

Pakistan Cement Sector

Cement exports gain traction

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Rao Amir Ali

D: +92 21 32461106

UAN: +92 21 111 245 111, Ext: 242

E: amir.rao@arifhabibltd.com



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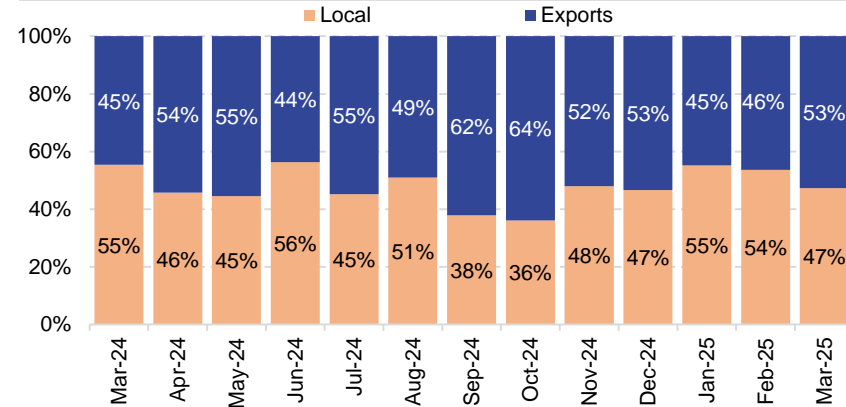
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- Cement export activity from Pakistan’s southern region continues to gain momentum, with recent trends indicating improved pricing, particularly in the African market. This shift is believed to be driven by;

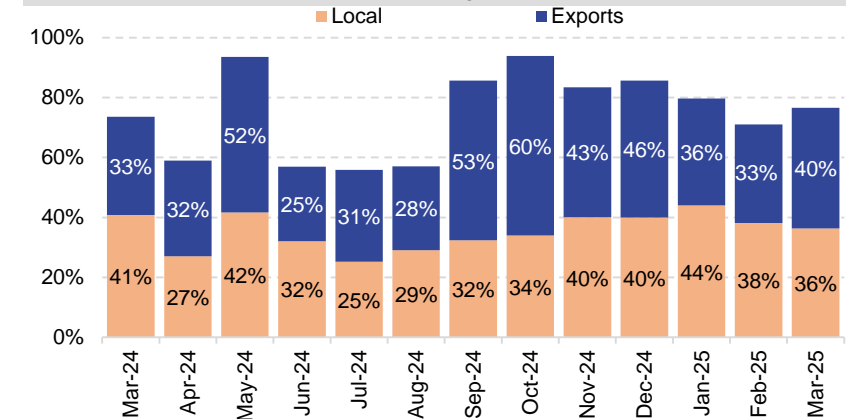
 - The discontinuation of export rebates that were previously provided by the countries exporting cement to Africa. With these incentives removed, exporters have adjusted their pricing, making Pakistani cement more price-attractive in key export markets.
 - Additionally, supply constraints in Algeria have further driven up demand for imported cement in Africa.
 - Revival in construction activity in Syria has also contributed to an overall increase in regional cement demand.
- These evolving dynamics have proven favorable for Pakistan’s cement industry, particularly manufacturers in the southern region.
- During 9MFY25, Pakistan’s total cement exports surged by 28% YoY to 6.5mn tons. The southern region led the charge, recording a 33% YoY growth to 5.4mn tons.
- Exports from the south now constitute 54% of total cement sales, a sharp increase from the 10-year average of 34%.
- Cement plants in the southern region are expected to see a positive impact on their earnings in upcoming quarters.

Exhibit: Sales Breakdown for the South Region



Source (s): APCMA, AHL Research

Exhibit: Utilization Trend in the South Region



Source (s): APCMA, AHL Research

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