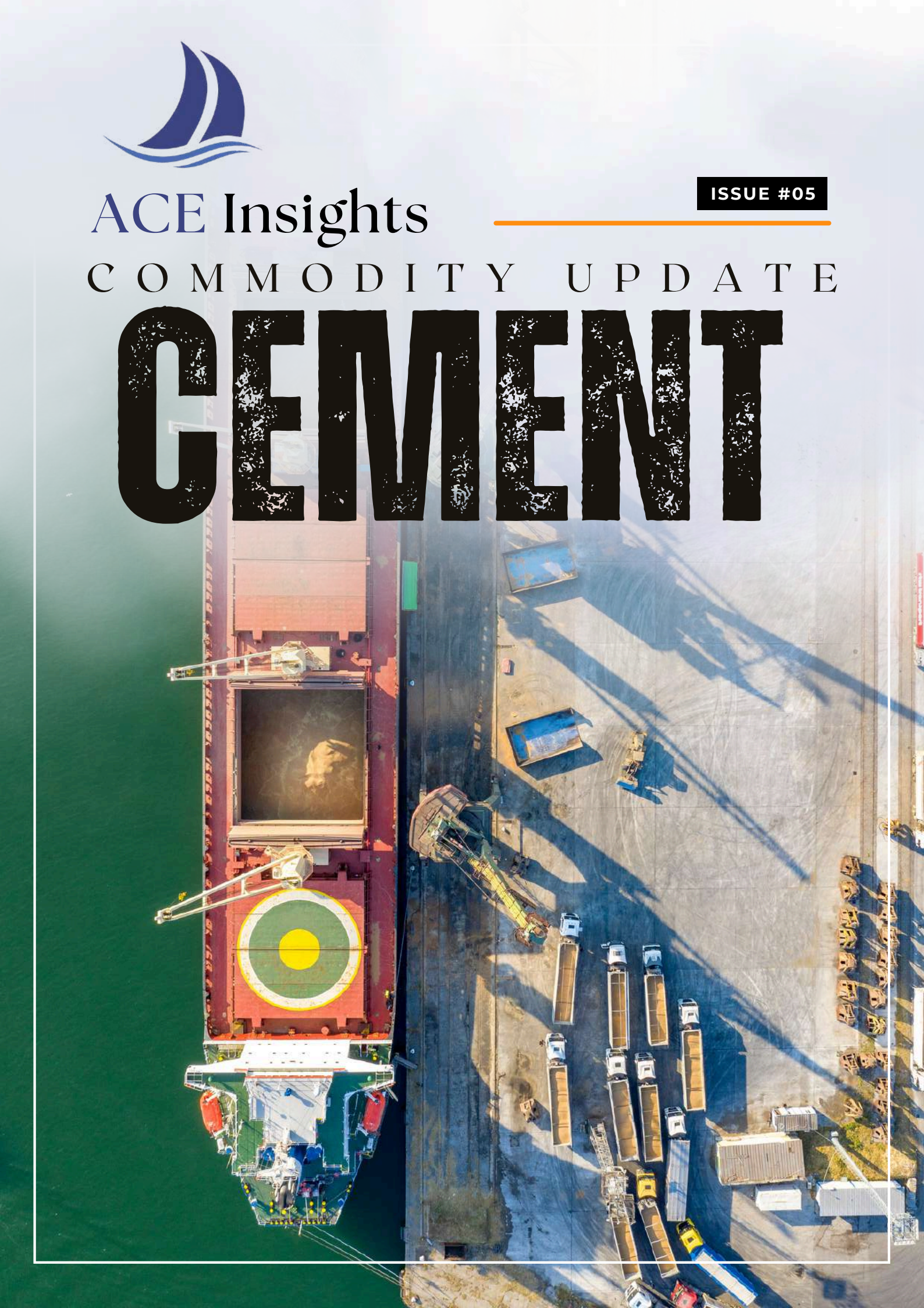
ACE Insights

ISSUE #05

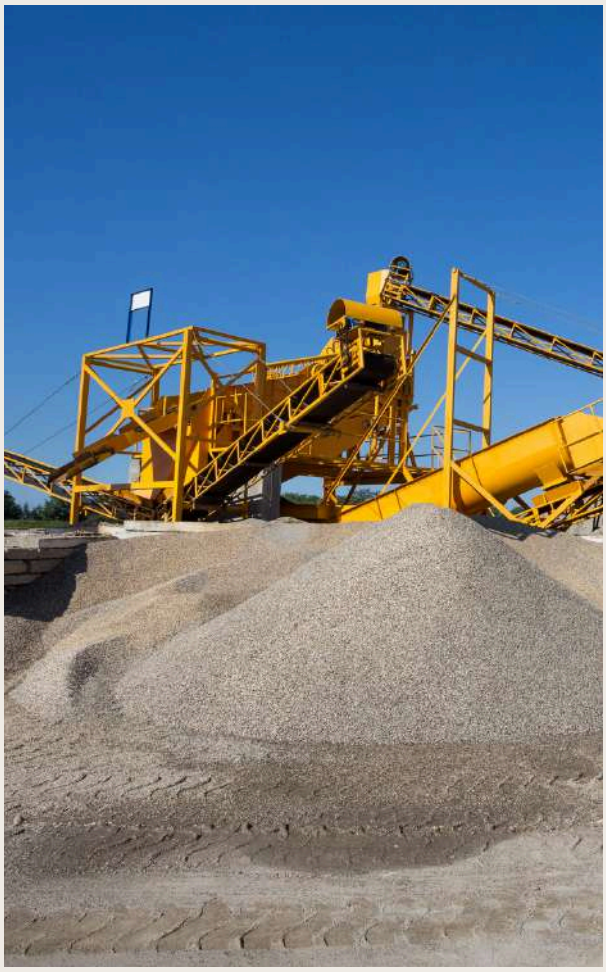
COMMODITY UPDATE

CEMENT





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Founders Note

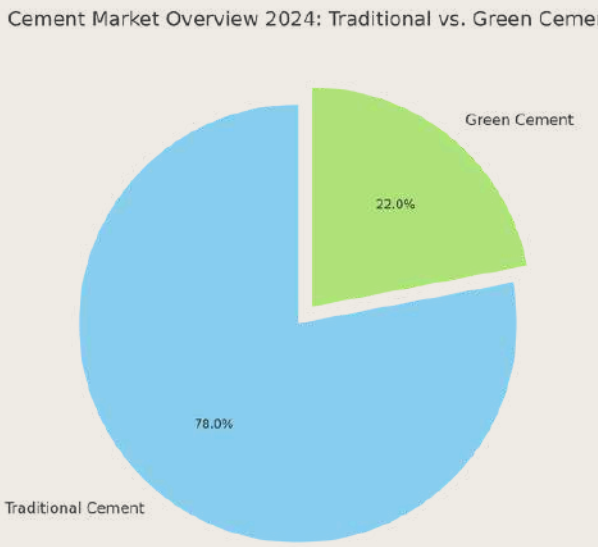
As 2024 draws to a close, it's a fitting moment to reflect on a transformative year for the cement industry. This issue of ACE Insights explores how traditional cement markets have evolved and the accelerating shift toward green cement, driven by environmental policies and innovation. We review market trends from January to November 2024, analyzing key drivers behind these changes, including the implications for maritime bulk trade and raw material markets. As we look ahead to 2025, we'll offer insights into what lies on the horizon for cement and green cement industries, with a specific focus on their global trade dynamics. Join us in navigating the trends shaping the future of sustainable construction and maritime logistics.

Ashish C.

2024 has been a pivotal year for the cement industry, marked by increasing regulatory pressures and heightened awareness of sustainability.

Highlights

1. Overview of 2024
2. The Maritime link, Impact on bulk trade
3. Raw Material Performance & Trade
4. Outlook of 2025



1. **Traditional Cement Market**
   - Production and Usage: Traditional cement continued to dominate global markets, especially in developing economies with high urbanization rates, such as India and parts of Africa.
   - Challenges: Faced growing scrutiny due to its carbon-intensive production process, leading to a plateau in growth in developed markets.
   - Demand Drivers:
     - Infrastructure projects in emerging economies.
     - Residential and commercial construction in regions without stringent environmental regulations.
2. **Green Cement Market**
   - Growth Drivers:
     - Increasing environmental awareness and regulatory incentives.
     - Innovations such as reduced clinker content and the use of industrial by-products.
   - Key Markets:
     - Europe: Strong growth fueled by regulatory frameworks.
     - Asia-Pacific: Expanding adoption led by China and India.
     - North America: Increased demand from government-supported green building initiatives.

Key Takeaways for 2024:

- Green cement made significant inroads, particularly in developed markets, where sustainability is prioritized.
- The maritime industry saw shifts in bulk trade patterns to accommodate the growing demand for green cement raw materials.



Green Cement Adoption Statistics

- **China:** 35% adoption rate, driven by aggressive decarbonization targets.
- **India:** 25%, benefiting from government-backed sustainability projects.
- **Germany:** 20%, bolstered by stringent EU environmental policies.
- **United States:** 15%, with increased adoption in state-funded infrastructure projects.
- **Japan:** 12%, leveraging advanced green manufacturing technologies.



The Maritime Link: Impact on Bulk Trade

The transition to green cement has brought notable changes to maritime bulk trade, especially in the transportation of raw materials like fly ash, slag, and gypsum. Traditional cement, once a major bulk cargo, is seeing reduced demand in developed markets as green cement gains traction.

Emerging Trade Routes: Exporters of industrial by-products, such as India and China, are connecting with green cement manufacturing hubs in Europe and North America, creating new trade lanes. Specialized vessels are being developed to handle these materials efficiently.

Economic and Environmental Impact: The shift to green cement aligns with sustainability goals, reducing overall emissions across the supply chain. However, fluctuating raw material supply and port infrastructure upgrades remain key challenges.

Outlook: By 2025, maritime trade for green cement inputs is expected to grow significantly, emphasizing collaboration between producers, shippers, and brokers to meet global sustainability targets.

Raw Materials: Analysis, Costing, and Trends

CLINKER

Usage: Core component of traditional cement.
Trend: Declining demand due to the rise of alternative binders in green cement.
Costing: Prices have stabilized but may decrease further as green substitutes gain market share.



SLAG

Usage: A by-product of steel manufacturing, widely used in green cement.
Trend: Growing demand in Europe and Asia due to eco-friendly building mandates.
Costing: Stable pricing, with slight variations based on regional production levels.

GYPSUM

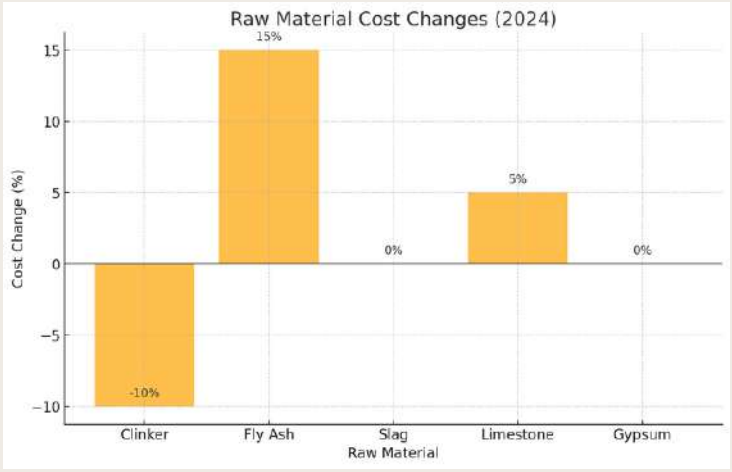
Usage: Essential for controlling cement setting time, used in both traditional and green cement.
Trend: Stable demand across all regions.
Costing: Minimal price changes over the year, with consistent supply.

FLY ASH

Usage: A by-product of coal combustion used in green cement as a clinker substitute.
Trend: Increasing global demand, with India, China, and the U.S. leading in supply.
Costing: Prices have risen by 15% in 2024 due to supply chain constraints and rising demand.

LIMESTONE

Usage: A traditional base material for cement.
Trend: Remains critical but is being supplemented by alternative binders.
Costing: Prices are steady, with minor fluctuations depending on mining outputs.



Best-Performing Countries in Raw Material Supply

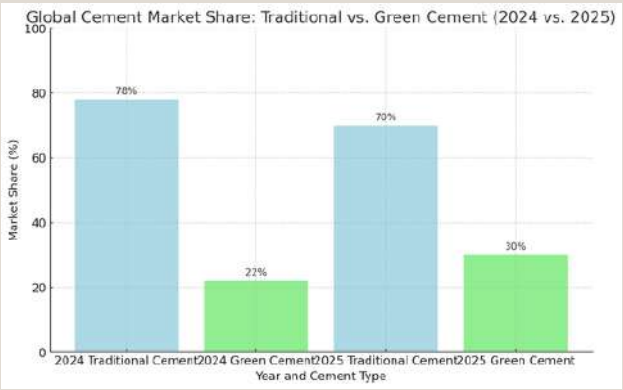
India: Leads in fly ash exports, benefitting from large-scale thermal power production.
China: Dominates slag production due to its steel manufacturing capacity.
United States: A key supplier of high-quality gypsum and fly ash for green cement markets.
Germany: Innovates in recycling waste materials for use in green cement production.
Brazil: Emerging as a competitive limestone exporter due to abundant reserves.



ACE INSIGHTS

2025 Outlook

The cement industry in 2025 is poised for transformative growth, with sustainability driving the agenda.



Global Cement Market Share

Impact on Maritime Trade

Higher demand for bulk transport of sustainable raw materials such as fly ash, slag, and alternative binders.

Development of dedicated shipping routes connecting material surplus regions (e.g., fly ash exporters like India) with production hubs (e.g., Europe and North America).

Maritime emissions are expected to decline due to a shift toward green cement, reducing the carbon footprint of the overall supply chain.

Market Growth and Green Cement Expansion

Green Cement Share:

The global market share of green cement is projected to rise to 30%, up from 22% in 2024. This growth will be driven by:

- Stricter carbon taxation policies in key markets.
- Technological advancements that lower production costs for green cement.
- Increased public-private partnerships supporting sustainable infrastructure projects.

Regional Trends:

- Asia-Pacific: Expected to dominate both traditional and green cement markets. China and India will continue as leaders in production and adoption, supported by urbanization and aggressive decarbonization targets.
- Europe: Will further consolidate its position as a hub for green cement innovation, with Germany and the Nordic countries spearheading R&D.
- North America: The U.S. and Canada are likely to invest in state-funded green infrastructure projects, pushing demand for eco-friendly materials.
- Middle East and Africa: Emerging economies in this region are projected to shift gradually to green cement, influenced by international funding and regional sustainability commitments.



Conclusion
Industry and Trade Implications for 2025

The year 2025 represents a pivotal moment for the cement industry and its symbiotic relationship with maritime trade.

As green cement reshapes trade dynamics, specialized shipping solutions and the development of new trade routes between material surplus and demand regions will emerge as priorities. Bulk trade volumes are projected to increase, but they will require greater efficiency to adapt to changing material compositions. Technological advancements, including low-emission shipping and smart logistics systems, will be key to meeting sustainability goals while preserving economic viability. Ultimately, this evolution is not just about compliance with environmental standards but about building resilient industries capable of thriving in an increasingly urbanized and environmentally conscious global landscape.

Thank you for reading!

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