November - 2025

THE LAST QUARTER

INSIGHTS - FIXTURES - TRENDS - PERFORMANCE



ACE INSIGHTS

#14 ISSUE

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FOUNDER'S NOTE

As we enter Q4-2025, the cement and bulk shipping ecosystem finds itself at an inflection — traditional trade flows are being re-shaped by carbon regulation, evolving sourcing preferences, and increasing demand for sustainable materials. Against this backdrop, ACE Insights aims to provide clarity: connecting policy shifts, trade dynamics, and vessel strategy so our clients can anticipate—not merely react to—the turning tides in bulk materials like cement and clinker.

Looking ahead, our focus is on three core axes: how decarbonization rules (e.g., CBAM, "Buy Clean") will reconfigure trade corridors; where demand pockets will develop (especially in public infrastructure and green builds); and how the freight market can adapt to a more differentiated product mix (from conventional to low-carbon cement). In this edition, we zoom in on the cement export landscape, tariff pressures, and the emergence of green cement players — and conclude with what these trends mean for maritime flows.

Warm Regards,
Ashish Chhawchharia
Founder & CEO
ACE ShipBrokers



REGIONAL TRENDLINES

Cement / Clinker Trade (2025)

Key Trade & Production Metrics by Region

Region / Metric	Change or Value (2025)	Source / Note
United States (Shipments, Jan–Jun 2025)	–5.3% YoY decline	"Shipments for the first six months of 2025 … down by 5.3 % year-on-year."
United States (Overall 1H25 vs 1H24)	From 49.634 Mt → 47.027 Mt	"Total shipments … in 1H25 … down 5.3 per cent YoY"
China (Jan–Aug 2025 output)	-5.0% decline YoY	"Cumulative production for the first eight months of 2025 stood at 1.105 billion mt, down 5% year-on-year."
China (August 2025 monthly output)	–6.2% YoY (148 Mt)	"Output down 6.2% year-on-year to 148 million mt in August."
Saudi Arabia / GCC (Clinker exports, Q2 2025)	+39% YoY	"Saudi firms exported 1.63 million tonnes of clinker in the second quarter, marking a 39 percent annual increase."
Saudi Arabia / Domestic Cement Sales (Q2 2025)	+21% YoY	"Total sales … reached 13.13 million tonnes … a 21 percent increase compared to the same period last year."

The global cement and clinker landscape in 2025 reflects a **divergent recovery path** across major regions, shaped by infrastructure spending, housing demand, and evolving carbon-compliance frameworks. The maritime sector has felt these tremors first-hand, as trade routes adjust to the uneven geography of growth and policy.

In the **United States**, shipments of cement during the first half of 2025 fell by **5.3% year-on-year**, sliding from 49.6 million tonnes in 1H 2024 to 47 million tonnes in 1H 2025. This decline underscores the cooling pace of private construction activity and the lag between federal infrastructure approvals and on-ground execution. Despite a healthy long-term outlook driven by the Infrastructure Investment and Jobs Act, imports have become more project-specific, with only high-spec or supplementary blended cement grades finding steady entry points through coastal terminals. **Sources: CemNet, Global Cement**

Across **China**, the market continues to contract under the shadow of its property-sector correction. Output during January–August 2025 was down approximately **5% YoY**, while August alone registered a **6.2% drop** to 148 million tonnes. Producers have responded by exploring export outlets in Southeast Asia, the Middle East, and East Africa — a trend creating intermittent dry-bulk opportunities, particularly for **Handysize and Supramax vessels**. However, sporadic demand and tightening environmental constraints have kept overall seaborne volumes subdued. **Source: S&P Global Commodity Insights**

In contrast, the **Gulf Cooperation Council (GCC)**, led by **Saudi Arabia**, remains on a robust footing. Domestic cement sales surged **21% YoY** in Q2 2025, fueled by the kingdom's Vision 2030 mega-projects and ongoing urban development. More notably, **clinker exports jumped by 39% YoY**, reaffirming the region's position as a competitive supplier to Africa and South Asia. This expansion has not only boosted vessel utilization in the Red Sea and Arabian Gulf corridors but also provided stability for regional freight markets amid broader global softness. **Source: Arab News**

From a maritime perspective, early-October 2025 freight indicators tell a story of **steady but restrained optimism**. The **Baltic Dry Index (BDI)** hovered near **1,900–2,000 points,** while **Panamax time-charter rates** averaged around **USD 29,000 per day** and **Handysize/ Supramax vessels** maintained earnings between **USD 12,000–31,000 per day**, depending on route. Cement and clinker cargoes — typically short-haul, high-frequency trades — continue to offer consistent backhaul and regional employment for smaller bulk carriers.

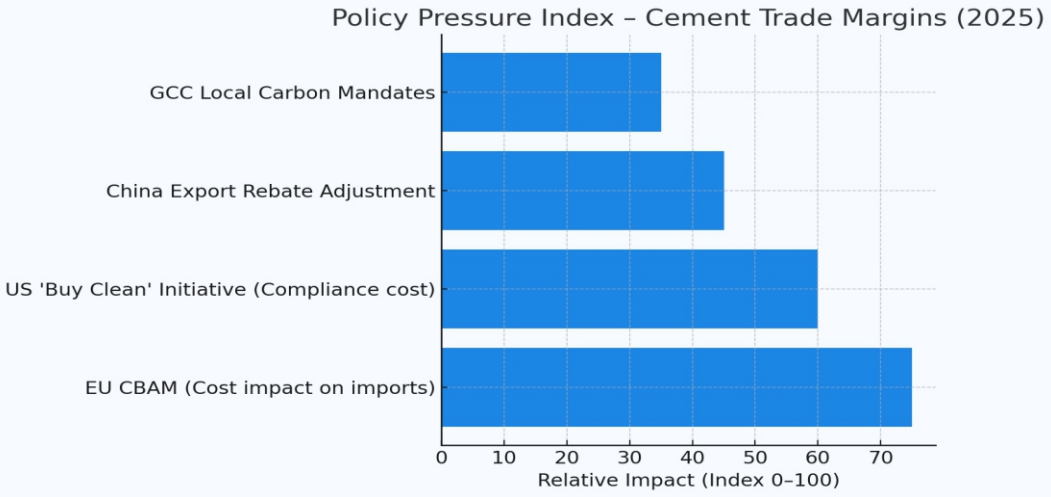
In summary, **2025's cement trade flows mirror a world in transition**: demand pockets are shifting, policy compliance is tightening, and freight routes are recalibrating. As Western construction plateaus and Asian supply remains volatile, the GCC's balanced growth and export agility are increasingly critical to the maritime ecosystem connecting the world's builders.



TARIFF & POLICY WATCH

What's Moving Margins

As global trade adapts to decarbonization mandates, **policy-driven cost pressure has become the new freight premium**. The European Union's Carbon Border Adjustment Mechanism (CBAM) leads this shift, introducing higher embedded CO_2 costs on imported cement and clinker. While the levy's financial impact will fully activate later in the decade, importers have already started recalculating landed prices and rerouting cargoes from lower-emission suppliers. Parallel to this, the **U.S. "Buy Clean" program** is raising compliance requirements in federal infrastructure procurement — effectively linking cement sourcing to verified carbon intensity.

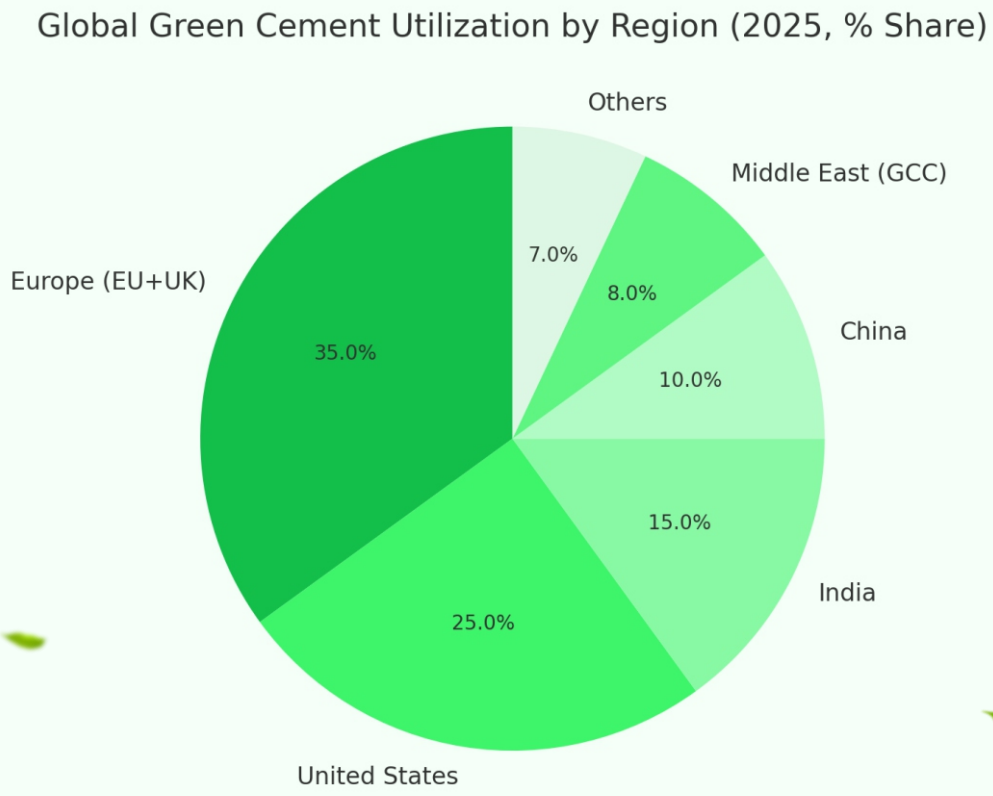


Across **China and the GCC,** the response has been both strategic and defensive. China has adjusted export rebates and energy subsidies, softening the blow for producers facing domestic slowdown but indirectly tightening margins abroad. Meanwhile, GCC producers are preparing for regional carbon reporting schemes by investing in alternative fuels and low-clinker blends. The chart above visualizes the **relative policy pressure index** across major markets in 2025 — highlighting how tariffs and carbon rules are now shaping trade profitability as much as freight rates themselves.

NEW TREND
GREEN CEMENT

Who's Buying?

The **2025 green-cement landscape** is finally maturing from pilot projects to large-scale procurement. Europe leads adoption with roughly **35% of global utilization**, driven by the EU's Fit for 55 targets and national mandates requiring low-carbon materials in public infrastructure. The **United States** follows at **25%**, where "Buy Clean" initiatives and state-level incentives (California, New York) are integrating embodied-carbon limits into cement specifications. Together, these two regions account for over half of the world's verified low-carbon cement consumption — signaling that regulation, not price, is now the dominant growth catalyst.



Emerging markets are fast catching up. **India (15%)** has positioned itself as a global testing ground through LC3-based production and airport projects such as Noida International Airport, while **China (10%)** is scaling carbon-capture pilots and alternative-clinker ratios under its 2060 neutrality pledge. The **Middle East (≈8 %**), particularly the GCC, is investing in waste-heat recovery and blended-cement export lines to align with future carbon-border rules. The chart above illustrates this evolving geography of demand: Europe's regulatory lead sets the tone, but Asia's manufacturing scale ensures that the next wave of green-cement volume — and the freight it generates — will originate eastward.

CONCLUSION

Maritime Industry Wrap

As the final quarter of 2025 unfolds, the maritime and commodities sectors are navigating a cautious yet quietly optimistic phase. After a year marked by policy adjustments, freight volatility, and uneven regional demand, Q4 is expected to bring stabilization rather than acceleration. Cement trade flows, particularly from the GCC and Southeast Asia, are projected to hold firm, supported by infrastructure backlogs and restocking activity ahead of the northern winter. Meanwhile, European imports are likely to flatten, as CBAM-related reporting and energy costs temper short-term buying appetite. The United States should continue moderate growth under federal infrastructure programs, though coastal imports will remain selective and pricing-led.

On the shipping front, freight markets are forecast to remain range-bound, with the Baltic Dry Index likely averaging between 1,800–2,000 points through December. Panamax and Supramax segments will stay active on short regional runs, particularly in the Indian Ocean and Arabian Gulf, as clinker and limestone exports offset softer coal and grain volumes. Charterers are expected to maintain a tactical stance, while owners focus on optimizing voyage efficiency amid rising fuel and emission costs.

In summary, the final quarter of 2025 may not deliver sharp gains, but it offers measured stability — a foundation for a recalibrated 2026. Cement remains a bellwether cargo for construction and industrial recovery, and its evolving trade corridors — greener, shorter, and more compliance-driven — are shaping the next phase of maritime resilience.