

Daily Bulletin

June 8, 2026

Cement sector sales decline 12.8% YoY in May 2026 amid Eid-related slowdown

The Saudi cement sector reported total cement sales of 4.18 mn tons in May 2026, declining 12.8% YoY from 4.79 mn tons in the corresponding period last year. The decline was primarily driven by the timing of Eid Al-Adha, which reduced construction activity and temporarily weighed on cement demand during the month. Domestic sales fell 14.2% YoY to 4.02 mn tons from 4.69 mn tons in May 2025.

We highlight that while construction activity remains subdued, the YTD performance indicates that demand is holding up better than the May sales figures suggest. On a YTD basis, domestic cement sales reached 20.84 mn tons through May 2026, down 4.6% YoY from 21.85 mn tons in the same period last year, indicating a more moderate slowdown in demand.

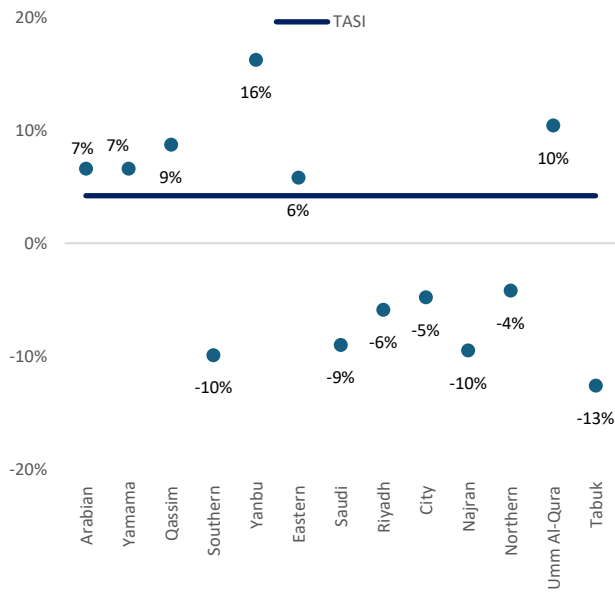
At the company level, 13 producers recorded lower domestic sales during the month. Northern Cement and Al Jouf Cement posted the steepest declines, with volumes falling 58.1% YoY and 54.7% YoY, respectively. Conversely, Eastern Cement reported domestic sales growth of 19.5% YoY to 257,000 tons, while Umm Al-Qura Cement's volumes increased 17.0% YoY to 172,000 tons. On a YTD basis, Umm Al-Qura Cement continues to outperform the sector, with domestic sales up nearly 30% YoY. Yamama Cement and Saudi Cement remained the largest domestic producers by volume, recording monthly sales of 641,000 tons and 494,000 tons, respectively.

Export cement sales increased 53.3% YoY to 161,000 tons in May 2026 from 105,000 tons a year earlier, supported primarily by Saudi Cement, which accounted for approximately 120,000 tons of exports. However, exports continue to represent a relatively small portion of total industry volumes and remain insufficient to fully offset weaker domestic demand. Clinker exports totaled 428,000 tons during the month, led by Yanbu Cement (203,000 tons) and Saudi Cement (84,000 tons), reflecting ongoing efforts by producers to manage elevated inventory levels.

Sector clinker production increased 5.0% YoY to 5.06 mn tons in May 2026 from 4.82 mn tons in the prior-year period. Clinker inventories stood at 44.74 mn tons at month-end, compared with 44.38 mn tons in May 2025. The persistence of elevated inventory levels highlights the sector's ongoing overcapacity challenge.

The weak May sales performance appears largely attributable to Eid-related timing effects rather than a structural deterioration in demand. We believe June and July volumes will provide a more meaningful indication of underlying market conditions as construction activity normalizes following the holiday period. While the YTD domestic volumes have declined 4.6%, a recovery in sector demand will likely depend on the pace of execution of Vision 2030 infrastructure and housing projects, which continue to represent the primary demand catalyst for the industry. We also note that investor sentiment toward the sector remains subdued, with cement stocks declining 12.3% on average YTD, significantly underperforming TASI, which has gained 4.2% over the same period.

YTD performance: Cement Sector vs. TASI



Source: Tadawul, anbc research

Local cement sales (thousand tons)

Company	2025 (May)	2026 (May)	Change
Yamama Cement	729	641	-12.1%
Saudi Cement	511	494	-3.3%
QACCO	393	389	-1.0%
Yanbu Cement	388	295	-24.0%
SPCC	343	276	-19.5%
Riyadh Cement	293	258	-11.9%
EPCCO	215	257	19.5%
ACC	300	204	-32.0%
City Cement	290	194	-33.1%
Najran Cement	207	182	-12.1%
UACC	147	172	17.0%
Al Safwa Cement Co.	256	167	-34.8%
United Cement	155	158	1.9%
HCC	152	157	3.3%
TCC	128	96	-25.0%
Jouf Cement	117	53	-54.7%
Northern Cement	62	26	-58.1%
Total	4,686	4,019	-14.2%

Source: Yamama Cement, anbc research

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