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ACE INSIGHTS

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SECTOR UPDATE

CEMENT

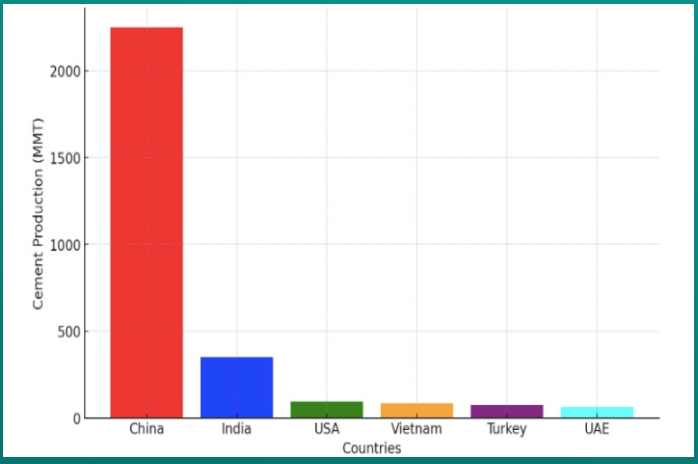
NEWSLETTER

Founder's Note

As we navigate through 2024, the global cement industry stands at a pivotal juncture, driven by infrastructure expansion, urbanization, and shifting sustainability goals. Cement remains the backbone of modern construction, fueling growth in both emerging and developed economies. However, challenges such as supply chain disruptions, fluctuating raw material costs, and evolving environmental regulations continue to shape market dynamics. At ACE Shipbrokers, our focus remains on ensuring efficient and cost-effective cement logistics, bridging the gap between suppliers and buyers worldwide.

Looking ahead, 2025 promises a transformative phase for the cement industry, with increasing demand from the Middle East, Africa, and Southeast Asia. The advent of **green cement** and stricter **carbon emission regulations**—especially in markets like the US—will redefine industry standards, encouraging innovative solutions. In this issue, we delve into key trends, major importers and exporters, raw material trade flows, and sustainability shifts that will influence cement trade.

Global Cement Market 2024 Overview



The cement industry has witnessed steady growth in 2024, largely driven by infrastructure development in **India, China, and the Middle East.** However, global economic uncertainties, rising energy prices, and supply chain inefficiencies have posed challenges. Here's a quick look at key cement trends in 2024

- **Global Cement Production:** Estimated at **4.1 billion metric tons**, with China contributing nearly **55%** of total output.
- **Demand Growth:** The Middle East and Africa have seen a **4.5% increase** in demand, fueled by mega projects in Saudi Arabia, UAE, and Egypt.
- **Shipping and Logistics:** Freight costs remain volatile, with cement bulk transport facing challenges due to port congestion and fuel price hikes.

The cement industry in 2024 has been **shaped by multiple factors**, ranging from **infrastructure development** and **government policies** to **price fluctuations and supply chain constraints**. Below are the key **drivers for cement imports and exports** over the past year.

Infrastructure Development & Urbanization



- India's Gati Shakti Plan: A $1.2 trillion infrastructure plan focusing on roads, railways, and smart cities, leading to a 7% YoY increase in cement demand.
- Saudi Arabia's Vision 2030: Mega projects like NEOM City and The Line fueled a 12% increase in cement imports in the Middle East.
- US Infrastructure Investment and Jobs Act (IIJA): $1.2 trillion for roads, bridges, and clean energy projects increased cement consumption by 4% in North America.

One of the biggest catalysts for cement demand in 2024 has been the rise in infrastructure projects, particularly in India, the Middle East, Africa, and the United States. Several large-scale government initiatives have driven this trend:

Conclusion: Infrastructure was the biggest driver of cement demand in 2024, with countries investing heavily in real estate, highways, airports, and renewable energy projects.

Global Cement Prices & Cost Pressures

- Cement prices rose by an average of 6-8% globally due to higher energy and raw material costs.
- Europe saw double-digit price hikes due to stricter carbon taxation policies and higher transportation costs.
- Countries like Bangladesh, the Philippines, and Ghana increased cement imports as local production was impacted by high coal and clinker prices.

Conclusion : Rising raw material and energy costs forced several nations to increase imports rather than produce locally, benefiting major exporters like Vietnam, Turkey, and the UAE.

Trade & Supply Chain Shifts

- Shipping Costs & Logistics Issues: The Red Sea crisis and Panama Canal drought increased freight rates, impacting cement shipments.
- US-China Trade Tensions: Led to increased cement imports into the US from Vietnam and Turkey, rather than China.
- European Emissions Trading System (ETS): Stricter carbon tax laws in the EU pushed cement producers to relocate production to North Africa and Turkey, increasing cement exports from these regions.

Conclusion : Geopolitical events reshaped trade flows, influencing both cement imports and exports worldwide.

Sustainability & Green Cement Demand

- Low-carbon cement production saw increased investment, particularly in the US and Europe.
- The Biden Administration's "Buy Clean" initiative encouraged low-emission cement imports, impacting global supply chains.
- Companies like LafargeHolcim and HeidelbergCement are leading the shift toward eco-friendly production.

Conclusion : Rising raw material and energy costs forced several nations to increase imports rather than produce locally, benefiting major exporters like Vietnam, Turkey, and the UAE.

Key Cement Import & Export Drivers - 2024

Factor	Impact on Imports	Impact on Exports
Infrastructure Boom	Increased cement imports in the US, India, and Middle East	Benefited exporters like Vietnam, Turkey, and UAE
Rising Prices & Costs	Countries imported more to counter rising local production costs	Exporters benefited as demand surged in price-sensitive regions
Geopolitical Shifts	US shifted imports from China to Vietnam & Turkey	EU cement companies expanded production in Africa & Turkey
Green Cement Policies	US & EU imported more eco-friendly cement	Exporters investing in low-carbon cement gained a market edge

Final Insights

In 2024, infrastructure expansion was the biggest driver for cement demand, but price pressures, trade shifts, and sustainability policies also played key roles. Exporters like Vietnam, Turkey, and UAE emerged as major beneficiaries, while importers like the US, China, and Bangladesh adjusted to evolving market conditions.

Global Cement Market 2025 Overview



The global cement market in 2025 is set to experience a period of strategic shifts and adaptation due to a combination of infrastructure expansion, policy changes, and price fluctuations. While demand remains strong, new tariff regulations, sustainability policies, and supply chain adjustments will shape cement imports and exports.

Key Market Drivers in 2025



Infrastructure Growth Continues to Fuel Cement Demand

- Global infrastructure spending remains the primary driver of cement demand, with major construction projects across the US, India, the Middle East, and Southeast Asia.
- The US Infrastructure Investment and Jobs Act (IIJA) continues to push demand, focusing on highways, bridges, and urban renewal.
- India's Smart Cities Mission and highway expansion require higher cement imports, particularly clinker from Vietnam and the UAE.
- Saudi Arabia's Vision 2030 projects (NEOM, The Line, and giga-projects) drive demand, making the Middle East one of the most promising markets for cement trade.
- Africa sees growing cement imports, with Nigeria, Egypt, and Kenya leading the demand surge for urbanization and commercial projects.

Infrastructure expansion remains the top demand driver, especially in Asia, the US, and the Middle East.

Cement Prices & Cost Fluctuations – Market Uncertainty Persists

- The impact of US tariff laws on cement imports is one of the biggest pricing factors in 2025.
- Cement prices are expected to remain elevated, averaging between $130-$150 per metric ton, due to:
- Higher energy and transportation costs
- Increased cost of emission compliance in the EU
- Supply chain inefficiencies due to Red Sea shipping disruptions
- Geopolitical events, including trade tensions between China and the US, further complicate market pricing.
- Vietnam, Turkey, and the UAE will dominate the export market but must manage rising costs of production and logistics.

Price sensitivity is high, forcing buyers to explore alternative suppliers and negotiate longer-term contracts.



Key Market Drivers in 2025



Trade Policy & New Tariff Regulations Reshape Cement Imports & Exports

- The US introduces higher import tariffs on cement from Turkey and Vietnam, impacting two of the largest global cement exporters.
- US buyers shift towards Mexico and Canada, benefiting North American producers.
- European Union tightens carbon emission limits, imposing higher costs on cement producers within the EU.
- China maintains domestic production dominance but also continues to import specialty cement for infrastructure projects.
- Developing nations in Africa and South America look to secure cheaper alternatives, leading to an increased role for Middle Eastern exporters like the UAE and Saudi Arabia.

Trade policies are dictating new market flows, with the US, EU, and China adjusting import strategies based on cost and sustainability factors.

Green Cement & Sustainability – The Market Disruptor

- Green cement adoption accelerates as countries push for low-carbon construction materials.
- The US Buy Clean Initiative mandates sustainable materials, increasing imports of low-carbon cement from Canada and Mexico.
- The European Union's ETS (Emissions Trading System) forces cement companies to shift toward carbon capture and alternative production methods.
- Major cement producers like LafargeHolcim, HeidelbergCement, and Cemex lead in green cement production, expanding exports to regions with sustainability mandates.
- China increases subsidies for eco-friendly cement production, positioning itself as a major exporter of low-emission cement in Asia.

Green cement will be a major disruptor, influencing trade routes and pricing structures in 2025.

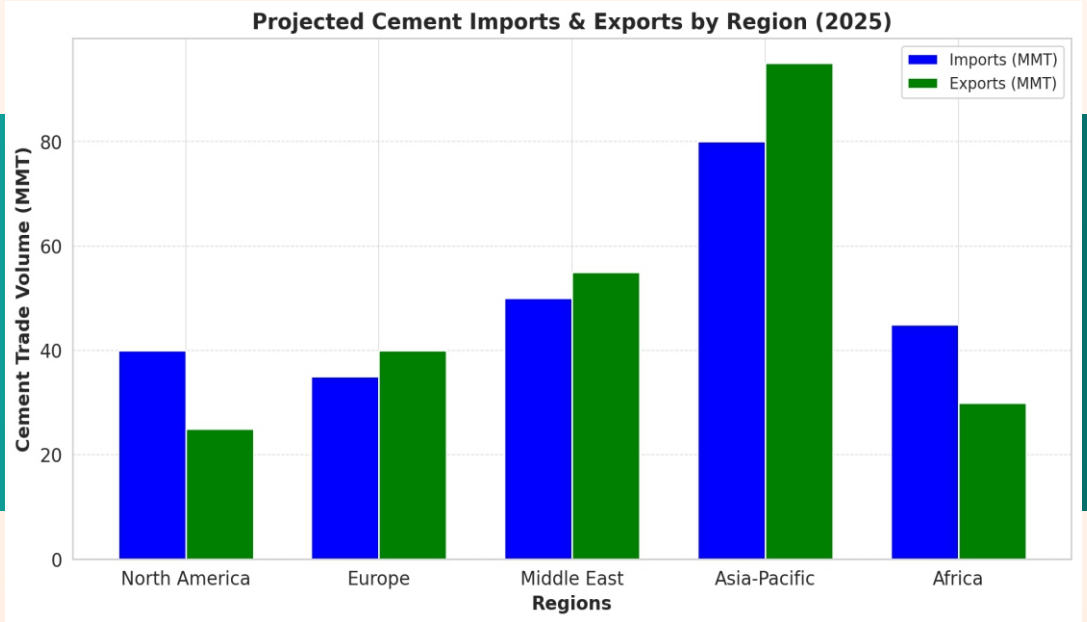


Key Market Drivers in 2025

Regional Cement Trade Trends
Who is Buying & Selling?

Region	Key Import Drivers	Key Export Drivers
United States	Infrastructure projects, tariffs favoring North America	Decline in Turkish & Vietnamese imports due to tariffs
Europe	Carbon tax, shift to low-emission cement	Stricter ETS rules push European cement producers to invest in Africa
Middle East	High demand for mega-projects (Saudi Vision 2030, UAE Expo)	UAE & Saudi cement firms increase exports to Africa & Asia
India	Smart Cities Mission, road network expansion	Local production struggles with high coal prices, requiring more clinker imports
Africa	Urbanization, construction boom	Imports from UAE, Turkey, and China rise significantly
Southeast Asia	Infrastructure and commercial projects	Vietnam remains the dominant exporter, shifting focus to Asian buyers

The cement trade is shifting regionally, with countries adjusting import-export strategies based on trade policies, pricing, and sustainability goals.



Final Outlook - Cement in 2025



Growth Drivers

Infrastructure spending, sustainability mandates, and increasing urbanization in developing economies.



Challenges

Price volatility, tariff adjustments, and stricter environmental policies.



Market Shifts

New trade routes and regional partnerships forming in response to economic and policy shifts.

In 2025, cement will remain a crucial global commodity, but the players and trade flows will evolve based on costs, sustainability, and geopolitical influence.

Conclusion
ACE Commodity Desk Team

As we wrap up our analysis of the global cement market, 2024 has proven to be a year of both resilience and transformation. The market has been shaped by strong infrastructure demand, rising costs, geopolitical trade shifts, and an increasing focus on sustainability. While the industry has faced challenges like fluctuating raw material prices, tariff changes, and logistical disruptions, it has also opened new trade opportunities for exporters and alternative cement producers.

Looking ahead, 2025 will be a defining year for cement markets worldwide. With infrastructure expansion continuing across the US, Middle East, and Asia-Pacific, demand is expected to remain high. However, the impact of new tariff regulations, global economic shifts, and a growing emphasis on green cement will reshape trade flows and price trends.

Our projected outlook shows:

- Cement prices peaking mid-year before stabilizing as supply chain conditions improve.
- Major exporters like Vietnam, Turkey, and UAE maintaining strong global positioning.
- The rise of green cement, especially in North America and Europe, due to strict carbon reduction mandates.
- New market players entering the eco-friendly cement trade, altering traditional supply chains.