Argus *Cement and Clinker Supplement*

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MARKET COMMENTARY

Cement markets stable in February

Seaborne cement and clinker prices remained broadly stable in February because EU buyers increased purchases from within the bloc over carbon concerns, offsetting tighter export supply caused by Egypt and Vietnam focusing on meeting domestic demand.

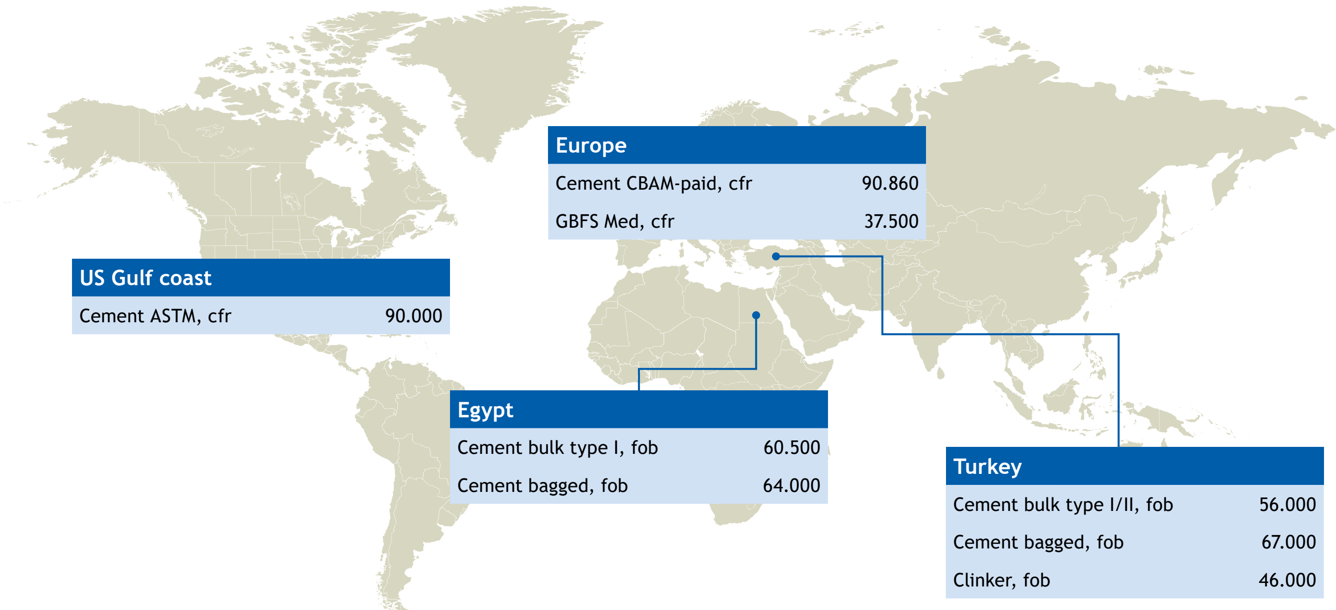
Turkish cement exporters kept prices mostly in the mid-to-high $50s/t fob, with some sellers offering low-alkali material at $53-$56/t for annual US-bound contracts concluded earlier this year. Spot activity was limited in the Turkish market, where most export supply is under term contract, with producers offering less cement for export compared with last year. One cement maker did not expect any spot offers until at least the middle of this year.

Turkish producers have shifted more volumes to the US, which is typically a lower-margin destination because of higher freight costs and greater competition from Asian producers. That is because EU demand has fallen with the introduction this year of the bloc's carbon border adjustment mechanism (CBAM). That policy has created signifi-

PRICES

Cement and clinker key prices	Low	High	Mid	+-
Cement				
Cement bulk type I/II fob Turkey	53.00	59.00	56.000	-1.00
Cement bagged fob Turkey	65.00	69.00	67.000	+1.00
Cement bulk type I fob Egypt	58.00	63.00	60.500	0.00
Cement bagged fob Egypt	62.00	66.00	64.000	+0.50
Cement ASTM cfr US Gulf	80.00	100.00	90.000	0.00
Cement CBAM-paid cfr Europe	87.86	93.86	90.860	-3.64
Clinker				
Clinker fob Turkey	44.00	48.00	46.000	-0.50
Cementitious materials				
Granulated Blast Furnace Slag cfr Med	35.00	40.00	37.500	-1.00

Global cement prices



cant uncertainty for EU importers, since costs will not be calculated until late next year and suppliers have not yet been able to have their carbon intensities verified. Many companies are preferring to buy from within the EU or only from their own plants in other locations. Turkish producers are also shifting output toward lower clinker content CEM II cement to reduce the carbon intensity of their exports and reduce CBAM exposure in Europe.

Strong domestic demand in Egypt since mid-2025 has continued to reduce export appetite and has helped support prices. Egypt also remains the main supplier to Israel, with higher-grade material for that market priced at a premium. The Turkish government has maintained a ban on exports to Israel.

Egyptian clinker exports were particularly constrained, as producers favoured higher-margin cement exports and kept the raw material for the domestic market. Offers were reported at \$45-\$53/t fob depending on the destination, although securing a prompt cargo was considered unlikely.

Higher domestic demand in Vietnam likewise has reduced exports in that market. And a rebound in demand from Bangladesh following elections in mid-February is expected to shift Vietnamese exports to this traditional core market.

Vietnamese-origin material still remained the most competitively priced cement in the US Gulf cfr market, landing in the low-to-mid \$80s/t. Mediterranean cement was heard landing in the high \$80s/t to \$100/t, depending on origin and vessel size.

Vietnamese clinker remained the cheapest option globally at \$31-\$35/t fob, while Pakistani clinker was recently offered at \$36-\$37/t fob, Saudi Arabian sellers offered from Red Sea ports at \$37-\$38/t fob, and UAE material was offered at \$45-\$46/t fob.

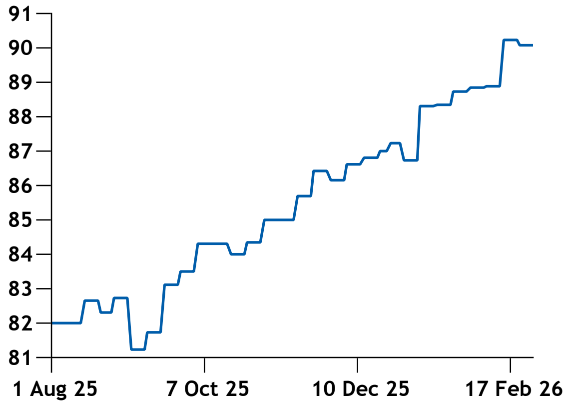
Demand for cementitious materials robust

Demand for cementitious materials remained strong, as cement makers seek to use more of these clinker alternatives to reduce their carbon intensities.

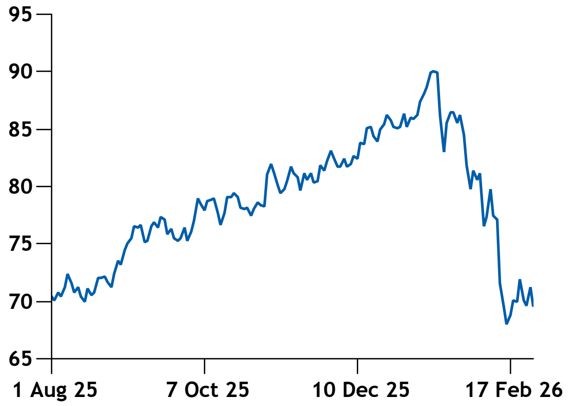
Granulated blast furnace slag (GBFS) prices in the Mediterranean market largely depended on origin and vessel size. Turkish GBFS was offered in the mid-to-high \$30s/t, although availability remained inconsistent. Chinese slag was available at lower levels, partly because of lower shipping costs on Panamax or Capesize vessels.

Mediterranean fly ash availability remained limited, and a shortage of suitable vessels continued to push some buyers toward greater use of GBFS. Recent Turkish fly ash offers were heard at \$21-\$27/t fob, while Indian fly ash was offered at \$20-30/t fob for bulk shipments and \$33-\$35/t fob for containerised supplies.

Turkey supra plus 6000 kcal coal *\$/t*



CO_2 EU ETS price *€/t*



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European cement prices to rise in 2026

European cement producers may raise domestic prices this year due to higher imported cement prices and cost pressures related to the EU's carbon border adjustment mechanism (CBAM) and emissions trading system (ETS).

Some European producers and traders aim to increase cement prices by 10-15pc in 2026 from last year, market participants said at the Intercem conference in Dubai earlier this month. A larger price increase is possible in subsequent years when CBAM costs for imported cement and clinker rise substantially.

EU cement prices were most recently in the mid-to-high $100s/t on an ex-works or fob basis, depending on the country and destination. CBAM costs for imported cement and clinker from Turkish or Egyptian origins are expected to be about $12-20/t, market participants said, once a supplier's emissions are verified and depending on the supplier's carbon intensity.

With bulk cement prices from Turkey in the mid-to-high $50s/t on an fob basis, and freight costs typically around $15-20/t, this still puts imported cement at a discount. But the high levels of uncertainty on CBAM costs should nevertheless drive more buyers to domestic supplies.

Many EU cement producers rely on imported clinker from non-EU suppliers in the Mediterranean, and those suppliers will "obviously" raise cement prices as clinker costs go up as a result of CBAM, one trader said. But even those cement companies that do not import clinker are unlikely to keep prices steady if their competitors are raising prices because of higher clinker costs, he said.

European cement producers are also facing rising energy and carbon-compliance costs that will likely lead them to raise prices, unless policymakers take steps to address rising costs. In a joint statement released on 2 February, a group of European energy-intensive industries, including cement makers, called on the EU to issue emergency measures, such as suspending further carbon benchmark reductions under the ETS, to avoid a further loss of competitiveness and plant closures.

By Alexander Makhlay

EU importers aim to avoid CBAM default values

European companies that have historically imported cement and clinker from outside the EU are grappling with the risks of importing these products this year because their counterparties are unable to verify their emissions footprint before 2027.

The CBAM policy seeks to encourage producers to report their actual carbon intensity and get this verified by officials. Imports from companies that are not verified would be subject to a charge based on a default value that would apply to any imports from that origin. These default values are significantly higher than the average producer's actual emissions with the aim of discouraging companies from using them instead of working to reduce their carbon footprint.

But even companies that wish to report their actual emissions cannot yet complete this process. Verification will not be possible during 2026, as declarants need data for the whole reporting year, German emissions trading authority DEHSt has told *Argus*.

Provisional — such as quarterly — verification is not provided for in CBAM regulations, and for CBAM compliance based on individual data, "only the complete, verified emissions report for the respective calendar year is valid", a DEHSt spokesperson said.

CBAM certificates will start circulating from February 2027 and importers are required to surrender certificates for 2026 emissions by 30 September 2027. They can verify data from the start of 2027 until this deadline.

But while cement makers are confident that plants wishing to export to the EU will be diligent in seeking out this verification in the coming months, there is some concern whether national authorities even have the capacity to get enough certifiers accredited in time for all declarants to meet the 30 September 2027 deadline.

This opens a significant amount of risk for anyone importing from outside the EU now, since they cannot guarantee they will not be subject to the punitive default values.

The "verification process seems to be difficult to achieve during this current year," but the CBAM costs on a per tonne basis will be "criminal" if companies are ultimately forced to use the default values, one cement maker said.

But some companies are optimistic that there will be an opportunity to adjust declarations when verified values are available prior to the surrender of certificates next year.

"Obviously there is still some risk, as an importer may discover that the burden is a few euros higher than they originally thought", but this should not be the €60-70/t ($71.31-$83.19/t) it would be without emissions verification, one trader said.

At least one buyer is only willing to import cement from within the EU or from exporters from outside the bloc that are owned by European cement groups, the trader said, making the calculation that European-owned firms will have reliable data and can be counted on to follow the necessary verification process once it is available.

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This hesitancy is keeping a lid on prices in some key export markets, like Turkey.
By Lauren Masterson

Vietnam seaborne cement supply tightens

Several Vietnamese cement suppliers are sold out for much of the year, according to comments made at the Intercem conference in Dubai earlier this month, as stronger domestic and regional demand has limited spot availability.

Securing Vietnamese volumes has now become challenging, one trader said. Higher public spending and residential construction demand in the domestic market has led some Vietnamese sellers to sharply increase export prices since the beginning of this year. Some producers, including Vicem Ha Tien, SCG Vietnam, Insee Vietnam, Fico YTL and Vicem Ha Long, also raised domestic cement prices by around $4/t in January, according to the Vietnam Chamber of Commerce and Industry. Producers pointed to rising energy and raw material costs as additional factors behind the price adjustments.

Vietnamese cement makers have been increasingly exporting to the US and other markets over the past five years because of excess supply after Chinese demand declined. The country delivered its first 122,300t to the US in 2019 and increased supply steadily to 4.47mn t in 2025, up from 1.12mn t in 2020.

This cement has traditionally been offered at a significant discount to other origins such as Turkey. In recent months, Vietnamese cement has been offered at around $75-$85/t cfr US Gulf coast, compared with $90/t cfr or higher for Turkish cement. Fob prices were heard in the high $30s/t, although one US buyer heard fob prices significantly higher than this, potentially because sellers do not have excess tonnes for export.

Although Vietnamese cement makers have room to boost exports, with most plants operating at just 60-80pc utilization and installed cement capacity exceeding 120mn t, producers remain primarily focused on the domestic market and only export surplus volumes, a market participant said.

Lower exports from Vietnam to the US are likely to support demand for Turkish supply, which is expected to rely more heavily on the US market after the EU implemented its Carbon Border Adjustment Mechanism (CBAM) this year. The CBAM policy imposes a cost on imports to the EU from outside the region and could lead Turkish sellers to redirect much of the roughly 3mn t they supplied to the EU in 2025.

Cement offers from Turkey to the US have already increased since the start of this year because of reduced competition from Vietnam and as CBAM "limits shipments to Europe", the trader said.
By Alexander Makhlay

Turkey's 2025 cement, clinker exports grow

Turkey's cement and clinker exports to all key markets rose sharply in 2025 compared with the previous year, supported by healthy construction-sector demand and EU buyers stocking up ahead of the bloc's Carbon Border Adjustment Mechanism (CBAM), which began applying from the start of 2026.

Turkey's cement exports reached 17.04mn t last year, an increase of 13pc on the year, according to Global Trade Tracker (GTT) data. This marked the highest level since 2022.

Combined exports to the EU rose to 3.24mn t in 2025, a record high, up from 2.16mn t in 2024. Exports to Italy, Bulgaria and Romania — the three largest EU buyers of Turkish cement — reached 1.28mn t, 654,900t and 432,900t, respectively, representing year-on-year growth of 42pc, 18pc and 87pc. Albania, although not an EU member, imported 843,700t in 2025, up by 35pc on the year.

Many buyers increased stockpiling in advance of CBAM's application from 2026, anticipating uncertainties and additional costs for cement from non-EU suppliers. And since the start of this year, EU cement and clinker importers have reduced non-EU purchases and increasingly rely on larger, established suppliers to minimise compliance risks.

Depending on the producer, the CBAM cost for Turkish cement may be around $12-$20/t once a supplier's emissions are verified.

Even while increasing EU shipments to a record high, Turkey also increased exports to its two largest markets, the US and Syria, in 2025.

Exports to the US rose by 11pc on the year to 8.13mn t. This was also the highest volume since 2022. The US accounted for 48pc of Turkey's total cement exports last year, compared with 49pc in 2024. US importers continue to favour Turkish cement for its stable supply and the option to sign term contracts, even though other origins such as Vietnam can be significantly cheaper. This discount is likely to narrow this year, however, as Vietnam export supply has dropped significantly.

Syria remained Turkey's second-largest export market in 2025. Turkey supplied about 1.31mn t of cement to Syria last year, up from 1.11mn t in 2024. Turkey, Egypt, Algeria and Tunisia aim to increase exports to Syria in 2026, as the country's demand surges because of post-war reconstruction. Some suppliers also charge higher prices to the Syrian

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market given higher risks, a weak banking system and complex payment procedures.

Clinker exports up by 26pc

Alongside higher cement demand, many European importers also accelerated clinker purchases from Turkey last year.

Italy was Turkey's largest clinker market at 1.08mn t in 2025, up by 17pc on the year. Shipments to Romania more than doubled to 814,300t, while exports to Spain rose by 77pc to 517,200t. Deliveries to France increased by 25pc to 421,900t.

West Africa remains another strategic outlet for Turkish clinker, despite strong competition from north African and Asian suppliers. Exports to Ghana and Cameroon climbed to 492,700t and 329,500t respectively last year, up from 186,000t and 53,500t the year before. Turkey also supplied 308,800t of clinker to Mauritania after a one year absence. year absence.

Turkey's total clinker exports reached 7.49mn t last year, an increase of 26pc on the year.

By Alexander Makhlay

Brazil's cement sales growth to remain limited

Brazil's cement sales could grow by only about 3pc this year compared with 3.7pc in 2025, as slower gross domestic product (GDP) growth, high interest rates and fiscal uncertainty continue to weigh on construction.

Cement sales are forecast to increase by 3-3.5pc to 69-69.4mn t this year, up from 67mn t in 2025, according to the country's cement industry union SNIC. Last year, sales increased by 3.7pc from 2024, equal to an additional 2.4mn t. Sales in December reached 4.9mn t, marking a 4.7pc increase from the same month a year earlier.

Brazil's GDP growth is forecast to continue to slow in 2026, as high inflation expectations and elevated interest rates are likely to constrain household consumption and housing finance, SNIC said. In addition, fiscal uncertainties and high levels of household debt could limit private investment.

Brazil's cement production capacity of about 108mn t/y remains significantly above domestic consumption, keeping utilisation rates relatively low, at roughly 62pc. Existing idle capacity is sufficient to meet incremental demand, reducing the need for major new projects, even though some new capacity additions are scheduled to start coming online this year, market participants said.

Housing will remain the most important driver of cement sales this year. The federal government has raised its target under the Minha Casa, Minha Vida home-building incentive programme to 3mn housing units by 2026, up from a previous goal of 2mn units. SNIC estimates this could add around 5mn t of cement demand.

Transportation infrastructure improvements also offer significant upside potential, while a push for universal access to sanitation will further support demand as the country plans cement-intensive structural works.

By Alexander Makhlay

Heidelberg seeks to increase Akcansa holding

Germany-based cement and construction material company Heidelberg Materials is in talks to purchase an additional stake in Akcansa Cimento, following a third-party offer for a portion of the Turkish cement producer.

Heidelberg's joint venture partner, Turkey's Sabanci Holding, said late last month it had received a binding offer from an unrelated third party to purchase its entire 39.72pc stake, based on a total equity value of $1.1bn for Akcansa on a cash-free, debt-free basis, Sabanci said.

Heidelberg currently holds 39.72pc, with the remaining 20.56pc of shares publicly traded.

The identity of the original potential buyer was not yet clear. Sabanci also owns Turkish cement maker Cimsa Cimento.

By Lauren Masterson

Heidelberg's cement revenue up in 2025

Germany-based cement and construction material company Heidelberg Materials posted a 2pc increase in cement segment revenue in full-year 2025, driven largely by strong performance in the Africa, Mediterranean and western Asia region.

Heidelberg's cement business revenue totalled €11.2bn ($13.2bn) in 2025, up from €11bn a year prior, the company reported Wednesday, without disclosing sales volumes. Total revenue rose by 1pc on the year to €21.5bn.

Africa, Mediterranean and Western Asia cement revenue totalled €2.3bn, up by 13pc on the year. Heidelberg in the first half said population growth and urbanization in Africa had supported strong cement demand in this region, and the company said it expected "continued organic growth" should lead to "another good year."

Cement revenue also increased in North America in 2025, rising by 5pc to €2.4bn. While Heidelberg expects the region's residential sector to remain soft in 2026, it said demand from data centre construction and commercial real estate will likely help to offset this.

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European cement revenue remained nearly flat in 2025, inching down by less than 1pc from to €4.9bn from the prior year. Poor weather conditions, especially in December, partly hampered the region's cement demand during the year.

Although there has been recent uncertainty surrounding the EU's emission trading system (ETS) and ETS prices fell below €70 ($82.60) /t in February for the first time since July of last year, Heidelberg is confident the policy will remain in place and support its investments in carbon capture and green cement. Steady increases in cement demand in eastern and southern Europe and anticipated market recovery in western and northern Europe in the second half will support a positive outlook in the region for 2026, the company said.

Heidelberg's carbon capture and storage (CCS) facility in Brevik, Norway, the world's first industrial-scale CCS plant in the cement industry, became operational during the first half of last year, and the company's CCS project at its Padeswood plant in north Wales began construction during the year. The company has also secured funding for further projects in the EU, chief executive Dominik von Achten said.

Heidelberg's cement revenue in the Asia Pacific region dropped to €1.7bn last year, down by nearly 7pc from a year earlier. Market conditions in Indonesia and China are expected to "remain challenging" in the short term, the company said. Still, Heidelberg anticipates "good market momentum" in Australia, higher volumes in India and a recovery in sales to Thailand, following a recent election, to support revenue in this region in 2026.

Alternative fuels made up 34pc of Heidelberg's energy mix in 2025, up by 3 percentage points from 2024. The company said it expects alternative fuels to make up over 50pc of its fuel mix by 2030. Heidelberg also decreased its clinker incorporation rate to about 68pc in 2025, down by 1 percentage point from 2024.
By Hadley Medlock

CRH eyes higher cement, cementitious sales

Irish building materials producer CRH expects growth in its cement and cementitious markets in 2026 because of strong infrastructure and industrial demand across its core regions, despite persistent inflation.

CRH expects cement volumes and pricing to increase by low single-digits this year, following similar performance in 2025. Energy, labour and raw-material inflation remain key pressure points — energy expenses rose by 8pc in 2025, CRH said.

But stronger demand across its aggregates, cementitious and road-building businesses will continue to offset this cost inflation. The company also continues to invest in projects to reduce its reliance on fossil fuels, optimise energy use and increase its recycling of wastes and by-products.

CRH became the largest supplier of supplementary cementitious materials (SCMs) — key in the production of concrete — in North America last year after adding 10mn t/yr of cementitious capacity through its $2.1bn acquisition of US-based Eco Material Technologies. CRH is also expanding cementitious production with a $70mn grinding and blending facility in Illinois.

SCMs are expected to grow at twice the rate of traditional cement through 2050, so accelerating its cementitious strategy was an "obvious" move given long term demand, CRH said.

Large-scale manufacturing and data centre construction are likely to be critical sales drivers this year in the US. And state-level transportation department budgets are forecast to rise by 6pc in 2026, which will reinforce demand for aggregates, cement and cementitious materials in the US.

In the company's other core markets, Europe is benefitting from government infrastructure investment, while residential market sentiment is improving in France and the UK following interest rate cuts. Australia is also seeing continued growth, driven by a residential recovery.

CRH aims to reach $3.9bn-$4.1bn in profit this year, compared with $3.8bn in 2025 and $3.5bn in 2024. The company's revenue totalled $37.4bn in 2025, up by 5pc from 2024.
By Alexander Makhlay

Amrize plans further cement plant expansions

North American building materials company Amrize is planning further cement capacity expansions at plants in the US and Canada, as it expects data centre construction to continue supporting cement demand growth throughout 2026 and beyond.

Amrize earlier this month announced plans to add 100,000 t/yr of cement capacity to its plant in Midlothian, Texas, to "serve the booming Texas region" and 50,000 t/yr at its Exshaw plant in Alberta, Canada. But it did not provide a timeline for completion of either project.

Amrize also last year added 660,000t/yr of cement capacity at its flagship North American cement plant in Sainte Genevieve, Missouri, increasing the plant's total production to 5.5mn t/yr, and announced plans to expand its St Constant cement plant in Quebec by 300,000t/yr by the second half of 2027.

The company has largely been focused on expanding its

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North American footprint because of growing demand from data centre construction, which Amrize said is the "largest infrastructure expansion in recent history" and mainly centred in the US. Over 40pc of global data centre infrastructure investment is expected to be spent in the US through 2030, chief executive officer Jan Jenisch said.

"In 2025 alone, we supported and supplied more than 30 data centre projects, and we will see that work accelerating into this year," Jenisch said.

Amrize also expects possible recovery in its residential sector in late 2026 because of lower borrowing costs.

The company's cement sales volumes totalled 5.7mn t in the fourth quarter, up by 4pc from a year earlier. Higher sales volumes helped to offset a slight decline in cement prices during the quarter, Amrize said. In full-year 2025, Amrize sold 22.4mn t of cement, up by 1pc from 2024.

Amrize expects cement sales volumes to be "positive" in 2026, driven by increasing customer demand, and has been phasing in price increases across all its markets since the beginning of the year. Cement pricing is expected to increase by a low-single-digit percentage rate in 2026, the company said.

"The commercial market will continue its improving trends as lower interest rates support new products, adding to already strong demand for data centres but also for other projects in logistics and manufacturing," Jenish said.
By Hadley Medlock

Cemex cement sales volumes nearly flat in 2025

Cemex's cement sales volumes inched down by 1pc in 2025 from a year earlier, as stronger performance in the second half helped to partly offset weaker sales in January-June.

Mexico-based cement maker Cemex said in July it expected a drop in domestic grey cement sales to Mexico and the US in the full year of 2025, after sales volumes to both countries declined sharply during the second quarter.

But Cemex expects a "better demand outlook" in 2026 because of increased construction activity across all regions, as well as a low-single digit percentage increase in cement sales volumes.

Cemex's cement sales volume totalled 43.3mn t in full-year 2025, down slightly from 43.9mn t in 2024. Cement sales volumes in the fourth quarter rose by 1pc on the year to 10.8mn t.

Cement sales volumes in Mexico fell by 8pc on the year in 2025. But public spending on social programs and infrastructure in Mexico has started to gain momentum, Cemex said, which is expected to support cement sales in the country. And the Mexican federal government's social housing program has established a goal to build 1.8mn houses during the current administration, it added.

In the US, cement sales volumes declined by 3pc in 2025 from a year earlier. The fall in US sales volumes was largely because of "continued softness" in the country's residential sector, Cemex said.

But cement sales volumes in Europe, the Middle East and Africa (EMEA) jumped by 7pc on the year in 2025. Despite difficult weather conditions in Europe during the fourth quarter, infrastructure projects in eastern Europe and sustained housing activity and infrastructure investment in Spain helped to support cement demand, Cemex said.

In South, Central America and the Caribbean (SCAC), full-year 2025 cement sales volumes rose by 2pc from 2024. Demand in this region was mainly driven by the tourism sector and self-construction, Cemex said.

Cement prices rose across nearly all Cemex's regions in 2025, with a 1pc increase in Mexico, 6pc increase in EMEA and 3pc increase in SCAC, which helped to improve margins. But cement prices softened by 3pc on the year in the US because of "difficult competitive dynamics in a few markets."

Cemex said it expects tightening of free allowances in the EU Emissions Trading System and the carbon border adjustment mechanism to support "favourable pricing dynamics" in the EMEA region. The company also said it announced a 10pc cement price increase in Mexico effective January.

The company's energy cost per tonne of cement declined by 12pc on the year in 2025, while Cemex's proportion of alternative fuels in its kiln fuel mix in 2025 declined by 5 percentage points from a year earlier to 32pc. Cemex expects a mid-single digit percentage increase in energy cost in 2026.

The company posted $16.1bn in revenue in full-year 2025, nearly flat to the prior year. In the fourth quarter, revenue rose by 11pc from a year earlier to $4.2bn.
By Hadley Medlock

India's Ambuja raises cement sales in Oct-Dec

Indian conglomerate Adani's cement subsidiary Ambuja raised its sales by 17pc on the year in October-December 2025. Higher cement output and sales typically boost thermal coal and petroleum coke demand.

Bombay Stock Exchange-listed Ambuja sold 18.9mn t of cement over October-December 2025, up from 16.2mn t a year earlier, and higher from 16.6mn t in July-September 2025. Cement demand growth was driven by infrastructure activity, sustained housing demand and a recovery in rural consumption because of surplus monsoon rains, the company

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said on 30 January. Abundant rains typically raise the farm sector's productivity and leaves more money with farmers, boosting demand for cement and other consumer goods.

A cut in cement taxes may also have supported sales. India, the world's second-largest cement producer after China, reduced its goods and services tax (GST) on cement from 28pc to 18pc in September 2025 to boost demand.

The company aims to maintain double-digit growth in sales in the current quarter, it said. January volumes recorded double-digit growth, against the backdrop of an uptick in cement prices, it added.

Revenue from operations increased by over 9pc on the year to 102.8bn rupees ($1.12bn) in October-December 2025 because of higher sales.

The company's kiln fuel costs declined by 6pc on the year to Rs1.65/1,000 kcal in July-September. It raised the use of coal in its fuel mix and lowered coke use, after New Delhi removed a levy of Rs400/t on coal in September 2025.

Meanwhile, ACC — another cement subsidiary of Adani — raised sales volumes by about 15pc on the year and 13pc on the quarter to 11.3mn t in October-December 2025. Its revenue increased by 8.5pc on the year to Rs64.83bn. ACC's kiln fuel cost eased marginally to Rs1.66/1,000 kcal in October-December 2025, from Rs1.68/1,000 kcal a year earlier.

The cement industry is expected to sustain its growth momentum, said ACC. The revival in demand over October-December 2025 has continued into this quarter, placing the industry on track for growth of around 8pc in April 2025-March 2026 fiscal year.

Adani is the second-largest Indian cement maker with a capacity of 109mn t/yr. It raised its April 2027-March 2028 fiscal year cement capacity target by 15mn t/yr to 155mn t/yr in November 2025. The increase came from de-bottlenecking initiatives.

It expects group cement capacity to reach 118mn t/yr by March 2026 because of multiple ongoing greenfield and brownfield expansions. These expansions will support Adani's position as India's second-largest cement maker after fellow producer Ultratech, which has a capacity of 194mn t/yr.

By Ajay Modi

India's Shree lifts cement sales in Oct-Dec

India's third-largest cement producer Shree Cement's sales in October-December 2025 rose compared with the same period a year earlier, with higher prices lifting the firm's quarterly profit.

Bombay Stock Exchange-listed Shree sold 8.7mn t of cement in October-December 2025, up by 2pc on the year and higher from 7.9mn t in the July-September quarter. The company expects sales to range between 9mn-9.5mn t in the current January-March quarter.

It earned 44.16bn rupees ($487.6mn) in revenue over October-December, up by about 4pc on the year. Steady cement prices and higher sales helped the company raise its profit by almost 22pc on the year to Rs2.79bn.

A cut in cement taxes may also have supported sales. India, the world's second-largest cement producer after China, reduced the goods and services tax (GST) on cement from 28pc to 18pc in September 2025 to boost demand.

The company does not think there will be any let-up in demand because the central government must exhaust its allocated infrastructure spend for the April 2025-March 2026 fiscal year by March.

"If demand is good, cement pricing will remain good," the company said.

Shree used 76pc of petroleum coke in its kiln fuel mix in October-December, with thermal coal and alternative sources accounting for the remainder. The company's fuel mix for the corresponding period of 2024 was not disclosed, but its coke use expanded on the quarter from 66pc in July-September 2025.

Most cement makers have lowered coke use in favour of coal in October-December. India's largest cement producer, Ultratech, reduced coke use in its kiln fuel mix to 45pc in October-December 2025, from 56pc in the year earlier, switching to cheaper coal to reduce energy costs.

Indian cement makers imported 10.67mn t of seaborne coke from origins including the US and Saudi Arabia in 2025, down slightly from 10.83mn t a year earlier, according to data from shipbroker Interocean.

Meanwhile, India imported 12.32mn t of US thermal coal, including the high-calorific value (CV) NAR 6,900 kcal/kg Northern Appalachian (NAPP) coal, in 2025, up by 19pc from a year earlier, according to data analytics firm Kpler. Cement makers prefer NAPP coal as a replacement to coke when its prices are competitive.

Shree indicated that it might go slow on capacity additions while focusing on raising runs at existing plants and lifting its cement price earnings. It had earlier indicated a target of reaching 80mn t/yr by 2029, up from its current capacity of 66mn t/yr. The previously stated milestone of 80mn t by 2029 is completely dependent on how cement demand pans out in 2026 and 2027, the company said.

By Ajay Modi

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Italy calls for EU ETS suspension

The EU emissions trading system (ETS) should be suspended pending substantial review, Italian enterprise minister Adolfo Urso said on Thursday, noting "perverse" effects from EU carbon trading financial speculation and carbon leakage. France pushed back against "blowing up" the ETS while Germany called for continued free allocation of allowances.

"While we work toward an effective and comprehensive reform, we must suspend what is not working," Urso said on Thursday at a meeting of EU industry ministers in Brussels. He added that the current ETS is "nothing more than a tax" burden for energy-intensive companies that are no longer able to remain competitive.

Urso also called for substantial revisions of the bloc's Carbon Border Adjustment Mechanism (CBAM). "To do so effectively, the ETS mechanism must be suspended pending a reform that must be global, comprehensive and effective," he said, adding that industry cannot wait for "lengthy" EU negotiations to find solutions.

German economy and energy minister Katherina Reiche also urged quick ETS reform, noting that key issues remain "unresolved", with benchmarks needing to be attainable and ETS price increases "manageable".

Reiche called for an adjustment to the linear reduction factor — the rate at which the EU ETS' overall cap declines annually — to allow for a longer period of free allowances.

On CBAM, Reiche said that as long as the mechanism "does not provide effective carbon leakage protection, the free allocation of allowances must remain possible".

Poland's minister for economic development Michal Baranowski said there is "broad" support for "pragmatic" adjustments to the ETS and free allowance phase-out. Warsaw hears a "clear call" for suspension of the ETS from other ministers, but also statements underlining the importance of the system, Baranowski said.

"No-one disputes that the [emissions trading] system is placing a fatal burden on industry, particularly energy-intensive sectors," Czech industry and trade minister Karel Havlicek said. He noted the Czech Republic is on "common ground" with Germany, Italy and France, even though "some countries are more cautious" in their public statements.

"If CO2 pricing — especially when the merit-order mechanism disrupts price zones — contributes to artificially inflating electricity prices, then we have a problem," Austrian economy and energy minister Wolfgang Hattmannsdorfer said, pointing to Italy's "very interesting" model of CO2 and electricity pricing.

France, meanwhile, warned against "blowing up" the carbon pricing mechanisms. "We need to be prudent," French deputy industry minister Sebastien Martin said, although adding that he still sees the need to revisit certain aspects of the ETS and the CBAM. "From there to blowing everything up would not be France's position," Martin said, adding that an ETS price corridor is "not something we are working on".

Support for the ETS also came from Swedish industry and energy minister Ebba Busch, who said Sweden was open to "smaller adjustments". But the bloc should not start eroding the ETS' foundations, Busch said.

By Dafydd ab Iago

ETS reform must stabilise prices: EU ministers

Industry ministers from 13 EU countries issued a joint statement on Thursday urging reforms to strengthen market competitiveness, including keeping EU emissions trading system (ETS) prices stable and predictable.

Ongoing cuts to the EU ETS' emissions cap have raised industrial costs, increased market volatility and reduced liquidity, the ministers said.

Signatories included ministers from Austria, Croatia, Czechia, France, Germany, Italy, Luxembourg, Poland, Portugal, Romania, Slovakia, Slovenia and Spain.

The announcement coincided with the EU Competitiveness Council meeting and comes ahead of the planned ETS revision in July.

Germany's economy and energy minister, Katherina Reiche, called for an adjustment of the linear reduction factor at the meeting — which sets the annual pace at which the cap on emissions declines — to allow a longer period of free allowances and delay cost increases for industry.

Ministers also stressed in the letter the need for "targeted carbon leakage protection" and called for a "pragmatic" and "investment-compatible" phase-out of free allowances that aligns with the carbon border adjustment mechanism. But EU lawmakers recently pushed back against extending free allowance allocations beyond 2034, arguing that it would increase costs for EU states and hinder climate targets.

The ETS revision should also drive investment in innovative and decarbonising technologies, the group said.

By Kiara Campagne Nieva

EU industries call for carbon cost intervention

Associations representing a range of energy-intensive industries in the EU have called for urgent measures to prevent rising EU emissions trading system (ETS) prices, including delaying changes likely to reduce free allocations under the

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scheme, in a joint statement to EU officials early this month.

The statement called for the suspension of any further reductions to EU ETS benchmarks and the application of the so-called cross-sectoral correction factor, both of which are used to calculate EU ETS free allocations. Energy-intensive industries receive a portion of their allowances free to guard against carbon leakage, whereby companies relocate to other jurisdictions to avoid carbon costs.

Industries risk losing up to 34pc of their free allocations compared with 2021-25 levels if the EU does not take these measures, according to the 12 associations representing the chemicals, ceramics, paper, clay, glass, cement, metals, lime, mining, energy and fertilizer sectors.

EU ETS revenues should also be "fully redirected" to sectors covered by the ETS to support decarbonisation investments, they said.

The associations also called for "concrete" short-term initiatives to bring down energy system costs for industry, urging a reduction in industrial electricity costs in the bloc closer to €50/MWh through measures such as network charges and taxes. And they advocated additional resources to tackle unfair trade practices.

The group released the statement ahead of an informal meeting of EU leaders on competitive measures scheduled for 12 February, emphasising that ETS adjustments cannot wait for the planned review of the system post-2030.

Around 52 products under the EU ETS face expected benchmark cuts of 6-50pc for the 2026-30 period, a reduction from previous proposals seen by *Argus* in November.

Industry groups were expected to prepare responses to the imminent benchmark reductions by the end of January to influence the decision of EU member states and the European Commission. EU countries are expected to give feedback from early February, before the commission proposes and adopts an implementing regulation in April.
By Kiara Campagne Nieva

Draft EU ETS benchmark updates mixed

The latest updates to draft benchmark values to be used to calculate free allowance allocations under the EU emissions trading system (ETS) in 2026-30 move in mixed directions depending on sector, an internal document seen by *Argus* shows.

The commission is expected to adopt the implementing regulation for the 54 updated values in April. The latest document, from an expert group meeting in late January, implies higher benchmarks for some sectors and lower ones for others compared with previous documents seen by *Argus* from a mid-December meeting.

The commission has lowered the range of cuts for hydrogen benchmarks versus those for 2013-20 slightly to 10-17pc from 13-20pc in the previous document, with high certainty — meaning that they are unlikely to be changed "at this stage", the commission said.

Other chemical sector benchmarks changed in the latest document include phenol/acetone benchmarks, which would fall by 17-36pc with medium certainty, compared with 34-41pc previously.

Reductions to S-PVC benchmarks of 6-20pc from 27-34pc previously are of low certainty, while soda ash benchmarks would be reduced by 15-22pc with high certainty, compared with 13-20pc previously. And the latest cuts to steam cracking and soda ash benchmarks are set at 20-27pc with medium certainty, from 13-20pc.

In the cement sector, cuts in benchmarks for grey clinker stand at 10-17pc in the latest document, down from 13-20pc previously, and lime at 22-30pc from 27-30pc. But dolime and sintered dolime cuts have increased to 22-30pc and 15-22pc, respectively, from 20-27pc and 13-20pc in the December document. All cement benchmark changes are marked at high certainty.

Softer benchmarks for the cement and chemicals sectors are "unsurprising", the lead CBAM adviser at consultancy

Redshaw Advisors, Dan Maleski, told *Argus*.

"These sectors are among the hardest to abate, with limited technological options and high costs. Many of our cement clients are already heavily reliant on government support to continue abatement effort, so any potential relief in this area is being welcomed," Maleski said.

Benchmark reductions for steel and non-ferrous metals, refinery products and the pulp and paper sectors remain unchanged in the latest document with the exception of long kraft fibre pulp products, where cuts have been reduced to 27-34pc with high certainty from 50pc previously.

Associations across a range of energy-intensive industries earlier this month called on EU officials for the suspension of further cuts to ETS benchmarks, saying reductions to their free allocations under the scheme would put them at risk of carbon leakage.

By Alexandra Luca

EU launches CBAM certificate platform tender

The European Commission and EU member states have launched a joint tender to set up and manage a platform for the sale and repurchase of the certificates to be used for compliance with the bloc's carbon border adjustment mechanism (CBAM).

The contractor must develop a pre-operational version of the common central platform by 31 August, and a fully operational product by 1 February 2027.

This is when CBAM certificate sales will begin. Importers will need to surrender certificates covering the emissions embedded in CBAM-covered goods imported in 2026 by 30 September 2027.

The contract will have an estimated duration of 60 months, or five years. The commission will accept submissions in the tender until 20 March, it said.

The CBAM aims to place an effective carbon price on imports entering the bloc in the iron and steel, aluminium, cement, fertilizers, hydrogen and electricity sectors, to avoid carbon leakage — whereby companies relocate to other jurisdictions to avoid carbon costs, or domestic products are replaced by more carbon-intensive imports — caused by the EU emissions trading system (ETS).

The price of CBAM certificates will be based on a weighted average of EU ETS auction settlements, which will be calculated on a quarterly basis for 2026 emissions and a weekly basis for 2027 emissions onwards.

By Alexandra Luca

EU readies low-carbon, domestic content rules

The European Commission is now expected to present low-carbon and made-in-EU requirements for public procurement and state support on 27 February.

Initial rules would cover steel, plastics, cement and aluminium used in buildings, infrastructure and transport as well as green technology, including electrolysers.

For steel, a leak of the 105-page regulation indicates that low-carbon criteria, but not domestic content requirements, would need to be met for public procurement and state support in the automotive and construction sectors. The voluntary carbon intensity label for hot-rolled carbon steel, the commission notes, "can later be expanded to include other energy-intensive materials".

The commission did not opt for EU content requirements for steel, citing other EU legislation including steel safeguard measures and a forthcoming delegated act on steel under the Ecodesign for Sustainable Products Regulation (ESPR).

The proposal includes a very targeted measure to promote public procurement of EU and low carbon plastics used in construction. The commission is eyeing substitution of €500mn-800mn/yr ($591mn-945mn) of virgin polymer imports, albeit with an estimated increase of 0.05-0.3pc in total costs for downstream industries. The leaked document would also empower the commission to adopt delegated legislation laying down incentives for the chemical industry to promote other low-carbon EU products.

Domestic content rules would also apply to a wider range of green technologies, including electrolysers and vehicles.

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The draft would require public procurement auction rules to specify that electrolysers must be EU-assembled. Electrolyser stacks and two additional main specific components would also have to be of EU origin.

Aside from hydrogen, the made-in-EU and assembly requirements remain those laid out in a previous draft, also for solar thermal, PV, battery energy storage, heat pumps, wind, nuclear fission and hydrogen, in line with the goal of increasing the EU's economic security, resilience, sustainability and security of supply.

The draft would oblige EU states to set up investment authorities to approve foreign direct investment of over €100mn by firms owned or controlled by third-country nationals or third-country firms holding over 40pc of the relevant global manufacturing capacity.

The European parliament and EU member states would then need to agree on a final legal text before it enters into force.

By Dafydd ab Iago

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