

DRY BULK MARKET INSIGHTS

October 2026

Latest commodity and trade developments

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TRADE WAR NEWS

On September 7 President Trump responded to Canada's reciprocal tariffs on \$20 billion of US goods coming into effect the following day by threatening Canada's Bombardier that it will no longer be allowed to sell its planes in the US unless it started manufacturing in the country.

The European Commission President Ursula von der Leyen said on September 16 she wanted to open the door to Canada becoming the EU's first "associate member," in a significant trade policy shift alongside plans to forge new links in "an openly hostile world". The Canadian Prime Minister had said earlier that he is seeking a unique alliance with the EU but not membership. President Trump responded by suggesting that the EU allowing Canada to become an associate member could be a "hostile act" and threatened more tariffs if it happened.

President Trump signed a Russia sanctions bill into law on September 18 signalling increased economic pressure on Russia over its invasion of Ukraine. It targets Russia's energy and defence industries, as well as its shadow fleet of tankers that evade existing sanctions. It also gives him new powers to impose tariffs that could last well beyond his presidency. The bill requires Trump to impose tariffs of up to 100% within 30 days on all goods imported into the US from the five largest importers of Russian crude oil or gas as well as any country that knowingly made new purchases of oil or gas 30 days after the law was enacted. China and India are among the biggest buyers of Russian oil, but critics say the law gives the administration leeway to name specific targets since it does not name any country or indicate how the top five list would be calculated.

The EU's Commissioner for Trade and Economic Security said on September 22 that the EU and the Philippines have reached an initial free trade agreement as the bloc continues to pivot towards Asia.

Following the US-China summit in Washington, China and the US said they will pursue tariff cuts on \$60 billion worth of goods imported from each other. China is set to cut tariffs on a broad range of US agricultural goods, from maize and wheat to meat, dairy and vegetable oils and meals. However, soybeans, the largest import item, did not appear on the tariff-reduction list.

India's trade minister will hold talks with his counterparts in the US on a visit from September 29 to October 5. The two countries have yet to reach a consensus on a trade agreement after months of discussions.

ECONOMIC NEWS

OECD

The OECD has released its September Interim Economic Outlook report which noted that global growth eased in the first half of 2026 but proved more resilient than anticipated. The economic fallout from the Middle East conflict was contained by substantial oil inventories, additional supply from outside the Gulf region and government support measures. Continued strength in AI-related investment also helped sustain production, trade and growth. The organisation raised its global GDP growth for 2026 from 2.8% to 2.9% but trimmed its 2027 forecast from 3.1% to 3.0%. It also added that downside risks remain significant.

GDP growth in the G20 area slowed slightly to 0.7% in the second quarter of 2026, down from 0.8% in the previous quarter, according to provisional estimates. Compared with the same quarter of the previous year, GDP in the G20 area was 3.1% higher in 2Q26.

Year-on-year inflation in the OECD as measured by the Consumer Price Index remained broadly stable at 4.1% in July, following a decline in June. OECD energy inflation in July was also stable albeit elevated at 11.6%. This is the fourth consecutive month it has been above 10%.

UNCTAD

A new analysis by UN Trade and Development suggests that disruptions in the Strait of Hormuz could put disproportionate pressure on the smaller firms that account for around 90% of businesses globally, 70% of employment and 50% of GDP. Larger companies can often spread risks across suppliers, markets and sources of finance. Small and medium-sized enterprises, by contrast, typically have fewer alternatives when energy, transport and financing costs rise. This creates a risk of an “exclusion effect”, in which recovery in headline trade figures can mask a more concentrated economy, with fewer smaller firms participating in international markets.

WTO

The World Trade Organisation’s 2026 edition of the World Trade Report issued in mid-September finds that a strengthened multilateral trading system could increase global GDP by roughly 3% or US\$ 3 trillion by 2050, while inaction to modernize the trading system could reduce global output by up to 10%.

The WTO's latest goods trade barometer points to resilient trade growth despite headwinds. The latest barometer reading of 102.0 is above both the baseline value of 100 and its previous reading of 101.7 from last June, indicating that merchandise trade is above trend and continues to gain momentum.

LOGISTICS NEWS

CHINA PORT CONGESTION

Late last month we noted that 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. Typhoon Saudel made its landfall along the Fujian coast early on September 3, forcing widespread port closures across eastern China, including at Shanghai, Ningbo and Zhoushan, disrupting vessel schedules and cargo movements across the region.

EUROPEAN PORT CONGESTION

German dockworkers began a 48-hour warning strike on September 3 involving around 11,000 workers at North Sea ports, with workers at Rotterdam and other Dutch ports set to join industrial action on the following day. The rolling strikes threatened to worsen already severe port congestion across northern Europe.

EUROPEAN RIVERS

Rhine water levels were reported to have fallen to as low as 20 centimetres on September 18 with the German water authority forecasting water levels to approach zero by end month thus threatening to shut down barge transport across this key artery.

MIDDLE EAST WAR

September started with a return to full-on hostilities with the US targeting Iranian Revolutionary Guard Corp sites while Iran struck at US bases in Jordan, Bahrain, Iraq and Kuwait. The US strikes included attacks on Iran's mine-laying capabilities and reported hits on two Iranian state-owned tankers signalling a new "tanker-for tanker" policy seeking to deter Iranian attacks on commercial vessels transiting the Strait of Hormuz.

Iran's Supreme National Security Council chief Mohsen Rezaei said on September 6 that Tehran plans to announce a new exclusion zone outside the

Strait of Hormuz targeting vessels it believes are attempting to transit the waterway. This came a day after the US struck three Iranian oil tankers in response to Tehran launching ballistic missiles at US warships.

Yemen's Iran-backed Houthis struck Saudi Arabian cities and energy facilities on September 8 wounding more than 70 people, a move that risks escalating the conflict into a wider regional war.

Iran said on September 9 that it had attacked 10 ships near the Strait of Hormuz after the U.S. sank five Iranian oil tankers, in what appears to be the largest wave of tit-for-tat attacks on shipping since the start of the war. Iran also said it had fired ballistic missiles at a US base in Jordan. Meanwhile, President Trump said he expected the war with Iran to end after the November US midterm elections.

In late September Iran said it would not soften its Hormuz demands after President Trump rejected its latest proposal, leaving Washington and Tehran at an impasse.

PANAMA CANAL

In early September the Panama Canal Authority postponed a planned reduction in the maximum authorized draft for Neopanamax Locks transits to 47.5 feet (14.48 metres) scheduled to take effect on October 1. It will maintain the current limit of 48 feet (14.63 metres). The decision follows the PCA's latest review of Gatun Lake levels and weather projections.

In late September the PCA began to loosen restrictions as rainfall improved the outlook for Gatun Lake. From October 15, the canal will increase Neopanamax transits to 10 a day, taking combined Neopanamax and Panamax capacity to 33 daily slots. The maximum authorised draft for Neopanamax vessels was also increased immediately to 49 feet (4.94 metres).

RED SEA/SUEZ CANAL

Reports on September 10 indicated that Houthi forces had advanced along the Yemeni coast taking control of the port city of Mocha and threatening strategic islands off the Red Sea coast. This means that the Houthis are gaining further geographic and military control over the Bab el Mandeb Strait at the southern outlet of the Red Sea. The following day it was reported that the Houthi forces had reached the strategic island of Perim after taking control of the coastal town of Dhubab which faces the island.

On September 12 Saudi Arabia said it shut down its 1,200 km East-West oil pipeline across the Arabian Peninsula as a precaution after multiple attacks from Iranian-backed militias operating in Iraq.

Also on September 12, the Houthis said international shipping through the Bab el Mandeb Strait remained near normal despite intense ground fighting along the Yemeni coast and that 73 international vessels, including container ships and other commercial vessels, crossed the strait over the previous 48 hours.

A further wave of Houthi missile and drone attacks targeting Saudi Arabia were reported on September 15 which triggered Saudi and Yemeni government retaliatory air strikes.

The Capesize bulk carrier Cape Dao was reported to have been struck on September 23 off Oman's Musandam peninsula, according to UK Maritime Trade Operations. The strike killed a seafarer and caused a fire in the engine room that left the vessel adrift. This followed recent strikes on two other merchant vessels.

RUSSIAN ARCTIC CORRIDOR

Russian officials have signed an agreement to construct a new deepwater port at Arkhangelsk, with completion targeted for 2032. The project is intended to expand Arctic cargo handling capacity linked to its Northern Sea Route. Plans call for a new port district with facilities handling containers and mineral fertilisers, alongside separate terminals for coal, petroleum coke and general cargo and a vessel bunkering complex.

Russia's Murmansk Bulk Terminal was reported to have loaded a cargo of 26,400 tonnes of potash aboard a vessel, as part of a new China-Russia logistics experiment using the Northern Sea Route. The ship had arrived from China carrying containers of automotive components.

Lloyds List reported that 19 bulk carriers transited the Northern Sea Route in August compared to seven a year earlier with Chinese-controlled Panamax vessels accounting for most voyages.

Russia was reported in late September to be proposing a new levy on seaborne exports to raise more than 200 billion rubles (\$2.35 billion) for two nuclear icebreakers needed to expand traffic along the Northern Sea Route. The levy could also help finance two emergency and rescue vessels required as Arctic traffic increases. The government is targeting 70 million tonnes of annual

Northern Sea Route cargo by the end of the decade, roughly double current volumes.

UKRAINE WAR

Ukraine's campaign against Russian shipping extended into the Mediterranean when drones struck the sanctioned Russian roro Lady Mariia near Crete on September 6 as the vessel headed east towards Syria.

On September 14 details emerged of a Turkish plan to safeguard Black Sea agricultural trade. The Turkish Agricultural Diplomacy Group presented a seven-point plan including suggesting a separate agreement to protect civilian grain infrastructure from attacks, including terminals, elevators, storage facilities and loading infrastructure. Ukraine also received proposals from Egypt and India regarding the possible reopening of the Black Sea.

Bulgaria's president told the UN in late September that it was proposing to create a zone of safe and free navigation in the Black Sea, amid continued risks to grain and other bulk cargo vessels transiting the region.

STEEL SECTOR DEVELOPMENTS

OECD

The OECD's report Navigating the Steel Transition amid Global Excess Capacity found that global steel excess capacity is projected to increase from 601 million tonnes in 2024 to 721 million tonnes by 2027. Approximately 25.8 million tonnes of blast furnace-basic oxygen furnace capacity is expected to be withdrawn during 2025-2027, including 15.6 million tonnes in China. However, these closures will be outweighed by 62.1 million tonnes of new BF-BOF capacity, primarily in China and India. The OECD also identified 30.7 million tonnes of planned direct reduced iron-electric arc furnace steelmaking capacity additions and 61.7 million tonnes of scrap-based EAF additions during 2025-2027.

WSA

The latest August 2026 crude steel production data from the World Steel Association had global output across 70 reporting countries at 144.2 million tonnes, a decrease of 1.2% year-on-year. Chinese output for the month was estimated at 74.6 million tonnes, down 3.7% compared to a year earlier. Outside China, other major producers that recorded year-on-year decreases in August included Brazil (-6.2%), the EU (-1.0%), Turkey (-0.4%) and Russia (-

0.3%). There were year-on-year production gains in Viet Nam (+36.4%), India (+4.6%), the US (+3.0%), South Korea (+2.6%) and Japan (+0.4%). The WSA reported Chinese crude steel output in the first eight months of 2026 at 651.9 million tonnes, down 3.1% year-on-year. India's output over the same period totalled 115.9 million tonnes, up 6.0% year-on-year, while EU production totalled 84.5 million tonnes, down 0.3% year-on-year.

AUSTRALIA

Australia's Whyalla Steelworks in South Australia is still searching for a new owner after falling into administration last year, and its administrators, KordaMentha, now say they will shut its blast furnace with most workers made redundant.

AUSTRIA

Voestalpine said that construction of its new electric arc furnace unit at Donawitz was progressing, with the lower and upper furnace vessels and covers for both EAF 1 and EAF 2 now installed. The EAFs will primarily use steel scrap, while hot briquetted iron will also be used to improve steel quality. The new EAF unit is intended to replace coal-based blast furnace steelmaking at the site.

BRAZIL

Brazil's CSN Mineracao lowered its projections for iron ore production and processing at the end of September due to persistently rising freight costs. The company cut its forecast for production volume and purchases of third-party ore in 2026, from a level of 45.0 to 47.0 million tonnes to a range between 39.0 and 41.0 million tonnes.

The Brazilian mining company Cedro Mineracao has obtained a license to expand its iron ore mine in Minas Gerais. The company will gradually expand its processing capacity to 10 million tonnes/year of raw ore, up from approximately 3 million tonnes produced currently. It is also working on the development of two more new mines, a rail line and a port terminal to be operated by Cedro Logística. The port terminal in Itaguaí will have a capacity to handle up to 15 million tonnes/year of iron ore

CAMEROON

A&S Resources has announced plans to build a 1,350 km railway linking its iron ore deposits in the Central African Republic with Cameroon's Kribi port, potentially establishing a major new Capesize trade. The company said the

project could support annual iron ore exports exceeding 90 million tonnes once developed.

CANADA

in late September Cleveland-Cliffs said it is idling some production at its Hamilton, Ontario steel plant in Canada and will lay off hundreds of workers, citing the damage done by US tariffs. It will indefinitely idle its cold-rolled and coated operations at the Stelco plant, with operations set to begin winding down on October 9. The Canadian Prime Minister accused the US owner of Stelco of betraying Canadian workers.

Last month we reported that Algoma Steel said it experienced an unplanned outage at its Lake Superior Power generating facility in mid-August which led to suspended production at its electric arc furnace. In an update at the start of September, the company said it has resumed electric arc furnace production from August 29 while an affected turbine on site remains unavailable. Algoma is now producing and shipping steel under interim arrangements and is pursuing multiple alternatives intended to restore full generating capacity as soon as possible.

CHINA

Singapore iron ore futures briefly dipped below \$95/tonne on September 21 as Chinese steelmakers moved to curb output and reduce inventories amid weak demand and sustained pressure on profitability. Market reports indicated that more than 50 major Chinese steelmakers had called for coordinated production cuts to address a deteriorating operating environment.

China's iron ore imports in August totalled 108.54 million tonnes according to customs data, up 0.4% from July despite multiple typhoons battering unloading ports. It was suggested that the August figure could also reflect delayed customs clearance for some cargoes that arrived in July. The August total was up 3.1% from a year earlier. In the first eight months of 2026, China's iron-ore imports totalled 845.27 million tonnes, an increase of 5.5% year-on-year.

EU

The EU announced on September 18 that it will impose a set of import quotas and minimum prices for electrical steel and downstream products in a bid to shield the EU from cheap imports, principally from Asia. The minimum prices are reportedly significantly higher than existing measures. Imports of electrical

steel from China, Japan, Russia, South Korea and the US have been subject to anti-dumping measures and minimum import prices since 2015.

The European Parliament in mid-September adopted its position on the extension of the Carbon Border Adjustment Mechanism to downstream steel and aluminium products, marking an important step in recognising that carbon leakage has increasingly shifted beyond primary materials and into manufactured goods. The European association Eurometal argues that further work is needed to ensure the mechanism effectively delivers a genuine level playing field across the entire European manufacturing value chain.

The European Commission has published a draft list of countries outside of the OECD which would be allowed to continue importing EU-origin scrap metal from May next year under the revamped Waste Shipment Regulation. Most countries that submitted applications have been rejected, including major scrap import markets in India, Pakistan, Bangladesh, Morocco and Egypt.

GERMANY

ArcelorMittal announced that it will end primary steelmaking at its Duisburg site by the end of 2027, closing the steelworks and billet mill and shifting the plant to a rerolling-only model amid mounting economic pressures. The Duisburg plant currently has a crude steel production capacity of 1 million tonnes/year and supplies customers in the automotive, mechanical engineering and railway sectors.

Germany-based steelmaker Salzgitter AG has announced that its subsidiary Huttenwerke Krupp Mannesmann has permanently shut down blast furnace A at its Duisburg plant. The blast furnace route is to be replaced by a new 2.5 million tonnes/year electric arc furnace from 2029. Blast furnace B will maintain production during the transition.

The German Steel Association (WV Stahl) reported that the country's crude steel output in August increased by 1.7% year-on-year to 2.59 million tonnes. Crude steel production in the first eight months of 2026 increased by 6.3% year-on-year to 23.90 million tonnes.

INDIA

India's steel secretary said that the country's new steel policy plans 600 million tonnes of steelmaking capacity by 2047. India's steelmaking capacity stood at 220 million tons as of fiscal 2026. The steel ministry expects iron ore demand to reach 772 million tonnes/year and plans to secure access to high-grade

reserves by pursuing foreign assets and joint ventures. It also expects coking coal demand to reach 214 million tonnes/year and will again look to acquire overseas assets.

India has received an annual country-specific tariff-rate quota of 1.9 million tonnes for steel exports to the EU, while the government expects exporters to secure another 0.9 million tonnes through residual quotas, taking the total to 2.8 million tonnes, according to a commerce ministry official.

Ministry of Steel data showed that India's crude steel production in August edged down 0.1% year-on-year to total 14.1 million tonnes while finished steel production increased by 0.3% year-on-year to 13.48 million tonnes.

INDONESIA

Indonesia's Trade Ministry announced it has launched an anti-dumping investigation into imports of galvanised steel products from China.

ITALY

The Milan Court of Appeal on September 11 upheld an order to shut down blast furnaces at the former Ilva works in Taranto now owned by Acciaierie d'Italia. Once again, this raised doubts over government plans to sell off the company's assets which once formed Europe's largest integrated steelmaking site.

The Italian metals distributors, traders and processors association Assofermet has expressed deep concern over the potential impact on the domestic steel supply chain of the Milan court decision requiring the shutdown of blast furnace operations in Taranto by October 28. Assofermet highlighted the strategic importance of the Taranto site, which is currently Italy's only integrated steelworks capable of producing primary steel from iron ore. The plant is also at the heart of a broader industrial network, supplying coils and semi-finished products both to the market and for further processing at the company's facilities in Genoa and Novi Ligure.

The Italian steel federation Federacciai said the country's crude steel production fell by 1.8% year-on-year to almost 1.7 million tonnes in July but increased by 2.8% year-on-year to 13.1mt in the first seven months of 2026 year.

LIBYA

A direct reduced iron complex in the port city of Benghazi is expected to attract about \$2.5 billion in investment, according to the chairman of Tosyali

Sulb Steel Industries, the Turkish Libyan joint venture developing the project. The facility will produce about 2.7 million tonnes/year of DRI in its first phase and is expected to start commercial production in early 2028. However, it is designed to produce around 8.1 million tonnes/year of DRI using natural gas. About 90% of output is expected to be exported.

MEXICO

Mexico was reported to have started an anti-dumping investigation into imports of steel sheet originating in Japan. It was requested by Grupo Acerero that claimed unfair international trade practices, specifically price discrimination, causing material harm to the domestic industry.

ROMANIA

Romania's Liberty Tubular Products Galati restarted production at its welded pipe mill after several months of very limited activity. It has an annual production capacity of around 50,000 tonnes.

Romania's UMB Steel is moving ahead with plans to restart the Otelu Rosu steel plant, which has been idle since 2012. The revived facility is expected to have long steel capacity of around 700,000 tonnes per year. The future production route is expected to combine scrap-based EAF steelmaking with continuous casting and rolling.

SLOVAKIA

US Steel Kosice will invest approximately 900 million euros in a new 1.6 million tonnes/year electric arc furnace after signing an agreement with the Slovak government for a grant to partly cover the cost. The furnace is scheduled for commissioning in 2030 and will operate together with the existing blast furnace facilities. Nippon Steel will transition USSK to direct ownership and rename the unit to Nippon Steel Slovakia from the start of October.

SWEDEN

Sweden's green steel producer Stegra announced that it has selected four shipping and logistics companies to manage sea transportation within the supply chain of its green steel plant in Boden, covering incoming raw materials and outgoing steel products. The selected partners are ESL Shipping, Royal Wagenborg, Pangaea Logistics Solutions and Clarksons.

We reported last year that SSAB announced a 12 -month delay to the startup of its new 2.5 million tonnes/year green steel mill in Lulea citing delays in upgrading Sweden's power transmission infrastructure. Vattenfall

Eldistribution has now received a concession to build and operate two new power lines that will connect the Lulea plant to the electricity grid. The approximately 11 km lines are scheduled to be constructed from 2027 and are expected to be commissioned in early 2029.

UKRAINE

ArcelorMittal said a ballistic missile hit its Ukrainian steel plant ArcelorMittal Kryvyi Rih on September 12, killing two contractors and injuring two employees. The strike damaged the plant's ironmaking area and suspended primary steel production. Another strike occurred on September 25 killing seven people and prompting ArcelorMittal to say it was shutting production and that it cannot operate the plant safely.

Last month we reported that 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. On September 5 another Russian missile strike hit the company's Kamet Steel plant in Kamianske, damaging its sinter and blast furnace operations, as well as energy and transport infrastructure across the industrial site.

UNITED KINGDOM

The UK government said on September 14 it was drawing up a plan to nationalise Speciality Steel UK, Britain's third largest steel producer formally part of Liberty Steel which went into liquidation in August 2025. The decision comes two months after the UK government nationalized British Steel. The trade body UK Steel welcomed the move adding that funding has also been made available to restart the melting operations, with the electric-arc furnaces well on track for a December restart.

USA

President Trump announced on September 28 that Mesabi Metallica plans to build a 10 million tonnes/year steel plant in Iowa at a cost of \$15 billion. The first steel is expected to be produced in 2030. The company recently opened Minnesota's first new iron ore mine in 50 years and is a subsidiary of Indian conglomerate Essar Group.

A groundbreaking ceremony was held in early September at the site of the Hyundai-Posco Louisiana Steel plant in Donaldsville. It will have an annual production capacity of 2.7 million tonnes of steel sheets using electric arc furnace technology. Commercial operations are expected to begin in 2029.

POWER COAL SECTOR DEVELOPMENTS

IEA

The IEA's latest mid-year update on the coal sector reports that energy disruptions caused by the conflict in the Middle East are pushing global coal demand higher this year as sharp rises in natural gas prices prompt countries to turn to alternative sources. China has also increased its consumption of coal for producing chemical products due to high oil prices. Additionally, El Nino effects are set to support coal demand in some major consuming countries in Asia, including India and Viet Nam, due to higher cooling needs and lower hydropower output. As a result, global coal demand, which had been set to decline slightly year-over-year, is now forecast to rise by 1.2% in 2026, bringing the world's coal consumption to a record 8.94 billion tonnes. Meanwhile, demand for coal in international markets is rising above previous expectations amid lower domestic output in China and higher demand from import-dependent countries such as Japan and South Korea. In 2027, global coal output is set to rise slightly as production in China rebounds.

AUSTRALIA

Glencore won approval at the end of September to continue operations at its Hunter Valley thermal coal project in Australia until 2045, after the New South Wales state government found the economic benefits outweighed the environmental impact.

CHINA

China's coal imports in August totalled 42.09 million tonnes, down 1.5% both year-on-year and month-on-month, according to customs data. In the first eight months of 2026, China imported 310.19 million tonnes of coal, a year-on-year fall of 3.4%.

China's coal production in August fell 7.7% year-on-year to 351.2 million tonnes, according to the National Bureau of Statistics. However, the August figure recorded an increase over July's total of 343.21 million tonnes. The drop in output comes amid widespread mine safety inspections triggered by a mine disaster in late May that killed 82 people. Output over the first eight months of 2026r reached 3.06-billion tonnes, down 3.3% compared with the same period last year.

COLOMBIA

Glencore's Cerrejón coal mine in Colombia halted railway operations after explosives struck its network on September 22, marking the sixth attack on its infrastructure this year.

INDIA

India's Central Electricity Authority expects coal to supply about half its electricity through 2035-36 as surging power demand forces the country to rely on thermal generation alongside a rapid expansion of renewable energy.

Coal imports by India's power sector jumped 85.6% year-on-year to 5.52 million tonnes in August, their highest level since May 2025, according to local coal trader iEnergy Natural Resources.

India's coal ministry said on September 7 that it is ramping up rail shipments of coal to power plants after fuel inventories at several generators fell to critically low levels. The number of plants holding coal stocks below 25% of required levels had risen to 58, up from 46 at the end of August. Heavy rainfall in some of the key coal-rich Indian states, including Odisha, Jharkhand and Chhattisgarh, has hit mining operations and slowed the transportation of the fuel for power plants. Another report four days later indicated that nearly a third of India's coal-fired power plants were operating with critically low fuel stocks despite government efforts to boost supplies. By late September critically low stock levels were reported at 77 Indian thermal power plants.

INDONESIA

Indonesian coal miner Bayan Resources and three subsidiaries declared force majeure on coal supply in mid-September, citing the government's failure to grant its requested revisions to 2026 mining quotas. This follows our report last month that Jakarta's planned to cut national coal production quotas to 600 million tonnes in 2026 from a record 790 million tonnes in 2025. However, on September 21 it was reported that the Indonesian government had granted Bayan Resources an additional coal mining quota of around 15-20 million tonnes.

Indonesia's Energy and Mineral Resources Ministry announced that units of coal miner Bumi Resources have launched the construction of a plant intended to produce up to two million tonnes/year of methane gas from up to 7.78 million tonnes of low-grade coal.

Indonesia exported 201.47 million tonnes of coal in the January to July period, down 6.17% from the same period last year, according to the country's statistics bureau.

MALAYSIA

Malaysia expects about 9 gigawatts of gas-fired power generation capacity to be deployed into the electricity system by 2032 as the country phases out coal and prepares for rising electricity demand. The Economy Minister said Malaysia is no longer planning new coal-fired power plants, with the final coal plant expected to be retired by 2044. Around half of the country's coal-fired generation capacity is expected to expire by around 2035/36.

NEW ZEALAND

New Zealand's solar generation rose 56.2% year-on-year to a record 242GWh in 2Q26, according to the latest New Zealand Energy Quarterly with the country generated more electricity from solar than coal over a rolling 12-month period for the first time on record. 2Q26 coal-fired generation fell 74.3% year-on-year, contributing to a 95% reduction in coal use for electricity generation. Coal imports fell by 94% year-on-year to their lowest level since end 2011, while coal consumption reached a record low, aided by continued fuel switching to biomass in the food processing sector.

TAIWAN

Two new gas-fired units at the Taichung Power Plant reached full-load capacity in early September reinforcing the pledge by the country's Premier to phase out coal-fired units at the facility by 2034. Coal use at the facility reached 11 million tonnes in 2025, down from a peak of 18.39 million tonnes in 2014. Taipower promised to cut coal consumption to 10.5 million tonnes this year, but its plan remains unclear in the run-up to 2031, when new gas-fired units are set to come online.

USA

China has agreed to purchase at least 10 million tonnes of US coal in both 2027 and 2028, following talks between the two countries' leaders on trade cooperation. The commitment forms part of agreements reached under the newly operational U.S.-China Board of Trade, according to a White House statement.

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 516.3 million short tons in 2026, and 496.7 million short 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 August decreased 1.7% year-on-year to total 6.172 million tonnes, with 62.8% produced in China. The Middle East war resulted in production under the Gulf Cooperation Council falling to 299,000 tonnes, down 43% year-on-year. Global primary aluminium production in the first eight months of this year totalled 48.60 million tonnes, down 0.9% from a year earlier.

The IAI also reported that global metallurgical-grade alumina production in August totalled 12.384 million tonnes, down 1.7% year-on-year, with 61.5% produced in China. Global metallurgical-grade alumina production in the first eight months of 2026 totalled 95.40 million tonnes, down just 0.4% year-on-year.

AUSTRALIA

Rio Tinto has reached agreement with the Tasmanian and Australian governments to continue to operate the Bell Bay Aluminium smelter until the end of 2031 during which time Hydro Tasmania will continue to supply electricity to the smelter.

Rio Tinto agreed to acquire the Aurukun bauxite project in Cape York, Queensland, from Glencore and Mitsubishi, adding a potential resource of up to 8 million tonnes/year to its existing Weipa bauxite operations. The deal remains subject to Queensland government and other regulatory approvals.

BAHRAIN

Aluminium Bahrain (Alba) is currently producing aluminium at an annualized rate of 1.3 million tonnes, versus a pre-Iran war capacity of around 1.6 million tonnes, its CEO said on September 16. Alba is bringing in 300 to 350 trucks carrying alumina each day to maintain output.

CANADA

The latest US tariff measures have pushed duties on some aluminium products to as high as 100%, making Canadian-made goods even less competitive in the

US market. The new measures include a 50% US tariff on aluminium products that previously benefited from exemptions. When combined with the existing 50% tariff rate on foreign supplies, some products now face a total levy of 100%. These new tariff measures were included in an annex published by the White House on September 8.

Canada's exports of unwrought aluminium and aluminium products fell 12.6% in the first half of 2026 to 1.33 million tonnes, as US tariffs weighed on shipments to its largest trading partner.

CHINA

China's primary aluminium output rose 4.7% year-on-year to a record 3.98 million tonnes in August, according to data from the National Bureau of Statistics. Primary aluminium production in the first eight months of 2026 reached 31.12 million tonnes, up 3.9% from a year earlier. At this pace, China looks set to breach its own annual mandatory ceiling of 45 million tonnes set back in 2017.

Chinese customs data showed the country exported 626,000 tonnes of unwrought aluminium and aluminium products in August, up 17.2% year-on-year but down 2.6% month-on-month. China exported approximately 4.67 million tonnes of unwrought aluminium and aluminium products during the first eight months of 2026, an increase of 16.7% from the same period a year earlier.

ETHIOPIA

Xinye Special Steel announced the startup of its 180,000 tonnes/year capacity aluminium plant in Ethiopia's Gada Special Economic Zone, 65 km southeast of Addis Ababa.

EU

The European Parliament in mid-September adopted its position on the extension of the Carbon Border Adjustment Mechanism to downstream steel and aluminium products (see comments under EU in Steel Sector Developments). The decision was welcomed by the trade association European Aluminium.

The European Union was reported to have abandoned a proposal for an export duty on aluminium scrap over concerns it could complicate the final signature of a free trade deal with India. Instead, the EU was expected to rely on its environmental rules to curb scrap exports, although there was industry

scepticism over the effectiveness of the change in tactics. A later report at the end of September indicated that the EU is still considering a 15% levy on aluminium scrap exports to retain more recyclable metal within Europe.

GUINEA

Glencore and Guinea's state-owned Nimba Mining signed a more than \$300 million bauxite pre-financing and offtake agreement which allows Glencore to market 10-12 million tonnes of bauxite annually over the next five years. Guinea's Mines Minister said they will develop the partnership with Glencore beyond bauxite, including alumina refining, energy and other strategic investments.

INDIA

Following a cooperation agreement between Emirates Global Aluminium and National Aluminium Company, the latter will build a 500,000 tonnes/year brownfield smelter expansion in Anugola, Odisha using EGA's technology. The project will more than double NALCO's aluminium production. Initial aluminium production from the expansion project is expected by the end of 2030.

INDONESIA

Indonesia wants to quadruple its alumina output to 32.5 million tonnes and ramp up aluminium production from around 1 million tonnes in 2025 to 14.5 million tonnes by 2030, according to a report from the Centre for Research on Energy and Clean Air. This Finnish not-for-profit organisation is tracking off-grid coal plants built by private companies to power aluminium smelters which tend to provide only limited data on emissions.

Russia's Rusal is reported to be working on plans to build a bauxite and alumina complex in Indonesia to strengthen raw material supply for its domestic aluminium production. The company described the project as part of its diversification strategy in the Pacific region.

SAUDI ARABIA

Saudi Arabia's domestic aluminium demand could rise from around 1 million tonnes/year currently to 1.8 million tonnes/year by 2030 and to 2 million tonnes/year over the next five to seven years, according to Saudi aluminium producer Maaden. The expected growth is linked to construction activity in Saudi Arabia, including projects connected with the country hosting major expositions and the 2034 FIFA World Cup.

SLOVAKIA

It was reported at the start of September that Slovalco, a joint venture between Hydro and Penta Investments, had begun the gradual restart of production at its aluminium smelter in Ziar nad Hronom, Slovakia. The first phase will restore an annual production of 75,000 tonnes of primary aluminium. The plant has a total capacity of 175,000 tonnes/year. The restart follows an agreement reached with Slovak government at the start of July.

USA

The \$4 billion project by Emirates Global Aluminium and US-based Century Aluminium to build a new 750,000 tonnes/year smelter in the Mississippi port of Inola, Oklahoma, faces further delay after Inola town trustees unanimously extended the moratorium on the project through to April 7, 2027.

The US Department of War has invested an additional \$100 million in the Atlantic Alumina refinery in Gramercy, Louisiana, bringing its total investment in the company to \$400 million. The aim is to secure the refinery and restore its capacity to 1.2 million tonnes of alumina per year.

VENEZUELA

Mercuria Energy Group and Glencore were reported to be exploring a potential deal that could bring new investment and operating expertise to Venezuela's largest aluminium smelter, state-owned CVG Venezolana del Aluminio (Venalum). The facility has been producing only a fraction of its capacity of around 430,000 tonnes of primary aluminium a year and is in Puerto Ordaz near Venezuela's hydroelectric power resources and bauxite reserves. It later emerged that an aluminium cargo of around 15,000 tonnes was about to be shipped to the US by Venalum, the first such cargo in years.

AGRICULTURE SECTOR DEVELOPMENTS

FAO

The FAO's World Food Price Index for August averaged 133.3 points, up 1.9% from its revised July level and 2.5% higher than a year earlier. The FAO's August Cereal Price Index rose by 2.2% from July to average 116.3 points, its highest level since May 2024. World wheat prices increased by 2.6% month-on-month, amid persistent disruptions to Black Sea export logistics, a lower production outlook in parts of Europe and a weakening US dollar. World maize prices also increased, up 2.5% from July, supported by concerns over yields in

parts of the Corn Belt in the US and deteriorating production prospects in the EU plus disruption to Ukrainian export flows. The FAO All Rice Price Index increased by 0.5% from July reflecting currency movements, sustained purchases by Asian and African countries, and as prospects of tighter supplies underpinned Indica quotations. Meanwhile, the FAO Sugar Price Index averaged 106.4 points, up 11.9% from July, its highest level since June 2025. The price surge was mainly driven by concerns over the global sugar supply outlook.

The FAO revised its 2026/27 Cereal Supply and Demand Brief in early September. World cereal production in 2026 was scaled back by 3.4 million tonnes since July, to total 2,980 million tonnes. The latest revision leaves 2026 output 61.1 million tonnes below 2025's level, the largest annual decline since 2018. Even so, the forecast would be the second-largest harvest on record. The FAO's forecast for world trade in cereals in 2026/27 was revised upward by a modest 1.7 million tonnes to 509.3 million tonnes. The revision mainly reflects stronger maize trade prospects, with the US expected to consolidate its position as the largest exporter amid robust global demand and stronger export competitiveness. Argentina is also expected to export a larger volume, up to 39.0 million tonnes, bringing exports to a level close to that of Brazil. Fresh demand is also expected from Europe, following reductions to production forecasts.

IGC

The International Grains Council has raised its 2026/27 world production forecast for total grains (wheat and coarse grains) by four million tonnes to 2,420 million tonnes as increased crop forecasts for barley and wheat outweigh reductions for maize and sorghum. However, 2026/27 grain trade volumes were held at 451 million tonnes, with a downgraded outlook for wheat flows balanced by increases for maize and barley. There were modest changes to the Council's 2026/27 soybean projections with world soybean production trimmed by one million tonnes to 440 million tonnes and trade volumes increased by one million tonnes to 191 million tonnes. As for rice, 2026/27 world production was cut again, this time by five million tonnes to 536 million tonnes in large part reflecting a drop in India's kharif crop. However, world rice trade in 2026/27 was again maintained at 62 million tonnes.

ISO

The International Sugar Organization has cut its forecast for the global sugar surplus in 2025/26 to 1.1 million tonnes, down from 2.2 million tonnes projected in May. The downgrade was mainly driven by weaker-than-expected sugar production in Centre-South Brazil during the first half of the cane crushing season. This was partly offset by China, where production is estimated at nearly 13 million tonnes, the highest level since 2013/14. The ISO is forecasting a small global sugar deficit of 0.2 million tonnes in 2026/27. Production is expected at 180.1 million tonnes, compared with 180.7 million tonnes in the current season. Production outside Brazil could decline by around 4.4 million tonnes, mainly due to lower output in the EU, Thailand and Central America. At the same time, Brazil could allocate a larger share of sugarcane to sugar rather than ethanol production, as the recent rally in sugar futures has made sugar output more attractive for processors.

USDA

The US Department of Agriculture's September forecasts contained only minor net adjustments to their 2026/27 grain season forecasts, although there were some significantly larger offsetting changes. Looking at the export trade of the principal commodities (wheat, coarse grains, rice, soybeans, and soyabean meal), the latest revised 2026/27 estimates showed overall trade rising to 809 million tonnes, up by just over 1 million tonnes or 0.15% from August's numbers. 2026/27 wheat exports from Russia and Ukraine were downgraded by 3.0 and 1.5 million tonnes respectively due to ongoing disruption to Black Sea shipments from their exchanges of missile and drone attacks. There was also a 0.5 million tonnes reduction in the Kazakhstan wheat export forecast on smaller production. These cuts were largely compensated for by 1.5 million tonnes upgrades to the wheat export assessments for Australia and Canada plus a 0.5 million tonnes increase in Argentine exports, all due to larger crops. As for 2026/27 coarse grains, Australian barley exports were increased by 2.5 million tonnes due to a record crop and strong East Asian demand. This was partly offset by several small cuts to the export prospects of other coarse grain producers including Russia and Ukraine due to latest war developments. The only changes 2026/27 rice and soybean exports forecast were minor reductions to US exports. 2026/26 soybean meal export assessments were left unchanged.

ARGENTINA

Argentina's soybean crush hit a 10-year high in August as domestic processors crushed about 4.3 million tonnes of soybeans during the month boosting production of soybean oil and soybean meal.

Argentine farmers are set to expand soybean planted area by 1.2% in the 2026/27 season returning to the five-year average, according to a Buenos Aires Grain Exchange. The Exchange also said that Argentina could harvest a record 157.9 million tonnes of grain and oilseeds in the 2026/27 season. Soybean production is forecast at 53.6 million tonnes, up from 50.1 million tonnes in 2025/26. Maize production could rise to 66 million tonnes from 64 million tonnes a year earlier. However, 2026/27 wheat production is expected to fall significantly to 23.4 million tonnes from 27.8 million tonnes.

Argentina is finishing off its 2025/26 maize harvest which the government estimates will reach a record 71.7 million tonnes, nearly 20% above the previous record set five years ago. Data from Argentina's statistics agency INDEC shows maize shipments to North Africa rose 45% in the first seven months of 2026, to 6.5 million tons, compared with overall export growth of 15% during the same period.

AUSTRALIA

Australia exported 1,989,145 tonnes of wheat, including durum, in July, up an unseasonal 33% from June, according to customs data. The leading destinations for bulk shipments included the Philippines on 542,586 tonnes followed by Indonesia on 275,763 tonnes and South Korea on 197,957 tonnes.

Australian Digital Agriculture Service planting figures confirmed a sharp reduction in wheat area for the 2026/27 season, down 16.6% year-on-year while barley area rose 14.4%. However, DAS also commented that since those planting decisions were made, global wheat markets have shifted sharply with wheat prices climbing more than 50% since the start of the year.

Australia's national commodity forecaster ABARES has raised its production forecasts for wheat, barley and canola following a mild, wet winter across southern Australia. Its forecast for the 2026/27 wheat crop now stands at 29.9 million tonnes, up from an initial estimate of 26.7 million tonnes released in June. The barley crop is raised to 16.4 million tonnes from 14.1 million tonnes while the canola crop is increased to 7.27 million tonnes from 6.19 million tonnes.

BRAZIL

Brazil's crop agency Conab has raised again its estimate of the country's 2025/26 maize crop to 144 million tonnes, up 2% from the previous season. Meanwhile, with the soybean harvest complete, the soybean production estimated remains at a record 180.4 million tonnes, up 5.2% from a year ago. 2025/26 wheat production is projected at 5.74 million tonnes, down 27% year-on-year. The 2025/26 rice harvest is expected to total 11.08 million tonnes, a fall of 13% from the previous year.

CANADA

As of mid-September, Canadian farmers were struggling to harvest Canada's grain as regular rains came at the wrong time risking damage and late infections to crops. At the same time Statistics Canada said that Canadian farmers will produce 11% less wheat and about the same amount of canola as they did last year, in its first crop production report of 2026.

Canada's Arctic port of Churchill shipped a cargo of approximately 30,000 tonnes of durum wheat to Europe in early September, its first grain export since 2020. It is expected to be the first of three grain shipments this season.

CHILE

Chile is considering a shift to gasoline containing 10% ethanol (E10), which could create additional demand for maize imports as a key feedstock for bioethanol production. The Energy Ministry has drafted the proposal amid high crude oil prices and rising fuel import costs. The country currently has no mandatory ethanol blending requirement.

CHINA

The USDA's Foreign Agricultural Service said it expects China's soybean production to drop slightly to 20.1 million tonnes in 2026-27 due to a smaller planted area. China continues to buy US soybeans in accordance with the Busan agreement made last October. However, China's current 10% retaliatory tariff on US soybeans has led commercial buyers to make large purchases from South American suppliers with Brazil exporting record volumes in recent months. Total soybean imports for 2026-27 are estimated at 108 million tonnes, down from an updated 2025-26 estimate of 112.6 million tonnes. The FAS expects slower import demand growth in the coming years in response to slower growth in demand for soybean meal, noting that official Chinese sources continue to project lower soybean import and crush levels than international and private sector sources.

A report in late September suggested that China is likely to buy less US soybeans in coming months amid weak Chinese animal feed demand and negative crush margins and given that US soybean cargoes were excluded from proposed tariff relief after the recent US-China summit in Washington. In addition, inventories at Chinese crushing plants were reported to be at their highest level in 15 years

China imported 12.14 million tonnes of soybeans in August, down 1.1% year-on-year, according to customs data. Cumulative soybean imports in the first eight months of 2026 reached 74.11 million tonnes, up 1.1% year-on-year.

EGYPT

The USDA's Foreign Agricultural Service forecast that Egypt's 2026/27 wheat harvest will hit a record 10 million tonnes while the country's wheat imports are expected to fall by 23% to 12 million tonnes.

ESTONIA

Estonia's Foreign Minister said it will no longer allow Russian grain to transit through its ports. He added that Russian grain transit through Estonia is currently almost non-existent, and the government intends to keep it that way. Estonia also plans to coordinate its actions with Latvia and Lithuania.

EU

The European grain trade association COCERAL has lowered its latest forecast of the EU-27+UK grain crop to 279 million tonnes, down 8 million tonnes from its July forecast and well below last year's crop of 307.4 million tonnes. The wheat crop forecast was trimmed to 137.5 million tonnes down from 148.7 million tonnes in 2025.

The European Feed Manufacturers' Association FEFAC warned that drought across the EU has cut forage supplies and reduced the maize harvest, squeezing feed availability particularly for the region's cattle herds. The group anticipates an additional EU maize requirement in the 2026-27 marketing year of more than 7 million tonnes, leading to a total import estimate of more than 26 million tonnes, most of which will come from Ukraine, the US and Brazil. The shortfall in feed supplies is also likely to raise the EU's dependence on imported protein meals.

FRANCE

The USDA's Foreign Agricultural Service reported that prolonged drought has cut France's maize crop to 48.2 million tonnes, its smallest in 50 years, with

production across the EU also curtailed by the dry conditions. Given this production fall, the EU is forecast to import 23.2 million tonnes of maize in 2026/27, a 22% increase from the previous year and the highest total since 2018/19. The import forecast is still below the FEFAC estimate noted above under EU.

GERMANY

Drought and high temperatures have significantly impacted Germany's agricultural sector this year. According to the country's Agriculture Ministry, yields of key crops, including cereals, winter wheat and rapeseed, are expected to be 7–12% lower than in 2025.

INDIA

The Rice Exporters Association said that they estimate Indian rice production could decline by around 10 million tonnes due to lower yields caused by reduced rainfall. That would be nearly a 6.5% drop from last year's record 154 million tonnes and would be the biggest decline since 2009/10.

The USDA's Foreign Agricultural Service reported that a weak and erratic monsoon is worsening the outlook for India's grain production in 2026/27. Insufficient rainfall could reduce both planted area and yields of key crops. Its Indian rice production forecast was lowered to 147 million tonnes from 154 million tonnes in 2025/26. However, its rice export forecast remained unchanged at 25 million tonnes. The FAS also lowered its 2026/27 Indian maize production forecast to 50 million tonnes from 55 million tonnes a year earlier. As a result, it also lowered its Indian maize export forecast to 1.5 million tonnes, down from 2.5 million tonnes in the previous season.

The International Sugar Organization has lowered its forecast for India's fuel ethanol production in 2026 by 0.75 billion litres to 11.3 billion litres. India is expected to divert only around 1 million tonnes of sugar to ethanol production in the coming season, compared with 2.8 million tonnes previously, amid tighter sugar supply and high prices. According to ISO, grain-based feedstocks, particularly maize, now account for most of the country's ethanol requirements.

KENYA

The Kenyan government is considering allowing duty-free imports of 3 million tonnes of white corn following a sharp decline in domestic production due to drought and unfavourable weather conditions. The Cereal Millers Association

has proposed opening a nine-month duty-free import window to stabilize grain supplies and corn flour prices.

LATVIA

Latvia was looking in early September at tightening controls on grain moving through its ports and preparing possible cargo restrictions amid a sharp rise in demand for Russian grain transit through the Baltic. The government said Ukrainian authorities had provided information suggesting grain taken from occupied parts of Ukraine could be moved through the Baltic using Russian origin documents. Latvia will also coordinate with Lithuania and Estonia on a common policy.

On September 17 Latvia's parliament adopted urgent amendments to the Railway Law allowing infrastructure charges for grain transit originating in Russia to be revised more quickly. The government has proposed that the infrastructure manager consider raising the charge for such shipments to as much as 300% of the current level. Separately, parliament referred another bill to committee that would completely ban the transit through Latvia of agricultural and feed products of Russian and Belarusian origin, as well as their storage in Latvian ports.

LYBIA

German company BMA has signed a contract with Julyana Sugar to build a new sugar plant in Benghazi with a capacity of 2,500 tonnes/day. It is expected to be constructed within 24 months.

NIGERIA

Nigeria is expected to import 7.2 million tonnes of wheat in the 2026/27 marketing year, up 7% from the previous season according to the USDA's Foreign Agricultural Service. This is due to a more stable foreign exchange market, improved access to foreign currency for importers and continued growth in domestic demand.

PARAGUAY

Paraguay's soybean planted area could increase from 3.41 to 3.6–3.7 million hectares in the 2026/27 season, according to preliminary estimates from the Paraguayan Grains and Oilseed Traders Association (CAPECO). Paraguay harvested around 11.5 million tonnes of soybeans in the 2025/26 marketing year.

RUSSIA

There are reports that Russia is looking to repurpose its Baltic and Arctic ports, including Ust-Luga and Murmansk, to handle grain exports to offset disruptions to its Black Sea shipments.

According to the agricultural consultancy SovEcon, Russian farmers' winter wheat sowing for the 2027 harvest was about 25% below the average level of recent years as of early September amid low domestic prices, grain export disruptions and rising production costs.

THAILAND

The USDA's Foreign Agricultural Service said it expects Thailand's 2026/27 rice harvest to decline by 2% from the previous season to total 20.3 million tonnes due to tighter water supplies and an emerging El Nino event reducing off-season planting. Rice exports are projected to be unchanged year-on-year at 7.3 million tonnes, the lowest since 2021 under a strong Thai baht and competition with India and Vietnam.

TURKEY

The USDA's Foreign Agricultural Service expects Turkey to import 1.8 million tonnes of sunflower seeds in the 2026/27 season but will have to seek alternate suppliers to Russia and Ukraine due to the ongoing war.

Turkey is to reduce its import duty on sunflower seed for oil production from 20% to 12% starting October 1. The decision will take effect during the domestic harvest which continues until mid-November, prompting criticism from the country's agricultural sector.

UKRAINE

According to Ukraine's Minister of Agrarian Policy and Food, Ukraine was able to export only around 1.7 million tonnes of agricultural products via alternative routes in August, equivalent to about one-third of its potential export volume, due to Russian attacks on its ports. In a later report the ministry said it was negotiating with Poland to increase rail transit and expects to raise agricultural exports through Polish ports to around 6.5 million tonnes during the 2026/27 season.

In response to difficulties in exporting rapeseed and soybeans, Ukraine is boosting domestic processing of both crops into oil and meal. Domestic rapeseed processing was reported to have increased 2.7-fold in the 2025/26 marketing year, with its share reaching a record 42% of the crop, compared

with 15% a year earlier. Over the same period the share of the soybean crop processed domestically rose from 39% to 54.2%, also reaching a record high.

FERTILISER SECTOR DEVELOPMENTS

ALGERIA

Algeria has formally launched the construction phase of its Integrated Phosphate Project which aims to develop the Bled El Hadba phosphate deposit with new fertilizer production facilities at Oued El Keberit and dedicated export infrastructure at the Port of Annaba. Phase 1 is designed to produce 2.4 million tonnes of phosphate fertilizers and 570,000 tonnes of urea per year. The Oued El Keberit complex will also include production of intermediate chemicals required by the fertilizer chain, including sulfuric acid, phosphoric acid and ammonia.

AUSTRALIA

Avenira Ltd has entered into a four-year offtake and China distribution agreement with Hong Kong's Hebang Biotechnology for phosphate rock from the Wonarah Phosphate Project in Australia. The offtake amounts to 500,000 tonnes/year covering most of the project's expected annual direct shipping ore production of approximately 600 000 tonnes/year.

BELARUS

President Trump said on September 21 that his administration is working on a deal to purchase potash from Belarus for less than what the US currently pays to Canada. This was followed by a report that a 30,000-tonne cargo of Belarusian potash was on route to New Orleans, the first such shipment in four years.

Belarusian President Lukashenko said on September 29 that he had agreed with Russia that Gazprom would take part in a project to build a nitrogen fertiliser plant in Belarus and proposed involving the US in the deal.

BRAZIL

Brazil's Senate has approved the Profert law (Fertilizer Industry Development Programme) establishing tax incentives, development bank financing, and a mandatory domestic-content floor for fertilizer sold in the country. It now awaits signature by the President.

EGYPT

Egypt has launched a new phosphate fertilizer plant operated by Na Trans Fertilisers and Chemicals Industries in the Ain Sokhna integrated industrial zone within the Suez Canal Economic Zone. In its first phase, the plant will have annual capacity of 100,000 tonnes of phosphate fertilizers and related chemical products. The company is already planning a major expansion with an additional investment of around \$45 million to boost annual production capacity to 375,00 tonnes. The project also includes construction of an in-house sulphuric acid production unit with annual capacity of about 120,000 tonnes.

INDIA

China is set to supply at least 1.2 million tonnes of urea to India under the latest tender from state agency Rashtriya Chemicals and Fertilizers. The lowest offers came in at \$390.25 per tonne CFR India's east coast and \$393.65 per tonne on the west coast. This is substantially below the record \$935–\$959 per tonne India paid in an emergency April purchase of 2.5 million tonnes of urea. China's return to the export market has been a dominant factor in easing the global nitrogen fertiliser market

NEW ZEALAND

Melbourne-based Victorian Hydrogen has proposed a \$1.77 billion project to produce ammonia and urea from brown coal in New Zealand, potentially establishing the country's first large-scale fertiliser manufacturing facility.

RUSSIA

Russia's EuroChem plans to invest about 200 billion rubles in the expansion and modernization of its Usolskiy Potash Complex in Russia's Perm region between 2025 and 2029. The company plans to complete the modernization of its existing processing plant by the end of 2026, increasing its capacity from 2.9 million to 3.4 million tonnes per year. A second phase is to be launched in 2028 including a new processing plant with an annual capacity of 1.8 million tonnes of potassium chloride.

SAUDI ARABIA

SABIC has taken a final investment decision to proceed with its project to build an industrial complex comprising an ammonia plant and two urea plants in Saudi Arabia, with the engineering, procurement, and construction contract awarded to Samsung. The project will increase SABIC's urea capacity from 4.8

to 7.4 million tonnes/year. Construction is to start in 4Q26, with commercial production scheduled for 4Q30.

Saudi phosphate producer Maaden will load a cargo of 60,000 tonne of DAP at Oman's Duqm port for India, marking its first use of the port to bypass the Strait of Hormuz. A separate 55,000-tonne DAP cargo sold to East African buyers earlier in August is also expected to ship from Duqm in September. The company had been trucking product overland from its Ras Al-Khair production complex on the Gulf coast to Yanbu on the Red Sea. However, recent Houthi threats to Saudi-linked shipping have made this route less attractive for eastbound trade.

SPAIN

Spain's Fertiberia suspended ammonia and urea production at its plant in Palos de la Frontera in mid-September, citing unsustainable rise in natural gas prices across Europe. The facility has the capacity to produce 400,000 tonnes/year of ammonia, 250,000 tonnes/year of urea, and 200,000 tonnes/year of urea ammonium nitrate.

URUGUAY

Cargill inaugurated a new fertiliser facility at Nueva Palmira in Uruguay, expanding blending and storage capacity at the port.

USA

Eight Florida members of Congress have urged the White House to intervene on a sulphur shortage that is idling US phosphate fertiliser plants as the war in the Middle East cur traditional supplies and with Russia also tightening export controls. Mosaic, the largest US phosphate producer, cut production by roughly 50% at its Bartow, Florida, and Faustina, Louisiana, facilities earlier this year. The Fertilizer Institute has noted that every 10 tonnes of DAP or MAP require approximately 4 tonnes of sulphur, making the raw material's price the single largest variable in phosphate manufacturing costs. Since May 2026, sulphur spot prices have climbed above \$1,100 per tonne, an increase of more than 500%.

FOREST PRODUCTS SECTOR DEVELOPMENTS

AUSTRALIA

The Australian government announced in early September AU\$150 million in new grants and initiatives through the Forestry Growth Fund to support the

country's forestry sector. It said the investments are intended to modernize the forest industry, strengthen domestic fibre supply and manufacturing capacity, support regional jobs, and increase production of high-value products for housing and construction.

BRAZIL

According to the International Tropical Timber Organisation, Brazilian exports of wood-based products (excluding pulp and paper) totalled US\$285.2 million in July, down 7% year-on-year. Among main products, pine sawnwood export volumes fell 4% year-on-year to 254,400 cubic metres, while pine plywood export volumes declined 3% year-on-year to 189,100 cubic metres.

CANADA

The Ontario government has said it would provide C\$5.1 million to support a feasibility study into a potential restart of the idled Espanola pulp mill. The engineering study will examine a potential production level of approximately 800 air-dried tonnes per day of premium talc-free Northern Bleached Softwood Kraft pulp. The restart would represent the first phase of Bioveld North's Pulp+ strategy, which is designed to transform the former pulp and paper mill into an integrated forest bioproducts hub.

Statistics Canada reported that Canadian sawmills produced 3.894 million cubic metres of lumber in June 2026, a 0.2% increase from May but down 1.9% year-on-year. Lumber shipments totalled 4.133 million cubic metres in June, up 5.0% from the previous month but down 2.4% from a year earlier.

CHINA

China's total timber imports in August reached 4.392 million cubic metres, up 9% year-over-year. Of this total, log imports amounted to 2.445 million cubic meters, down 7.7% month-on-month but up 15.7% year-on-year. Imports of sawn timber totalled 1.947 million cubic meters, down 5.2% from the previous month but up 1.7% from a year earlier.

FINLAND

Last month we reported that Stora Enso was 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. In mid-September the company said it had concluded permanent closure negotiations. Production at the site was curtailed in early August.

SWEDEN

Sweden's Holmen announced it will cut production at its Lingham sawmill from the current 72,000 cubic metres to approximately 26,000 cubic metres. The company attributes the decision to the fact that the economic situation for wood products is the worst it has been in 30 years. Competition for raw materials has intensified, and prices and costs have risen.

UNITED KINGDOM

According to Timber Development UK, the combined volume of the UK's main timber and panel product imports was 3.9% lower year-on-year in the first half of 2026. Solid wood imports fell by 4.7%, while panel product imports were 2.5% lower.

USA

US logs, hardwood lumber and other wood products have been included in a new US-China trade framework agreed in Washington. The USDA said the US led China's hardwood lumber market through 2018 but had fallen to about 19% market share in 2025.

The National Association of Home Builders/ Wells Fargo Housing Market Index reported that builder confidence for newly built single-family homes fell three points in August to 32. The downturn was attributed by the NAHB Chairman to rising mortgage rates, higher material costs, rising gas and diesel prices and persistent labour shortages. Sentiment has now remained in negative territory for 29 consecutive months. It has been below 40 for 17 straight months.

The USDA Foreign Agricultural Service reported that US wood pellet exports in July totalled 1.08 million tonnes, up 15% from June and up 11% from a year earlier. The UK continued to be the top destination for July shipments, having been sent 704,626 tonnes. Total pellet exports in the first seven months of 2026 reached 6.52 million tonnes, up from 5.82 million tonnes in the same period last year.

VIET NAM

Viet Nam's Customs reported that wood and wood products exports reached US\$1.60 billion in July, up 4% from June and up 9% year-on-year. In the first seven months of 2026, Viet Nam's wood and wood products exports totalled US\$10.2 billion, up 6% from the same period in 2025. Of this, wood products exports reached US\$6.57 billion, down 1% year-on-year.

CEMENT SECTOR DEVELOPMENTS

ARGENTINA

Argentina's cement despatches in August fell by 8.1% year-on-year to 0.817 million tonnes, according to the national cement association AFCEP. Total shipments in the first eight months of 2026 were 6.515 million tonnes, down 4.2% from a year earlier.

BRAZIL

Brazil's National Cement Industry Union (SNIC) reported that cement sales rose 1.9% year-on-year to 6.133 million tonnes in August, with year-to-date sales up 1.9% to 44.991 million tonnes. SNIC's outlook is that the sector remains positive on sales, particularly given the historically stronger second half of the year, but the outlook is increasingly dependent on continued strength in affordable housing, employment and infrastructure as the wider economy loses momentum.

COLOMBIA

Colombia's cement despatches in July fell 3.8% year-on-year to total 1.158 million tonnes, according to the national statistics agency DANE. Domestic cement production during the month totalled 1.205 million tonnes, down 4.5% year-on-year. In the first seven months of 2026, cement despatches were up 4.3% year-on-year to 7.555 million tonnes, while domestic production grew 2.7% year-on-year to 8.093 million tonnes.

CZECH REPUBLIC

Holcim has launched a new calcined clay production line at its Cízkovice plant in the Czech Republic, enabling output of 0.58 million tonnes/year of low-carbon cement, which it said has around 30% lower CO₂ emissions than ordinary Portland cement. The line, the first of its kind in the country, uses clay supplied from Holcim's nearby quarry and cost 42.6 million euros, with 13.8 million euros funded by the Czech Ministry of Environment's Modernisation Fund.

IRAN

The Iranian cement association reported that domestic cement sales contracted 2% year-on-year in July to 4.598 million tonnes. Over the same period, domestic cement production increased by 5.1% to 4.953 million tonnes.

KENYA

Devki Group has begun construction of its \$385 million cement plant in Kitui county which has rich limestone deposits. The plant will have a capacity of 3 million tonnes/year and is expected to begin operations in June 2027.

MEXICO

Mexico's cement sales grew by 2% in the first half of 2026, with the National Chamber of Cement (Canacem) attributing the growth to construction of new passenger railway lines from Mexico City and to hotel, office and infrastructure building.

MOROCCO

Morocco's cement deliveries totalled 1.3 million tonnes in August, down 3.5% year-on-year, according to data from members of the Professional Association of Cement Manufacturers (APC). Cumulative deliveries over the first eight months of 2026 amounted to 9.5 million tonnes, a decline of 1% year-on-year.

PAKISTAN

According to the All-Pakistan Cement Manufacturers Association, total cement dispatches in August fell by 0.7% year-on-year to 4.04 million tonnes. Domestic sales during the month decreased by 1.1% year-on-year to 3.28 million tonnes while cement exports rose by 0.9% year-on-year to 0.76 million tonnes.

PERU

Cement consumption in Peru rose 7.3% year-on-year to 1.252 million tonnes in August, according to the national cement association ASOCEM. In the same month, domestic cement production increased 7.6% year-on-year to 1.118 million tonnes.

SAUDI ARABIA

Saudi Arabia's domestic cement sales rose 0.4% year-on-year in August to 4.49 million tonnes, while exports fell 18% year-on-year to 92,000 tonnes, according to Al-Yamama Cement. In the first eight months of 2026, domestic sales reached 35.1 million tonnes, down 2% from a year earlier.

SPAIN

The cement association Oficemen reported that Spain consumed 11 million tonnes of cement between January and August 2026, up 5% year-on-year. Over the same period, exports fell by 15% to 2.6 million tonnes.

UAE

Fujairah Natural Resources Corp and JSW Cement signed a contract to establish and operate a new 1.65 million tonnes/year cement grinding unit at Al Tawyeen in Fujairah. It is expected to be completed within approximately 15 months and will use locally produced clinker.

USA

The US government has removed tariffs on cement imported from Canada effective September 15, having imposed 50% tariffs on a wide range of goods from Canada, including cement in July. This followed warnings from cement producers and consumers in the US that the country does not produce enough cement to meet domestic demand.

VIET NAM

The National Statistics Office reported that Viet Nam exported 2.95 million tonnes of cement and clinker in August, down 11.3% year-on-year. Despite this contraction, cement and clinker exports in the first eight months of this year totalled 25.49 million tonnes, up 10.1% from the same period in 2025.

Viet Nam's cement dispatches rose 11% year-on-year to 7.311 million tonnes in July 2026, according to the Viet Nam National Cement Association. Dispatches in the first seven months of 2026 increased 12% year-on-year to 41.697 million tonnes.

OTHER INDUSTRIAL MINERAL DEVELOPMENTS

ICSG

The International Copper Study Group reported that world **copper** mine production declined by 0.8% year-on-year in the first seven months of 2026 to total 13.321 million tonnes of copper content. World refined copper production, including secondary production, grew by 1.7 % year-on-year in the same period to 16.762 million tonnes. Meanwhile, world apparent refined copper usage increased by 2.5% year-on-year between January and July to 16.730 million tonnes. The latest ICSG analysis of the world's refined copper balance indicates an apparent surplus of 32,000 tonnes in the first seven months of 2026.

CHILE

Chile's copper commission Cochilco said the country should improve the performance of its existing **copper** smelters before building new ones. It added

that Chile has Latin America's largest smelting capacity, but its plants are operating at only about 60% of potential output. Cochilco also reported that copper output at state-owned Codelco fell 5% year-on-year in July to 112 800 tonnes.

INDONESIA

French group Eramet announced it is restarting operations at the Weda Bay **nickel** mine in Indonesia, the world's largest such mine, after suspending output earlier this year when it used up a reduced mining quota. The company put the mine in care and maintenance in May after an initial 2026 production allowance of 12 million wet tonnes had been used up. The 2026 volume compared with an initial allocation of 32 million wet tonnes in 2025.

NETHERLANDS

Nyrstar has launched a strategic review of its loss-making Budel **zinc** smelting operations in the Netherlands owing to rising energy costs and government policies. The smelter, owned by commodities group Trafigura, has a capacity to produce 315 000 tonnes/year of zinc. The review is expected to conclude by the end of 2026.

OMAN

Oman's exports of **gypsum** ore reached nearly 14.02 million tonnes in 2025 reflecting the prominent position that Omani ore enjoys in global markets. The Ministry of Energy and Minerals is not limited to regulating the extraction and export of gypsum ore and is now focused on maximising the added value of the ore within Oman.

SOUTH AFRICA

South Africa's state-owned Transnet said it has started the process of picking a private sector partner to develop and operate a new **manganese** export terminal for 25 years, as it seeks to expand the mineral's export capacity by 20%. It aims to set up a new rail export corridor from manganese mines in the Northern Cape to a new terminal at Ngqura, in the Eastern Cape, also reducing the roughly 10 million tonnes of manganese exports a year which are hauled to ports by road.

USA

Korea Zinc's \$7.4 billion Project Crucible, a proposed metals-processing complex in Clarksville, Tennessee, cleared its Final Environmental Assessment on September 11. The project is designed to process **zinc, lead, copper**, precious metals and a group of strategic minerals used in semiconductors,

defence equipment, artificial intelligence infrastructure and advanced manufacturing. The facility is expected to process about 1.1 million tonnes of raw materials annually and produce approximately 540,000 tonnes of finished products.

The US imported a record 225 094 tonnes of refined **copper** and copper alloys in July according to the Department of Commerce, as traders continued to ship large volumes of the metal ahead of possible imposition of tariffs.

ZAMBIA

Vedanta's Konkola Copper Mines has signed a \$498-million deal with China's NERIN Engineering to build a copper recovery plant at its Zambian mine that will produce 70, 000 tonnes/year of **copper** by extracting metal from existing mine tailings.