



VIETNAM CEMENT MARKET REPORT

BÁO CÁO THỊ TRƯỜNG XI MĂNG VIỆT NAM

The Second Quarter of 2026



IN QII/2026:

- ✓ Prices of coal, petcoke, electricity, gasoline, and some input materials remain high, although there are signs of cooling down at the end of the quarter, but they are not yet stable.
- ✓ Domestic production and consumption continue to recover thanks to public investment; capacity utilization rate remains low.
- ✓ Exports decreased by 5% QOQ but increased by 10% YOY; price and logistics pressures remain.
- ✓ Recovery is uneven across regions and businesses.

Pulished Quarterly

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DEFINITION, EXPLANATION OF WORD

1. VICEMs: The Enterprise Division belongs to the Vietnam Cement Corporation (VICEM), with state-owned capital. Including: Vicem Hai Phong, Vicem Bim Son, Vicem Hoang Thach, Vicem But Son, Vicem Ha Tien, Vicem Hai Van, Vicem Hoang Mai, Vicem Tam Diep, Vicem Ha Long, Vicem Song Thao.
2. F.C.: Enterprises with foreign capital elements (Foreign Capital), by type of limited liability company or joint stock company. Including: Thang Long Cement, Phuc Son Cement, Lusk Vietnam Cement, INSEE Vietnam Cement, Chinfon Cement, Nghi Son Cement, Song Giang SCG Cement, Loc Son Cement, Fico YTL Cement
3. Corp.: Corporations/Enterprises with private capital or a part of state capital belong to economic groups.
4. VNCA: Vietnam Cement Association
5. EB: The Editorial Board of the specialized electronic information page ximang.vn and specialized publications
6. Gamma NT: VNCA's affiliate communication unit, technical operation and development of specialized news page ximang.vn
7. CIDC: Vietnam Cement Information Database and Information Center, a market investigation unit, building specialized databases and publishing publications Report Vietnam cement industry
8. DC: Domestic consumption
9. EX: Export
10. BM: Building materials
11. Cem: Cement
12. Clk: Clinker
13. Un: Unit
14. Co: Company
15. YTD: Year To Date
16. YOY: Year Over Year
17. QOQ: Quarter Over Quarter
18. FY2026: Full Year 2026
19. QII/2026: The Second Quarter 2026
20. M3.2026: The March 2026

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PART I - ECONOMIC CONTEXT AFFECTING VIETNAM CEMENT

1.1. World market context

In the second quarter of 2026, the global economy continued to be significantly affected by the conflict in the Middle East, rising energy prices and volatility in financial markets. International organizations forecast global economic growth of 2.5% – 3.0% in 2026, including 2.5% by the World Bank, 3.0% by the IMF and 2.8% by the OECD. Global inflation is projected at approximately 4% – 5% in 2026, with the IMF forecasting 4.7% and the OECD projecting approximately 4.0% for the G20 economies. Unemployment in advanced economies is expected to rise slightly, from approximately 5.5% to 5.7% by 2027, according to the OECD. Global trade growth is also expected to slow, with the IMF forecasting growth of 3.5% in 2026, compared with 5.0% in 2025. International capital flows have lost momentum, while public debt-servicing costs have increased due to heavy borrowing during the pandemic and continued fiscal expansion.

► Bangladesh cement industry faces pressure from rising costs and weakening demand

Bangladesh's cement industry continues to face significant challenges due to weakening domestic demand, while the costs of imported raw materials, energy, transportation and borrowing remain high. The depreciation of the Bangladeshi taka has further increased production costs and placed additional pressure on manufacturers' profit margins.

The market is experiencing substantial overcapacity, with installed production capacity estimated at approximately 58 million tonnes per year, significantly higher than domestic demand of around 31 million

tonnes. This wide supply-demand gap has intensified competition and kept capacity utilization rates at many cement plants at low levels.

Against this backdrop, Bangladesh's cement producers have called on the Government to consider tax adjustments, reduce input costs and accelerate construction and infrastructure projects to support cement demand in the coming quarters.

► Spain allocates more than EUR 300 million to support cement industry decarbonization

The Spanish Government has announced a EUR 518 million support package for 17 industrial emissions-reduction projects. The cement industry will receive more than EUR 300 million, representing the largest share of the funding and demonstrating that the sector remains a key focus of the country's decarbonization strategy.

Of the total funding, Cemex has been allocated EUR 200 million to upgrade its clinker kiln at Tarragona, while Votorantim Cementos will receive EUR 119 million for a technology-conversion project at its León plant, which may incorporate carbon-capture solutions. The investments will focus on improving energy efficiency, modernizing clinker-production technology and reducing CO₂ emissions.

The program forms part of Spain's Strategic Projects for Economic Recovery and Transformation, or PERTE, framework, which includes EUR 3.2 billion in public funding and aims to mobilize approximately EUR 11.8 billion in total investment. This indicates that investment in low-carbon production technologies, carbon capture and clean energy is becoming a mainstream trend in the European cement industry.

► Coal prices rise as petcoke regains its competitive advantage

In June 2026, fuel markets for the cement industry recorded contrasting price movements, with thermal coal prices rising sharply while petroleum coke prices declined significantly. Geopolitical tensions, concerns over potential supply disruptions and increased energy stockpiling pushed the price of API2 coal for delivery in the third quarter of 2026 to USD 132/t, up 15% month on month. API4 coal prices also increased to approximately USD 118/t.

By contrast, increased supply from US refineries, combined with weakening demand, resulted in a sharp correction in petcoke prices. The price of 6.5%-sulfur petcoke in the US Gulf Coast region fell by 25% to USD 78.5/t, while the price of 4.5%-sulfur petcoke decreased by 23% to USD 87.5/t.

These developments have enabled petcoke to regain its cost advantage over coal, allowing cement producers to consider adjusting their fuel mix. However, the potential for fuel substitution will depend on production-line design, emissions-control requirements and energy-market developments in the coming months.

► China tightens energy-efficiency standards, accelerating technological upgrades in the cement industry

China has introduced regulations requiring the cement industry and eight other major emissions-intensive industries to comply with prescribed energy-efficiency standards by the end of 2028. The new policy indicates that the country is shifting from incentive-based measures to a mandatory compliance roadmap for energy-intensive industries.

Currently, less than 30% of the production capacity in the industries covered by the

regulations meets the highest energy-efficiency benchmarks. Consequently, many cement plants, particularly older and more energy-intensive production lines, will need to accelerate equipment upgrades, optimize operations and reduce both thermal and electrical energy consumption.

To support the transition, the Chinese Government plans to provide funding covering up to 20% of the investment costs of energy-efficiency improvement projects. At the same time, facilities that fail to meet the required standards may be subject to electricity surcharges of up to CNY 100/MWh. These measures are expected to stimulate investment in advanced technology while increasing pressure on companies that are slow to modernize their production lines.

► Philippines accelerates clinker-factor reduction and alternative-fuel use

The Philippines cement industry continues to implement its emissions-reduction roadmap toward 2050, focusing on two principal measures: reducing the clinker factor in cement and expanding the use of alternative fuels. These are regarded as important pathways for reducing CO₂ emissions, lowering costs and improving the competitiveness of cement producers.

According to the Cement Manufacturers' Association of the Philippines, clinker currently accounts for approximately 75% of cement composition, with a target to reduce this share to around 55% by 2050. Increased use of clinker substitutes will help reduce emissions associated with kiln firing and the calcination of limestone.

At the same time, cement plants are being encouraged to gradually replace coal with waste-derived fuels, processed plastic waste and municipal solid waste. However, this transition will require substantial capital investment to modernize

equipment, improve operational efficiency and maintain product quality.

► **Indian cement industry accelerates its green transition**

India's cement industry continues to accelerate its green transition by increasing the use of renewable energy, alternative fuels and industrial by-products. These measures contribute both to emissions reduction and more efficient resource utilization, while cement demand for infrastructure development remains high.

With annual cement production of approximately 490 million tonnes, the industry currently uses nearly 150 million tonnes of fly ash, blast-furnace slag and other industrial by-products to partially replace clinker. Installed waste heat recovery power-generation capacity has exceeded 1,000 MW, while the thermal substitution rate achieved through refuse-derived fuel, plastic waste and other alternative fuels has reached approximately 10%.

In the coming years, cement producers are expected to continue reducing their clinker factor, expanding the use of renewable energy and investing in carbon capture, utilization and storage technologies. The Indian Government has allocated approximately INR 200 billion in its 2026–2027 budget to promote these technologies, supporting the country's target of achieving net-zero emissions by 2070.

► **EU announces first CBAM certificate price at EUR 75.36/t CO₂**

The European Commission has announced a CBAM certificate price of EUR 75.36/t CO₂ for goods imported during the first quarter of 2026. The price is calculated based on the weighted average auction price of allowances under the EU Emissions Trading System. EU importers will begin purchasing

certificates in February 2027 to cover the embedded emissions of goods imported during 2026. Throughout 2026, certificate prices will be published quarterly.

This is the first time that an official carbon-cost benchmark has been established for budgeting purposes for cement imports into the EU. For emissions-intensive clinker, the CBAM price rapidly erodes the competitive advantage of low-priced products where manufacturers are unable to substantiate actual emissions data or reduce the clinker factor.

For Vietnamese companies, the most immediate direct impact is the requirement to coordinate with EU importers, establish monitoring, reporting and verification data at production-line level and calculate indicative carbon costs for each product category. The indirect impact may be even greater, as CBAM is creating a reference standard for other markets and encouraging international customers to prioritize products supported by transparent carbon-emissions profiles.

► **EU council agrees on position to strengthen CBAM and prevent circumvention**

The Council of the European Union has agreed on its negotiating position regarding the extension of CBAM to certain downstream products and the introduction of additional anti-circumvention measures. Cement remains one of the principal sectors covered by CBAM, which entered its definitive phase on January 1, 2026.

The EU's transition from implementation to tighter enforcement indicates that compliance risks will extend beyond periodic reporting requirements. Regulatory authorities are expected to pay greater attention to product structures, trade routes, emissions data and attempts

to avoid CBAM obligations by changing tariff classification codes or production stages.

Vietnamese companies exporting directly or through intermediaries must ensure that emissions data accompanies the goods throughout the entire transaction chain. Contracts should clearly define responsibility for providing emissions data, independent verification requirements, price-adjustment mechanisms when certificate prices change and procedures for cases in which submitted data are rejected by EU authorities.

► **Australian cement industry accelerates green transition amid rising cost pressures**

Australia's cement industry is under significant pressure from sharp increases in fuel, construction - material and transportation costs. Imported cement prices have risen by approximately 15%, clinker - grinding costs by 10%, and road-freight costs by 12% – 15%, forcing some producers to introduce surcharges or adjust their selling prices.

In response to these cost pressures, companies are accelerating the development of low-carbon cement and increasing the use of clinker substitutes. A proposed AUD 200 million green-cement project in Port Augusta will use fly ash and industrial slag to produce low-emissions binders, with the objective of reducing CO₂ emissions by approximately 300,000 tonnes per year.

Australia is also considering introducing a carbon - adjustment mechanism for

imported cement and clinker to reduce carbon leakage and protect domestic production. This development demonstrates that the green transition is becoming increasingly closely linked to the need to maintain the competitiveness of Australia's cement industry.

► **Philippine cement demand forecast to record a single - digit decline in 2026**

The Cement Manufacturers' Association of the Philippines, or CEMAP, has reported that demand has not increased following the peak construction season. Government infrastructure expenditure, which accounts for approximately 40% of cement demand, remains slow. The industry forecasts that the market may end 2026 with a single-digit contraction.

This represents a direct adverse development for Vietnam, as the Philippines is the largest export market for Vietnamese cement. When demand weakens while domestic production capacity and imported supply remain in competition, downward price pressure and the risk of additional trade-remedy measures are likely to increase.

Vietnam's export data for the first quarter of 2026 show that cement shipments to the Philippines decreased by 61% year on year, consistent with assessments of weak demand and the impact of protectionist measures. The prospects for recovery will depend more heavily on the disbursement of infrastructure investment than on the construction season alone.

1.2. Market change of related industries and sectors

1.2.1. The raw material and fuel market

The raw material and fuel markets in the second quarter of 2026 did not follow a consistently downward trend. Instead, they were characterized by sharp price increases during the first part of the quarter, followed by a rapid correction in June. The conflict in the Middle East and disruptions to transportation through strategic shipping routes pushed up oil and coal prices, as well as freight costs, during April and May. Subsequently, the gradual restoration of supply and trade flows led to a significant decline in energy prices toward the end of the quarter. For the cement industry, however, the cost impact is subject to a time lag: although spot market prices had fallen by late June, inventories of high-priced fuel, exchange-rate movements, freight surcharges and procurement cycles continued to affect production costs.

► Electricity

The average retail electricity price was not adjusted during the second quarter and remained at VND 2,204.0655/kWh under Decision No. 1279/QD-BCT, effective from May 10, 2025. Stable electricity tariffs enabled companies to plan their costs more effectively, but did not mean that electricity-related cost pressures had eased, as electricity remains a major input for raw-material grinding, cement grinding, process fans, material handling and cement packing.

As production increased, total electricity costs also rose in line with higher equipment utilization. Plants operating low-efficiency grinding systems or failing to optimize electricity consumption during peak-load hours faced a more pronounced disadvantage.

► Crude oil and domestic petroleum products

Brent crude prices rose sharply in April before falling rapidly in June. According to the US Energy Information Administration, the average Brent price in June was approximately USD 85/barrel, USD 22/barrel lower than in May and approximately USD 32/barrel below the April peak.

However, under Vietnam's fuel-price adjustment on June 25, 2026, E10 RON95-III gasoline remained priced at VND 19,916/litre, while diesel stood at VND 21,866/litre. Diesel prices at the end of the quarter were therefore significantly higher than the VND 19,000 – 19,300/litre level stated in the previous draft, continuing to place pressure on road transportation, quarrying activities, construction machinery and standby power-generation systems.

► Thermal coal

Coal-price movements were not entirely aligned with those of crude oil. According to the World Bank's Pink Sheet data, the average price of Australian thermal coal was approximately USD 138.5/t in June, slightly higher than USD 136.9/t in May. Spot prices briefly approached USD 150/t in early June before declining again.

There is therefore insufficient evidence to conclude that coal prices fell by more than 15% during the quarter. For cement producers, the risks are not limited to the FOB price, but also include vessel freight rates, insurance costs, coal quality, calorific value, moisture content and the ability to blend imported coal with domestically sourced coal.

► Petcoke and alternative fuels

Petcoke remains a potential option for reducing thermal-energy costs at certain production lines. However, its economic advantage varies according to sulfur content, calorific value, refinery supply, exchange rates and transportation costs.

As no single benchmark price can represent all petcoke grades, directly comparing one petcoke FOB price with the API4 coal index may lead to misleading conclusions. Companies should compare fuels based on the cost per useful Gcal and include the additional costs associated with SOx treatment, equipment wear, mineralizing additives and clinker-quality constraints.

Against a backdrop of highly volatile fossil-fuel prices, waste co-processing, biomass and other alternative fuels continue to provide value as tools for reducing both production costs and emissions intensity. Their effectiveness, however, depends on the availability of suitable receiving and pre-processing systems, as well as the consistency and reliability of fuel supply.

► **Transportation, logistics and exchange rates**

Sea freight rates, marine fuel costs and insurance premiums came under pressure during the period of heightened geopolitical tensions, before partially declining as trade flows were restored. Nevertheless, logistics costs did not fall immediately in line with oil prices because of vessel-chartering contracts, risk surcharges and imbalances between vessel supply and demand.

Domestically, Vietnam's average US dollar price index during the first six months of the year increased by 1.75% year on year. This increase raised the cost of imported coal, petcoke, gypsum, spare parts and technical services paid for in foreign currencies.

► **Impact on cement selling prices**

In May, many cement producers in both northern and southern Vietnam raised their selling prices by approximately VND 50,000/t. Some markets recorded a higher cumulative increase when price adjustments implemented since March were also taken into account.

The price increases reflected producers' efforts to pass part of the higher energy, transportation and material costs on to customers. However, given the continued excess production capacity and intense competition in the domestic market, producers remained unable to fully pass these costs through to selling prices, particularly in the retail bagged-cement segment and in areas served by a large number of suppliers.

The second quarter of 2026 was therefore a period of substantial but uneven input-cost volatility. Oil prices declined significantly toward the end of the quarter, while thermal coal remained at elevated levels and logistics costs and exchange-rate movements continued to create a lagged cost impact.

The positive effect on profit margins is likely to become more apparent from the third quarter, provided that energy prices remain low, inventories of high-priced fuel are depleted and producers are able to maintain the new cement-price levels. Under these conditions, plants with high alternative-fuel substitution rates, low thermal and electrical energy consumption, nearby raw-material sources and strong procurement capabilities will have a clear competitive advantage.

1.2.2. Market volatility of building materials

The construction materials market continued to recover in terms of output during the second quarter of 2026, although the pace of improvement varied considerably across product categories and regions. Demand from public investment, industrial construction and urban infrastructure increased relatively strongly, while the recovery in commercial housing construction remained selective and was concentrated in projects with completed legal procedures and genuine end-user demand. Overall, production volumes increased, but the potential for improving selling prices and profit margins remained limited.

► Macroeconomic conditions supported demand

Vietnam's GDP increased by 8.18% in the first half of 2026. The index of industrial production rose by 10.8%, the highest growth rate recorded since 2019, while the construction sector expanded by 9.51%. These indicators suggest that manufacturing, investment and construction activity continued to expand, thereby supporting demand for cement, steel, ready-mixed concrete, aggregates and finishing materials.

However, the average consumer price index increased by 4.38% during the first six months of the year, while the price index for raw materials and fuels used in the processing and manufacturing industries rose by 6.03% year on year in the second quarter. This indicates that higher production volumes were accompanied by considerable input-cost pressures.

► Cement and clinker

Domestic demand improved as transport infrastructure, industrial parks, social-housing developments and civil construction projects entered a more active construction period. Many cement producers raised their selling prices by approximately VND 50,000/t in May.

Nevertheless, competition remained intense because the industry's installed capacity continued to exceed domestic demand. The price increases primarily enabled producers to offset part of the rise in costs rather than marking the beginning of a strong upward pricing cycle.

Companies with stable core markets, direct distribution networks and a high proportion of bulk cement sales to projects were better positioned to maintain selling prices than those heavily dependent on intermediaries and trading companies.

► Construction steel

Following price increases during the first quarter and the early part of the second quarter, several producers reduced their prices for steel wire rod and reinforcing bars in June, generally by approximately VND 150,000–300,000/t.

Production remained high, supported by public investment, although sales growth at several major manufacturers slowed compared with the previous quarter. This trend reflected ample supply and intense competition, while also reducing the risk of rising structural-construction costs for projects in the short term.

► Sand, aggregates and filling materials

This product category continued to face the greatest risk of localized shortages. Supply depended heavily on the progress of quarry and mining licence approvals and extensions, extraction capacity, stockyard

and port infrastructure, and transportation distances.

In several localities where multiple transport-infrastructure projects were under construction simultaneously, sand and aggregate prices remained high and, in some cases, increased sharply because of supply-demand imbalances.

Unlike cement and steel, which can be transported over relatively long distances, sand, aggregates and filling soil are subject to strict economic limits on their transportation radius. Consequently, price movements are highly localized. This is one of the factors that may delay public-investment disbursement and project implementation even when funding has already been allocated.

► Ready-mixed concrete, bricks and finishing materials

Demand for ready-mixed concrete was supported by construction activity in major urban centres, industrial parks and infrastructure projects. However, profit margins remained under pressure from the prices of sand, aggregates and cement, as well as pumping and transportation costs.

The markets for masonry bricks, glass, ceramic tiles and sanitary ware recovered more slowly because they depend more heavily on commercial housing development and the building-completion stage.

This divergence indicates that overall growth in the construction sector should not be interpreted as evidence that all construction-material categories are growing at the same rate.

► Regional markets and exports

The continuing downturn in China's property market placed further pressure on the Asian cement and clinker markets.

During the first half of 2026, China's real-estate development investment decreased by 18.0%, newly started floor area fell by 23.4%, and cement production declined by 8.0% year on year.

Weak domestic demand in the world's largest cement-producing country contributed to increasing regional oversupply, putting downward pressure on clinker export prices and intensifying competition in Vietnam's traditional import markets.

► Trade and carbon barriers

The European Union's Carbon Border Adjustment Mechanism entered its definitive phase on January 1, 2026, with cement among the products covered.

Vietnam's direct cement exports to the EU currently remain limited, meaning the immediate impact on export revenue is relatively modest. Nevertheless, CBAM has established new benchmarks for emissions data, product traceability and carbon pricing.

These requirements are expected to gradually extend into supply chains, green-finance criteria and the procurement standards applied by multinational corporations.

► Price movements of selected construction materials

Asphalt, masonry bricks and floor tiles generally recorded less price volatility than sand and aggregates. However, actual purchase prices continued to vary depending on order volumes, specifications, taxes, transportation costs and payment terms.

Construction-material prices did not decline uniformly even as fuel prices eased, because fuel and material costs account for only part of total production costs. Electricity, labour,

depreciation, financing, logistics and localized supply-demand conditions continued to keep prices at elevated levels.

Note: The figures in the table below represent consolidated reference ranges rather than national average prices. Depending on the source, prices may or may not include value-added tax and transportation costs. Local official price announcements and supplier quotations should therefore be consulted when preparing project cost estimates.

Reference Prices in June 2026

Material	Reference price	Price trend
Bagged PCB40 cement, VND/tons	VND 1.68 – 2.40 million	Stable/divergent
D10 CB300 reinforcing steel, VND/tons	VND 14.0 – 16.0 million	Flat/slightly lower
Plastering and masonry sand, VND/m ³	VND 270,000–850,000	Persistently high/divergent
1×2 construction aggregates, VND/m ³	VND 510,000 – 750,000	High
60/70 penetration-grade bitumen, VND/kg	~ VND 18,300	Limited movement
A1 perforated tunnel-kiln bricks, VND/piece	~ VND 1,630	Stable
400×400 mm Cotto floor tiles, VND/m ²	~ VND 105,500	Stable

1.2.3. Public investment and real estate market

Public investment continues to be the most direct and reliable driver of cement and construction-material demand in 2026. The nationwide public investment plan amounts to approximately VND 1 quadrillion. As of June 25, disbursements had reached VND 299.501 trillion, equivalent to 29.2% of the plan assigned by the Prime Minister.

Although the absolute value of disbursements was relatively high, progress remained uneven, with many ministries, government agencies and local authorities recording disbursement rates below the national average. This indicates substantial remaining potential for construction-material consumption in the second half of the year, while also creating a risk that a large proportion of construction activity will be concentrated in the third and fourth quarters.

► Composition of material demand

Expressways, urban ring roads, airports, seaports, railways, irrigation works and industrial-park infrastructure generate substantial demand for bulk cement, ready-mixed concrete, aggregates, sand and steel.

Compared with residential construction, infrastructure-related material demand is generally larger in scale, extends over a longer implementation period and is less dependent on homebuyer sentiment. However, the material mix also varies by project type. Roads and foundation works consume large quantities of aggregates, filling materials and cement for concrete production, while bridges, tunnels and other specialized structures require higher-grade cement, admixtures and high-performance concrete.

► Time lag between capital allocation and material consumption

The allocation of public investment funds does not automatically translate into demand for construction materials. Actual demand arises only after project design has been completed, contractors have been selected, land clearance has progressed, mining licences have been granted and construction activities have commenced.

Shortages of filling materials, delays in quarry and mine licensing procedures, fluctuations in unit prices and slow site handovers may reduce the rate at which public investment is converted into actual cement consumption. Market forecasts should therefore monitor physical construction volumes and the implementation progress of individual projects, rather than relying solely on approved capital plans.

► Regional distribution

The positive impact of public investment is initially concentrated along corridors where major projects are being implemented. Cement plants located near the North–South Expressway, the ring roads of Hanoi and Ho Chi Minh City, the Southeast region, the Mekong Delta and newly developed industrial clusters benefit from shorter delivery distances.

However, competition to supply major projects is often intense, while suppliers may be required to offer extended commercial credit terms and comply with stringent technical specifications. As a result, higher revenue does not necessarily lead to a corresponding improvement in cash flow or profit margins.

► Residential property market

The residential property market continues to recover selectively. Projects with

complete legal documentation, favourable locations and a focus on genuine end-user demand are progressing more effectively, while speculative developments, resort properties and projects with high selling prices continue to face liquidity constraints.

This trend is generating more stable demand for cement and construction materials in certain urban markets, but it is not yet sufficient to create a broad-based growth cycle comparable to previous periods of rapid property-market expansion.

► Social housing and worker accommodation

This segment is receiving strong policy support and experiencing an expansion in supply. By mid-June, more than 720,000 social-housing units were under development nationwide, equivalent to approximately 72% of the target under the programme to build one million social-housing units.

During the first four months of the year, construction commenced on 40 new projects comprising 36,590 units, while 5,426 units were completed. This scale of development is creating additional demand for construction materials. However, the distribution of projects among localities and their completion schedules remain the key factors determining actual material consumption in each quarter.

► Industrial real estate

Foreign direct investment and continued manufacturing expansion are supporting the construction of factories, warehouses, logistics facilities, technical infrastructure and service-oriented urban areas surrounding industrial parks.

This segment generates demand for cement, concrete and steel, while also imposing

strict requirements regarding project schedules, environmental certification and the use of materials with lower carbon footprints.

1.2.4. The impact of macroeconomic mechanisms and policies

During the second quarter of 2026, policies affecting the cement and construction materials industries shifted strongly in four directions: securing material supplies for public investment projects; strengthening the regulatory framework for the production and trading of construction materials; expanding electricity-market mechanisms for large consumers; and preparing for the implementation of the domestic carbon market. These changes are helping to remove immediate bottlenecks while simultaneously increasing long-term compliance and investment requirements for enterprises.

► Mineral resource management and material supply

The Government and local authorities continued to introduce measures to increase the capacity of eligible mines and quarries, review licensing procedures, coordinate material supplies for key projects, and assess the use of marine sand, dredged materials and alternative construction materials.

The positive impact of these measures is an improved ability to secure supplies of sand, aggregates and filling materials for construction projects. However, any increase in extraction capacity must be accompanied by effective controls over reserves, environmental impacts, transportation and selling prices.

Without adequate monitoring mechanisms, special policy measures may resolve short-term project delays but could also increase

the risks of over-extraction and conflicts of interest at the local level.

► Legal framework for construction materials

Decree No. 209/2026/ND-CP was issued on June 15, 2026 and took effect on July 1, 2026. It provides detailed regulations on certain provisions and implementation measures under the Law on Construction concerning the management of construction materials.

The Decree establishes a new regulatory framework covering sectoral strategies, raw-material planning, construction-material products, product quality, resource utilization, energy efficiency and the development of green materials.

For cement producers, one of the most significant implications is the requirement to manage data, product quality, raw-material sources and environmental performance in a more integrated and systematic manner, rather than merely complying with separate administrative procedures.

► In terms of price managementDirect power purchase mechanism

Decree No. 243/2026/ND-CP, issued on June 26, 2026, amended the mechanism for direct power purchase agreements between renewable-energy generators and large electricity consumers.

This creates an opportunity for certain cement plants to diversify their electricity supply, increase the proportion of renewable electricity in their energy mix and meet the emissions-reduction requirements of customers and investors.

However, the effectiveness of the mechanism will depend on contract structures, electricity-market prices, system-use charges, generation and

consumption imbalances, and the ability to manage market risks.

A direct power purchase agreement does not automatically guarantee lower electricity prices. Its greater value may lie in long-term price stability and the renewable attributes of the electricity supplied.

► Domestic carbon market

Vietnam is currently implementing the pilot phase of its carbon market for the 2025–2028 period under Decision No. 232/QĐ-TTg. The carbon exchange is scheduled to commence full official operation in 2029.

It is therefore inaccurate to state that the carbon exchange had already become fully operational by the end of June 2026.

During the 2025–2026 period, emissions allowances are being allocated to 110 installations in the thermal power, iron and steel, and cement sectors, including 51 cement facilities. The total proposed allowance allocation for clinker-producing facilities is approximately 4.0%–4.5% lower than their projected emissions, creating pressure to reduce emissions intensity and strengthen monitoring, reporting and verification systems.

► Practical impact of emissions allowances

Carbon costs had not yet become a large and uniform expense for all companies during the second quarter. Nevertheless, the allowance mechanism is changing the way investment efficiency is assessed.

Projects that reduce thermal-energy consumption, increase alternative-fuel substitution, lower the clinker factor, recover waste heat and digitalize kiln-control systems may generate additional value through avoided emissions.

Conversely, production lines with high energy consumption, unstable operations or inadequate measurement data will face greater compliance risks and reduced access to green finance.

► CBAM and international market requirements

The European Union's Carbon Border Adjustment Mechanism officially entered its definitive phase on January 1, 2026, covering cement and several other emissions-intensive sectors.

In the short term, the direct impact on Vietnam's total cement exports remains limited because the EU is not a major export market for Vietnamese cement.

However, CBAM clearly demonstrates the growing role of carbon pricing in international trade. Companies seeking to supply multinational corporations or participate in green-project supply chains will be required to provide credible product-level emissions data, disclose electricity sources and clinker ratios, and apply reliable greenhouse-gas accounting methodologies.

► Extension of financial obligations and cash-flow support

Decree No. 245/2026/ND-CP, dated June 27, 2026, extended the deadlines for the payment of certain taxes and land rents during 2026.

This measure may provide short-term cash-flow support to companies, particularly while inventories, project receivables and financing costs remain high.

However, the measure only postpones payment deadlines and does not reduce tax liabilities. Companies must therefore use the temporarily retained cash appropriately and prepare sufficient funds to meet their

obligations when the extension period expires.

Overall, policy is shifting from the narrow objective of maintaining production volumes toward the management of resources, product quality, energy and carbon performance across the product life cycle.

In the short term, special mechanisms for material mines, public investment and the extension of financial obligations will support the market. In the medium and long term, Decree No. 209, direct power purchase agreements, emissions allowances and CBAM will require companies to invest in data systems, operational efficiency and low-carbon products.

Competitive differentiation will therefore increasingly depend on energy costs per tonne of product, clinker factor, alternative-fuel substitution rates, emissions traceability and management quality, rather than solely on installed production capacity.

The second quarter of 2026 recorded a clearer improvement in domestic demand, supported by economic growth, industrial production, construction activity and public investment. However, cement producers' profitability improved more slowly than production volumes.

This was primarily due to sharp fuel-price volatility, thermal coal prices remaining at

elevated levels, lagged impacts from exchange-rate and logistics costs, and excess production capacity limiting producers' ability to increase selling prices.

For the second half of the year, the baseline scenario is that domestic consumption will continue to increase, with demand concentrated in transport infrastructure, industrial parks, social housing and urban projects with completed legal procedures.

Cement selling prices are more likely to remain at the levels established following the May price increase than to rise significantly further, unless a new energy-price shock or localized supply shortage occurs.

Clinker exports are expected to remain under pressure from weak demand in China and intense competition resulting from regional overcapacity.

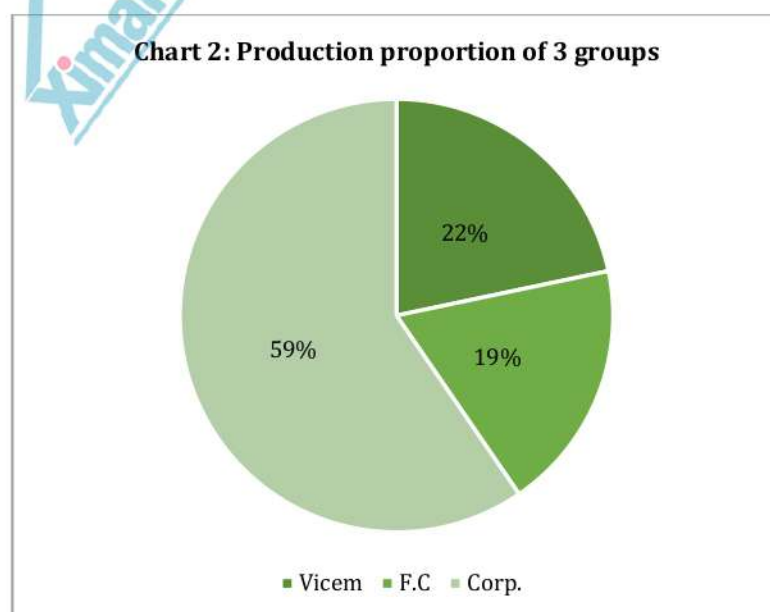
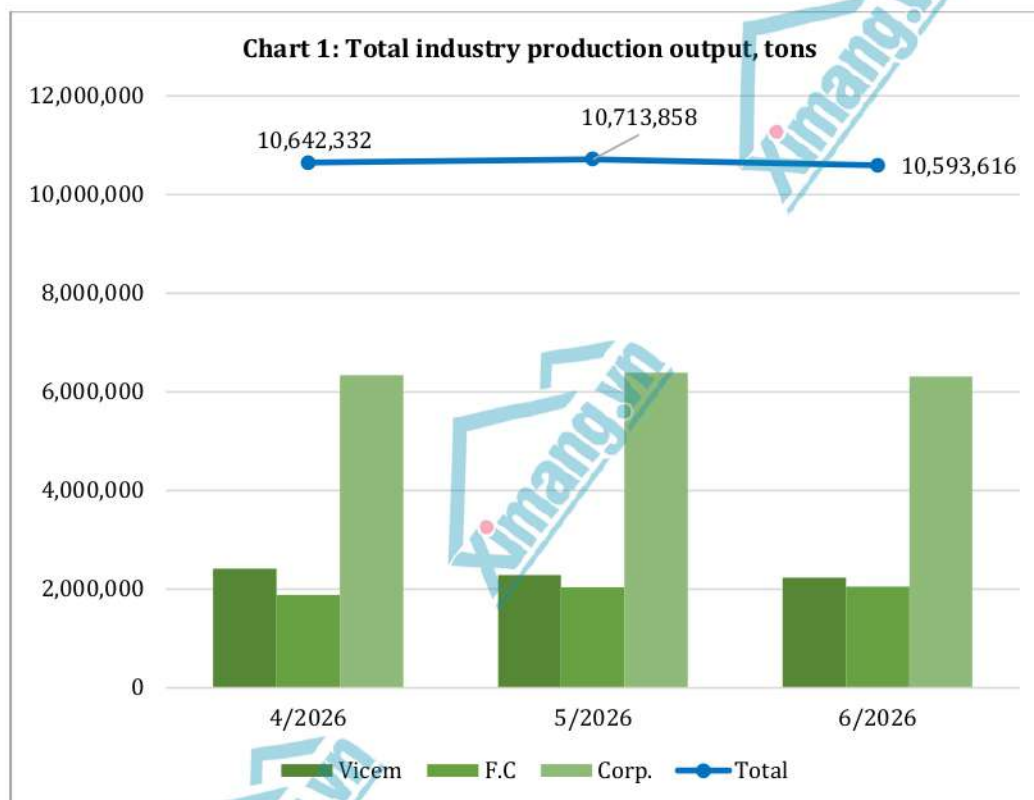
Key indicators to monitor during the third quarter include Brent crude and Australian thermal coal prices; domestic diesel prices; dry-bulk freight rates; the USD/VND exchange rate; public investment disbursement and actual construction volumes at major projects; sand and aggregate prices in key project regions; Chinese cement production; clinker-price movements in Southeast Asia; and progress in the allocation and trading of domestic emissions allowances.

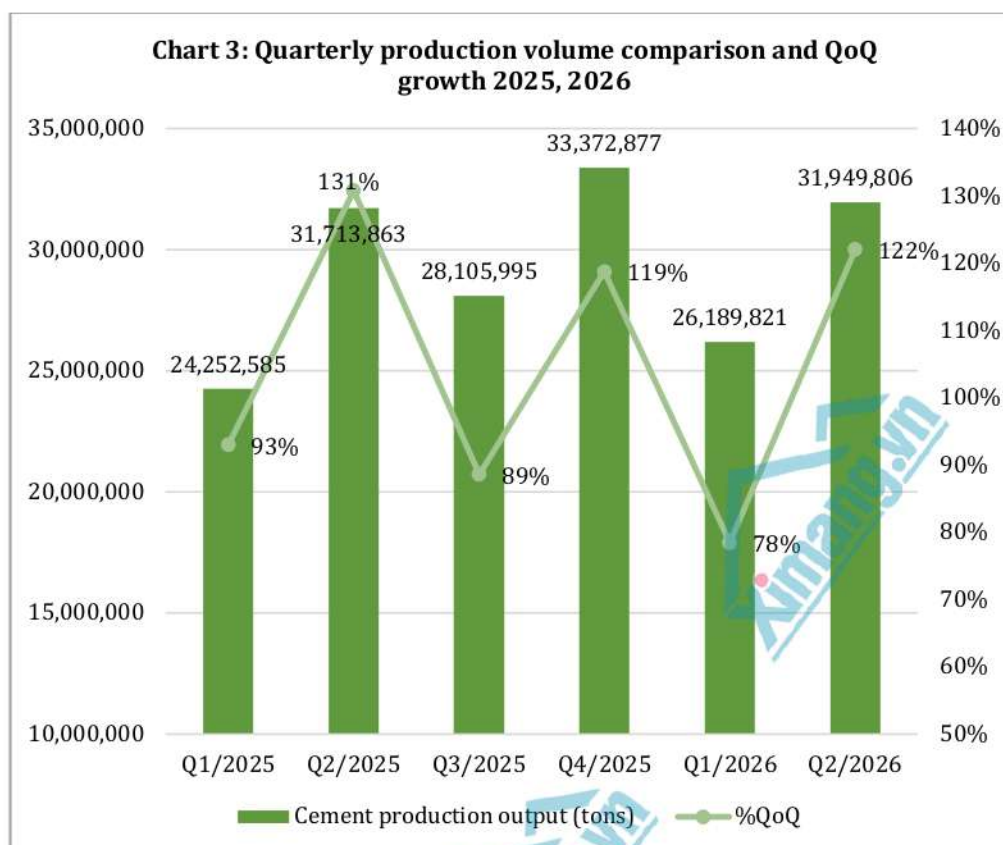


PART II – SUMMARY OF VIETNAMESE CEMENT MARKET DATA

2.1. Summary of production data, tons (Table 1)

No.	Month	4/2026	5/2026	6/2026	Total QII	QOQ	YOY
1	VICEM	2,410,939	2,284,394	2,236,951	6,932,284	124%	105%
2	F.C	1,888,205	2,043,365	2,051,260	5,982,830	127%	107%
3	Corp.	6,343,188	6,386,099	6,305,405	19,034,692	120%	97%
	TOTAL	10,642,332	10,713,858	10,593,616	31,949,806	122%	101%



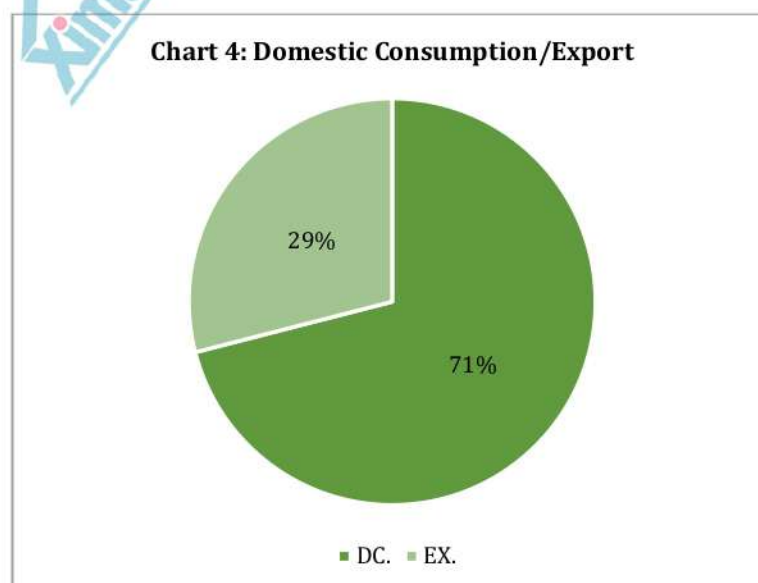


2.2. Summary of Consumption Data

2.2.1. Total cement + clinker consumption for the entire industry, tons

(Table 2)

No.	Month	4/2026	5/2026	6/2026	Total QII	QOQ	YOY
1	DC.	7,952,258	7,715,913	7,497,684	23,165,855	126%	107%
2	EX.	3,424,448	3,107,254	2,930,046	9,461,748	95%	110%
	TOTAL	11,376,706	10,823,167	10,427,730	32,627,603	115%	108%



2.2.2. Domestic Sales

a. Domestic consumption of company in groups, tons (Table 3)

No.	Month	4/2026	5/2026	6/2026	Tổng QII	QOQ	YOY
1	VICEM	2,237,757	2,107,508	2,064,410	6,409,675	127%	109%
2	F.C	1,465,574	1,499,651	1,470,634	4,435,859	123%	103%
3	Corp.	4,248,927	4,108,754	3,962,640	12,320,321	127%	108%
	TOTAL	7,952,258	7,715,913	7,497,684	23,165,855	126%	107%

Chart 5: Domestic consumption ratio of 3 groups

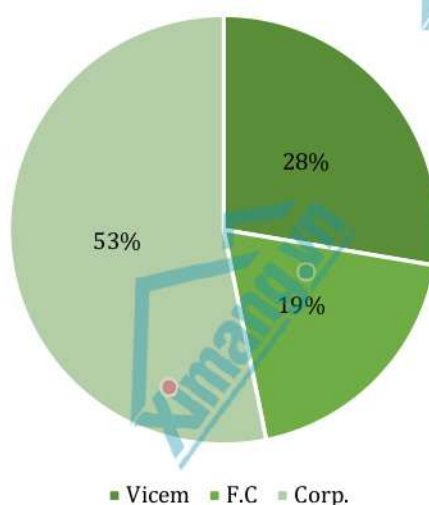
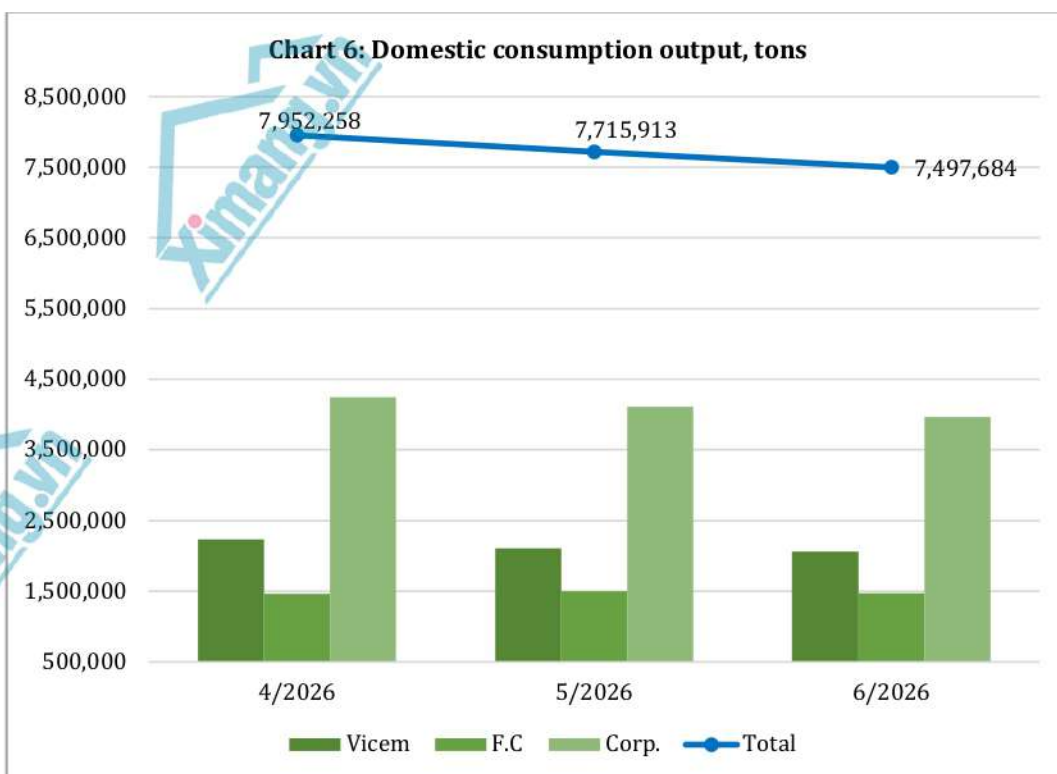
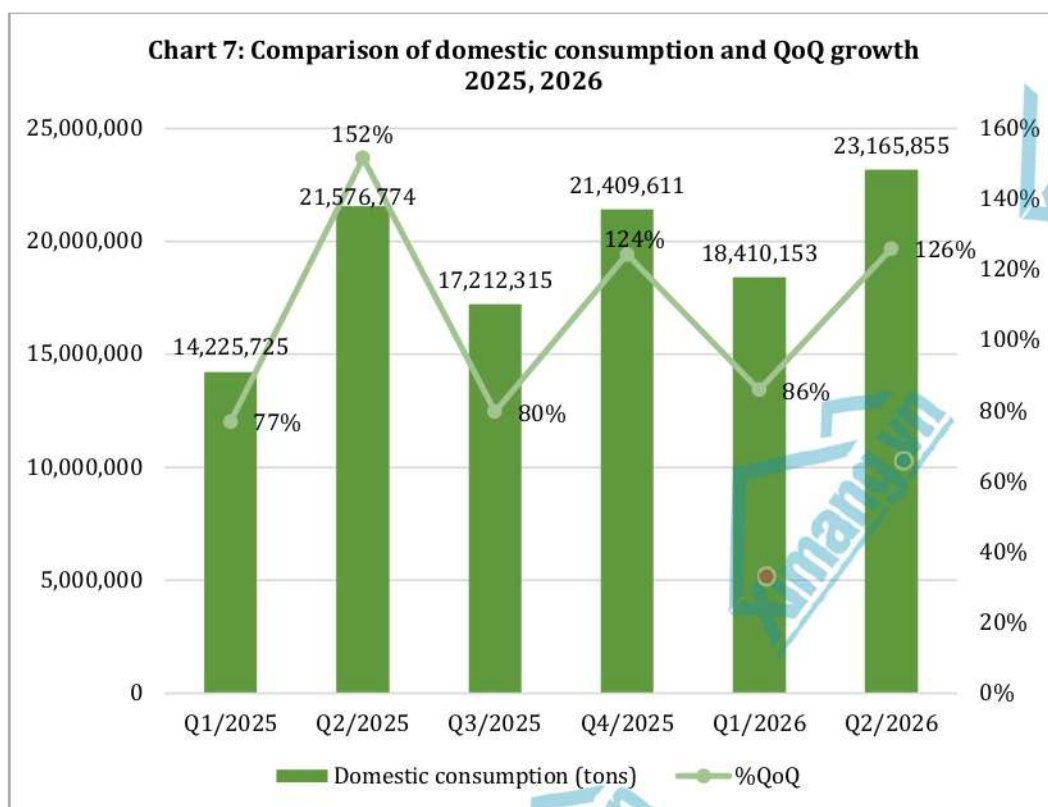


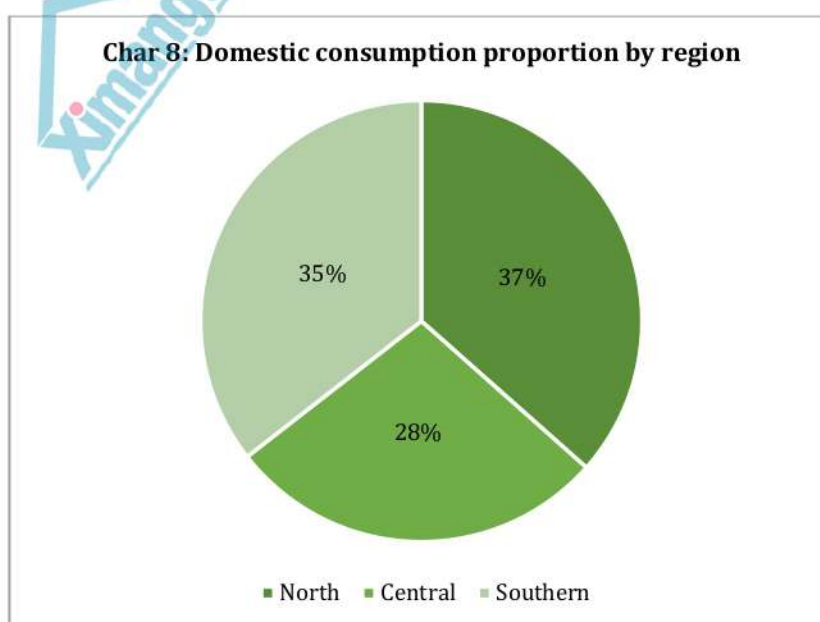
Chart 6: Domestic consumption output, tons

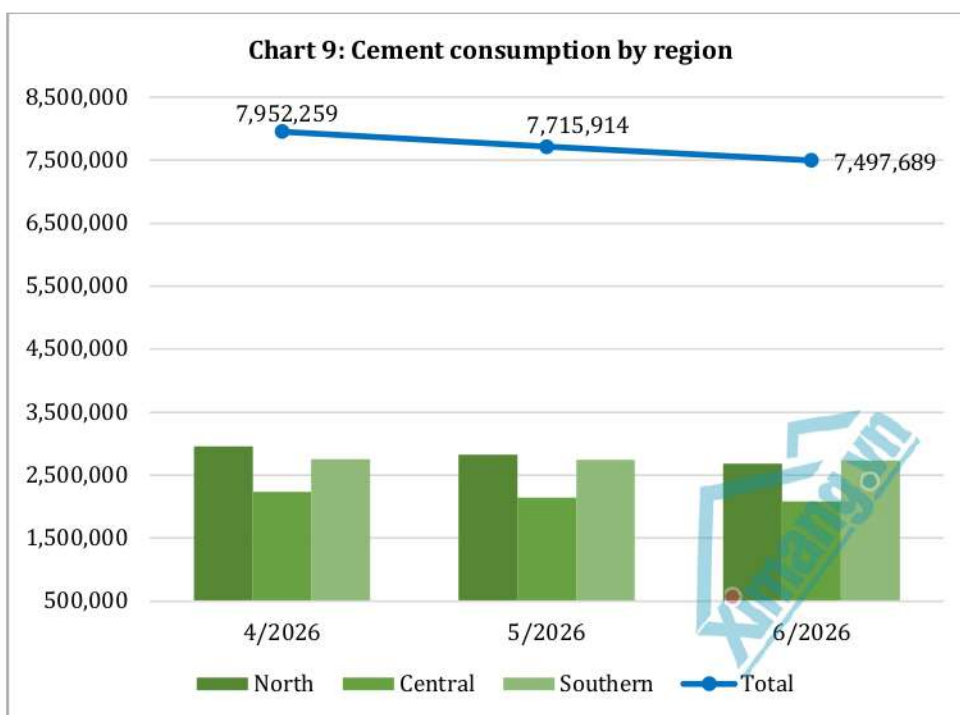




b. Consumption by regions, tons (Table 4)

No.	Month	4/2026	5/2026	6/2026	Total QII	QOQ	YOY
1	North	2,962,811	2,823,207	2,680,577	8,466,595	130%	110%
2	Central	2,239,012	2,147,419	2,081,705	6,468,136	126%	105%
3	Southern	2,750,436	2,745,288	2,735,407	8,231,131	122%	107%
	TOTAL	7,952,259	7,715,914	7,497,689	23,165,862	126%	107%

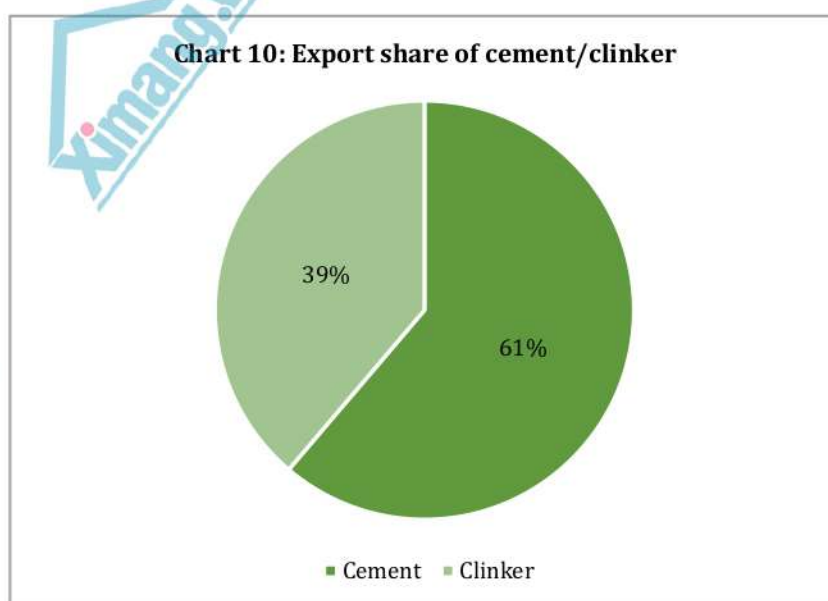




2.2.3. Export

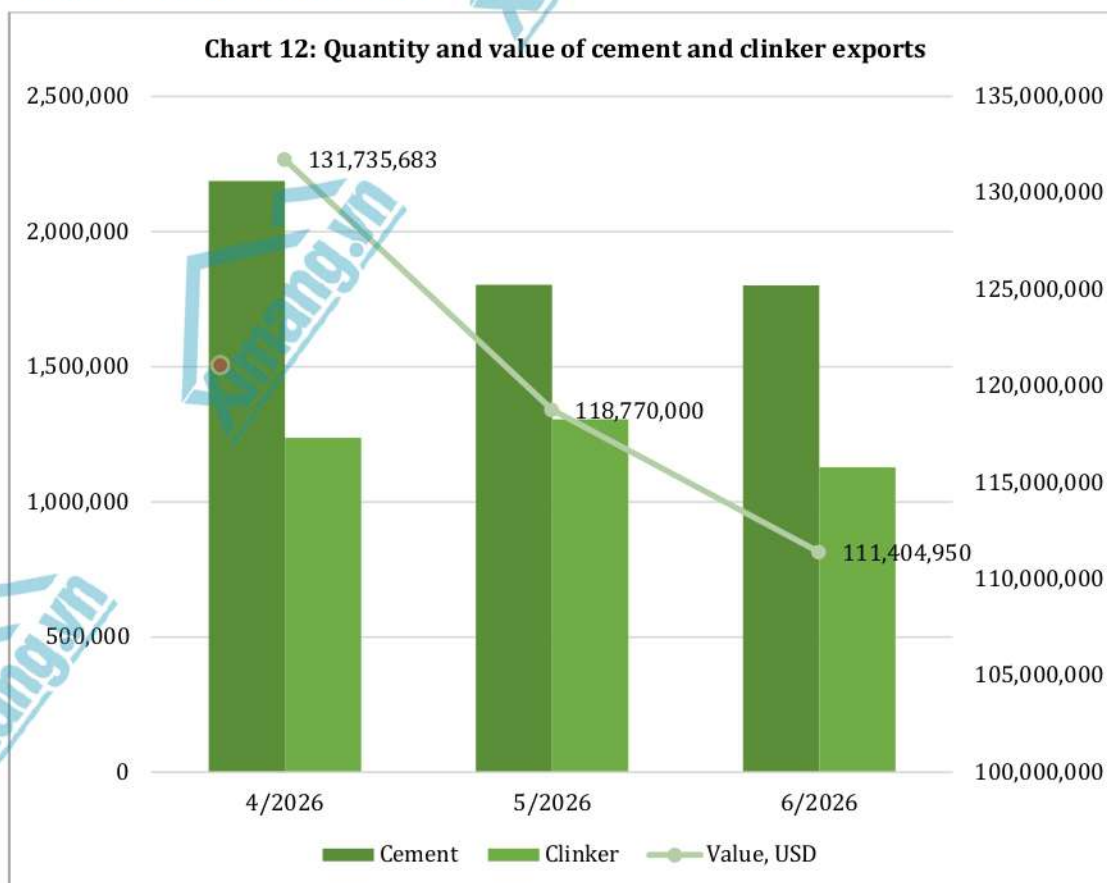
a. Export quantity of cement + clinker (Table 5)

No.	Month	4/2026	5/2026	6/2026	Total QII	QOQ	YOY
1	Cement, tons	2.188.399	1.802.402	1.801.632	5.792.433	101%	108%
2	Clinker, tons	1.236.049	1.304.852	1.128.414	3.669.315	88%	114%
TOTAL, tons		3.424.448	3.107.254	2.930.046	9.461.748	95%	110%
Export value, USD		131.735.683	118.770.000	111.404.950	361.910.633	102%	110%





b. Cement + clinker export value

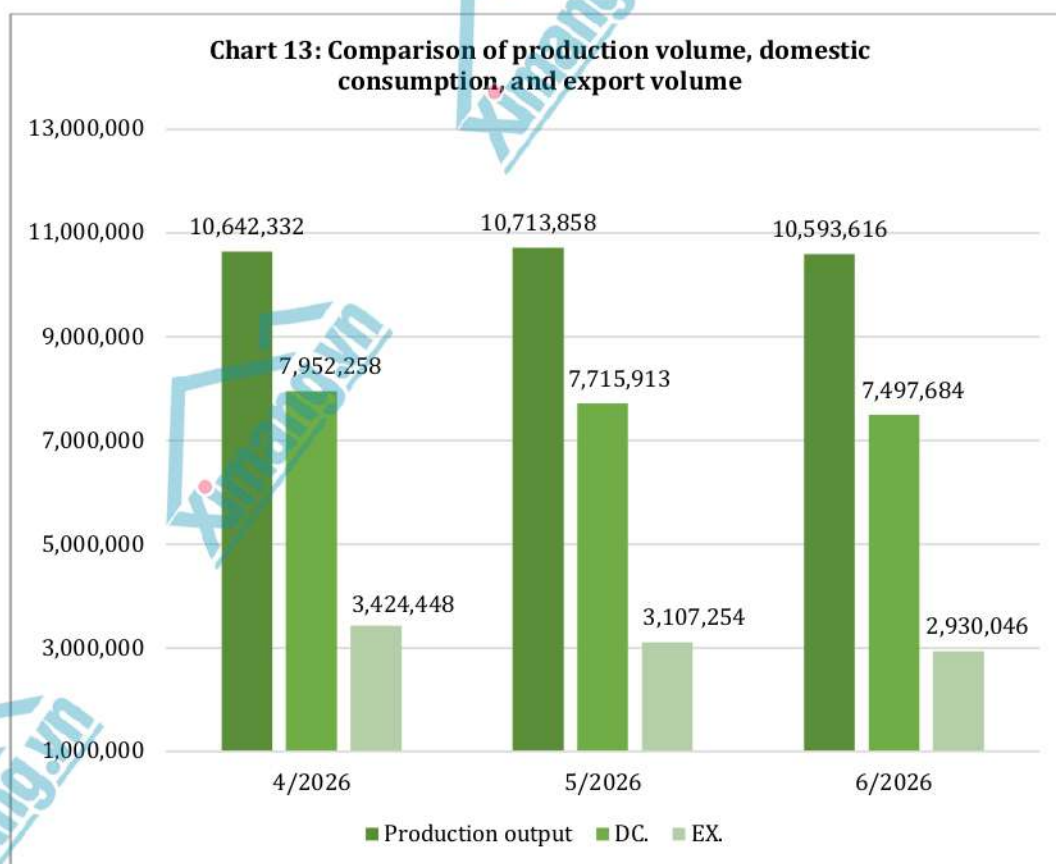


2.2.4. Summary of export volume and value to several key markets (Table 6)

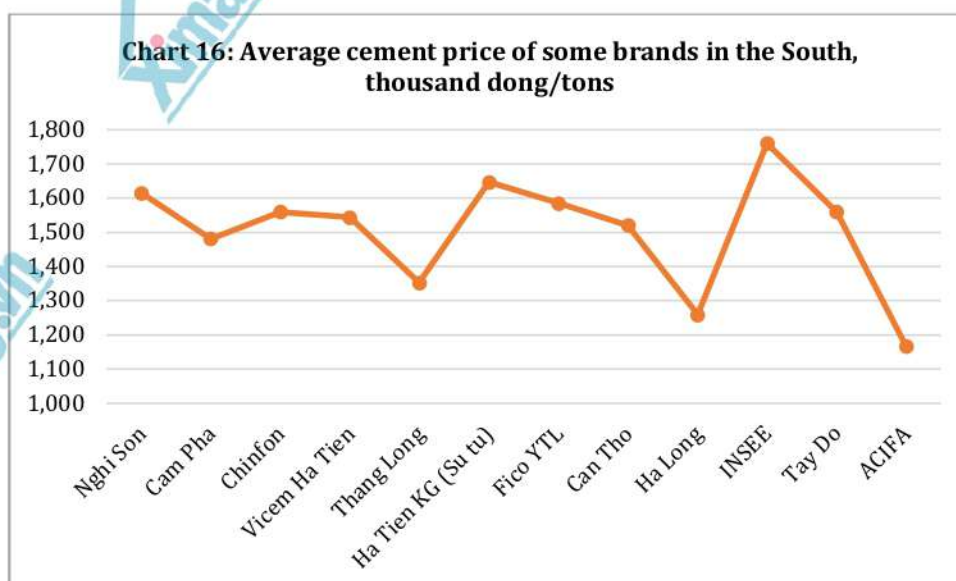
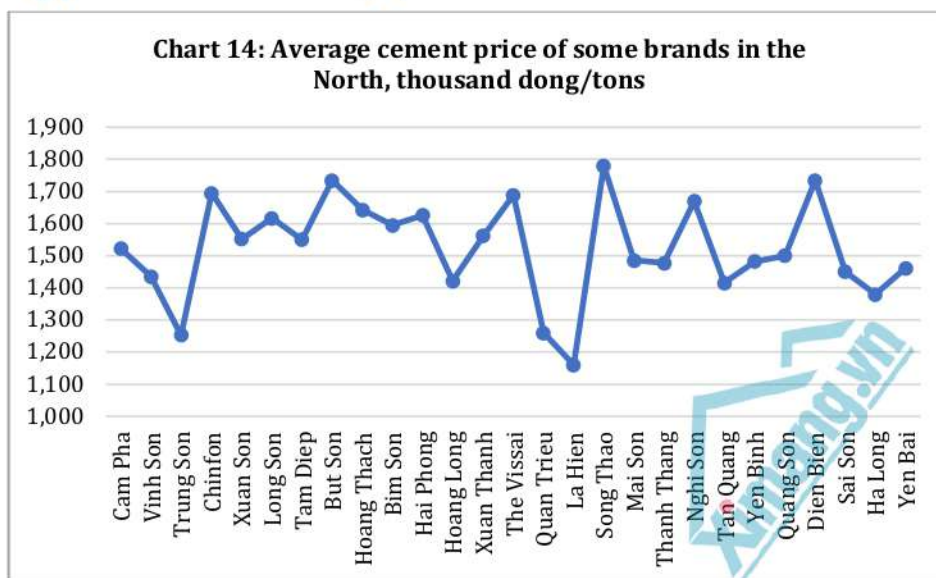
No.	Country	4/2026		5/2026		6/2026		Total QII	
		Quantity (tons)	Value (USD)	Quantity (tons)	Value (USD)	Quantity (tons)	Value (USD)	Quantity (tons)	Value (USD)
1	Australia	73,112	3,059,163	53,239	2,204,471	76,330	3,075,967	202,681	8,339,601
2	Bangladesh	318,978	11,193,451	196,737	6,785,727	333,289	11,189,064	849,004	29,168,242
3	Cambodia	4,871	229,650	6,770	299,535	6,107	289,021	17,748	818,206
4	Chile	49,450	1,557,680			49,500	1,559,255	98,950	3,116,935
5	Kenya	44,000	1,518,000					44,000	1,518,000
6	Laos	7,499	485,967	10,791	698,480	12,252	787,041	30,542	1,971,488
7	Malaysia	176,182	7,407,268	158,547	6,016,643	168,641	6,415,947	503,370	19,839,858
8	Myanmar			30,000	1,020,000			30,000	1,020,000
9	Peru	60,500	2,453,625	60,500	2,489,290	59,010	1,968,024	180,010	6,910,939
10	Philippines	272,683	11,525,143	156,870	7,081,933	102,900	4,488,600	532,453	23,095,676
11	Taiwan	32,410	1,414,850	97,460	3,061,003	63,410	2,387,125	193,280	6,862,978
12	Sri Lanka	99,000	3,256,250	59,380	2,107,990			158,380	5,364,240
13	USA + Other	2,285,763	87,634,636	2,276,960	87,004,928	2,058,607	79,244,906	6,621,330	253,884,470
	TOTAL	3,424,448	131,735,683	3,107,254	118,770,000	2,930,046	111,404,950	9,461,748	361,910,633

2.3. Compare domestic consumption and export by quarter (Table 7)

No	Item	QI/2026	QII/2026	QII/2025	QOQ	YOY
I	Domestic	18,410,153	23,165,855	21,576,774	126%	107%
1	VICEM	5,058,012	6,409,675	5,889,094	127%	109%
2	F.C	3,612,887	4,435,859	4,287,140	123%	103%
3	Corp.	9,739,254	12,320,321	11,400,540	127%	108%
II	Export	9,943,160	9,461,748	8,593,358	95%	110%
1	Cement	5,783,264	5,792,433	5,382,710	101%	108%
2	Clinker	4,159,896	3,669,315	3,210,648	88%	114%
	Total	28,353,313	32,627,603	30,170,132	115%	108%



2.4. Selling price of cement in QII/2026



PART III – MARKET ASSESSMENT AND FORECAST

Many cement producers implemented several price adjustments during the second quarter of 2026, with increases of approximately VND 50,000/t widely recorded in May. However, these increases were insufficient to fully offset rising production costs and were partially eroded by commercial discounts, freight support and intense regional competition. Consequently, actual net selling prices improved only marginally, while producers were still required to absorb a significant portion of the cost increases through internal cost-control measures.

3.1. Market outlook

► General market assessment

The cement market continued to recover in terms of both production and consumption during the second quarter of 2026 compared with the same period of the previous year. However, the pace of growth began to moderate toward the end of the quarter. Total industry production reached approximately 32 million tonnes during the quarter, while domestic cement consumption exceeded 23 million tonnes, increasing by around 26% quarter-on-quarter (QoQ) and 7% year-on-year (YoY). Domestic demand therefore remained the principal driver of the industry's recovery.

Nevertheless, production, domestic sales and exports all declined slightly in June compared with May, indicating that the market had entered a more moderate and sustainable growth phase following the initial period of rapid recovery.

Market improvement was driven primarily by transport infrastructure projects, industrial parks and public investment, while demand from residential

construction and the property sector recovered only partially.

Meanwhile, cement supply remained abundant, with many production lines still operating below installed capacity. Producers therefore continued to compete aggressively through pricing, discounts, delivery distance advantages and commercial credit terms. The Ministry of Construction also noted that although the domestic market continued to recover, excess production capacity remained a significant challenge, while export markets were affected by elevated logistics costs and geopolitical uncertainties.

► Export market

Exports continued to play an important role in absorbing part of the industry's excess production capacity, although profitability remained limited.

During the second quarter, total cement and clinker exports reached nearly 9.5 million tonnes, representing a decline of approximately 5% compared with the previous quarter. Clinker exports decreased more noticeably, whereas exports of finished cement remained relatively stable.

Low clinker FOB prices, together with high freight and insurance costs, meant that export volume growth did not translate proportionately into higher profitability.

Overall, the second-quarter market can be characterized as a recovery in volume rather than in profitability. Stronger domestic demand enabled producers to increase output and improve revenue, but excess capacity, intense price competition, rising input costs and weak export profitability continued to constrain margin expansion.

3.2. Business performance of selected cement companies

According to the summary of second-quarter operating results for selected cement companies (Appendix, Table 8), nine out of eleven companies reported profits, while two remained loss-making.

Combined revenue reached approximately VND 5,082.0 billion, while total net profit after tax amounted to approximately VND 176.45 billion, corresponding to an average net profit margin of approximately 3.47%.

These results indicate that although most companies remained profitable, overall profitability across the industry continued to be relatively modest.

► Company performance

VICEM Ha Tien delivered the strongest performance, recording revenue of approximately VND 2,425 billion and net profit after tax of VND 138.23 billion. The company accounted for nearly half of total revenue but contributed approximately 78% of total net profit among the surveyed companies.

By contrast, companies including VICEM But Son, VICEM Hoang Mai, La Hien Cement, Quan Trieu Cement and several trading and construction-material companies achieved net profit margins of only around 0.8%-1.5%, while VICEM Hai Van and Phu Tho Cement continued to report losses.

► Key operational achievements

During the quarter, companies generally focused on:

- * Maintaining and expanding domestic cement sales, particularly for infrastructure and public investment projects.
- * Adjusting production schedules according to confirmed orders, including temporary kiln shutdowns or maintenance

activities to minimize inventories and avoid unnecessary production costs.

- * Increasing the use of supplementary cementitious materials, alternative fuels and alternative raw materials, while optimizing thermal consumption, electricity consumption and grinding operations.

- * Reviewing selling, administrative and logistics expenses and improving coordination between manufacturing plants and distribution networks.

- * Gradually optimizing product portfolios by prioritizing bulk cement, infrastructure projects and finished cement products over clinker exports.

However, the financial results also demonstrate that cost-control measures have primarily enabled companies to maintain operational stability rather than generate broad-based profitability improvements.

For the surveyed companies, cost of goods sold continued to account for more than 83% of revenue, while at several companies it approached or exceeded 90% of revenue. Consequently, even relatively small declines in sales volume, increases in fuel prices or additional sales discounts could rapidly erode profitability.

3.3. Impact assessment

► Positive factors

- * Public investment remains the industry's strongest growth driver. The Government has allocated more than VND 1 quadrillion for public investment in 2026, while the disbursement rate during the first months of the year remains relatively low. Stronger performance evaluation and accountability mechanisms for ministries, government agencies and local authorities are expected to accelerate project

implementation during the second half of the year.

* Numerous infrastructure projects are entering construction phases requiring substantial quantities of construction materials. Expressways, ring roads, airports, seaports and urban and industrial infrastructure projects are generating relatively stable demand for cement, with less dependence on short-term fluctuations in the residential property market.

* The residential property market and the social housing programme are showing encouraging signs of recovery. During the first six months of the year, 96 social housing projects comprising 27,636 units were completed. Nationwide, 866 projects with more than 757,000 housing units are currently under development. Although implementation progress varies among localities, this segment represents an important medium-term source of demand for cement and construction materials.

* Investment in energy-efficient technologies and alternative fuels is beginning to improve production economics. Waste heat recovery systems, solar power, waste-derived fuels, lower clinker factors and grinding optimization are gradually reducing dependence on coal, grid electricity and conventional raw materials. While the benefits remain uneven in the short term, early adopters are expected to gain a long-term cost advantage.

► Risks

* Excess production capacity remains the industry's most significant structural risk. When supply substantially exceeds domestic demand, any slowdown in consumption can quickly intensify discounting, cross-regional competition and longer credit periods. Higher production volumes accompanied by

lower realized selling prices will not generate sustainable improvements in profitability.

* Energy and logistics costs remain highly volatile. Coal, petcoke, electricity, diesel fuel and ocean freight account for a substantial proportion of cement production costs. Geopolitical developments or exchange-rate fluctuations could rapidly eliminate the already thin profit margins of many producers.

* If clinker prices remain low while freight and insurance costs stay elevated, producers may be forced to choose between reducing production, increasing inventories or continuing exports at extremely low margins. Heavy dependence on a limited number of export markets also increases exposure to trade protection measures.

* Delays in converting public investment into actual construction activity remain another important risk. Land acquisition, administrative procedures, shortages of sand and aggregates and contract price adjustments may continue to slow project implementation. The Ministry of Finance has identified shortages of construction materials and high material prices as key obstacles affecting public investment disbursement.

* In addition, seasonal storms during the third quarter, the slow recovery of the property market, high debt levels, distributor receivables and increasing investment requirements related to environmental compliance and carbon management may continue to place pressure on corporate cash flows.

3.4. Forecast and recommendations

► Market forecast

* The market is expected to remain generally stable during the third quarter

but is unlikely to record significant growth compared with the second quarter. Seasonal rainfall, typhoons and adverse weather conditions may slow construction activity across northern, central and southern Vietnam, while residential construction typically weakens during the rainy season. Some cement plants may also schedule maintenance shutdowns, adjust production levels and reduce inventories.

* Domestic cement consumption is expected to remain higher than in the same period last year, supported by the relatively low comparison base and continuing infrastructure demand. However, quarter-on-quarter growth is likely to moderate. VICEM has set a target of maintaining domestic cement sales growth of at least 10% during the third quarter by focusing on public investment projects and strengthening market coordination among its member companies.

* Listed cement prices are expected to remain relatively stable following the adjustments implemented during the second quarter. Broad-based price increases appear unlikely unless unexpected shocks occur in coal, electricity or transportation costs, as excess supply and intense competition for market share remain unchanged. Instead of further increases in published prices, market competition is more likely to occur through discounts, freight support, extended payment terms and dealer incentive programmes.

* Export performance during the third quarter is expected to remain volatile, depending largely on orders from the Philippines, Bangladesh and other regional markets. Finished cement exports are likely to remain more resilient than clinker

exports, although profitability will continue to be constrained by low FOB prices and elevated logistics costs.

► Recommendations

* Prioritize profitability per tonne rather than production volume. Production planning should be closely aligned with confirmed orders, inventory levels and actual market demand, avoiding kiln operation solely to maintain nominal capacity utilization.

* Manage pricing based on realized net selling prices after discounts and freight support. Excessive commercial discounts or transportation subsidies can eliminate the benefits of higher listed prices. Minimum acceptable prices should therefore be established according to region, customer segment and delivery distance.

* Focus on market segments offering stronger growth potential, including bulk cement for infrastructure projects, ready-mixed concrete, precast concrete products, industrial parks and social housing. Producers should also continue developing specialized cement products, lower-clinker cements and value-added technical services.

* Accelerate cost-reduction initiatives by improving thermal and electrical energy efficiency, increasing alternative-fuel substitution, optimizing raw-material mixes, reducing clinker factors, maximizing waste heat recovery and minimizing equipment downtime. Capital investments should be prioritized according to payback period and measurable cost savings, while avoiding excessive capital expenditure under constrained cash-flow conditions.

PART IV – KEY ISSUES FACING VIETNAM’S CEMENT INDUSTRY

The second quarter of 2026 recorded a clearer recovery in domestic cement consumption, while export performance and business results remained uneven across companies. Producers implemented price adjustments to offset rising costs, actively regulated production, and accelerated investments in technological upgrades, waste heat recovery power generation, solar power and alternative fuels. Toward the end of the quarter, the regulatory frameworks governing construction materials, the domestic carbon market and VICEM’s development strategy for the 2026 – 2030 period were further completed, creating new requirements for corporate governance, energy management and emissions reduction across the industry.

4.1. Production, consumption and market developments

► **The domestic market remained the main support, although growth moderated toward the end of the quarter**

In April 2026, total industry output reached approximately 10.66 million tonnes, increasing by 6% from the previous month, while domestic consumption reached 7.95 million tonnes, up 5%. Cumulative domestic consumption during the first four months of the year increased by approximately 16% year on year, indicating that infrastructure projects and construction activity were generating clearer demand.

However, several plants began implementing rotational kiln shutdowns or scheduled maintenance to balance inventory levels, demonstrating that structural oversupply had not yet been resolved.

In May, production remained nearly unchanged at 10.71 million tonnes, while

domestic consumption reached approximately 7.72 million tonnes, declining slightly month on month but still increasing strongly year on year.

By June, production increased only marginally, while total consumption declined by nearly 5% compared with May. Overall, quarterly developments indicate that the market shifted from rapid growth at the beginning of the quarter to more cautious production and inventory management toward the end, with domestic demand continuing to outperform exports.

► **Regional market structure**

Northern and central Vietnam benefited more directly from expressway, ring road, airport and industrial infrastructure projects. The southern market recovered more slowly but received additional demand from Long Thanh International Airport, ring road projects, metro systems and urban developments.

The uneven pace of recovery meant that competition among producers remained heavily focused on selling prices, discounts and delivery costs.

► **Exports continued to receive orders but remained under pressure from prices, logistics and market structure**

Cement and clinker exporters continued to receive orders from several markets in Asia, Africa and the Americas during the second quarter. However, the recovery remained unstable due to weaker demand in certain traditional markets, competitive offers from China and other regional producers, high ocean freight rates and geopolitical risks.

Exports slowed in April compared with the previous month. In May, cement exports

declined more sharply than clinker exports, indicating continued volatility in both the product mix and destination markets.

These developments mean that producers can no longer regard exports as a stable channel for absorbing excess production capacity. The general strategy is to prioritize contracts with acceptable margins, reduce internal competition and gradually shift from clinker exports toward finished cement.

However, this transition depends on product standards, port infrastructure and the ability to develop sustainable long-term export markets.

► **Two price adjustments in May established a new market price level**

The market recorded two consecutive price increases in May 2026, generally amounting to approximately VND 50,000/t for various types of bagged and bulk cement.

The first increase was concentrated in southern Vietnam and involved VICEM Ha Tien, INSEE Vietnam, Chinfon, Cam Pha Cement and several other brands. From mid-May, the price increase spread across northern Vietnam, involving several VICEM member companies and major private-sector producers.

The adjustments were primarily driven by persistently high coal, electricity, material, packaging and transportation costs, while internal cost-saving measures were insufficient to fully offset these pressures.

However, announced price increases were not necessarily fully realized in the market. Actual transaction prices continued to depend on location, distribution channel, contract volume and the intensity of competition.

Nevertheless, the coordinated adjustments by numerous producers indicate that

management priorities were shifting from protecting sales volumes toward protecting profit margins and cash flow.

4.2. Business performance, corporate governance and restructuring

► **VICEM recorded a clear improvement in production, sales and profitability during the first half of the year**

According to official data from the Vietnam Cement Industry Corporation, VICEM's sales volume exceeded 6.4 million tonnes in the second quarter of 2026, increasing by 27% quarter on quarter and 9% year on year.

For the first six months of 2026, VICEM's consolidated pre-tax profit reached VND 528.7 billion, an increase of VND 477.7 billion compared with the same period of 2025. The VICEM parent company recorded a profit of VND 278.9 billion, up VND 79.3 billion year on year.

These results reflected the combined effects of a recovering domestic market, flexible sales policies, stronger coordination among member companies and tighter cost control.

However, performance improvements remained uneven among member companies, while restructuring underperforming subsidiaries and projects continued to be a major priority for VICEM during the second half of the year.

► **VICEM Ha Tien focused on cost control, market stability and energy investment**

At its annual general meeting in April 2026, VICEM Ha Tien approved its business and production plan, maintained its dividend policy in accordance with the approved proposal, continued its restructuring programme and progressed procedures related to its commercial housing project in Thu Duc.

Its key operating priorities for 2026 included adjusting sales policies in line with market conditions, optimizing production plans, increasing the use of alternative raw materials and fuels, and reducing electricity consumption.

The company also advanced waste heat recovery power projects at Binh Phuoc and Kien Luong, studied rooftop solar power and maintained sales volumes from major infrastructure projects in southern Vietnam.

This approach demonstrates that the company is pursuing three objectives simultaneously: protecting market share, reducing energy costs and improving its ability to meet emissions-reduction requirements.

► **VICEM But Son allocated significant resources to technological upgrading and green transition**

VICEM But Son prepared an investment plan exceeding VND 1.4 trillion for technological improvements, energy-efficiency measures and environmental protection projects.

Its 2026 targets include producing approximately 2.62 million tonnes of clinker and 3.2 million tonnes of cement, with total product sales of around 3.46 million tonnes.

The company was also allocated more than 5.13 million tonnes of CO₂ emissions allowances for the 2025–2026 period, increasing pressure to accelerate greenhouse-gas inventories, emissions-data management and energy-efficiency initiatives.

The scale of investment indicates that But Son is no longer focusing solely on increasing output but is shifting toward operational efficiency, technology and carbon-market compliance.

This is also a broader trend among large cement plants with ageing equipment that

requires modernization to maintain competitiveness.

► **Financial performance and corporate governance continued to diverge**

La Hien Cement maintained its 2025 cash dividend at 25%, equivalent to approximately VND 30 billion, while setting a 2026 revenue target of nearly VND 627 billion and a pre-tax profit target of approximately VND 30 billion.

Results announced after the second quarter showed that quarterly profit increased more strongly than revenue due to improved cost-of-goods-sold control. However, the company's profit remained highly sensitive to input costs and sales volumes.

In contrast, the State Securities Commission revoked the public company status of Hong Phong Cement and Song Lam 2 Cement in accordance with regulatory requirements.

These developments indicate that disclosure, governance and compliance requirements in the capital market are becoming increasingly stringent. They also reflect a widening gap between companies with strong financial and governance capabilities and those with weaker operations or limited transparency.

4.3. Technology, energy and emissions - reduction investment

► **VICEM Tam Diep implemented a 6.2 MWp rooftop solar power project**

In April, VICEM Tam Diep signed an EPC contract to implement a 6.2 MWp rooftop solar power system.

The project will provide an additional source of self-generated electricity for the plant and operate alongside its existing waste heat recovery power system, thereby

reducing grid-electricity purchases, operating costs and indirect emissions.

This is one of the more notable rooftop solar projects among VICEM cement producers.

The combination of waste heat recovery, solar power and load management is becoming an increasingly common energy-investment model in cement plants.

Project efficiency depends on the plant's load profile, self-consumption ratio, electricity prices, roof quality and investment structure. However, this approach offers clear advantages compared with relying solely on grid electricity.

► **Tan Thang cement invested in a waste - derived alternative - fuel system**

On May 27, Tan Thang Cement signed an EPC contract for the construction of a receiving, processing and feeding system for alternative fuels for its clinker production line, targeting the substitution of approximately 30% of fossil-fuel consumption.

The project is expected to reduce dependence on coal, lower thermal-energy costs and decrease CO₂ emissions, while expanding the plant's waste co-processing capacity.

A notable feature is that the project is being implemented under an integrated EPC model rather than through fragmented investment in individual components.

This approach enables better control of fuel preparation, dosing, feeding, fire and explosion safety, and kiln-operating stability, all of which are critical to achieving the targeted thermal substitution rate in practice.

► **Dong Lam cement implemented an alternative - fuel project with a capacity**

of approximately 600 tonnes of waste per day

On June 25, Dong Lam Cement signed an EPC contract with Gemtec Joint Stock Company to develop a system capable of replacing up to 30% of fossil fuels in clinker production.

The system is expected to process approximately 600 tonnes of waste per day, using suitable residues and waste streams from industrial, agricultural and forestry activities.

The project demonstrates that alternative fuels are progressing from small-scale trials toward industrial-scale systems.

However, stable performance will require simultaneous control of waste supply, calorific value, moisture content, chlorine levels, particle size, inbound logistics and environmental permits.

► **Green investment shifted from individual projects toward integrated plant - modernization programmes**

Projects at Tam Diep, Tan Thang, Dong Lam, But Son and Ha Tien demonstrate that the cement industry's green transition now covers multiple areas, including waste heat recovery, solar power, alternative fuels, clinker-factor reduction, automation and emissions management.

Investment is being driven not only by environmental requirements but also by the need to reduce costs and improve operational reliability.

In the short term, the measures with the clearest economic benefits remain thermal and electrical optimization, higher alternative-fuel substitution, improved grinding efficiency and lower clinker factors.

Long - term technologies such as carbon capture remain at the research and assessment stage and did not have a material impact on production activities during the quarter.

4.4. Capacity investment, raw - material resources and logistics infrastructure

► An Giang recorded two major cement projects with combined investment of nearly VND 17 trillion

During a provincial investment approval and registration ceremony in An Giang, two major cement-sector projects were announced: the expansion of the Hon Chong Cement Plant by Siam City Cement (Vietnam) Co., Ltd., and the Ha Tien Kien Giang Cement Plant by Tan A Dai Thanh Group.

The combined registered investment capital of the two projects was nearly VND 17 trillion.

The projects focus on expanding clinker and cement capacity while integrating energy-saving technologies, waste heat recovery, alternative fuels and emissions-control systems.

From a market perspective, additional capacity in the southwestern region could reduce dependence on cement transported over long distances from northern and north-central Vietnam. However, it could also intensify competition in a market characterized by dispersed demand and heavy dependence on inland-waterway logistics.

► Thanh Hoa considered granting an exploration licence for a clay deposit serving Long Son cement

The Thanh Hoa Provincial People's Committee issued a notice selecting Long Son Co., Ltd. to complete procedures for exploring a clay deposit for cement production in the Bim Son area.

Securing clay reserves and corrective raw materials is essential for maintaining raw-mix stability, extending quarry life and sustaining the operating capacity of large production lines.

This development also reflects the trend of cement companies strengthening long-term control over raw-material resources in response to stricter mineral licensing procedures, increasing environmental-restoration requirements and the potential deterioration of existing deposit quality over time.

► Nghe An reviewed the Dong Hoi port area to strengthen logistics capacity for the north - central cement cluster

Nghe An continued to review planning, legal documentation and investor capacity for port projects in the Dong Hoi Port Area, including specialized terminals linked to cement producers.

The development of large-scale port and logistics facilities could improve the transportation of clinker, cement, coal and other materials while reducing pressure on road freight.

For the Nghe An – Thanh Hoa cement production cluster, dedicated port facilities are critical to expanding exports and coastal shipping to southern Vietnam.

However, their effectiveness will depend on the completion of connecting infrastructure, vessel-handling capacity, warehouse and conveyor capacity, and coordination among cement plants in the region.

4.5. New regulatory and policy developments affecting the industry

► The Government issued decree no. 209/2026/ND-CP on construction - material management

On June 15, 2026, the Government issued Decree No. 209/2026/ND-CP, detailing certain provisions and implementation

measures under the Law on Construction concerning the management of construction materials. The Decree took effect on July 1, 2026.

It establishes a new regulatory framework covering strategies and programmes for construction-material development, production investment, product quality, resource and energy use, green-material development, and the responsibilities of government authorities and enterprises.

For the cement industry, the principal implication is that investment projects and operating facilities must be more closely aligned with resource efficiency, technology, environmental performance and market balance.

This increases appraisal requirements for new capacity investments while providing a legal basis for technological modernization and the phase-out of production lines that no longer meet industry requirements.

► **Carbon - market operating infrastructure was further developed toward the end of the quarter**

In June, relevant authorities signed coordination arrangements for the operation of the domestic carbon exchange, completed emissions-allowance identification codes and organized guidance on greenhouse-gas inventories and allowance allocation for facilities in the thermal power, steel and cement sectors.

These steps represent important preparations for the pilot phase of emissions-allowance trading. For cement producers, the immediate requirement is to efficiency and governance, and create opportunities for technological cooperation and the restructuring of underperforming units.

improve the quality of greenhouse-gas inventory data, strengthen monitoring, reporting and verification systems, and determine emissions intensity at the facility level.

Carbon allowances did not yet create significant costs during the second quarter, but they have become a formal variable in investment planning, operational management and the assessment of emissions-reduction projects.

► **The ministry of construction assigned tasks and targets for VICEM's 2026 - 2030 development strategy**

On June 29, 2026, the Ministry of Construction issued Decision No. 1075/QĐ-BXD, assigning tasks and key targets under VICEM's development strategy for the 2026-2030 period.

The strategy focuses on strengthening VICEM's role as a major state-owned cement enterprise, shifting from capacity expansion toward technological upgrading, improving corporate governance, resolving legacy assets and projects, accelerating digitalization, increasing energy efficiency and promoting green development.

The strategy is significant for the wider industry because VICEM continues to hold a major position in terms of production capacity, brand strength and domestic market presence.

If effectively implemented, VICEM's restructuring could support capacity rationalization, reduce internal competition, establish new benchmarks for

4.6. Overall assessment

The second-quarter picture indicates that Vietnam's cement industry achieved improvements in domestic demand and operational performance compared with

the preceding difficult period, but had not yet entered a sustainable growth cycle.

The market continued to operate under pressure from excess capacity, unstable exports, and high energy, logistics and financing costs, all of which continued to constrain profit margins.

Four key trends became more clearly established during the quarter:

- * Domestic consumption and public investment became the principal growth drivers, replacing exports as the main source of market support.

- * Producers actively regulated output and raised prices to protect profitability.

- * New investment shifted from pure capacity expansion toward power generation, alternative fuels and technological modernization.

- * Carbon management and environmental compliance began to directly influence investment and operating decisions.

Key indicators to monitor in the third quarter of 2026 include public investment disbursement, market acceptance of the cement price increases, export volumes and ocean freight rates, coal and petcoke prices, the commissioning schedules of new projects, and progress in the allocation and trading of emissions allowances.

The principal risk remains that supply will continue to expand faster than demand, while the main opportunities lie in the domestic market, inland-waterway logistics and cost-reduction projects with reasonable payback periods.

APPENDIX SUMMARY OF BUSINESS RESULTS OF CEMENT ENTERPRISES

Table 8 - Business performance of selected cement enterprises in QII/2026

No.	Enterprise	Revenue	Capital price	Financial expenses	Selling expenses	Enterprise Cost Management	Profit after corporate income tax
1	Vicem But Son	797,322,238,161	682,985,264,927	21,329,356,455	18,909,337,357	21,340,069,250	11,092,661,865
2	Vicem Hoang Mai	511,135,473,101	397,896,793,523	2,424,587,020	38,621,415,849	27,064,967,825	7,519,665,328
3	La Hien VVMI Cement	199,169,949,310	164,105,392,481	0	5,390,217,652	9,714,767,287	20,101,764,198
4	Sai Son Cement	222,983,828,839	195,908,862,701	12,789,600,518	1,669,575,233	8,972,354,812	1,707,746,944
5	Vicem Ha Tien	2,425,021,466,928	1,936,929,526,530	22,563,384,574	53,544,673,982	75,151,091,236	138,226,368,753
6	Vicem Hai Van	266,253,466,470	242,265,131,205	567,997,262	1,477,711,210	7,030,228,203	- 7,276,092,939
7	Quan Trieu VVMI Cement	298,716,734,455	271,991,988,537	5,887,014,295	6,009,868,129	11,173,283,082	3,464,187,007
8	Yen Binh Cement	187,984,350,066	170,203,238,349	4,046,763,105	1,502,221,461	1,658,464,663	9,195,492,874
9	Phu Tho Cement	30,103,007,604	32,101,170,222	4,181,390,390	288,654,166	2,388,143,521	- 8,875,927,408
10	Vicem Thach cao Cement	84,465,195,998	78,969,863,918	65,304,110	1,008,838,286	3,858,664,573	701,792,711
11	Vicem VLXD Da Nang	58,841,415,360	52,276,388,941	-	2,449,695,978	2,714,331,368	592,412,334

NOTE

Sources of information and references

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4. General Statistics Office - Ministry of Planning and Investment;
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6. Specialized reports of securities companies...

Word of Editorial Board:

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Although Editorial Board has tried its best, however, the document will not be free from limitations and shortcomings. We look forward to receiving feedback, updating and correcting information so that we can continue to add and improve in the next releases. All comments, please send to email address: gamma@ximang.vn, zalo: 0913513465, we would like to thank.

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