DRY BULK MARKET INSIGHTS

September 2026

Latest commodity and trade developments

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TRADE WAR NEWS

EARLY AUGUST

A group of 25 Democratic-led US states sued the Trump administration on August 3 on the grounds that the president's latest round of tariffs on goods from 60 trading partners exceeds his legal authority to tax imports. The lawsuit was filed in the US Court of International Trade in New York.

On August 4 a filing in the US Court of International Trade indicated that the Trump administration had refunded approximately $100 billion from tariffs ruled illegal by the US Supreme Court as of the end of July.

MID-AUGUST

The US and Canada held last-minute talks to try and stop 50% US tariffs being imposed on $20 billion worth of Canadian goods on August 19. Unlike many of Trump's earlier tariffs, the new duties would apply to products that qualify for preferential treatment under the US-Mexico-Canada Agreement. Late on August 18 President Trump announced a three-day pause on new tariffs taking effect saying a deal had been reached. Canadian Prime Minister Carney said there had been substantial progress although there is more important work still to be done.

LATE AUGUST

Last day trade talks between the US and Canada broke down on August 21 with the US imposing 50% tariffs on $20 billion worth of Canadian goods which represent just over 5% of Canadian exports to the US. Canadian Prime Minister Carney blamed Washington for the breakdown saying last-minute changes in US proposed terms were unfair and promised that Canada will match the new tariffs dollar for dollar. Canada duly imposed retaliatory tariffs on some US goods from September 8, including increasing tariffs on US steel and aluminium products to 50%. President Trump reacted by threatening to raise US tariffs on all cars, trucks and automotive parts from Canada to 50% starting January 1, 2027, as well as proposing to rename Lake Ontario as Lake America which he later enacted by decree.

ECONOMIC NEWS

OECD

G20 merchandise trade accelerated in the second quarter of 2026 as quarter-on-quarter import growth rose markedly to 6.7%, from the 5.2% growth recorded in the previous quarter, reflecting strong increases in several G20 economies. G20 merchandise exports growth remained broadly flat at 5.9%.

GDP growth in the OECD area increased slightly to 0.5% in the second quarter of 2026, up from 0.4% in the previous quarter, according to provisional estimates. Of the 30 countries for which data was available, 27 recorded growth at varying rates, while three saw no change.

Year-on-year inflation in the OECD as measured by the Consumer Price Index eased to 4.2% in June, down from 4.6% in May. OECD energy inflation in June fell by four percentage points to 11.7% year-on-year with declines in 24 of the 37 OECD counties.

CHINA

The National Bureau of Statistics reported that China's GDP grew by a resilient 4.7% year-on-year in the first half of 2026 despite mounting external uncertainties.

LOGISTICS NEWS

CHINA PORT CONGESTION

Last month we reported that the arrival of Typhoon Bavi on July 11 had caused major port shutdowns across eastern China and Taiwan with extensive shipping delays. Super Typhoon Dolphin headed into the same corridor as Typhoon Bavi, making landfall on August 9. Major ports along the Yangtze River had previously suspended operations with other large ports in the wider region also closing temporarily. Later in the month, China's Meteorological Administration reported a rare quartet of storms set to batter the country. As Typhoon Narra tracked inland, Typhoon Saudel headed for the eastern seaboard to be followed by tropical cyclones Gaenari and Atsani.

EUROPEAN RIVERS

Record low water levels along the Rhine, Danube and other European rivers, driven by a prolonged summer heatwave and drought across mainland Europe, has forced shippers to declare force majeure on cargo movements and has triggered widespread shutdowns of nuclear power facilities that rely on river water for cooling. The reduced flows have curtailed barge loading capacity on the Rhine, a key artery for dry bulk and industrial cargo moving to and from inland European plants and ports such as Rotterdam and Antwerp. With alternative rail capacity limited and the economics of barge operations deteriorating, producers and traders faced higher logistics costs and reduced supply chain flexibility.

By mid-August Germany had largely lifted its ban on trucks using roads at weekends to help compensate for restricted barge traffic om the Rhine. Meanwhile, Tata Steel Nederland was reported to have phased out transport via the Danube River until water levels recover.

Germany's inland navigation agency said on August 31 that water levels in the river Rhine had risen sharply after recent rains, but shipping difficulties were not yet over.

MIDDLE EAST WAR

At the beginning of August President Trump cancelled a threatened massive attack on Iran and once again claimed that a deal had been struck on reopening the Strait of Hormuz. However, yet again Iran responded by denying it was in talks with the US. and was merely discussing with Oman the establishment of a temporary safe route through the Strait.

President Trump said on August 4 that his administration had very good discussions with Iran during all-day negotiations, fuelling expectations of an imminent end to the conflict and restored traffic through the Strait of Hormuz which triggered further falls in the price of oil.

On the following day it emerged that Iran and Oman reached a proposed deal to end the conflict that would give Tehran control over ships entering the Gulf through the Strait of Hormuz along a route close to the Iranian coastline in what appeared to be a major concession. Omen would control ships leaving the Gulf via a sea lane close to its coastline, but Iran also added thar commercial ships would pass through Iranian waters both on the inbound and outbound legs. Iran also raised the stakes by telling Gulf neighbours that any new attack on its territory would trigger retaliation against critical energy infrastructure across the region. It was also suggested that Iran is seeking to charge fees of between 5% and 7% of the price of cargoes while Oman is looking at fees of around 3%. It was also reported that Iran was considering a parliamentary bill that would ban vessels linked to the US, Israel and other states it deems hostile from transiting the Strait.

On August 9 Iran said it was nearing a final deal with Oman defining new shipping lanes through the Strait of Hormuz but before the waterway is reopened the US must meet other conditions, including compensation and an end to sanctions and military threats. President Trump responded the following day demanding that Iran pay compensation for people killed in wars, attacks and protests, dashing hopes of an imminent deal. By August 13, both the US and Iran were claiming to have full control of the Strait. The US Defence Secretary added that the US could maintain a naval blockade of Iran indefinitely by rotating its warships in the region.

On August 17 Iran said it had reached an agreement with Oman over the Strait of Hormuz to which President Trump reacted by threatening to bomb "the shit our of Oman" over getting in the way over the Strait.

The war of words escalated on August 21 with Iran vowing a devastating response to the earlier US pledge to impose the toughest financial penalties in history with the aim of toppling the Iranian leadership.

The US Treasury Secretary Scott Bessent announced on August 24 "an economic D-Day — the single greatest financial offensive ever marshalled against an adversary" as he outlined new economic sanctions on Iran and countries that supported trade with Tehran. However, he held off from imposing penalties on the latter saying it would give countries time to comply. Iran responded by expressing confidence that its major trading partners would resist the pressure campaign. China said its Iranian ties are lawful and should not be disrupted. Meanwhile, Iran's new Persian Gulf Strait Authority warned that vessels violating its transit rules could face fines, detention or confiscation.

On August 25 Iran and Oman said they had discussed setting up a joint temporary navigational corridor through the Strait of Hormuz and agreed to clear it of mines. The Omani Foreign Minister said he was hopeful that they will soon announce the opening of a temporary corridor and practical arrangements to restore safe navigation.

On August 28 the US military said that it has cleared all Iranian sea mines along internationally recognized transit routes in the Strait of Hormuz. The month ended with a fresh exchange of strikes between the US and Iran, the first since late July. The US military targeted two missile launch sites they said were attempting to deploy mines in the Strait of Hormuz Iran responded with missile attacks on US bases in Jordan, which were intercepted according to Jordan.

PANAMA CANAL

The Panama Canal Authority announced that the maximum authorized draft for vessels transiting the Neopanamax locks will be reduced to 48 feet (14.63 metres) effective August 26, with a further cut to 47.5 feet (14.48 metres) from September 3. The prospects of a Super El Nino in late 2026 are strengthening according to the National Oceanic and Atmospheric Administration suggesting drought conditions could again hit Panama Canal traffic when demand for transits is rising. Average weekly transit slot auction prices hit record levels in early August.

Later in August the PCA said it would cut daily booking capacity from 36 to 32 ships from mid-September as worsening rainfall deficits forced deeper defensive measures against El Nino. For booking dates from September 4 the canal will offer nine Neopanamax and 25 Panamax slots per day, with Panamax availability falling further to 23 slots from September 15.

CK Hutchison has launched international arbitration seeking more than $1.5bn in compensation over the loss of its investments in the Balboa and Cristóbal terminals at either end of the Panama Canal. The Hong Kong conglomerate alleged Panama breached an investment protection treaty adding a new front to the ongoing dispute between Panama and China over the cancelled port concession contracts. This latest move is separate from the arbitration already launched by CK Hutchison subsidiary Panama Ports Company, which is seeking more than $2bn for alleged contractual breaches.

RED SEA/SUEZ CANAL

The IMO Secretary-General called for urgent action after the bulk carrier Seamull was hijacked on August 20, becoming the sixth vessel currently held by pirates and armed robbers in the Gulf of Aden.

We previously noted a report in late July that the Houthis were considering charging commercial ships to pass through the Bab el Mandeb Strait, although no details were forthcoming. At the start of August Yemen’s Houthis denied they had plans to charge vessels for Red Sea transits and that vessels can request confirmation from the Houthi-run Humanitarian Operations Coordination Centre that they are not considered legitimate targets before transiting the Red Sea.

UKRAINE WAR

Russia claimed it had struck four vessels and port infrastructure across Ukraine in early August in an escalating exchange of indiscriminate attacks on commercial shipping in the Black Sea. The Turkish maritime union Deniz Iscileli estimates that 35 ships were struck during July, killing 23 seafarers and injuring more than 40. The hostilities have virtually halted Ukrainian grain and iron ore exports as well as curtailing Russian Black Sea trade. The biggest impact is on wheat trade given the Ukraine and Russian provided over a quarter of global exports in the 2025/26 season.

In mid-August Ukraine was reported to be seeking a truce to halt attacks on commercial shipping in the Black Sea at the same time as it carried out a long-range strike om the Russian port of Ust-Luga on the Gulf of Finland, a key Baltic energy export hub.

US JONES ACT WAIVER

President Trump has extended for another 90 days starting August 17 the waiver allowing non-US-flagged ships to move oil and other cargoes, including agricultural commodities, between American ports, suspending the long-standing Jones Act restrictions. However, individual voyages will now be subject to review by the Pentagon and the Maritime Administration. The decision was taken despite opposition from shipbuilders, maritime unions and lawmakers.

STEEL SECTOR DEVELOPMENTS

WSA

The latest July 2026 crude steel production data from the World Steel Association had global output across 70 reporting countries at 149.2 million tonnes, a decrease of 0.3% year-on-year. Chinese output for the month was estimated at 76.9 million tonnes, down 3.6% compared to a year earlier. Outside China, none of the major producers recorded year-on-year decreases in July. There were year-on-year production gains in Viet Nam (+34.7%), Turkey (+7.0%), South Korea (+6.4%), the US (+4.4%), the EU (+3.8%), Russia (+3.3%), India (+1.9%), Japan (+0.4%) and Brazil (+0.1%). The WSA reported Chinese crude steel output in the first seven months of 2026 at 577.0 million tonnes, down 3.1% year-on-year. India’s output over the same period totalled 101.1

million tonnes, up 6.1% year-on-year, while EU production totalled 76.0 million tonnes, up 0.4% year-on-year.

AUSTRALIA

A union spokesperson said 150 workers took part in a two-day strike on August 8-9 at BHP's Port Hedland iron ore export facilities. BHP employs more than 800 people at the port and the company said that ship loading continued to take place amid the strike, the first in a quarter of a century. The Combined BHP Ports Unions said on August 18 that it had failed to reach an agreement with BHP on a wage deal for workers at its Port Hedland operations. However, further negotiations are expected to take place on September 8.

State iron ore buyer China Mineral Resources Group has reportedly instructed some domestic steel mills to suspend contract talks with Rio Tinto covering iron ore shipments from September. The move follows a similar pattern seen earlier in 2026 when CMRG pressured Australia's other leading iron ore producers, namely BHP, Fortescue and Hancock.

Australia's Monadelphous has secured a A$200m contract to build a sixth car dumper at BHP's Nelson Point terminal in Port Hedland, part of the miner's plan to sustain production of more than 305 million tonnes per year over the medium term.

BOSNIA AND HERZEGOVINA

Back in late April we reported the ending of integrated production at Zenica Steel with the closure of the sinter plant and the 1.1 million tonnes/year capacity blast furnace. This followed the country's Council of Ministers rejecting proposed regulation to protect domestic steel production. The company filed for bankruptcy in mid-August.

BRAZIL

Brazilian miner Samarco, a joint venture between Vale and BHP, says it expects to regain being the world's second-largest exporter of iron ore pellets in 2028 when the company expects to return to full capacity of 26-27 million tonnes/year of iron ore fines and pellets. It is currently operating at around two-thirds of capacity. The company was forced to halt some operations following the deadly collapse of its Fundao tailings dam in 2015.

CANADA

Algoma Steel said it experienced an unplanned outage at its Lake Superior Power generating facility in mid-August which has led to suspended production at its electric arc furnace. The company is bringing forward previously scheduled maintenance at the power generating facility and expects the EAF to be offline for no more than 21 days.

CHINA

China’s steel production in July dropped to 76.93 million tonnes, the lowest level this year. July output was down 3.6% year-on-year and the weakest July since 2017. Over the first seven months of 2026 steel production totalled 577.04 million tonnes, down 3.1% from a year earlier.

State iron ore buyer China Mineral Resources Group had reportedly asked some domestic traders in a meeting on August 14 to buy cargoes on its own trading platform in a move aimed at reinforcing its control over trading and pricing of iron ore.

China's iron ore imports in July totalled 108.09 million tonnes according to customs data, down 4.1% from June but up 3.3% from a year earlier. In the first seven months of 2026, China's iron-ore imports totalled 736.84 million tonnes, an increase of 5.9% year-on-year. China’s steel exports over the same period totalled 65 million tonnes, down 4.4% year-on-year.

CZECH REPUBLIC

Czech steelworks Nova Hut has agreed to source square billet from Sev.en Global Investments' 7Steel Nordic plant in Norway. The Ostrava mill's blast furnaces were decommissioned after the company became insolvent under former owner Liberty Steel. Nova Hut now plans to install a 1.5 million tonnes/year electric arc furnace and is currently running a re-rolling operation. The billet will be shipped from 7 Steel’s port in Mo i Rana across the Baltic Sea to a port in Poland and then transported by rail to the steelworks in Ostrava.

EU

The European Commission published definitive anti-dumping duties ranging from 5.6% to 28% on imports of cold-rolled flat steel from India, Japan, Taiwan, Turkey and Viet Nam in early August following a 10-month investigation.

FRANCE

Last month we reported that 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 has now contracted Italy’s Danieli to supply the directly reduced iron plant.

GERMANY

Thyssenkrupp was reported to be in advanced talks to adjust the 3-billion-euro funding framework for its new green steel plant in Duisburg to reflect the changed economic environment. The company had planned to construct a 2.5 million tonnes/year direct reduced iron plant to replace four blast furnaces that would run on hydrogen, a premise that has since become unrealistic. Thyssenkrupp has been in talks with both the EU and German government to ensure state loans covering two-thirds of the costs can still be used despite the move away from hydrogen. Later in the month it was reported that the European Commission has eased the conditions for public funding of Thyssenkrupp's Steel's transition plans allowing the project to proceed.

The German Steel Association (WV Stahl) has warned that persistently low water levels on the Rhine are disrupting logistics operations and threatening supply security for the steel industry. The association called for stronger transport infrastructure and expanded alternative freight capacity to offset reduced barge capacity on the river.

INDIA

Ministry of Steel data showed that India's crude steel production in July rose 1.2% year-on-year to total 14.3 million tonnes while finished steel production increased by 1.4% year-on-year to 13.7 million tonnes. In the first four months of the fiscal year (April to July) crude steel production totalled 56.3 million tonnes, an increase of 2.5% from the same period a year earlier. On the same measure, finished steel consumption increased by 7.8% to 55.8 million tonnes.

ITALY

Metinvest Adria, the joint venture between Ukrainian steelmaker Metinvest and Italian plant maker Danieli, is reported to be working to bring a third investor into its project for the construction of a new electric arc furnace-based steel plant in Piombino which is set to produce 2.7 million tonnes/year of hot rolled coil. It is also speculated that the start of construction work could be postponed to spring 2027.

Italy's steel industry association Federacciai, alongside 14 of its member companies, has submitted an expression of interest for acquiring the assets of Acciaierie d'Italia, a further twist in the long-running saga of selling the former Ilva steel plants. The bid offers a potential domestic solution for what was once Europe's largest integrated steelmaking site.

Metinvest's Italian hot-rolled coil and heavy plate producer Ferriera Valsider declared force majeure after an unexpected breakdown caused a complete shutdown of its production lines. The company said the incident has impacted its ability to fulfil existing supply contracts and technical teams are working to define and implement an action plan for the necessary repairs.

LIBERIA

ArcelorMittal Liberia reported that it extracted a record 7.7 million tonnes of iron ore during the first six months of this year, compared to 4.1 million tons produced in the same period last year.

MALAYSIA

Vale said it aims to maintain its annual transshipment volume of approximately 20 million tonnes of iron ore at its Teluk Rubiah facility in Malaysia.

MAURITANIA

State-owned SNIM is starting to implement its Al-Aouj iron ore project following the final investment decision taken at the end of July by the board of El Aouj Mining Company. The development plan includes an open pit mine and ore processing plant. It will be implemented in two stages and is expected to eventually reach an annual production rate of 11.3 million tonnes of iron ore concentrate averaging 66.5% iron content. The ore will be shipped to the port of Nouadhibou via a new rail connection to SNIM's existing rail network.

SOUTH AFRICA

Anglo American's subsidiary Kumbla Iron Ore is reported to have agreed a one-year iron ore supply deal with China Mineral Resources Group, the state iron-ore buyer, that will run to the end of March 2027.

TURKEY

Turkey's steel product exports rose 2.9% year-on-year to 1.2 million tonnes in July, according to data from the Turkish Steel Producers Association. In the first seven months of this year steel exports increased 2.4% from a year earlier to 9 million tonnes. Over the same period, steel imports declined 3% year-on-year to 10.7 million tonnes. The association's Secretary-General said that the figures do not yet fully reflect the negative consequences of the EU quota system, which is estimated to cause a contraction of approximately 4 million tonnes in Turkey's steel exports to the bloc. The decline in exports to the EU is expected to accelerate in the coming months.

USA

A $500 million US government grant provisionally awarded by the Biden administration to steel maker Cleveland-Cliffs in 2024 for a hydrogen-ready directly reduced iron plant and electric furnaces has been redirected by the Trump administration to upgrade the company’s existing coal-fired blast furnace. Cleveland-Cliffs claims its customers were unwilling to pay a green premium.

UKRAINE

Metinvest said Russian forces struck its Zaporizhstal steel plant with five ballistic missiles in the early hours of August 27, damaging blast furnace equipment, energy and other infrastructure. The attack followed an August 11 strike that had already forced a complete shutdown of production at the plant which has a reported crude steel capacity of 4.1 million tonnes/year.

In mid-August Russia attacked the ArcelorMittal Kryvyi Rih steel plant, Ukraine’s largest steelworks. The missile strike left 13 workers injured and two dead. It damaged the plant’s power generation and blast furnace areas leading to the plant’s production processes being partially halted according to a company statement.

The EU has finalized a new steel import safeguard regulation that cut Ukraine's duty-free steel quota by a proportionally larger amount than the cut to the EU's overall steel import quotas. The tariff rate quota for Ukrainian steel shipments from July 2026 through June 2027 now totals 1.05 million tonnes, down 58.5% from 2025 and down 48.1% from 2024 levels.

UNITED KINGDOM

Tata Steel UK's Llanwern plant in South Wales was reported to be operating at around half of its capacity amid increased competition from lower-priced galvanized steel imports following changes to the UK's tariff-free steel import quotas, including increased quotas for India and Viet Nam. The Llanwern plant can produce approximately 600,000 tonnes of galvanized steel annually.

ZIMBBABWE

Tsingshan Holding Group said it is considering as much as tripling annual production at its Zimbabwe steel plant from 600,000 tonnes currently to two million tonnes.

POWER COAL SECTOR DEVELOPMENTS

CHINA

China's coal imports surged to their highest level this year in July, jumping 23% year-on-year to 43.73 million tonnes, according to customs data.

China's coal production in July fell 10.1% year-on-year to 343.21 million tonnes, according to the National Bureau of Statistics. The drop comes amid widespread mine safety inspections triggered by a mine disaster in late May that killed 82 people.

China's National Development and Reform Commission and the National Energy Administration have unveiled a plan to develop a modern coal industry by 2030, aimed at balancing energy security with a green transition. It calls for actively promoting clean substitution for coal, significantly improving the quality of commercial coal, accelerating the transformation and upgrading of coal-fired power generation, and orderly expanding the use of coal as an industrial feedstock. China is also aiming to reach peak coal consumption by 2030.

COLOMBIA

Colombian coal industry association Fenalcarbon said the country's annual production could return to 90 million tonnes by 2030 if certain steps are taken by the new government, up from its 2026 coal production forecast of 53 million tonnes. The association added that the increase would require changes in taxation, freight and port costs, licensing and controls on illegal mining. The Energy Vice Minister said the new administration is evaluating options to make Colombia's coal operators competitive again and among measures to be scrapped is the previous government's ban on coal exports to Israel.

INDIA

Government data was reported to show that 45 power plants in India were operating with critically low coal inventories in late August as monsoon rains disrupted supplies and electricity demand rose amid hotter-than-usual weather linked to El Nino.

India's Coal Secretary said the country's coal demand is set to jump to 1.6 billion tonnes in 2030, from about 1.2 billion tonnes now, due to higher electricity generation and industrial activity. India also plans to create a coal trade exchange to boost market transparency and raise in its domestic coal supply to boost energy security.

A report by Global Energy Monitor showed that India nearly doubled its planned coal mining capacity in 2025 to 638 million tonnes/year, accounting for almost all the growth in the global coal project pipeline which expanded 11% to 2,521 million tonnes/year.

Data from Grid-India showed that coal-fired power generation in July increased by 12.8% year-on-year to 119.4 billion kilowatt-hours, driven by a fall in hydropower and soaring temperatures boosting electrical demand for cooling systems. However, the share of coal in India's power-generation mix in July dropped to 65.7%, its lowest level in a year, as renewable power generation surged to provide 20% of the mix.

India's Ministry of Coal reported that the country's coal production in July rose 7.5% year-on-year to 69.75 million tonnes driven by higher output from state-owned Coal India. There was a sharper increase in coal dispatches during the month which jumped 17.3% year-on-year to 86.33 million tonnes.

INDONESIA

Indonesia's President announced on August 14 a plan to create a new exchange that will set prices for the country's strategic commodities by the start of next year. This will include thermal coal, nickel, copper, tin and bauxite as well as palm oil and natural gas.

NETHERLANDS

Coal-fired power plants in the Netherlands up to mid-August had produced more electricity this year than in the whole of 2024. Product to date is still below the whole of 2025 but this will almost certainly be surpassed by year end according to an analysis of figures from the National Energy Dashboard.

POLAND

Polish utility Enea was forced to reduce generation at the Kozienice and Polaniec coal-fired power plants in early August after critically low water levels in the Vistula River limited cooling water supplies.

ROMANIA

The Romanian Government decided in late August to temporarily keep lignite-fired power generation capacities in operation, despite its previous commitments. Craiova 1 and 2 power units will remain operational until the end of the second quarter of 2027, while Turceni 5 will continue generating electricity until the end of the first quarter of 2028.

Romania restarted its 300-megawatt Rovinari Group 4 coal-fired power plant in mid-August to partially offset the generation lost when low water levels on the Danube River forced a shutdown of the country's only nuclear power plant. The two reactors at the Cernavoda nuclear power plant have 680 MW installed capacity each and typically generate about 20% of Romania's power output.

RUSSIA

Russian Railways reported that its coal traffic in July totalled 27.2 million tonnes, up 7.5% year-on-year, including 16.6 million tonnes of export designated coal, up 13.3% from a year earlier. 10.9 million tonnes of export designated coal was hauled eastwards during July, up 8.8% year-on-year. Coal traffic in the first seven months of 2026 increased 2.6% year-on-year to 193.2 million tonnes while export designated coal rose 7.2% year-on-year to 110.6 million tonnes.

SOUTH KOREA

South Korea's minister of climate, energy, and environment has said he will drop plans to co-fire ammonia with coal at power plants, amid fears this could extend the life of coal power and hamper the country's decarbonisation efforts. South Korea had been pursuing a policy to mix 20% ammonia in more than half of its coal power plants by 2030. However, the new administration is accelerating decarbonization efforts by expanding renewable capacity and phasing out coal power generation gradually. The new goal is to eliminate all coal power plants by 2040, with plans to halt operations at 20 of the approximately 60 coal plants by 2030.

USA

The US Energy Information Administration's latest Short-Term Energy Outlook projected US coal production would drop from a two-year high of 528.4 million short tons in 2025 to a two-year low of 514.4 million tons in 2026, and 496.6 million tons in 2027, which would be the lowest level since 1963.

ALUMINIUM SECTOR DEVELOPMENTS

IAI

The International Aluminium Institute reported that global primary aluminium production in July decreased 1.7% year-on-year to total 6.160 million tonnes, with 62.8% produced in China. The Middle East war resulted in production under the Gulf Cooperation Council falling to 293,000 tonnes, down 44% year-on-year. Global primary aluminium production in the first seven months of this year totalled 42.42 million tonnes, down 0.8% from a year earlier.

The IAI also reported that global metallurgical-grade alumina production in July totalled 12.205 million tonnes, down 1.8% year-on-year, with 61% produced in China. Global metallurgical-grade alumina production in the first seven months of 2026 totalled 82.205 million tonnes, down just 0.21% year-on-year.

AUSTRALIA

Alcoa has signed a 10-year gas sales agreement with Australian gas developer Equus Energy. Alcoa will use the supplies to power its Pinjarra and Wagerup alumina refineries in Western Australia.

After prolonged talks, majority owner Rio Tinto and its partners in the Tomago aluminium smelter in New South Wales will reportedly get financial support from federal and state governments to keep the facility operating beyond 2028 as the plant struggles with high energy costs. It is the largest aluminium smelter in Australia. It later emerged that the federal and NSW governments had agreed to spend A$2.5 billion on bailing out the smelter while Rio Tinto will contribute at least A$1.1 billion.

BRAZIL

Alunorte had temporarily reduced its alumina production in Brazil to 50% of capacity due to natural gas supply disruptions. The company said it will ramp up to full capacity as soon as gas availability normalises. Its alumina facility in Barcarena has a reported nominal production capacity of 6.3 million tonnes/year making it the largest such plant outside of China. In mid-August it was reported that Norsk Hydro has resumed higher production at its Alnorte plant after reaching a temporary agreement with its gas supplier, CELBA.

CAMEROON

Last month we reported that Australia-based Canyon Resources was targeting its first bauxite export shipment from its Minim-Martap bauxite project in northern Cameroon in the fourth quarter of 2026. The company has been forced to withdraw this timeline in late August due to a financing setback, with AFG Bank Cameroon suspending further drawdowns under the project’s loan facility. Canyon also faces funding constraints linked to a takeover bid from A2MP Investments FZCO.

CHINA

China imported 19.04 million tonnes of bauxite in July according to customs data, down 6.3% month-on-month and down 4.6% year-on-year. In the first seven months of 2026 bauxite imports reached140.12 million tonnes, up 13.8% from the same period a year earlier. Bauxite imports from Guinea between January and July totalled113.29 million tonnes, up 18.5% year-on-year.

GUINEA

A train operated by Rusal derailed on August 22 halting alumina exports from its Friguia alumina refinery in Guinea and slowing production. The refinery has an installed capacity of 600,000 tonnes/year and supplies alumina to Rusal's aluminium smelters in Russia. However, its alumina output was thought to have been reduced before the derailment due to fuel supply difficulties.

Guinea's mining minister said early in August that it has chosen Glencore to offtake bauxite produced by state-owned Nimba Mining following an international tender. Glencore was said to have agreed to provide a $350 million advance secured against future bauxite production. However, later in the month Nimba said it plans to secure a trading partner under an agreement covering guaranteed minimum annual sales volumes while marketing additional bauxite production through monthly spot tenders. The mining minister also said Nimba will market its bauxite through monthly tenders open to global traders and miners such as Mercuria, Glencore, Rio Tinto and Vedanta.

Guinea's Nimba Mining Company said the signing of its mining convention with the government has established the legal framework for the company to conduct activities across the value chain, from the extraction of bauxite at the Tinguilinta mine to its export from the port of Kamsar. NMC expects to ramp up its operations to 10 million tonnes this year and then to 12 million tonnes/year from 2027. The company is also launching feasibility studies for a 1.2 million tonnes/year alumina refinery to further process some of its bauxite.

INDONESIA

Indonesia's President announced on August 14 a plan to create a new exchange that will set prices for the country's strategic commodities by the start of next year. This will include bauxite, thermal coal, nickel, copper and tin as well as palm oil and natural gas.

We previously reported that 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. In early August the government said the country has resumed exports of minerals containing rare earth byproducts. The government met with stakeholders to discuss the concentration limits for each element, laboratory testing methods, verification mechanisms and guidelines for surveyor issuing export documentation.

NORWAY

Hydro Energi and Statkraft have signed a long-term power purchase agreement securing an annual electricity supply of 876 GWh from 2031 to 2040. This is the third such long-term agreement between the two parties this year. The agreement is said to support Hydro's aluminium operations in Norway by providing access to renewable electricity at competitive terms.

UAE

Emirates Global Aluminium has provided an update on progress at its Al Taweelah aluminium complex that was damaged by an Iranian attack in late March. As of August 10, EGA had successfully restored 227 reduction cells representing 18% of the plant's 1.5 million tonnes/year capacity. Hot metal production is expected to ramp up as more reduction cells are restored and is expected to return to pre-incident levels in the first quarter of 2027. Meanwhile, the new Al Taweelah recycling plant is currently running at approximately 10% capacity. The Al Taweelah alumina refinery restarted in early July and reached 50% of pre-incident production levels within days. A later update on August 26 said 315 reduction cells representing 25% of the Al Taweelah plant's capacity had now been restarted.

USA

Oklahoma's Attorney General Gentner Drummond has filed a motion with the Tulsa federal court to block the construction of the Trump-backed Oklahoma Primary Aluminium hub in the Mississippi port of Inola near Tulsa. The $4 billion project to build a new 750,000 tonnes/year smelter was set up by Emirates Global Aluminium and was later joined by US-based Century Aluminium. Drummond is a Republican who is also running for state governor.

On August 27, the Justice Department's Energy and Natural Resources Division filed a statement of interest in the lawsuit brought by the Oklahoma Attorney

General, expressing support for the construction of a primary aluminium smelter in Inola.

AGRICULTURE SECTOR DEVELOPMENTS

FAO

The FAO's World Food Price Index for July edged up to average 131.1 points, 0.6% higher from June's level and 1.0% higher than a year earlier. The FAO's May Cereal Price Index rose by 3.4% from June to average 113.8 points and was 6.9% higher year-on-year. World wheat prices surged by 5.8% amid heightened concerns over continued disruptions to Black Sea export flows and damage to export infrastructure, further compounded by the impact of recent heatwaves on crop yields in several key producing countries. World maize prices also increased, up 3.6% from June, supported by concerns over hot and dry weather in parts of the Corn Belt in the US and spillover effects from firmer energy markets amid heightened geopolitical tensions. The FAO All Rice Price Index held broadly stable in July. Meanwhile, the FAO Sugar Price Index averaged 95.0 points, up 5.6% from June while still down 8.0% from a year ago. The increase was mainly driven by concerns about the potential impacts of persistent hot and dry weather on crop yields in the EU and of El Nino-related weather conditions on production prospects in key producing countries in Asia. Expectations of stronger demand for ethanol in Brazil also provided price support.

IGC

The International Grains Council has reduced its 2026/27 world production forecast for total grains (wheat and coarse grains) by six million tonnes to 2,416 million tonnes following downgrades for wheat, maize and sorghum. The outlook for European production has deteriorated further due to sustained heat. However, 2026/27 grain trade volumes were upgraded by one million tonnes to 451 million tonnes, largely reflecting increased EU maize import needs. There was no change to the Council's 2026/27 soybean projections with world soybean production staying at 441 million tonnes and trade volumes held at 190 million tonnes. As for rice, 2026/27 world production was cut by two million tonnes to 541 million tonnes due to an expected lower output for India but world rice trade in 2026/27 was again maintained at 62 million tonnes.

USDA

The US Department of Agriculture's August forecasts contained only minor adjustments 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 808 million tonnes, up by just 1 million tonnes or 0.1% from July's numbers. 2026/27 wheat exports from Russia and Ukraine were downgraded by 1.5 and 1.0 million tonnes respectively due to ongoing disruption to Black Sea shipments from their exchanges of missile and drone attacks This was largely compensated for by 1 million tonnes upgrades to the wheat export assessments for Canada and Kazakhstan due to improved production prospects. As for 2026/27coarse grains, Russian and Ukrainian export forecasts were also downgraded due to latest war developments, by 0.4 and 1.21 million tonnes respectively. US maize exports were marked up by 1.91 million tonnes on reduced competition from other exporters. 2026/27 rice and soybean exports were largely unchanged. US 2026/26 soybean meal exports were increased by 0.67 million tonnes on a raised crush. There were also modest 0.2 million tonnes rises in soybean meal export assessments for Argentina and Brazil due to stronger global demand prospects.

ARGENTINA

Argentina exported 5.14 million tonnes of maize in July, setting a new monthly record, according to the Rosario Grain Exchange. The strong performance led the exchange to raise its Argentine maize crop estimate by 2.5 million tonnes to 70.5 million tonnes.

The Rosario Grain Exchange said in early August that Argentine farmers still have about 30% of this season's wheat crop to sell as rising prices give growers reason to hold onto supplies.

Argentina's government suspended its reform of pilotage regulations aimed at boosting competition after strikes by pilots paralysed maritime trade at the country's ports, reportedly leaving 150 ships waiting to move. Nearly 3m tonnes of grain, agricultural products and fuels were said to be caught in the disruption. Clearing the backlog is expected to take time. Argentina's grain ports were said to have returned to normal operations on August 5.

BRAZIL

Brazil's crop agency Conab has raised again its estimate of the country's maize crop. Its August assessment is 142.995 million tonnes, up 0.9% from its July estimate and up 1.3% from 2025 on an upward revision for second crop yield. Meanwhile, the soybean harvest is complete, with production estimated slightly down at a still record 180.464 million tonnes, up 5.2% from a year ago.

BILGARIA

Bulgaria is reported to have harvested a record wheat crop this year of nearly 7.4 million tonnes, driven by high yields amid favourable weather conditions. The outlooks for the country's maize and sunflower crops are also promising with expectations of higher yields.

CHINA

Reports in late August indicated that key maize and soybean growing regions in China have been battered by both heavy rainfall and high temperatures with more storms to come (see earlier commentary on Chinese Port Congestion). This is threatening crop quality and yields and could boost imports of feed grains, including from the US.

China imported 11.77 million tonnes of soybeans in July, down from 13.55 million tonnes in June but up from 11.67 million tonnes a year earlier. Cumulative soybean imports in the first seven months of 2026 reached 62.16 million tonnes, up 4.8% year-on-year.

Chinese purchases of new-crop (2026/27) US soybeans have run well ahead of physical departures since late June according to USDA export sale data, providing a positive signal for near-term long-haul soybean loadings out of the US Gulf.

EU

A study by the European Commission's Joint Research Centre estimated that a proposal to cut maximum residue levels for 18 pesticides could reduce EU agricultural imports by up to 41% if outside suppliers did not adapt to the new regulations. An intermediate scenario projects an 8% decline in imports, while the lower-bound scenario of widespread adaptation estimates only a 0.4% reduction. The background to the analysis is the Commission's ongoing review of pesticide residue rules.

The European Commission reported that EU soft wheat exports at the start of the 2026/27 season from July 1 through August 9 totalled 1.01 million tonnes, down from 2.36 million tonnes in the same period a year earlier. On the same time comparison, barley exports totalled 0.36 million tonnes, down from 1.88 million tonnes a year earlier.

FRANCE

The French government said the country's maize harvest is on pace for a 35% fall to 9 million tonnes, the lowest level since 1980 under the combined impact of drought and heatwaves. Farmers have also reduced maize areas in favour of other crops such as sunflowers or have chosen to leave land fallow amid rising costs. The Agriculture Ministry estimates that the cultivated area will be down 21% this year.

INDIA

The Directorate General of Foreign Trade said on August 24 that the Indian government has permitted exports of wheat, including the durum variety, as well as flour and other products, scrapping a ban on such exports imposed in May 2022. The decision was aimed at boosting farmers' income amid depressed domestic prices.

The Indian government said on August 20 that it will allow duty-free imports of one million tonnes of raw sugar in the period up to October 31 ahead of the country's festival season when demand for traditional sweets peaks. Domestic sugar prices had risen by nearly 40% in two months as lower production tightened supplies. A later report suggested Indian sugar mills and refiners are likely to import only about half of the one million tonnes allowance, as recent falling domestic sugar prices have eroded the profitability of imports.

JAPAN

Commercial grain vessel operations have resumed at Japan's Yatsushiro Port on August 12 after emergency repairs following the Kumamoto earthquake that hit in late July.

RUSSIA

Russia has extended its 20% export duty on soybeans to the end of August 2028. The current duty which was scheduled to expire at the end of this month.

The Russian government was reported to be making provision for 10 billion roubles to support rail shipments of agricultural products for export amid a curb in shipments from the Sea of Azov due to Ukrainian strikes. The aim would be to divert cargoes to other Black Sea and Baltic Sea ports as well as to Far East ports. Separately, there were reports that Ukrainian attacks on the Russian Black Sea port of Novorossiysk had damaged two major grain terminals leading to a suspension of operations.

UKRAINE

Russia struck the area around Izmail, Ukraine's largest Danube grain export port, on August 13 damaging port infrastructure and starting a fire.

Ukraine is reportedly considering shipping grain by rail through Moldova to the Romanian port of Constanta and is seeking a 50% discount on the nominal rail freight rate. The two countries were said to be discussing a timeframe and volumes with Ukraine estimating that such a corridor could handle 10% of Ukrainian grain shipments. Moldova had previously provided rail transportation for Ukrainian grain during the 2022-23 season.

Ukraine's agriculture ministry said on August 10 that it has lowered its 2026/27 season grain export forecast to 38-40 million tonnes from its previous assessment of 43 million tonnes, due to Russian attacks on its ports. Separately, the agriculture minister said Ukraine could face a domestic grain storage shortfall of 8 million to 11 million tonnes in November as the maize harvest comes in if exports remain slow.

In a more dramatic downgrade of Ukrainian grain export prospects, the USDA's Foreign Agricultural Service revised its 2026/27 Ukrainian maize export forecast from 23 million tonnes to just 14 million tonnes while lowering the country's 2026/27 wheat export forecast from14.5 million tonnes to 10.8 million tonnes. However, the barley export estimate was raised marginally to 2.5 million tonnes.

UNITED KINGDOM

The UK's government said on August 10 that three-quarters of England and all of Wales is in drought due to prolonged dry weather and high temperatures. The Agricultural and Horticultural Board noted earlier that if average wheat crop yields hold, the UK cereal and oilseeds harvest would be 19.5 million tonnes, the worst since records began in 1984.

USA

The Sweetener Users Association has welcomed the US Trade Representative's decision to exempt sugar imported under raw and refined tariff-rate quotas from the new tariffs of between 10% and 12.5% imposed by the Trump administration on 60 countries last month.

VIET NAM

Viet Nam's Food Association is seeking to set minimum prices for rice exports and domestic purchases to protect farmers and exporters from price manipulation. It is proposing a floor export price of $500 per tonne FOB for fragrant rice despite prices currently trading higher. The country exported 5.53 million tonnes of rice in the first seven months of 2026, up 0.5% year-on-year, according to government data.

FERTILISER SECTOR DEVELOPMENTS

MIDDLE EAST WAR

The United Nations Secretary-General proposed a neutral coordination mechanism to facilitate fertilizer shipments through the Strait of Hormuz on August 24. The UN would serve as a neutral facilitator, registering and verifying ships carrying fertilizer and related products, without authorizing passage or altering states' rights under international law. He stressed that the mechanism could only work if all parties to the conflict agreed to accept it.

The International Trade Centre, together with the WTO and UNCTAD, has issued an analysis of trade disruption caused by the Middle East war. It found that urea fertiliser export volumes from Strait of Hormuz-dependent countries dropped 83% in April 2026 when compared to a year earlier.

The Fertilizer Institute warned that more than half of globally traded sulphur passes through the Hormuz strait under normal conditions, and virtually no commercial shipments have gotten through since the Iran conflict began. Sulphur is an essential feedstock for sulphuric acid production, which in turn is required to convert phosphate rock into finished fertilizer products such as DAP and MAP. Without adequate sulphur supply, phosphate plants cannot operate at full capacity regardless of phosphate rock availability. Russia's decision to extend its sulphur export ban through the end of 2026 has compounded the Hormuz-related losses. As we have been reporting, the sulphur shortage has already forced production cuts at phosphate plants.

AUSTRALIA

CI Minerals Ltd has awarded the construction contract for a sulphate of potash (SOP) pilot plant at its Mardie Salt Operation and Potash Project in Western Australia with the aim of validating potential commercial scale SOP production from Mardie feedstock. Mardie is the country's largest solar salt operation and is designed to produce 5.35 million tonnes of industrial salt per year and 140,000 tonnes of SOP annually.

BANGLADESH

Bangladesh's Ministry of Agriculture issued a private-sector tender on August 3 for the import of 950,000 tonnes of fertiliser comprising 500,000 tonnes of DAP, 200,000 tonnes of TSP and 250,000 tonnes of MOP, all on CFR terms for delivery in the July 2026- June 2027 fiscal year. The tender closed on August 18.

BRAZIL

Brazil's National Energy Policy Council (CNPE) has authorised the sale of federally owned natural gas through competitive auctions, in a move which the government said could cut industrial gas prices by more than half. Fertiliser, steel and chemical producers are designated as priority buyers. Brazil’s fertiliser sector is currently heavily dependent on imported natural gas as feedstock for nitrogen production. Access to cheaper gas is expected to incentivise restarting more domestic nitrogen fertiliser capacity and encourage further investment helping to reduce reliance on imports. The first auction under the new framework is expected in late 2026.

CANADA

Canada's Energy and Natural Resources Ministry has announced additional funding to help advance the development of First Phosphate’s Begin-Lamarche phosphate mine project in Quebec by investing in enabling infrastructure. The mine is expected to create 300 jobs once production starts in 2029.

INDIA

India's government will continue paying DAP importers and producers a subsidy of around $41 per tonne through the rabi or winter crop season with the aim of maintaining an affordable phosphate supply. The rabi crop accounts for roughly half of the country’s annual grain production.

State-owned Solar Energy Corporation of India said it is looking to supply an additional 1 million tonnes of locally produced green ammonia to fertiliser makers annually, to help reduce the country’s reliance on imports. The supply will be based on tenders only.

MEXICO

Gas y Petroquimica de Occidente’s ammonia plant in Topolobampo, Mexico, was reported to have reached 80% completion as of early August, with construction on track for a 2027 startup. The $1.6 billion facility will produce 800,000 tonnes/year of anhydrous ammonia for fertiliser manufacturing. The GPO project is one of two fertiliser investments under construction in Mexico.

Fermachem started construction in June 2026 on a $1.6 billion complex in Lerdo designed to produce about 1 million tonnes of granulated urea annually using self-generated electricity and carbon capture technology. That plant is due to commence commercial production in 2029.

MOROCCO

Morocco's OCP Group is reported to be on track to add around 4.5 million tonne/year of phosphate fertilizer capacity by the end of 2026, the first phase of its SP2M expansion plan that ultimately aims to bring 9 million tonnes/year of new capacity online by 2028.

Last month we reported that the US Department of Commerce, acting on President Trump's emergency proclamation, had opened an eight-month window starting July 8 during which Moroccan phosphate fertiliser may enter the US without countervailing duties. The measure was aimed at making sure US farmers have sufficient and timely supplies of fertilisers during the planting and growing season. It has later emerged that the US Department of Commerce has recommended maintaining countervailing duties on phosphate fertilizer imports from Morocco, finding that revocation would likely lead to continued subsidisation of Moroccan producer OCP at a rate of 20.04%. While OCP can continue to ship duty-free for the eight-month period, Commerce continues its review process that could eventually make the duties permanent.

ORNX has signed an agreement to develop an ammonia production project in Laayoune, Morocco. The project aims to produce 100 000 tonnes/year of low-cost hydrogen which will be converted into approximately 560 000 tonnes/year of ammonia. The ammonia can then be used as a source for further processing into solid and liquid fertilizer products.

SAUDI ARABIA

Sabic Agri-Nutrients and Maaden Integrated Fertiliser have signed a three-year MoU to collaborate on value-added fertiliser products. Sabic is also advancing its plans to add 2.6 million tonnes/year of new urea production capacity after the Saudi energy ministry approved a gas feedstock allocation in March. On completion, this would raise Sabic's total urea capacity to roughly 7.4 million tonnes/ year.

UNITED KINGDOM

The UK suspended its 6% tariff on ammonium nitrate fertiliser imports effective August 5, following the action of the EU which suspended its tariffs on ammonium nitrate and other nitrogen fertilisers earlier in the year. The UK tariff suspension is reported to remain in place through the end of 2028. The main beneficiary is expected to be US exporters who are the dominant suppliers of ammonium nitrate to the UK.

USA

Morocco's OCP and CHS, a US farmer-owned cooperative, plan to form a joint venture to build a one million tonnes/year phosphate fertiliser plant in Louisiana with an investment of up to $450 million. OCP is to supply phosphoric acid to the facility.

As we have previously covered, President Trump authorised at the end of June the temporary suspension of certain anti-dumping and countervailing duties on phosphate fertilisers imported from Morocco for eight months as US farmers struggled with shortages due to the Middle East war. OCP said in late August that its first shipment to the US in several years had arrived, with the delivery of approximately 54,000 tonnes of Moroccan triple superphosphate fertiliser to the Port of New Orleans.

CF Industries expects global nitrogen supplies to remain constrained through the end of 2026 and into 2027, citing reduced Middle East exports, continued risks to Russian production and difficult economics for European producers. The company estimates the Iran conflict has removed about 4 million to 4.5 million tonnes of traded urea and roughly 1 million tonnes of ammonia from the market. It expects to produce approximately 9.5 million tonnes of ammonia in 2026, including the impact of the prolonged outage at its Yazoo City complex in Mississippi, which is not expected to resume production until the first half of 2027. Meanwhile, construction at its Blue Point low-carbon ammonia complex in Louisiana is scheduled to begin in August.

FOREST PRODUCTS SECTOR DEVELOPMENTS

BRAZIL

According to the International Tropical Timber Organisation, Brazilian exports of wood-based products (excluding pulp and paper) totalled US$278.8 million in June, down 9% year-on-year. Among main products, pine sawnwood export volumes rose 4% year-on-year to 250,100 cubic metres, while pine plywood export volumes fell 5% year-on-year to 192,700 cubic metres.

CANADA

Canadian lumber exports to the US in the first half of 2026 fell 13% year-on-year to 11.8 million cubic metres, while revenue dropped 28% to $2.1 billion.

Domtar announced it will indefinitely idle its Howe Sound pulp mill and Bayview Fibre chipping facility in British Columbia, removing about 380,000 tonnes/year of NBSK pulp production capacity. The company cited reduced Asian demand, weak global pulp pricing, and declining availability of affordable domestic fibre for its decision.

Millar Western will temporarily curtail its Quesnel River Pulp mill in British Columbia for about two months starting in September. The move follows the closure of Canfor's Northwood Pulp Mill in Prince George which we covered in last month's report.

Statistics Canada reported that Canadian sawmills produced 3.870 million cubic metres of lumber in May 2026, a 3.1% decrease from April and down 6.8% year-on-year. Lumber shipments totalled 3.909 million cubic metres in May, up 0.5% from the previous month but down 9.9% from a year earlier.

CHINA

China's customs data showed that the country's imports of logs and sawn timber in July totalled 4.705 million cubic metres, up 1.1% year-on-year. Cumulative imports in the first seven months of this year totalled 31.239 million cubic metres, down 6.7% from the same period a year earlier. Of this total, log imports amounted to 18.527 million cubic metres, down 3.9% year-on-year, while sawn timber imports totalled 12.711 million cubic metres, down 10.4% year-on-year.

FINLAND

Stora Enso is to permanently close its Veitsiluoto sawmill in Kemi and move processing to its other sawmills in northern Finland as part of ongoing efforts to improve efficiency, profitability and competitiveness.

The Finish Sawmill Association reported that lumber production in the first half of 2026 decreased by 3% to 6.1 million cubic metres. No positive changes are expected in the business environment soon.

SWEDEN

Sweden exported approximately 5.5 million cubic metres of sawn softwood products between January and May 2026, the lowest volume recorded for the period since 2019. The decline was mainly due to substantially lower deliveries to the US, Japan and the UK.

UNITED KINGDOM

Natural Resources Wales has unveiled a five-year strategy to fell more than a million trees a year to produce between 835,000 to 875,000 cubic metres of timber annually. NRW says this level gives the best balance between managing forests safely and sustainably, protecting future timber supplies and supporting the wood processing industry.

USA

The National Association of Home Builders/ Wells Fargo Housing Market Index reported that builder confidence for newly built single-family homes rose one point in August to 35. Sentiment has now remained in negative territory for 28 consecutive months. It has been below 40 for 16 straight months.

The USDA Foreign Agricultural Service reported that US wood pellet exports in June totalled 946,522 tonnes, up nearly 8% from May and up 28% from a year earlier. The UK continued to be the top destination for June shipments, having been sent 678,674 tonnes. Total pellet exports in the first six months of 2026 reached 5.44 million tonnes, up from 4.85 million tonnes in the same period last year.

VIET NAM

The Vietnam Timber and Forest Product Association is advocating that the country’s wood industry should seek higher value. It points out that about 74% of timber from planted forests is currently used to make wood chips and pellets, while 18% goes into plywood and laminated veneer lumber. Although these products consume around 80% of the raw material supply, they generate only about $3-4 billion of the sector’s total export turnover of $18 billion. By contrast, deeper processing, including indoor and outdoor furniture and laminated boards, uses just 20% of raw materials but generates around $14-15 billion in export value.

CEMENT SECTOR DEVELOPMENTS

ARGENTINA

Argentina’s cement despatches in July fell by 8.1% year-on-year to 0.816 million tonnes, according to the national cement association AFCP. Total shipments in the first seven months of 2026 were 5.475 million tonnes, down 3.3% from a year earlier.

BRAZIL

Brazil's National Cement Industry Union (SNIC) reported that cement sales rose 2.4% year-on-year to 6.233 million tonnes in July, with year-to-date sales up 2.4% to 39.056 million tonnes. SNIC's president cited resilient labour market conditions supporting sales, but noted headwinds from high household debt, interest rates and deteriorating trade relations with the US and Argentina.

CHINA

China's cement production fell 8.6% year-on-year to 859.9 million tonnes in the first seven months of 2026, according to the National Bureau of Statistics, as weak infrastructure and real estate demand, funding shortages and extreme weather curbed construction activity. The decline in output accelerated in the month of July, down11.6% year-on-year at 126.7 million tonnes.

COLOMBIA

Colombia's cement dispatches in June rose 8.9% year-on-year to total 1.062 million tonnes, according to the national statistics agency DANE. Domestic cement production during the month totalled 1.144 million tonnes, up 4.3% year-on-year. In the first six months of 2026, cement dispatches were up 5.9% year-on-year to 6.397 million tonnes, while domestic production grew 4.1% year-on-year to 6.042 million tonnes.

EL SALVADOR

Cement imports into El Salvador reached 389,330 tonnes in the first half of 2026, up 35% year-on-year and the highest volume since 1994, according to Central Reserve Bank data cited by local press. China supplied 26% of the total, followed by Vietnam, Honduras and Guatemala.

GABON

CIMAF Gabon plans to invest $177million to build an integrated cement plant at Ntoum. The company also plans to invest an additional $44 million to add a third line at its Owendo plant which will raise its annual cement capacity by 1million tonnes to 1.85 million tonnes.

IRAQ

The Al-Qaim cement plant has reached its full design capacity of 840,000 tonnes/year, helping to boost domestic cement supply and expanding exports to neighbouring Syria, according to Iraq's Ministry of Industry and Minerals.

MEXICO

Mexican cement producer Cooperativa La Cruz Azul announced a $383 million investment to reactivate and expand its cement plant in Tula de Allende, Hidalgo, after a prolonged dispute over control of the facility. The investment includes $106 million for renovation and reconditioning works already underway, and $217 million for a new production line that has reached 85% completion and is scheduled to be finished by the end of this year. The plant is expected to reach a production capacity of 3 million tonnes/year.

MOROCCO

Morocco's cement deliveries totalled 8.22 million tonnes in the first seven months of 2026, down 0.75% year-on-year, according to data from the Moroccan Cement Industry Association (APC). However, July deliveries rose 1.9% year-on-year to 1.42 million tonnes.

MOZAMBIQUE

Mozambique's Minister of Economy laid the first stone on August 5 for the US$220 million Clay & Gravel Holding cement plant in Chibabava district, Sofala province, a joint venture with China Energy Overseas Investment. The plant will produce 1.2 million tonnes/year of cement and 0.95 million tonnes/year of clinker.

NEW ZEALAND

Fletcher Building Materials reported that its cement unit received $35 million from the New Zealand government to offset CO2 emissions charges not faced by overseas competitors. The CEO said that without the support the company's Golden Bay Cement unit, the county’s only domestic cement plant, would likely have had to close.

NIGERIA

Dangote Industries has signed a MoU worth over US$800m with China's Sinoma International Engineering to double production capacity at its Itori cement plant in Ogun State from 6 to 12 million tonnes/year. Dangote attributed the expansion to the Nigerian government's renewed emphasis on using concrete for road construction and growing opportunities to supply cement to African countries facing shortages.

PAKISTAN

According to the All-Pakistan Cement Manufacturers Association, total cement dispatches in July rose by 6% year-on-year to 4.48 million tonnes. Domestic sales increased by 17% year-on-year to 3.77 million tonnes while cement exports decreased by 30% year-on-year to 705,000 tonnes.

RUSSIA

Russian cement output rose 3% year-on-year in July 2026, reportedly the first month this year to record a positive trend. The increase was attributed to a gradual stabilisation of domestic demand as cement imports declined.

SAUDI ARABIA

Qassim Cement Company has signed a financing agreement with the Saudi Industrial Development Fund to support the construction of a fourth production line at its cement plant. The new line is planned to have a capacity of 10 000 tonnes/day and will replace certain existing production lines. The project is intended to improve energy efficiency and environmental performance.

USA

The American Cement Association has raised its 2026 US cement consumption forecast in its Summer Forecast Update despite lowering its outlook for construction spending, as improving cement intensity offsets weaker market conditions. The association expects only modest growth in cement consumption in 2027, followed by stronger gains in 2028 as residential, non-residential and public construction all contribute to demand.

VIET NAM

The National Statistics Office reported that Viet Nam exported 3.18 million tonnes of cement and clinker in July, up 5.2% year-on-year. Cement and clinker exports in the first seven months of this year totalled 22.53 million tonnes, up 13.6% from the same period in 2025.

OTHER INDUSTRIAL MINERAL DEVELOPMENTS

ICSG

The International Copper Study Group reported that world **copper** mine production declined by 1.1% year-on-year in the first six months of 2026 to total 11.341 million tonnes of copper content. World refined copper production, including secondary production, grew by 2.4 % year-on-year in the same period to 14.401 million tonnes. Meanwhile, world apparent refined copper usage increased by 2.3% year-on-year between January and Jume to 14.270 million tonnes. The latest ICSG analysis of the world's refined copper balance indicates an apparent surplus of 131,000 tonnes in the first six months of 2026.

ILZSG

The International Lead and Zinc Study Group released preliminary data for world lead and zinc supply and demand for the first half of 2026. Global lead metal usage was estimated at 6.797 million tonnes, down 0.6% year-on-year. World lead mine production in 1H26 was assessed at 2.172 million tonnes, down from 2.240 million tonnes a year earlier with decreases in China, Peru, South Africa, Sweden and the US more than offsetting increases in Mexico and Portugal. Refined lead production was estimated at 6.846 million tonnes leading to the ILZSG assessing a global lead surplus of 49,000 tonnes in 1H26.

Global refined zinc usage in the first six months of 2026 was estimated at 6.736 million tonnes, up 0.6% year-on-year. World zinc mine production in the same period was assessed at 6.856 million tonnes, up 1.3% year-on-year with increases in Brazil, Mexico, Democratic Republic of Congo and Portugal offsetting declines elsewhere. Refined zinc production was estimated at 6.736 million tonnes leading to the ILZSG assessing a global zinc surplus of 120,000 tonnes in 1H26.

AUSTRALIA

Last month we reported that 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. In late August UK startup Natrium Redox Technologies said it had made a firm proposal to the Tasmanian government to acquire and restart the smelter to supply global battery and electric vehicle markets.

OM Materials, which operate manganese smelting facilities in Malaysia, has agreed an initial five-year offtake deal for all the **manganese** concentrate produced at Element25’s Butcherbird mine in Western Australia. However, the deal is capped at about 1.1 million tonnes/year.

Austral Resources Australia has secured Queensland state government funding to expand its Rocklands **copper** processing facility, particularly a scoping study including required power alternatives. This Stage 2 expansion study will assess increasing processing capacity from 3 million to 4.5 million tonnes/year with an option to go to 6 million tonnes/year.

CHILE

Chile's copper commission Cochilco reported that national **copper** output fell to 1.27 million tonnes in the second quarter of 2026, the weakest April-June production period in nearly two decades, citing severe storms and operational setbacks at state miner Codelco. Cochilco revised its 2026 copper price forecast to US$5.55 per pound following the sharper-than-expected supply contraction from the world's leading copper producing nation. Cochilco has also updated its copper production outlook and now expects Chile's output to fall 2.6% year-on-year to 5.27 million tonnes in 2026, recovering to 5.55 million tonnes in 2027.

CHINA

Chima's refined **copper** output in August will post an annual decline for a second straight month, constrained by an acute shortage of feedstocks, according to state-backed research house Antaike.

CONGO, DEMOCRATIC REPUBLIC

The government of the Democratic Republic of Congo has issued an order banning exports of **copper** and **cobalt** concentrates in a move aimed at forcing domestic processing and retaining more value from the country's natural resources. The DRC is the world's largest cobalt producer and second-largest copper supplier. The government has also introduced a new tax regime for economically significant mining by-products as part of a broader effort to increase revenue from its mining sector.

INDIA

India's state-run Hindustan Copper is reported to be planning to sell **copper** concentrate produced from mines it is acquiring from Codelco in Chile to Hindalco and Adani to help meet India's growing demand for the metal.

INDONESIA

Indonesia's President announced on August 14 a plan to create a new exchange that will set prices for the country's strategic commodities by the start of next year. This will include **nickel**, **copper, tin**, thermal coal and bauxite as well as palm oil and natural gas.

The Indonesian Nickel Miners Association said on August 13 that overall **nickel** ore production quotas will remain at around 260 million to 270 million tonnes, compared to 379 million tonnes in 2025. The Indonesian government will grant additional nickel ore production quotas selectively and only to smelters that are running low on raw materials. From January to July, domestic nickel ore consumption reached 142.96-million tonnes. The association is calling on government to allow production of another 30 million tonnes of nickel ore this year as a strategic buffer to meet demand from new smelting capacity expected to come online in 2026.

Freeport Indonesia said in early August that it aims to restart its Manyar **copper** smelter in September, as copper concentrate production from its Grasberg mine gradually recovers. The mine was shut down last year due to a fatal mud flow accident. Production of copper cathode this year is estimated to reach nearly 400 000 tonnes from both the Manyar and PT Smelting Gresik facilities. In a later update Freeport Indonesia said it was accelerating the restart of its Manyar smelter to the end of August after the Smelting Gresik furnace was Shut down on August 8 for repairs.

We previously reported that **nickel** smelter group FINI said on July 29 that exporters were still waiting for about 120 surveyor reports to be issued 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. The government acted in early August to restore shipments and address regulatory issues (see report under Indonesia in Aluminium Sector Developments).

SOUTH AFRICA

South African authorities are investigating the collapse of a tailings dam at Samancor's Dikwena **chrome** mine on August 13. There were no fatalities but the incident disrupted access to nearby mining operations, damaged vehicles and infrastructure at Northam Platinum's Eland Mine, and caused power interruptions in surrounding areas. The Department of Water and Sanitation has directed Samancor to stop depositing tailings into its tailings dams while the investigation is under way.