizing" of port state control inspections and warned that the agency could launch a probe that may lead to remedial measures against Chinese-controlled ships in US trades, risking a further jump in port delays. However, at the end of July China's detention of Panama-flagged ships was reported to have fallen sharply following negotiations between the two countries.

The Panam Canal Authority took defensive steps in its water management in early July by announcing that it will reduce its maximum authorised draught at its Neopanamax locks to 14.94m from July 24 with a further reduction to 14.78m from August 15. The PCA said it will continue to monitor water levels in Gatun Lake and is looking to mitigate the potential adverse impact of El Nino weather patterns on canal operations. Later in the month the PCA was reported to be trimming daily transit booking capacity.

RED SEA/SUEZ CANAL

On July 20, the Houthis in Yemen announced they will begin targeting ships that call in Saudi Arabian ports implying a resurgence of attacks on ships in the Bab el Mandeb Strait at the entrance to the Res Sea. Two days later, the Yemeni Armed Forces claimed to have struck two Saudi tankers in the Red Sea.

In late July the Houthis were reported to be considering charging commercial ships to pass through the Bab el Mandeb Strait, although no details were forthcoming.

UKRAINE WAR

Commercial shipping in the Black Sea region has been on the receiving end of both Ukrainian and Russian attacks, culminating with the Golden Leo, sailing with a grain cargo from Odessa, being hit by Russian missiles reportedly leaving 10 sailors dead. In late July a Turkish-owned general cargo ship was seriously damaged in the Black Sea after being struck by three Russian drones while carrying a cargo of maize from Chornomorsk.

STEEL SECTOR DEVELOPMENTS

WSA

The latest June 2026 crude steel production data from the World Steel Association had global output across 70 reporting countries at 155.7 million tonnes, an increase of 1.7% year-on-year. Chinese output for the month was estimated at 83.7 million tonnes, up 0.4% compared to a year earlier. Outside

China, other major producers that recorded year-on-year increases in June included Viet Nam (+27.5%), Turkey (+14.7%), the EU (+4.6%), India (+4.5%), the US (+3.5%), Japan (+1.3%) and Brazil (+0.1%). There were year-on-year production losses in Russia (-3.4%) and South Korea (-0.9%). The WSA reported Chinese crude steel output in the first six months of 2026 at 500.0 million tonnes, down 3.0% year-on-year. India's output over the same period totalled 87.0 million tonnes, up 7.1% year-on-year, while EU production totalled 65.4 million tonnes, down 0.3% year-on-year.

AUSTRALIA

Around 250 of the 450 staff at BHP's Port Hedland Bulk Export Terminal were set to strike for eight hours on July 16 in an ongoing wages dispute that threatens to disrupt the company's iron ore shipments. BHP subsequently reported that as little as a third of the union members stopped work in the Pilbara's first strike action in more than 25 years. At the end of July unions representing workers at BHP's Port Hedland iron ore operations said they will impose a 24-hour ban on loading ships on August 8, followed by a 24-hour work stoppage beginning at 5.30am on August 9. The strike action will procced if further talks scheduled in early August fail to produce an agreement.

Last month we reported that China Mineral Resources Group, the country's state iron ore buyer, has told some domestic steelmakers not to engage in discussions with Australia's Fortescue about a new iron ore product as the two parties engaged in talks over a new term contract. At the start of July CMRG was said to have notified some mills that from July 15 they must not take delivery of portside cargoes of Fortescue Super Special Fines and Fortune Fines. CMRG used similar tactics during protracted price negotiations with BHP that concluded earlier this year.

Greensteel Australia announced that its planned 600,000 tonnes/year steel plant is to be built at the site of the old BHP Newcastle Steelworks in Mayfield. The plant is expected to be operational by early 2028 using hydrogen-fuelled direct reduced iron and electric arc furnace technology.

BRAZIL

Brazilian miner Vale reported second quarter 2026 iron ore output of 84.3 million tonnes, up 0.8% year-on-year and the largest second quarter production since 2018. The company maintained its 2026 production guidance of between 335 and 345 million tonnes.

CHINA

China's crude steel production in June totalled 83.67 million tonnes, down 0.4% year-on-year and down slightly on May's 84.36 million tonnes albeit up slightly on an average daily tonnage basis.

China's iron ore imports in June rose 15% from May to a six-month high of 112.69, up 6.4% year-on-year, according to customs data. First-half 2026 iron ore imports totalled 628.9 million tonnes, an increase of 6.3% year-on-year. Finished steel exports remained firm at 10.3 million tonnes in June, up 6.6% year-on-year, although the first-half total of 54.9 million tonnes was down 5.6% on the record pace of a year earlier.

China's coke exports reached 770,000 tonnes in June, an increase of 51.4% year-on-year, taking first-half exports to 4.0 million tonnes, up 14.4% year-on-year, as weak domestic demand pushed surplus coke into export markets.

EU

The European Commission launched a targeted consultation at the end of July inviting stakeholders to submit views on which additional steel products should be brought within the EU Steel Regulation scope. The Commission will assess the potential inclusion of cast iron pipes, tubes and hollow profiles, non-alloy and other alloy wire, stainless steel wire, and non-alloy and other alloy forged bars within the regulation that came into force at the start of July. Under the regulation, a duty-free import quota of 18.3 million tonnes was introduced, while imports exceeding the quota are subject to a 50% customs duty.

FRANCE

GravitHy has filed building permit and environmental authorisation applications for its planned 2 million tonnes/year hot-briquetted iron plant in Fos-sur-Mer. The hydrogen-based project aims to supply low-carbon feedstock for electric arc furnaces. The company said the filings are important steps ahead of a final investment decision.

GERMANY

German steelmaker Salzgitter signed a contract in late July with Tenova for the engineering, delivery, and installation of a 2.5 million tonnes/year electric arc furnace at its Duisburg steelworks for scheduled completion in 2029.

Germany's crude steel production in June increased by 9.5% year-on-year to 2.93 million tonnes according to the German Steel Federation, WV Stahl.

Output in the first half of 2026 totalled 18.63 million tonnes, up 8.9% from the same period a year earlier. The CEO pf WV Stahl commented that the increase in steel production mainly reflected a technical rebound, including inventory replenishment, rather than a genuine recovery in steel demand.

Germany launched a nationwide information system in mid-July to monitor water levels across the country aiming to better manage water resources. This comes as drought along the River Rhine has already caused ThyssenKrupp to cut steel production due to the disruption to cargo transport.

GUINEA

China Merchants Energy Shipping said it will sign a 25-year deal to haul iron ore from Guinea's Simandou mine. The state-controlled shipowner had previously ordered six 343,999 dwt Very Large Ore Carriers at China Merchants Shipbuilding Industry Group for delivery in 2029/30.

INDIA

The Ministry of Steel said in early July that provisional data showed India's steel consumption grew 8.3% year-on-year to 41.6 million tonnes in the April - June quarter. Steel production in the second quarter of 2026 rose 3% year-on-year to 42.1 million tonnes, while June output increased 3.9% to 14.1 million tonnes.

INDONESIA

State-run Steel Authority of India (SAIL) and Indonesia's Krakatau Steel are planning to invest up to $350 million in a 500,000 tonnes/year stainless steel slab plant in Indonesia which is expected to begin operations within three to four years. SAIL will take the entire output of the facility importing the slabs to its Salem plant in Tamil Nadu for further processing.

ITALY

Flacks Group has revised its bid to acquire troubled Italian steelmaker Acciaierie d'Italia (ADI) and plans to establish a new company named Flacksider, ceo Michael Flacks confirmed along with hopes that the Italian government would take a stake. The new entity aims to guarantee production continuity at the Taranto steelworks and build a direct reduced iron facility to feed new electric arc furnaces and gradually phase out existing blast furnaces. Flacks rival Jindal Steel is said to be in advanced talks with the Italian government for leasing ADI.

ADI faced another setback late in July when the Milan Court of Appeal ruled that it must shut down the hot section of its Taranto steel plant within 90 days. The court said operations could only resume once all asbestos present at the site had been completely removed.

The Italian steel producers' association Federaccial reported that the country produced 1.9 million tonnes of crude steel in June, up 6.1% year-on-year. Output in the first half of 2026 totalled 11.5 million tonnes, up 3.5% year-on-year, supported by an acceleration in production in the second quarter.

JAPAN

Japan has imposed steep provisional anti-dumping duties on hot-rolled stainless steel from China and Taiwan. Chinese companies face duties ranging from 40.2% to 57.8% while Taiwanese suppliers face duties between 52.3% and 64.8%.

NETHERLANDS

Dutch prosecutors announced on July 8 that they had launched a criminal case against the Netherlands subsidiary of Tata Steel for "intentionally" polluting the environment from its Ijmuiden steelworks. The first hearings are expected in November.

SOUTH AFRICA

Kumbla Iron Ore has maintained its 2026 iron ore production guidance at between 35 million and 37 million tonnes, despite production in the first half of the year falling 3% year-on-year to 17.7 million tonnes.

UNITED KINGDOM

An act of Parliament in mid-July took British Steel into public ownership. The company had been owned by China's Jingye Steel, but the government stepped in during April last year to take control of the Scunthorpe works to prevent a closure of the site. The government said the decision to nationalise British Steel was to protect the future of steelmaking in the UK which was vital for the national interest.

USA

New metallurgical coal producer Clinch has sold its first 11,000 tonne train shipment of commercial-grade met coal from its Lanes Branch surface mine in Wyoming. The company expects to make its first seaborne shipment in early September loading a cargo of around 65,000 tonnes. The company is ramping up production to 40,000 tonnes/month and expects to hit 80,000 tonnes/month by the end of the year. Clinch is marketing its met coal in the US and internationally.

POWER COAL SECTOR DEVELOPMENTS

IEA

The IEA said on July 23 that global coal-fired power generation would rise 1.4% in 2026, after remaining roughly flat in 2025. The blockage of the Strait of Hormuz since March disrupted global LNG flows - about 20% of which transit the waterway - and pushed energy prices some 30% above first-half 2025 levels, triggering gas-to-coal switching. The agency also raised its global electricity demand growth forecasts to 3.6% in 2026 and 3.8% in 2027, with coal demand growth concentrated in seaborne-importing Asian markets.

CHINA

China's coal imports in June jumped 29% year-on-year to 42.78 million tonnes, according to customs data. Coal imports in the first half of the year rose 1.7% year-on-year to 225.4 million tonnes. Meanwhile, China's coal production fell 9.7% year-on-year in June to 380.88 million tonnes, impacted by safety inspections that followed on from the major mine accident in Shanxi province in May.

China generated 49.7% of its electricity from coal in the first six months of 2026, the first time it has fallen below half. Renewable energy's share of the nix grew to 41.2% with natural gas and nuclear making up the difference.

INDIA

India's power ministry said on July 20 that the country's coal-fired power plants have sufficient coal stocks to run for about two weeks at higher operating rates, easing concerns about fuel shortages amid rising electricity demand and below-average monsoon rainfall. Coal stocks at power plants totalled 42.8 million tonnes as of July 12.

Grid-India data showed the country's coal-fired generation in June surged by 14% year-on-year to 120.20 billion kilowatt hours, the highest output since November 2023 amid an extended heatwave and below-average monsoon rainfall.

India's Ministry of Coal reported that the country's total coal imports in April fell nearly 13% year-on-year to 21.13 million tonnes. Imports of thermal coal for the power sector during the month dropped 24.9% from a year earlier to total 3.51 million tonnes.

JAPAN

Data from Japan's major utilities showed the country has sharply reduced natural-gas-fired power generation in June while relying more on coal, following disruption to Middle East LNG supplies. Japan produced around 17.2 terawatt hours of electricity in the month with gas usage down 16% from last year while coal generation rose by 4.6% year-on-year.

MALAYSIA

Malaysia's Deputy Prime Minister said the government plans to repurpose sites of retiring coal-fired power plants into renewable energy hubs. He added that Malaysia remains committed to its target of not building any new coal-fired power plants and transitioning away from coal-fired electricity generation by 2044.

SOUTH AFRICA

Richards Bay Coal Terminal said it expected to export 60 million tonnes in 2026, roughly 10% above 2025's 56.5 million tonnes, and potentially close to 62 million tonnes if Transnet sustains recent railage rates. The terminal had shipped just over 30 million tonnes by end-June, in line with the full-year forecast, despite a June derailment that cost about 700,000 tonnes of exports.

TANZANIA

Nigeria's Dangote announced plans to build a 2,000 MW coal-fired power plant and several other large-scale infrastructure projects in Tanzania following talks with the country's President Hassan.

USA

The International Energy Agency has forecast that US spending on power plants fuelled by coal and gas will reach $50 billion this year, more than China for the first time in decades.

The US Energy Information Administration continues to expect US power use to hit record highs in 2026 and 2027 as AI use surges. Its latest Short-Term Energy Outlook forecasts the country's electricity power consumption will increase from 4,195 billion kilowatt-hours in 2025 to 4,269 kWh in 2026 and to 4,399 kWh in 2027. The share of coal-fired generation is expected to decline from 17% in 2025 to 15% in 2026 and 2027.

VIET NAM

Viet Nam's government said in early July that it is considering building more coal-fired power plants to meet its energy needs, as the Middle East war further complicates its slow development of LNG facilities. Under its existing plan Viet Nam is aiming for total installed capacity of 183 to 236 GW by 2030, with coal-fired power plants accounting for 13.1% to 16.9% of the mix, and LNG-based units providing 9.5% to 12.3%. According to state utility EVN, electricity production in the first half of 2026 rose 9.8% year-on-year to 171.5 billion kilowatt hours, with coal-fired plants accounting for 54.5% of the output.

ALUMINIUM SECTOR DEVELOPMENTS

ALCOA/SOUTH32

Alcoa has announced it has entered into a definitive agreement to acquire aluminium-linked assets of South32 for an upfront $4.1 billion. This includes the Hillside Aluminium smelter and the idled Bayside smelter in South Africa, its interests in the Boddington bauxite mine and the Worsley aluminium refinery in Western Australia and the Mineracao Rio do Norte bauxite mine and the Alumar alumina refinery and aluminium smelter in Brazil. Not included in the deal is Suth32's Mozal Aluminium operations in Mozambique, currently under care and maintenance only.

IAI

The International Aluminium Institute reported that global primary aluminium production in June decreased 1.5% year-on-year to total 5.980 million tonnes, with 62.1% produced in China. The Middle East war resulted in production under the Gulf Cooperation Council falling to 332,000 tonnes, down 34.5% year-on-year. Global production in the first six months of this year totalled 36.42 million tonnes, down 0.2% from a year earlier.

The IAI also reported that global metallurgical-grade alumina production in June totalled 11.775 million tonnes, up 0.5% year-on-year. Global metallurgical-grade alumina production in the first six months of 2026 totalled 70.242 million tonnes, down just 0.04% year-on-year.

AUSTRALIA

Rio Tinto is still negotiating a new renewable power supply agreement for its Bell Bay aluminium smelter in Tasmania with state-owned Hydo Tasmania. The current contract expires at the ends of this year, and Rio Tinto has set the end of August as the deadline to reach a new deal before considering closure of the plant.

CAMEROON

Australia-based Canyon Resources has taken delivery of the first locomotives for its Minim-Martap bauxite project in northern Cameroon. The initial rail fleet will comprise seven locomotives and 160 wagons giving the company capacity to transport 35,000 tonnes/month. The first bauxite export shipment is targeted in the fourth quarter of 2026. Canyon Resources has also signed a rail operations agreement with Camrail to transport its bauxite.

CHINA

China imported 20.32 million tonnes of bauxite in June according to customs data, down 11.8% month-on-month but up 12.2% year-on-year. In the first half of 2026 bauxite imports reached121.08 million tonnes, up 17.1% from the same period a year earlier. Bauxite imports from Guinea in June totalled15.84 million tonnes, down19.2% month-on-month.

China exported a record 711,000 tonnes of unwrought aluminium and downstream products in June, up 12.5% from May according to customs data. Exports in the first six months of this year totalled 3.4 million tonnes, an increase of 16.3% year-on-year.

GUINEA

Guinea’s mine ministry reported that the country exported 114.8 million tonnes of bauxite in the first six months of 2026, up from 99.8 million tonnes a year earlier.

INDIA

Hindalco plans to expand its Kansarguda alumina refinery in Odisha raising capacity from 1 million to 3 million tonnes/year with an additional investment of around US$ 1.2 billion.

National Aluminium Company (NALCO) plans to expand its Angul smelter in Odisha by 500,000 tonnes/year with commissioning planned for early 2030. The company has also signed a joint venture agreement with NLC India to supply an additional 800 MW of assured captive power.

Abu Dhabi’s International Holding Company plans to invest $11.5 billion in an integrated aluminium project in India’s Odisha state through a joint venture with Adani Group. Under a MoU each party will hold a 50% stake in the venture which will include a 4 million tonnes/year alumina plant, a 2 million tonnes/year aluminium smelter, a captive power plant and a downstream aluminium manufacturing park.

INDONESIA

Indonesian officials were calling for cooperation in late July between government agencies, law enforcement and industry to resolve a regulatory gap that has reportedly delayed exports of alumina and nickel products over their rare earth content.

IRELAND

An Irish government probe into the Aughinish Alumina refinery, owned by Russia's Rusal, has found no "concrete or definitive" evidence its exports of alumina to Russia was indirectly supporting the country's defence sector amid the ongoing war in Ukraine. The Irish Prime Minister said the investigation is almost complete and would be shared with the European Commission when finalised. In late July the European Commission said it was reviewing the findings.

SLOVAKIA

Last month we reported that Slovakia's Prime Minister said in mid-June that Slovakia Aluminium is in the final stages of preparations to restart aluminium production at the 175,000 tonnes/year Ziar nad Hronom smelter. At the start of July Norsk Hydro said it had struck a deal with the Slovak government to partially restart production after a four-year shutdown under terms that include a long-term power supply contract. The plan aims to restart 75,000 tonnes/year of smelting capacity starting in the fourth quarter of 2026. Norsk Hydro added that restarting the remaining 100,000 tonnes/year capacity would depend on conditions beyond 2030 and additional power contracts.

UAE

Emirates Global Aluminium said on July 2 that it was restoring production sooner than expected at its Al Taweelah aluminium complex, which was damaged by Iranian missile strikes in March. EGA reported that 89 of its 1,262 reduction cells have already restarted. The first production at the Al Taweelah alumina refinery was reported on July 10, with the pace of ramp up dependent on bauxite supply chains.

USA

Century Aluminium has restored its Mt Holly aluminium smelter back to full capacity boosting annual production by about 50,000 tonnes.

President Trump signed a proclamation on July 20 offering to cut 50% aluminium import tariffs in half for certain quantities if companies commit to invest in US domestic production and begin construction by Jan 20, 2029. This is a similar proposal to one created by the Commerce Department this year for steel and aluminium producers based in Canada and Mexico.

VIET NAM

China Nonferrous Metal Industry's Foreign Engineering and Construction said its Dak Nong smelter has produced its first batch of primary aluminium. The facility has a phase 1 capacity of 150,000 tonnes/year which will eventually ramped up to 450,000 tonnes/year. This is Viet Nam's first large scale modern aluminium facility.

AGRICULTURE SECTOR DEVELOPMENTS

FAO

The FAO's World Food Price Index for June edged down averaging 130.3 points, falling 0.3% from May's level but it was still 2.3% higher than a year earlier. The FAO's May Cereal Price Index declined by 3.5% from May to average 110.2 points while still being 2.7% higher year-on-year. World wheat prices declined 4.4% as rapid harvest progress and strong supply prospects in the Black Sea region outweighed crop concerns in the US and Australia. World maize prices fell by 6.2% reflecting ample South American supplies, alongside declining crude prices that weighed on biofuel demand. The FAO All Rice Price Index increased by 3.2% in June as Asis demand for Indian rice strengthened. Meanwhile, the FAO Sugar Price Index averaged 89.7 points, down 5.7% from May and down 13.3% from a year ago. Lower ethanol prices in Brazil led to greater allocation of sugarcane to sugar production with prices falls stemming from the strong pace of Brazilian sugar exports.

The FAO revised its 2026/27 Cereal Supply and Demand Brief in early July. World cereal production remained broadly unchanged at 2,983 million tonnes, 1.9% below the all-time high of 2025 but still the second highest on record. The FAO's forecast for world trade in cereals in 2026/27 is also little changed from June at 507.6 million tonnes. However, brisk trade towards the end of the 2025/26 season has led to an upward revision for trade in wheat, maize and barley enlarging the drop in cereal trade in 2026/27 to 9.8 million tonnes or 4.7%.

IGC

The International Grains Council has marginally raised its 2025/26 production forecast for total grains (wheat and coarse grains) by 2 million tonnes to 2,490 million tonnes. However, world total grain trade in 2025/26 was raised by 7 million tonnes to 467 million tonnes. 2026/27 grain output was trimmed by 4 million tonnes to 2,422 million tonnes with the maize harvest adversely affected by successive heatwaves in parts of Europe. However, 2026/27 grain trade volumes were upgraded by 5 million tonnes to 450 million tonnes, largely down to a revised outlook for maize imports. There was little change to the Council's 2026/27 soybean projections with soybean trade again staying at 190 million tonnes. As for rice, there were downgraded 2026/27 production outlooks for US and Asian growers but world rice trade in 2027 was again maintained at 62 million tonnes.

USDA

The US Department of Agriculture's July forecasts included some significant upgrades to their 2026/27 grain season forecasts. Looking at the export trade of the principal commodities (wheat, coarse grains, rice, soyabeans, and soyabean meal), the latest revised 2026/27 estimates showed overall trade rising to just over 807 million tonnes, up 0.6% from June's numbers. 2026/27 wheat exports from Argentina, Russia and Ukraine were all raised by 0.5 million tonnes, Argentina on expectations of competitive pricing and Russia and Ukraine on larger crops. This was partly offset by a 0.5 million tonnes fall in the Canadian wheat export estimate due to a production downgrade. As for 2026/27coarse grain exports, US maize exports were marked up by 1.27 million tonnes on robust new crop export sales and continued strength in global demand. Canadian exports of maize and barley were also increased by 1.1 million tonnes and 0.2 million tonnes respectively. US 2026/27 soybean exports were raised by 0.82 million tonnes on increased production while Brazilian soybean exports were increased by 0.5 million tonnes on higher Chinese demand. There were only minor overall adjustments to 2026/27 rice and soybean meal export forecasts.

The USDA made further changes to its 2025/26 grain export season forecasts. Again, looking at the export trade of the principal commodities, the latest revised 2025/26 estimates showed overall trade rising to just over 828 million tonnes, up 4.7 million tonnes or 0.6% from June's forecasts. The increase was largely based on trade data, including a 1 million tonnes increase in Ukrainian maize exports, and 0.5 million tonnes increases in EU wheat and Australian barley exports.

AUSTRALIA

China has reportedly approved the importation of Australian canola/rapeseed by private processors via seven designated Chinese ports in another sign of improving agricultural trade between the two countries.

BRAZIL

The US imposition of 25% tariffs on Brazilian goods on July15 is set to hit Brazil's ethanol and sugar producers. Brazil's Union of Sugarcane and Bioenergy Industry (UNICA) said the US accounted for 253 million litres of ethanol exports in 2025. In the same year the US accounted for 420,000 tonnes of Brazilian sugar exports, down from 1.12 million tonnes in 2024. UNICA complained that Brazilian sugar exports remain subject to US tariffs and market access restrictions whereas Brazil maintains a non-discriminatory policy regarding ethanol. In a separate move, Brazil's National Energy Policy Council approved a 180-day temporary raising of the mandatory ethanol blend in gasoline from 30% to 32%.

Brazil's crop agency Conab has raised again its estimate of country's maize crop. Its July assessment is 141.729 million tonnes, up 0.9% from its June estimate and up 0.4% from 2025 on increased yield and acreage numbers. Meanwhile, the soybean harvest is complete, with production estimated at a record 180.568 million tonnes, up 5.3% from a year ago.

CANADA

Canadian crop monitoring service EarthDaily said in late July that Canadian farmers are seeing the best crop conditions in a decade halfway through the growing season, according to its analysis of satellite and agronomic data. Bountiful spring rains provided moisture for crop germination and warm summer weather has sped crop development. However, local weather disruption, including major hailstorms, tornadoes and flooding from excessive rainfall, have hit specific areas.

CHINA

China has set a target to raise its annual grain production capacity to around 725 million tonnes by 2030 as part of a new five-year plan. The country produced 715 million tonnes of grain in 2025. There is also an emphasis on sustainable production with the government seeking increased yields through upgraded farmland, improved seeds, modern machinery and more precise crop management. China also intends to diversify agricultural import sources and support large domestic companies capable of competing internationally and stabilising supply chains.

China's Ministry of Commence said in early July that China and the US had agreed terms on agricultural trade setting guidelines for expanding two-way trade and agreeing in principle to include relevant agricultural products under a reciprocal tariff reduction framework following recent consultations.

FRANCE

France has endured weeks of high temperatures threatening to reduce its maize crop to the lowest level in 50 years. On July 10 the grain trade association Coceral cut its EU maize production forecast by nearly 8% to 52.7 million tonnes, the lowest since 2007. The farm office France AgriMer said maize conditions had fallen to their lowest level in at least 15 years.

INDIA

By late July, a revival in monsoon rains had accelerated planting of summer-sown crops including soybean and rice, sharply reducing an earlier sowing deficit caused by below-average rainfall.

India's maize exports in the first five months of 2026 rose to 1.08 million tonnes compared to just 229,900 tonnes in the same period a year earlier. Record production lowered prices while cheaper freight to key Asian importers made exports more competitive.

ROMANIA

Water levels of the Danube River in Romania fell to their lowest since 1996 in late July resulting in irrigation restrictions for farmers and partially disrupting shipping, including grain barge movements.

Transport Trade Services has completed its expansion of its Canopus grain terminal at the port of Constanta which has raised grain storage capacity from 110,000 tonnes to 180,000 tonnes. The investment was carried out by Canopus Star, a joint venture between TTS and Cargill Agricultura.

RUSSIA

Shipping grain out of the Sea of Azov, a route that accounts for around a quarter of Russia's grain exports, was restricted in mid-July following Ukrainian attacks on shipping in the area. More specifically, reports indicated that commercial vessels could not enter or leave via the Kerch Strait which links the Sea of Azov to the Black Sea. In late July a Ukrainian drone attack reportedly inflicted damage on a major grain export terminal at Russia's Taman port on the Kerch Strait.

According to Rusagrotrans, preliminary data indicated that Russia increased its wheat exports in the marketing year ending June 30 by 13.7% to 48 million tonnes. This included 9.7 million tonnes to Egypt, 7.4 million tonnes to Turkey, 2.3 million tonnes to Sudan, 2 million tonnes to Saudi Arabia and 1.9 million tonnes to Kenya.

UKRAINE

Ukraine has lost about a third of its capacity to export grain via its Black Sea ports due to intensifying Russian missile and drone attacks, according to the country's main farmers' union UAC. Monthly grain shipping capacity has now fallen to around 4 million tonnes.

FERTILISER SECTOR DEVELOPMENTS

ALGERIA

The port of Annaba, under its Integrated Phosphate Project, is in the process of expanding to handle phosphate rock and fertiliser export cargoes of 80,000 tonnes compared to current limits of around 55,000 tonnes, with completion targeted for the first quarter of 2027. The project is linked to the development of phosphate deposits in Bled El Hadba and a phosphoric acid, sulphuric acid and ammonia facility in Oued Keberit. Separately, Somiphos is expecting to complete a 1 million tonnes/year expansion at its Djebel Onk phosphate rock mine by July 2027. The company is set to supply up to 1 million tonnes/year to Pupuk Indonesia under contract signed in January.

ANGOLA

Amufert has appointed a nine-member board to oversee procurement, commissioning and operational preparations as its $1.4 billion Soyo urea complex in Angola entered construction. The plant will have a capacity of 1.3 million tonnes/year of urea using domestic natural gas as feedstock and is scheduled to begin production in 2027.

ARGENTINA

MAIIRE's subsidiary Tecnimont has awarded a contract by Fertil Pampa, a subsidiary of Pampa Energia, to build a new ammonia-urea complex in Bahia Blanca, Argentina. The 2.1 million tonnes/year capacity plant is expected to be completed by the end of 2029. KBR is to provide ammonia technology to the project.

AUSTRALIA

Dyno Nobel has sold its Phosphate Hill plant to Australian energy and resources firm Mayfair for one Australian dollar. The plant is the country's only producer of MAP/DAP fertilisers and has faced issues over sulphuric acid supply and rail disruption on the Mount Isa line to the port of Townsville, Queensland. The federal and state governments have provided a AUS$160 million loan to help Mayfair upgrade the plant and to manage higher sulphur costs following the Middle East war.

BRAZIL

Mosaic said on July 8 that it is curtailing phosphate operations at multiple Brazilian facilities, along with cuts at US plants, due to disruption in sulphur supplies caused by the Middle East war. The company is suspending blending operations at its Candeias and Catalau units, which have a combined capacity of 2.5 million tonnes/year, while reducing output at its Palmeirante and Sorriso plants. A gradual mothballing of its 1 million tonnes/year Uberaba plant is planned to start in September.

CANADA

New US import tariffs imposed by the Trump administration on Canadian products on July 20 are reported to exclude potash and other fertiliser products.

Gensource Potash has provided an update on its Tugaske potash project in Saskatchewan, including doubling the planned minimum capacity to 500,000 tonnes/year.

Buffalo Potash Corporation has announced plans for its initial production module at its flagship Disley project. In the first of three phases, the initial module will have a design capacity of 125,000 tonnes/year of soluble-grade potash with the first production targeted in the first quarter of 2026. The full build-out of the project, subject to a feasibility study, is expected to raise output to 1.12 million tonnes/year.

CHINA

China has extended restrictions on key phosphate fertiliser exports at least through August 2026. The restrictions cover DAP, MAP and certain NPK products, with ammonium sulphate remaining relatively less restricted.

As part of its new five-year plan for agriculture (see the report in the previous section), China plans to reduce conventional fertiliser and pesticide use as part of a broader low-carbon agricultural transition. The new strategy promotes nutrient efficiency, agricultural waste recycling, remediation of contaminated land and water-saving production systems.

EU

The European Parliament's Committee on Environment, Public Health and Food Safety has voted to extend the EU Carbon Border Adjustment Mechanism to a host of new products including fertilisers. The committee also proposed making fertilizer producers - specifically urea, ammonium nitrate, and ammonium sulphate manufacturers - and their downstream customers eligible for Temporary Decarbonization Fund support.

INDIA

India is reported to have halted sulphur exports following the loss of imported supplies due to the Middle East war. Back in April, the Gujarat Chamber of Commerce and Industry called on the chemicals and fertilizers ministry to impose a minimum six-month ban on exports of elemental sulphur.

The Indian government has approved a new National Investment Policy for urea which foresees investment in eight to nine gas-based greenfield and brownfield plants with a combined annual production capacity of 10 million tonnes. Indian domestic annual urea production is reported close to 30 million tonnes while annual urea consumption is approaching 40 million tonnes. The new policy aims to close this gap and strengthen fertiliser supply security.

Following on from the above report, GAIL and Rashtriya Chemical and Fertiliser have signed a MoU to jointly establish a gas-based 1.27 million tonnes/year urea plant in the Indian state of Maharashtra.

IRAQ

KAR Electrical Power Plant Production Trading (KEPPT) has appointed J P Morgan to arrange financing for a planned 1.15 million tonnes/year urea plant in Basra, Iraq. Construction is set to start in 2027 with commercial operations expected to commence in 2030.

MOROCCO

The US Department of Commerce has opened an eight-month window starting July 8 during which Morocccan phosphate fertiliser may enter the US without countervailing duties. The measure is aimed at making sure US farmers have sufficient and timely supplies of fertilisers during the planting and growing season.

PARAGUAY

We have previously reported that UK-based Atome had reached a final investment decision on its 260,000 tonnes/year low-carbon fertiliser project at Villeta in Paraguay, but this was underpinned by a power-purchase agreement reached with the National Electricity Administration in January. Last month we added that this agreement was scrapped by the country's President in June leaving the project at risk of cancellation. Trading in Atome shares om the Alternative Investment Market was suspended on July 1 along with an announced delay in publishing accounts.

RUSSIA

The Nakhodka Mineral Fertiliser Plant in Russia's Far East plans to start production in the first quarter of 2027. The first phase will produce 1.8 million tonnes/year of methanol, while a second phase aims to produce 3 million tonnes/year of urea.

Russia is reported to have extended its temporary ban on liquid, granulated and lump sulphur through to the end of 2026 to help maintain current fertiliser production and ensure a stable domestic supply.

USA

The US Department of Commerce has recommended that countervailing duties remain in place on Russian phosphate fertiliser imports. The duties were set at 24.11% for EuroChem, 14.64% for PhosAgro and 16.64% for all other producers

Mosaic announced on July 8 that it will further reduce phosphate operations at four US plants due to disruption in sulphur supplies from the Middle East caused by the ongoing war. The company is also making cuts at its Brazilian facilities.

The US Agriculture Secretary announced on July 1 new funding worth $500 million to expand domestic fertiliser production in response to the Middle East war driving up fertiliser prices for domestic farmers. The funds will be used to expand existing US fertiliser plants and to build new facilities.

FOREST PRODUCTS SECTOR DEVELOPMENTS

BRAZIL

According to the International Tropical Timber Organisation, Brazilian exports of wood-based products (excluding pulp and paper) totalled US$284.8 million in May, down 3.5% year-on-year. Among main products, pine sawnwood export volumes rose 17.0% year-on-year to 275,100 cubic metres, while pine plywood export volumes fell 6.0% year-on-year to 196,300 cubic metres.

CANADA

Canfor announced the permanent closure of its 300,000 tonnes/year Northwood pulp mill in Prince George, British Colombia citing significant pressure from a structural shift in global pulp markets with substantial new pulp production capacity having come online creating oversupply and downward pressure on prices. Later in July, Canfor said it will permanently close its Fox Creek sawmill in Alberta removing nearly 200,000 cubic metres of softwood lumber production capacity. The company cited weak market conditions, high US lumber duties and tariffs, and reduced fibre availability for the decision.

Carrier Forest Products announced it will stop production indefinitely from mid-October at its sawmill in Bug River, Saskatchewan. It is the largest sawmill in the province with an annual production capacity of around 590,000 cubic metres.

Statistics Canada reported that Canadian sawmills produced 3.861 million cubic metres of lumber in April 2026, a 0.3% decrease from March and down 9.7% year-on-year. Lumber shipments totalled 3.729 million cubic metres in April, up 1.5% from the previous month but down 5.7% from a year earlier.

CHINA

China has issued a five-year plan for forestry, grassland and conservation that sets a series of national targets during the period 2026 to 2030. These include increasing forest coverage to 25.8% by 2030, raising forest stock volume to 22.4 billion cubic metres and expanding the sectors total output value to 14 trillion yuan, up from 11 trillion yuan during the previous five-year plan.

In the first half of 2026 China’s timber imports fell 8% year-on-year. Log imports were down 5.4% year-on-year at 15.876 million cubic metres while sawn timber imports fell 11.4% year-on-year to 10.658 million cubic metres.

However, there was a notable rebound in June with year-on-year import increases for both logs and sawn timber, up 11.1% and 2% respectively.

GERMANY

Mercer International said it will extend a maintenance shutdown at its Rosenthal pulp mill to cover the entire month of September. The original shutdown was scheduled for just two weeks. The mill can produce 360,000 tonnes/year of kraft pulp. Later in July Mercer Taugao GmbH announced it is to align its capacity and operational profile with current market condition which will result in an overall workforce reduction of approximately 350 positions.

UNITED KINGDOM

UK private housing output is forecast to decrease by 10% in 2026 and to remain flat in 2027, according to the latest forecast by the Construction Products Association.

USA

The US Department of Agriculture will guarantee $80 million in loans for two timber-processing projects as part of a broader effort to increase domestic lumber production. Tahoe Forest Products will receive $50 million to expand its Nevada operations while Clatskanie Scion will receive $30 million to build a new sawmill for Myers Woodline in Oregon.

The USDA Foreign Agricultural Service reported that US wood pellet exports in May totalled 879,590 tonnes, down 6% from April but up 3% from a year earlier. The UK continued to be the top destination for May shipments, having been sent 591,821 tonnes. Total pellet exports in the first five months of 2026 reached 4.49 million tonnes, up from 4.11 million tonnes in the same period last year.

The National Association of Home Builders/ Wells Fargo Housing Market Index reported that builder confidence for newly built single-family homes dropped two points in July to 34 from a revised June figure. Sentiment has now remained in negative territory for 27 consecutive months. It has been below 40 for 15 straight months. The NAHB Chief Economist commented that affordability remains the home building industry's primary challenge, as elevated mortgage rates, costly land, rising material prices and persistent skilled labour shortages continue to affect the market.

VIET NAM

Viet Nam's timber industry was reported to lack sufficient high-quality large-diameter timber needed for deep processing, constraining domestic wood-product manufacturers. The shortage is expected to keep Vietnamese processors reliant on imported logs and sawnwood to supply furniture and other value-added export sectors.

CEMENT SECTOR DEVELOPMENTS

ARGENTINA

Argentina's cement shipments in June fell by 1% year-on-year to 0.803 million tonnes, according to the national cement association AFCP. Total shipments in the first six months of 2026 were 4.67 million tonnes, down 3% from a year earlier.

BRAZIL

The National Cement Industry Union, SNIC, reported that cement sales in Brazil in June totalled 5.833 million tonnes, up 7.6% year-on-year. Cement sales in the first six months of 2026 totalled 32.824 million tonnes, up 2.3% from a year earlier.

COLOMBIA

Colombia's cement dispatches in May rose 4.1% year-on-year to total 1.144 million tonnes, according to the national statistics agency DANE. Domestic cement production during the month totalled 1.269 million tonnes, up 4.6% year-on-year. In the first five months of 2026, cement dispatches were up 5.3% year-on-year to 5.336 million tonnes, while domestic production grew 4% year-on-year to 5.744 million tonnes.

MOZAMBIQUE

Huaxin Cement subsidiary Cimentos de Mozambique has tripled the production capacity at its Nacala integrated cement plant to 1.2 million tonnes/year following a $110 million investment.

PAKISTAN

According to the All-Pakistan Cement Manufacturers Association, total cement dispatches in the financial year to end June rose by 7.2% year-on-year to 50.52 million tonnes. Domestic sales increased by 9.5% year-on-year to 41.5 million tonnes while cement exports decreased by 2.2% year-on-year to 9.01 million tonnes.

RUSSIA

Heidelberg Materials announced plans to invest US$200 million to expand a cement plant near St Petersburg, though details on capacity increase were not disclosed. Heidelberg has operated in Russia since 2001.

SAUDI ARABIA

Cement sales in Saudi Arabia totalled 4.39 million tonnes in June, up 9% year-on-year according to Al Rajhi Capital. Sales volumes in the second quarter of 2026 remained broadly stable, up 3% quarter-on-quarter.

SPAIN

The cement association Oficemen reported that Spain consumed 1.56 million tonnes of cement in June, up 9% year-on-year. Consumption in the first half of 2026 totalled 8.35 million tonnes.

Oficemen has also trimmed its forecast of Spanish cement demand in 2026 to 17 million tonnes, up 2% year-on-year, due to a slowdown in housing permits and continued political and economic uncertainty.

USA

As noted earlier, on July 20 President Trump announced 50% tariffs on a wide range of imports from Canada in response to claimed discriminatory treatment of American-made cars, alcohol and dairy goods. This included cement. According to Tradeviews data, the US imported 4.8 million tonnes of cement from Canada in 2025, down from 9 to 10 million tonnes/year imported in 2021-23.

VIET NAM

Bach Dang Cement has officially commissioned the Lien Khe cement plant in Haiphong City. Its first production line has a capacity of 3,500 tonnes/day and the company is planning a second line with a capacity of 5,000 to 6,000 tonnes/day.

The National Statistics Office reported that Viet Nam exported 2.9 million tonnes of cement and clinker in June, up 9% year-on-year. Cement and clinker exports in the first six months of this year totalled 19.4 million tonnes, up 16% from the same period in 2025.

OTHER INDUSTRIAL MINERAL DEVELOPMENTS

ICSG

The International Copper Study Group reported that world **copper** mine production declined by 1.9% year-on-year in the first five months of 2026 at 9.377 million tonnes of copper content. World refined copper production, including secondary production, grew by 3 % year-on-year in the same period to 12.055 million tonnes. Meanwhile, world apparent refined copper usage increased by 2.2% year-on-year between January and May to 11.834 million tonnes. The latest ICSG analysis of the world's refined copper balance indicates an apparent surplus of 221,000 tonnes in the first five months of 2026.

AUSTRALIA

The Liberty Bell Bay **manganese** smelter in northern Tasmania, Australia's last such smelter, is to close immediately after administrator's appointed in March failed to secure a sale after the preferred bidder pulled out.

CANADA

Canada's federal government has granted final approval for Canada Nickel Company's Crawford **nickel**-**cobalt** project north of Timmins, Ontario, in what is set to become the largest nickel mine in the Western world. The project is designed to extract nearly 90 million tonnes of ore per year with initial commercial production targeted for 2029.

Atlas Salt has received a letter of interest from Export Development Canada to provide long-term debt financing of up to C$150 million for its Great Atlantic **Salt** project in Newfoundland and Labrador. The company released a feasibility study in September 2025 and envisions a 4 million tonnes/year operation over a 25-year mine life.

CHILE

Chile's state-run **copper** miner Codelco said it expects production in the coming years to stay similar to current levels. The company produced 1.33 million tonnes last year and had a production target of 1.7 million tonnes by 2030. The head of the company added that structural projects designed to counter declining ore grades had faced unexpected delays and costs.

BHP has received its first major environmental approval for its planned $14.7 billion expansion of its Escondida copper mine in Chile. The company aims to roughly double its annual **copper** output to more than 2 million tonnes by the mid-2030s to which Escondida is expected to be a major contributor.

South32 said it has final investment approval for a fourth grinding line at its joint venture Sierra Gorda **copper** mine in northern Chile. The project is expected to increase processing capacity from 48 million tonnes/year to 60 million tonnes/year. Initial production from the new line is expected in the 2030 financial year with full production rates expected in the 2031 financial year.

GABON

Eramet and its subsidiary Eramet Comilog have signed an MoU with the Gabonese government targeting the processing of up to 700,000 tonnes/year of **manganese** ore within Gabon by end-2031.

INDONESIA

Indonesian officials were calling for cooperation in late July between government agencies, law enforcement and industry to resolve a regulatory gap that has reportedly delayed exports of alumina and **nickel** products over their rare earth content. Nickel smelter group FINI said on July 29 that exporters were still waiting for about 120 surveyor reports to be issued in order to resume shipments. FINI added that exports had been held up after a mandatory testing programme for rare earth elements was introduced earlier in the month.

Indonesia’s Energy and Mineral Resources Ministry announced that it would not grant any comprehensive additions to the national **nickel** production quota. In addition, any quota increases authorised to stabilise raw material supply for domestic smelters will not be significant. The policy is part of a government strategy to shield global commodity prices from collapsing due to oversupply.

SOUTH AFRICA

VZL is planning a 1 million tonnes/year **zinc** metal -in-concentrate project. The programme comprises three proposed mining developments, the expansion of Gamsberg processing capacity, the development of new open pit mining areas at BMM’s Swartberg operation, and the development of the Gergarub underground project, in Namibia. Gamsberg’s metal -in-concentrate production is expected to increase from 250,000 to 470,000 tonnes/year and is expected to come into operation between the 2028 and 2032 financial years. A new smelter is expected to come into operation between the 2028 and 2031 financial years.

African Rainbow Minerals said it was restarting open-pit mining operations and **nickel** concentrate production at Nkomati after agreeing a conditional off-take deal with Sweden's Boliden. The Nkomati mine was placed in care and maintenance in 2021 due to persistent financial losses. ARM plans to spend $46 million on the mining restart to produce 56,065 tonnes/year of nickel concentrate.

Transalloys, South Africa's last **manganese** smelter, stopped ferroalloys production on July 1 without any indication of when operations could resume. Its chief executive said the company had no option but to shut down after years of mounting losses while negotiations over electricity tariffs with Eskom and the government continue.

ZAMBIA

Last month we reported Zambia's extension of a suspended 10% export duty on **copper** concentrate to help clear stockpiles during smelter maintenance. Zambia has now established a strict framework restricting raw copper concentrate exports to boost domestic processing capacity while balancing the near-term financial needs of its Copperbelt mining operators.