Cement Dispatches – Jun'26

Domestic dispatches power FY26 growth while exports stay constrained in the North

- **Total cement dispatches for Jun'26 stood at 4.33 million tons, up 18.30% YoY compared to Jun'25, driven entirely by strength in the domestic market. Local dispatches climbed to 3.54 million tons versus 2.79 million tons in Jun'25, a rise of 26.78% YoY, while export volumes declined by 8.99% YoY to 0.79 million tons from 0.89 million tons in Jun'25.**



Local vs. Export

- The gap between local and export performance continues a trend of domestic demand outpacing external volumes. Local dispatches expanded nearly 27% YoY in June, while export volumes softened, a pullback driven almost entirely by north zone's complete withdrawal from export markets rather than broad-based weakness abroad.

Zone-wise Breakdown

- North-based plants dispatched 3.02 million tons in Jun'26, up 16.29% YoY from 2.60 million tons in Jun'25. Domestic volumes from North zone grew 26.53% YoY to 3.02 million tons in comparison with 2.39 million tons in Jun'25, while North-based mills recorded no exports in Jun'26, down from 0.21 million tons in June'25, a complete exit from the export market due Pak-Afghan border closure still in place.
- South-based plants dispatched 1.31 million tons in Jun'26, up 23.19% YoY from 1.07 million tons in Jun'25. Domestic volumes from South zone rose 28.24% YoY to 0.52 million tons in comparison with 0.41 million tons in Jun'25, while export volumes from the South advanced 20.06% YoY to 0.79 million tons from 0.66 million tons in Jun'25.
- Notably, the 8.99% YoY dip in overall exports stems entirely from North zone fully withdrawing from the export market, while South zone' exports actually strengthened by 20.06% YoY. This pattern also holds on a full-year basis: FY26 North-based exports fell 53.83% YoY (to 0.78 million tons from 1.68 million tons in FY25), while total FY26 exports slipped a more modest 2.24% YoY (to 9.01 million tons from 9.21 million tons in FY25), as South's continued export strength partly cushioned North's retreat.

FY26 Summary

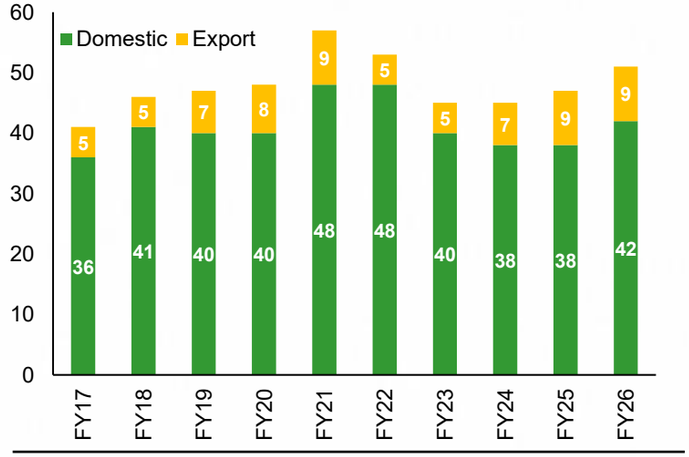
- For the fiscal year ended 30th June 2026, total industry-wide cement dispatches reached 50.51 million tons, up 7.20% YoY from 47.12 million tons in FY25. Local dispatches led this expansion, rising 9.49% YoY to 41.51 million tons in comparison with 37.91 million tons in FY25, while exports edged down 2.24% YoY to 9.01 million tons as compared to 9.21 million tons in FY25 which is largely a function of North-based plants stepping back from export markets over the year.

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Industry-wide dispatches trend (Mn tons)

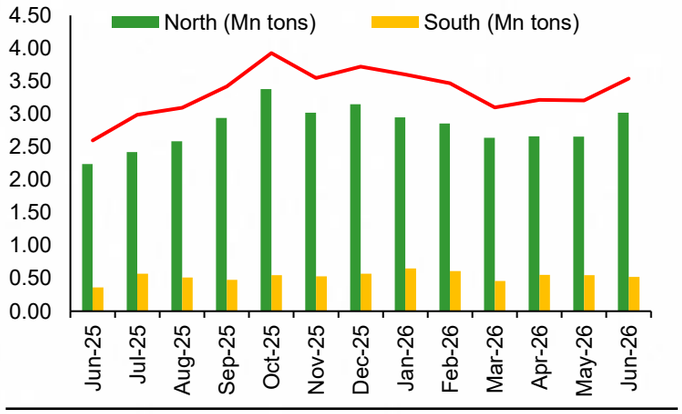


Source: APCMA, Darson Research

Future Outlook

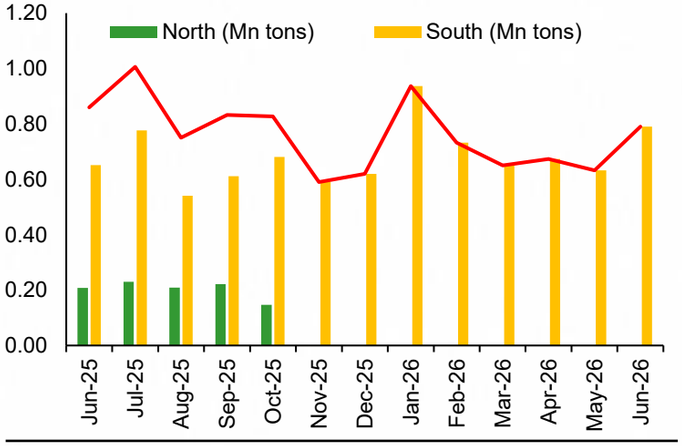
- Headline inflation eased to 11.1% in June 2026, down from 11.7% in May, bringing full year FY26 average inflation to 7.05%, comfortably below the government's revised 7.5% target for the year. The SBP's Monetary Policy Committee has kept the policy rate unchanged at 11.5% in its most recent review, with easing inflation opening room for a potential rate cut in the coming quarters, which would support construction financing costs.
- On the export side, North zone' complete exit from exports is directly tied to the ongoing Pakistan-Afghanistan border closure, which has remained shut since October 2025 following the military escalation between the two countries. With Torkham and Chaman crossings still closed to commercial trade and no confirmed timeline for reopening, we expect North-based mills to remain locked out of the Afghan export market through at least the near term, with any recovery contingent on a durable diplomatic resolution rather than a seasonal or cyclical factor. South zone, benefiting from direct port access, should continue to carry the sector's export performance, as reflected in their YoY export growth in June and YoY growth for full-year FY26.
- Domestic dispatches are likely to remain the primary growth driver for the sector into FY27, supported by pickup in construction activity, complemented by a PSDP allocation held flat at Rs 1 trillion in nominal terms, however, actual disbursement (historically below budgeted allocation) will be the more relevant metric to track than the headline figure. Easing inflation and the prospect of monetary easing should further support construction activity and private sector cement offtake.
- Overall, we expect domestic dispatch growth to remain the sector's key driver through FY27, while export performance stays bifurcated, concentrated in the South and structurally capped in the North until the Afghan border situation is resolved.

Month-wise local dispatches trend (Mn tons)



Source: APCMA, Darson Research

Month-wise exports trend (Mn tons)



Source: APCMA, Darson Research

CEMENT DISPATCHES

For the month of Jun'26

(Mn Ton)	Jun-26	May-26	%Δ MoM	Jun-25	%Δ YoY	FY'26	FY'25	%Δ YoY
Local Dispatches	**3.54**	**3.20**	**10.66%**	**2.79**	**26.78%**	**41.51**	**37.91**	**9.49%**
North Region	3.02	2.67	13.07%	2.39	26.53%	34.72	31.33	10.82%
South Region	0.52	0.53	-1.51%	0.41	28.26%	6.79	6.58	3.15%
Exports	**0.79**	**0.63**	**25.40%**	**0.87**	**-8.99%**	**9.01**	**9.21**	**-2.24%**
North Region	0.00	0.00	NA	0.21	-100.00%	0.78	1.68	-53.83%
South Region	0.79	0.63	25.40%	0.66	20.06%	8.23	7.53	9.30%
Total North	3.02	2.67	13.07%	2.60	16.29%	35.50	33.01	7.53%
Total South	1.31	1.16	13.10%	1.07	23.19%	15.02	14.11	6.43%
Industry Total	**4.33**	**3.83**	**13.08%**	**3.66**	**18.30%**	**50.51**	**47.12**	**7.20%**

Source: APCMA, Darson Research

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