CARAVAN

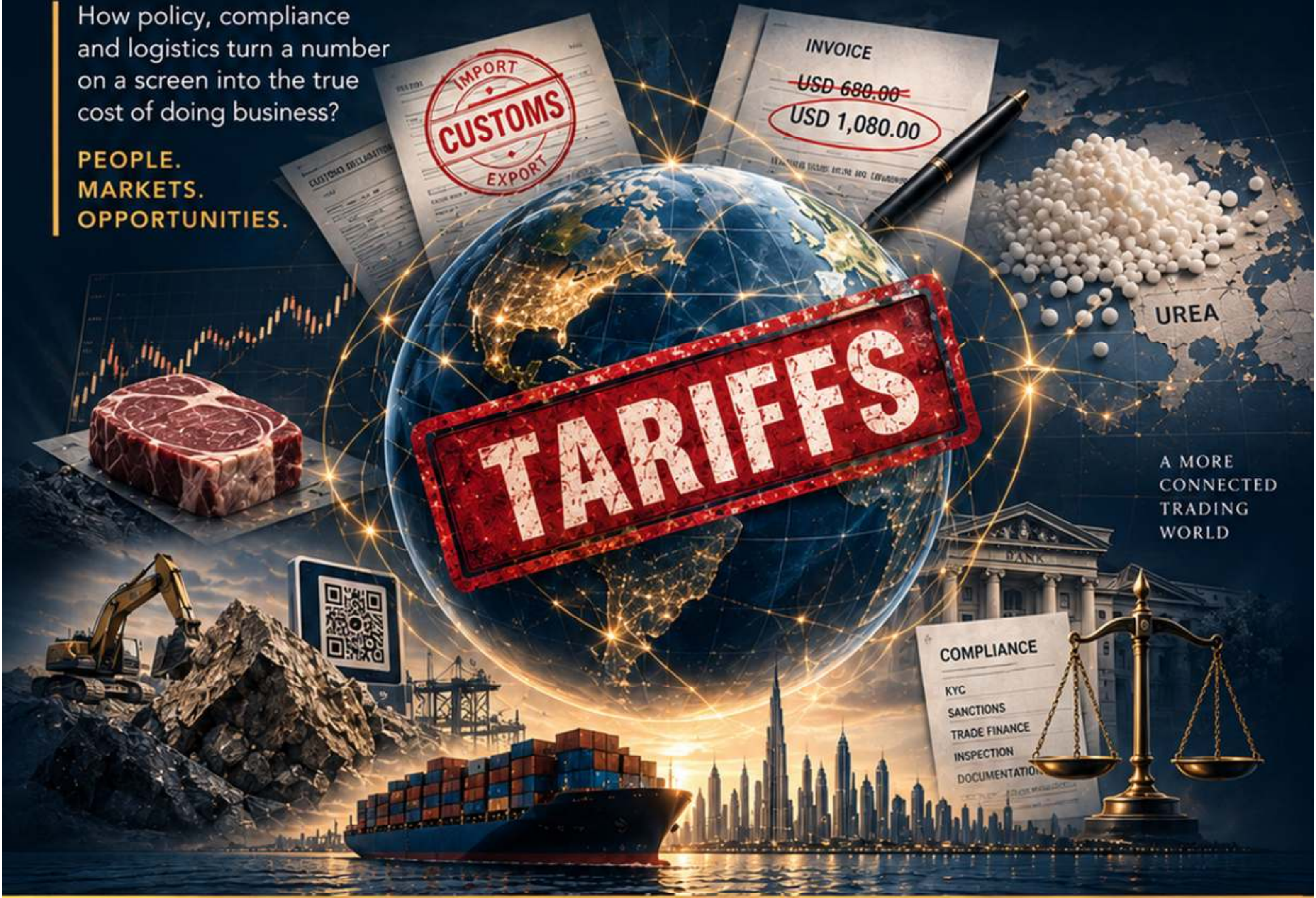
THE EXECUTIVE NEWSLETTER OF
QASR AL ANQAA GROUP OF COMPANIES

VOL. 1 | ISSUE 06 | September 2026 | Dubai

THE REAL PRICE OF TRADE

How policy, compliance and logistics turn a number on a screen into the true cost of doing business?

**PEOPLE.
MARKETS.
OPPORTUNITIES.**



IN THIS ISSUE:

Six perspectives on one question: what does a commodity actually cost, once policy, compliance and logistics are counted in?

CARAVAN

THE EXECUTIVE NEWSLETTER OF
QASR AL ANQAA GROUP OF COMPANIES

PRICE WAS NEVER JUST SUPPLY AND DEMAND

When policy changes the market before the market can respond?

By Dr. Hossein Azarbaijani
Founder & Group CEO
QAA Group of Companies

A few weeks ago, someone asked me a familiar question.
"Where do you think the price is going?"
It is the question commodity traders ask almost by instinct. We examine production, inventories and consumption. We ask whether supply is tightening or demand strengthening. From this, we try to infer what prices should do next.
For years, this was a perfectly reasonable place to start.
It still is. But it is no longer enough.
This year has made that unusually clear.
A cargo can exist. A buyer can need it. A seller can be willing to supply it. Yet the price between them can change abruptly because a government alters a tariff, restricts an export, changes a payment rule or decides that a product is no longer merely commercial.
It has become strategic.

Consider pharmaceuticals. A new tariff regime has imposed duties of up to 100 per cent on certain patented pharmaceutical imports, with implementation being phased through the year. The medicine did not suddenly become twice as difficult to manufacture. Demand did not suddenly double.

What changed was the policy.
The price then had to adjust to the new reality.

The same mechanism is visible elsewhere. One government acts to protect domestic supply; another to protect domestic industry. Export controls tighten. Subsidies change. Banks become more cautious. Insurance becomes more expensive. A shipping route becomes less dependable.

The commodity itself may be unchanged. The market in which it trades is not.

This is why one of the most familiar questions in commodity trading is becoming, if not the wrong question, at least an incomplete one.
The usual question is: What will happen to supply and demand?
A better question is: Who now has the power to change the conditions under which supply can reach demand?
The distinction matters.

The World Bank expects fertilizer prices to rise by more than 30 per cent on average this year. It is tempting to describe such movements simply as the consequence of "supply tightness". But that description conceals as much as it reveals. Governments, trade restrictions, transport conditions and strategic decisions can alter what is commercially available well before global production itself materially changes.

This issue's Commodity Dossier on urea (page 6) traces that same dynamic through a single nutrient — where the World Bank's broader fertilizer outlook translates into a steeper, commodity-specific move, a reminder that an average across a class of goods can understate what happens to any one of them.

In other words, there is a difference between a commodity existing and a commodity being economically accessible.
That distinction is becoming increasingly important.

The same argument is now appearing at the highest levels of economic policy. At the latest G20 finance discussions, trade imbalances and so-called non-market policies became a central issue. The concern was not merely whether one economy could produce more efficiently than another. The deeper dispute was over whether industrial policy, state support and export dependence are changing the terms on which global competition itself takes place.

This is no longer the tidy world of the economics textbook.
Traders would be unwise to behave as though it were.
When governments intervene in markets, they do not merely influence prices.
They alter the process through which prices are discovered.

This leads to a conclusion that may sound paradoxical but is becoming increasingly practical:

The cheapest commodity is no longer necessarily the cheapest commodity to buy.

A lower quoted price means little if the cargo faces a prohibitive tariff. Compliance has a cost. Financing has a cost. Insurance has a cost. Political decisions have a cost. So does waiting for a cargo that cannot move.

The relevant price, therefore, is not simply the number offered by the seller. It is the cost of getting the commodity, legally, financially and physically, from where it exists to where it is needed.

None of this makes supply and demand irrelevant. They remain the foundations of commodity markets. But foundations are not the whole building.

Policy increasingly determines which doors remain open, who may enter them and at what cost.

Perhaps, then, the most valuable skill in commodity trading today is not predicting the next price movement. It is identifying where the power to alter the market now resides.

So when someone asks me where I think the price is going, I increasingly find myself asking another question first.

Who gets to decide?

> **"The cheapest commodity is no longer necessarily the cheapest commodity to buy.**

WHY THIS ISSUE MATTERS

For years, businesses could treat tariffs, regulation and geopolitics as forces surrounding the market. Today, they are increasingly part of the market itself.

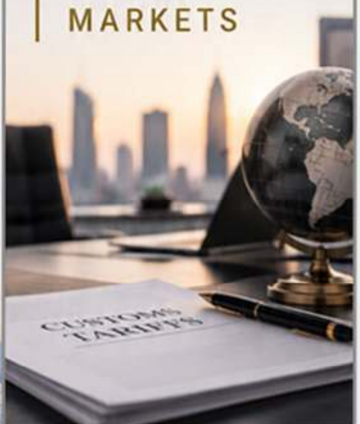
A price can change before supply or demand does. A profitable contract can become uneconomic after it is signed. A cargo can be available and competitively priced, yet fail because its origin, documentation or payment route no longer works. Capital can be ready to move, but stop when an asset cannot be verified clearly enough.

That changes what it means to make a good commercial decision.

Knowing the market price is no longer enough. Businesses increasingly need to understand the rules around the transaction: who can trade, what can move, how it can be paid for, what it will cost to deliver, and how quickly those conditions can change.

This issue of CARAVAN examines business in that environment — where policy, compliance, logistics and capital now sit alongside supply and demand in determining whether a deal actually works.

POLICY
MOVES
MARKETS



CARAVAN
THE EXECUTIVE NEWSLETTER OF
QASR AL ANQAA GROUP OF COMPANIES

THE RETURN OF PROTECTIONISM

What the Global Tariff Surge Means for Business in the Gulf

By Rami Ahmed Hassan
CARAVAN Editorial Team

A more fragmented world is a more complex trading environment.

For a long time, businesses treated tariffs as an exception to the rules of global trade. Governments might protect a sensitive industry or retaliate against a trading partner, but the assumption was that commerce would eventually return to something resembling normal.

That assumption is becoming harder to maintain.

The tariff disputes of 2018 were concentrated largely between major economies. The interventions of 2020 were driven by an emergency. What distinguishes 2026 is something different: trade intervention is becoming broader, more simultaneous and more permanent.

The WTO-IMF Trade Policy Activity Index reached a new high in early 2026. Between January and May, global trade-policy activity was running at nearly twice its 2024 level and around 25 per cent above the 2025 average. Restrictive measures — tariff increases, import bans and quantitative restrictions — have risen particularly sharply, while subsidies have continued to expand.

And this is no longer confined to the largest economies. Intervention has increased across G20 and non-G20 countries alike.

It is not simply another trade dispute. It is a change in the economics of doing business.

For businesses in the Gulf, this matters even when the UAE is not the direct target of the policy.

Consider a company in Dubai buying from Asia and selling into Europe or North America. A contract may be commercially sound when it is signed. The commodity price may not move. The supplier may perform exactly as promised. Yet before delivery, a new tariff can change the landed cost of the transaction. Someone must absorb that difference.

The buyer may demand a discount. The seller may refuse. The importer may surrender part of its margin. Financing assumptions made months earlier may no longer work.

This is the less visible cost of protectionism: policy becomes another variable in price.

Pharmaceuticals provide a useful example. The United States has introduced a headline tariff of 100 per cent on specified patented pharmaceutical imports, subject to substantial exemptions and preferential arrangements. Implementation is being phased between July and September.

The significance lies less in the product than in the precedent. A tariff of this scale does not merely increase the price of an imported medicine. It can alter where companies manufacture, which suppliers remain competitive and where future investment goes.

The same logic is appearing elsewhere. Governments are increasingly combining tariffs with subsidies, industrial incentives and domestic-production requirements. At the G20 level, attention has also turned towards large trade imbalances, particularly China's export-heavy economic model.

China, after recording a trade surplus of almost $1.2 trillion in 2025, has responded by placing greater emphasis on domestic consumption and investment.

There is also an opportunity. The UAE sits commercially between economies that are becoming more **protective** of their own industries. Companies still need markets, financing, suppliers and investment partners across those divisions. A jurisdiction capable of maintaining commercial relationships with several blocs at once becomes more valuable when those blocs become harder to connect.

But that position does not make Gulf businesses immune to protectionism. It places them closer to its consequences.

The question is therefore shifting. It is no longer simply what will this product cost?

It is who will carry the cost if trade policy changes before the deal is finished?

> **A tariff no longer sits at the edge of a transaction. It can change the economics of the transaction itself.**

EXECUTIVE SUMMARY

Trade intervention in 2026 has reached a record level, with tariffs, subsidies and other restrictive measures expanding across both major and smaller economies.

The United States has introduced a 100 per cent tariff on specified pharmaceutical imports, setting a precedent for the use of tariffs in strategic industries.

The European Union, China and other G20 countries are also increasing intervention, with subsidies and domestic-production requirements playing a larger role in trade policy.

For the Gulf and the UAE, this creates both risks and opportunities: higher costs and shifting supply chains, but also a more valuable position as a commercial bridge between increasingly divided economies.

Businesses can no longer treat tariffs as an exception. Trade policy is now a permanent part of the business environment.

KEY STATISTICS

2x — Global trade-policy activity in early 2026 was nearly twice its 2024 level.

25% — Activity was around 25 per cent above the 2025 average.

100% — A headline tariff of 100 per cent on specified patented pharmaceutical imports in the United States.

$1.2 trillion — China recorded a trade surplus of almost $1.2 trillion in 2025.

It is who will carry the cost if trade policy changes before the deal is finished?

THE UNITED STATES

A headline 100% tariff applies to specified patented pharmaceutical imports, although exemptions and preferential arrangements significantly reduce the rate for some countries and companies. The measure shows how quickly industrial policy can alter import economics.

THE EUROPEAN UNION & G20

WTO-IMF data show restrictive trade measures rising faster than facilitating ones through 2025 and 2026, while subsidies continue to expand. Intervention is increasingly becoming part of normal economic policy rather than a temporary response.

CHINA

After a trade surplus of almost $1.2 trillion in 2025, China faces growing pressure within the G20 to rebalance towards domestic demand. Beijing has itself placed greater emphasis on consumption and investment — with consequences for exporters and commodity suppliers worldwide.

THE GULF & UAE

The UAE may not be the principal target of the new tariffs, but Gulf businesses are directly affected through higher landed costs, changing supply chains and shifting competition. At the same time, the region's position between multiple economic blocs can become more valuable as global trade divisions deepen.

CARAVAN
THE EXECUTIVE NEWSLETTER OF
QASR AL ANQAA GROUP OF COMPANIES

WHEN THE PRICE YOU AGREED NO LONGER WORKS

Repricing in a Tariff Economy — Without Losing the Client

By Atefeh Hosseini
Business Development Manager,
QAA Group of Companies

One of the more uncomfortable conversations in business begins with a perfectly reasonable sentence: We need to revise the price.

I have seen managers prepare for that conversation by anticipating the customer's objections. Will they threaten to leave? Will they ask for a discount? Will they produce a cheaper quotation from a competitor?

But often the problem begins before the customer says anything.

The company itself cannot explain precisely why the price has to change.

"We have higher costs."
"Tariffs have increased."
"The market has changed."
"Our margins are under pressure."

All may be true. None, by itself, is a convincing commercial argument.

A tariff is an external cost. A weak margin may be an internal problem. Freight may have moved independently. The supplier may have increased its price. And sometimes businesses quietly use a genuine tariff increase to cover unrelated cost pressures.

A sophisticated customer knows the difference.

Explaining your costs tells the customer what happened. Justifying your price shows why the customer should accept what happens next.

That distinction matters because repricing is not one problem. It changes according to the customer sitting across the table.

1. The Customer With a Cheaper Alternative — The Comparer

This customer has already done the comparison.

You announce a higher price. They respond with another supplier's quotation.

The temptation is to defend your increase immediately. But the first question should be different: are the two offers genuinely comparable?

Origin, specification, delivery reliability, payment terms, inspection, warranty, lead time and contractual risk all have economic value. If the competitor can genuinely provide the same outcome at a lower landed cost, your problem is not communication. Your price may simply be uncompetitive.

If not, stop defending the number and explain the difference.

Price conversations become much easier when both sides are pricing the same thing.

2. The Fixed-Price Customer — The Committed

This is harder.

A long-term customer agreed to a fixed price precisely because they wanted certainty. Telling them that circumstances have changed does not erase that expectation—and depending on the contract, it may not alter your legal obligations either.

So this conversation should begin with the contract, not the new price.

What does it say about duties, regulatory changes, cost pass-throughs, review periods or renegotiation? Clear adjustment mechanisms can make tariff-related changes more transparent for both sides; without them, unilateral repricing can quickly become a contractual dispute.

Then consider the commercial alternatives.

Perhaps the tariff burden can be shared temporarily. Perhaps volume changes. Perhaps specifications, delivery timing or contract duration can be renegotiated.

The objective is not necessarily to recover every dollar immediately.

It is to prevent an economically workable contract from becoming an economically impossible one.

3. The Customer Who Is Already Under Pressure — The Constrained

This customer understands your problem because they have the same one.

Their imports cost more. Their own customers resist increases. Their working capital is tighter. Now you arrive with another price revision.

Here, simply proving that your increase is legitimate is not enough.

You need options.

Could a larger order reduce another cost component? Could shipment timing change? Could a different specification work? Could part of the adjustment begin now and the remainder later?

This is where commercial judgment matters most.

A customer can agree that your new price is completely justified and still be unable to pay it.

Repricing, then, should never begin with: How much can we increase?

A better question is: What changed in the economics of this contract, who is carrying that change today, and what arrangement keeps the relationship commercially rational for both sides?

> **Explaining your costs tells the customer what happened. Justifying your price shows why the customer should accept what happens next.**

Five Questions Before Repricing

1. What exactly changed?
Separate the tariff impact from freight, supplier pricing, currency movements and your own operating costs. If you cannot isolate the increase internally, you will struggle to defend it externally.

2. Does the contract actually allow the price to change?
Check adjustment, tariff, duty, review and renegotiation provisions before discussing numbers. The commercial argument and the contractual right to reprice are not necessarily the same thing.

3. What would losing this customer actually cost?
Look beyond revenue. Consider margin, replacement time, payment history, future orders and acquisition cost. Sometimes absorbing part of an increase is cheaper than replacing a valuable account.

4. Can something other than price change?
Test volume, specification, shipment timing, contract duration and payment structure. A tariff creates a cost problem; it does not automatically dictate a single solution.

5. What evidence would you show if the customer challenged every dollar?
Prepare the calculation before the conversation. Effective cost pass-through mechanisms depend on clearly identifying eligible costs and documenting how the adjustment was calculated.

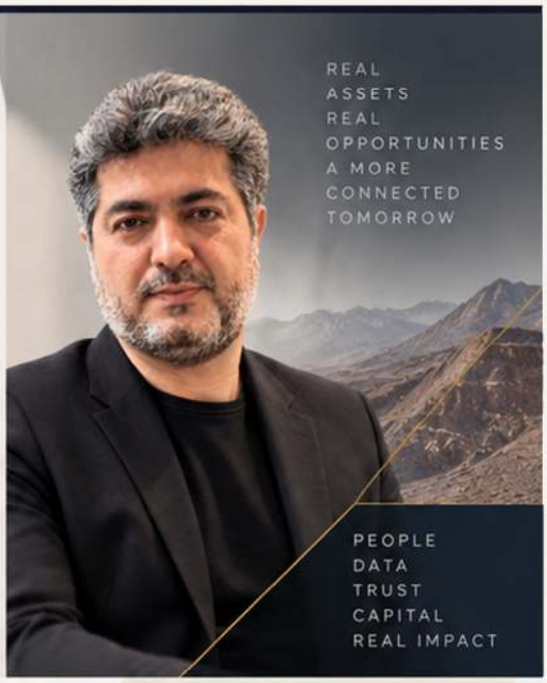
CARAVAN
THE EXECUTIVE NEWSLETTER OF
QASR AL ANQAA GROUP OF COMPANIES

THE ASSETS GLOBAL CAPITAL HAS YET TO DISCOVER

RAIIN — Making Real Assets Visible, Verifiable and Financeable

By Esmaeil Kiumarsi
Founder, RAIIN · Managing Director, Pouyesh Investment Group

> *"Some of the world's most interesting investment opportunities are not hidden because they lack value. They are hidden because capital cannot see them clearly enough."*



Some of the world's most interesting investment opportunities are not hidden because they lack value. They are hidden because capital cannot see them clearly enough.

Across resource-rich markets — from Central Asia to Africa to the Middle East — valuable real assets sit outside the reach of international capital: mines, factories, industrial equipment, productive infrastructure. The assets are real. The economic potential may be real. What is often missing is a clear, credible picture of the asset itself.

Ownership may sit in one document. Valuation in another. Technical records somewhere else. Risk information incomplete or hard to verify. For a local owner, these gaps are manageable. For an investor thousands of kilometres away, they are often enough to stop a deal before the first serious conversation begins.

That matters more today than it did a few years ago. As tariffs rise and trade policy grows less predictable, international investors are becoming more selective. Opportunity alone is no longer enough. They need to know what an asset is, who owns it, how it has been valued, and whether those claims can be independently verified.

This is the gap RAIIN is designed to close — an infrastructure layer between real assets and the financial system. Rather than simply storing documents, it builds a structured financial identity around an asset through a defined process: Asset Passport, Verification, Valuation, Risk Assessment, Financing and Monitoring.

In practice: an Asset Passport that consolidates ownership and technical records in one place, independent Verification of those claims, a defensible Valuation, a clear Risk Assessment, structured Financing terms, and ongoing Monitoring once capital is committed.

Pouyesh Investment Group is serving as the platform's first real-world environment. Its current portfolio spans three mining assets and one processing facility: the Ravar copper operation in Kerman; the Baran copper project in Meshginshahr, currently at exploration stage; the Robat-e Shour bentonite mine in Tabas; and a copper cathode plant in Saveh — together spanning active extraction, early-stage exploration and downstream processing.

But mining is only the first application. RAIIN's target is any country with substantial, underdeveloped mineral wealth — jurisdictions where strong underlying assets remain disconnected from the capital that could develop them. The framework is built to extend across sectors and geographies, not to stay bound to one commodity or one country.

Perhaps one of the largest untapped opportunities in global markets is not what has yet to be discovered underground. It is what already exists — but capital cannot yet see.

THE RAIIN PROCESS

- **Asset Passport** — Consolidates ownership and technical records in one place
- **Verification** — Independent verification of those claims
- **Valuation** — A defensible valuation
- **Risk Assessment** — A clear risk assessment
- **Financing** — Structured financing terms
- **Monitoring** — Ongoing monitoring once capital is committed

For Asset Owners

A valuable asset should not remain invisible simply because its information is fragmented. RAIIN gives real assets a structured financial identity — making ownership, value and risk easier to understand, verify and act on.

For Investors

RAIIN offers a structured way to discover and evaluate real assets beyond familiar markets — with ownership, valuation and risk organised for scrutiny before capital is committed.

What RAIIN Is — and Isn't

Not a data room. Not a mining platform. An infrastructure layer connecting physical assets to financial decision-making — starting with mining, built for any real asset, in any resource-rich geography.

CARAVAN
THE EXECUTIVE NEWSLETTER OF
QASR AL ANQAA GROUP OF COMPANIES

UREA
WHERE ENERGY BECOMES FOOD

From natural gas to global fields — urea connects the energy system to food security.

- **46%** Nitrogen by weight $CO(NH_2)_2$
- World's most widely-used nitrogen fertilizer
- Dominates markets in China, India, Brazil
- Price closely linked to natural gas markets

2 THE UREA VALUE CHAIN
From natural gas to a global nutrient

1 Natural Gas (Feedstock)

Natural gas provides the hydrogen and carbon for urea.

2 Ammonia Synthesis (Haber-Bosch, $N_2 + H_2 \rightarrow NH_3$)

Natural gas is reformed to produce hydrogen, which reacts with nitrogen to make ammonia (NH_3).

3 Urea Synthesis ($NH_3 + CO_2 \rightarrow CO(NH_2)_2$)

Ammonia reacts with carbon dioxide to produce urea.

4 Concentration (Evaporate to 99% solution)

Urea solution is concentrated by evaporation to around 99%.

5 Prilling / Granulation

Molten urea is turned into prills or granules for global distribution.

3 PRODUCTION ROUTES
Different resources. A common product.

Natural Gas Route (Dominant globally)

Uses natural gas to produce ammonia and urea. Most common due to low cost and high efficiency.

Coal Route (Major in China)

Uses coal gasification to produce syngas ($CO + H_2$), then ammonia and urea.

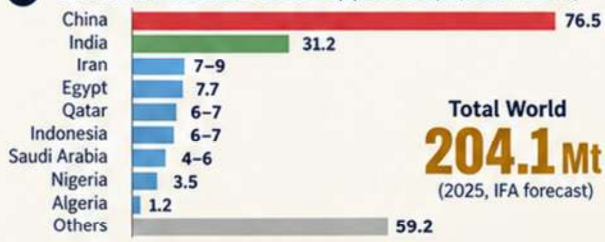
~78% of China's urea comes from coal gasification.

Emerging / Green Route (Negligible today)

Uses renewable electricity to produce green hydrogen and low-carbon urea.

Still at a very small scale today.

4 GLOBAL PRODUCTION
Top producers (Mt, 2025 forecast)



Total World
204.1 Mt
(2025, IFA forecast)

Source: IFA 2025 forecast

5 GLOBAL PRODUCTION MAP
(Mt, 2025)

6 GLOBAL TRADE FLOWS
(2024–25)

#	Top Exporters	Volume (Mt)
1	Russia	8.9
2	Qatar	5.69
3	Iran	4.5
4	Saudi Arabia	4.44
5	Oman	3.49
6	Egypt	3.22
7	Nigeria	3.08
8	Algeria	2.17
9	Malaysia	2.03
10	Indonesia	1.48
	Top 10 total	39.0

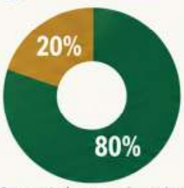
Source: Trade data (2024), various official sources

Top Importers (Mt)	Volume (Mt)
India	9.8
Brazil	~7 – 8
Australia	3.85
USA	n/a
Others (EU, Thailand, Turkey)	n/a

34%

The Gulf (Iran, Qatar, Saudi Arabia, Oman, UAE, Bahrain) accounted for **34%** of global urea trade in 2024 — nearly **18.5 million tonnes** shipped through the Strait of Hormuz.

7 END USES



Agricultural fertilizer
Direct application to crops

Industrial uses
Urea-formaldehyde/melamine resins, AdBlue/diesel exhaust fluid, animal feed

Source: Industry analyses / agricultural statistics

8 MARKET SIGNALS AND OUTLOOK 2026

Supply

Global capacity is growing (+2% in 2025 to **~204 Mt**) with new projects in the US, Russia, Qatar and Nigeria — but conflicts in the Middle East have disrupted production in Iran and Egypt, and possible closure of the Strait of Hormuz could cut **~40%** of seaborne urea trade.

Demand

Global demand growth has slowed (<1% in 2025-26). India remains a major importer (~9–10 Mt/yr).

Price Shock 2026

The fertilizer price index rose by more than **12%** in Q1 2026; World Bank's April 2026 outlook puts full-year 2026 average urea prices at **$675/MT** — a **59.7% rise** from the 2025 average, and the highest since **October 2022.** The World Bank forecasts **~60% higher** urea prices in 2026.

Outlook

Tighter supply, geopolitical risks and gas market volatility are likely to keep urea prices elevated in 2026.

Source: World Bank Commodity Markets Outlook, April 2026

9 WHY IT MATTERS

- Supports global food security
- Feeds a growing population
- Links energy, agriculture and trade
- Urea's price is driven by gas availability

“A fertilizer produced from natural gas depends not only on gas fields and chemical plants, but on a relatively small number of maritime corridors.”

CARAVAN

THE EXECUTIVE NEWSLETTER OF
QASR AL ANQAA GROUP OF COMPANIES

THE PRICE ON THE SCREEN ISN'T THE PRICE YOU PAY

By Amit Tata
Commodities & Markets Contributor, CARAVAN

Commodity markets have always had more than one price. Right now, the distance between them matters more than usual.

There is the price everyone sees: the futures quote, the benchmark assessment, the FOB offer. Then there is the price that determines whether a deal actually makes sense: what the product costs when it reaches the buyer.

A falling futures market can coexist with expensive physical cargo. A cheaper origin can become the more expensive choice once freight is added. And a stable FOB quotation can produce a very different CFR number when insurance and shipping costs move against it.

This September, the trading board is not simply about what is rising or falling. It is about where the real cost is moving.

FOOD STAPLES

SUGAR — SOFTENING

Sugar is giving buyers some negotiating room. ICE No. 11 raw sugar was trading around 14.7 cents/lb in early September as Brazil's strong Centre-South crushing season improved supply expectations. On the screen, the direction looks straightforward.

In the physical market, less so. Origin premiums, freight and Brazil's ethanol economics determine how much of that decline actually reaches an importer. A weaker futures contract helps, but buyers should not assume every fall on the screen will appear in the final offer.

Market signal: Softer benchmarks improve leverage, but physical offers remain the real test.

RICE — FIRMING

Thai 5% broken rice averaged around $471/MT FOB Bangkok in August 2026, up from $467/MT in July.

The move is modest. More important is the choice available to buyers as greater export availability creates competition among origins. That makes freight increasingly important: a few dollars saved FOB can disappear quickly when shipping costs are added.

For large-volume importers, the lowest FOB quote may not produce the cheapest cargo.

Market signal: Compare rice at destination, not simply at origin.

PULSES & LEGUMES — MIXED

There is no single pulses market. Canada may be competitive in one grade, Australia in another, while Russian and African origins can make sense for particular destinations.

That fragmentation makes headline prices easy to misread. Specification, availability and freight can matter as much as the underlying commodity price.

Market signal: Origin selection can matter more than market direction.

PROTEINS

BEEF — SOFTENING

Brazil's beef exports fell 22.2% year on year to about 233,500 MT in August — not from weak demand, but from a nearly 90% drop in shipments to China after Brazil exhausted Beijing's lower-tariff quota. Additional volume above the 1.1-million-tonne cap now faces a 55% tariff.

The result is lower volume but firmer realized prices: year-to-date export revenue is still up 21.7% despite the August pullback.

Beef has another complication for buyers regardless: refrigerated freight, transit time and cold-chain handling can quickly outweigh small differences in headline price. A cheaper box of beef is not necessarily a cheaper shipment.

Market signal: Watch the China quota cycle — it can swing available volume more than underlying demand does.

POULTRY — FIRMING

Brazilian chicken exports reached approximately 492,600 MT in August, sharply higher year on year.

Strong shipments point to healthy international demand. For importers, however, the useful comparison is between equivalent specifications delivered to the same port. Different origins can carry noticeably different headline prices and still arrive at similar landed costs.

Market signal: Demand remains firm; compare like-for-like delivered offers.

TEA

TEA — MIXED

Tea behaves less like one global commodity than a collection of regional markets.

Indian and Kenyan auction prices reflect different harvest conditions, grades and seasonal availability. Freight adds another variable, particularly when the underlying price difference between origins is relatively small.

A single auction average can therefore tell a buyer surprisingly little about the economics of an actual shipment.

Market signal: Compare grade, origin and delivered cost—not a single global tea price.

EDIBLE OILS

PALM & SUNFLOWER OIL — MIXED

Edible oils show why traders should watch spreads rather than individual benchmarks.

Palm oil entered September with Southeast Asian biodiesel demand providing support. Sunflower oil remains exposed to Black Sea crop conditions, logistics and export availability.

For a food manufacturer or bulk importer, the question is not simply which oil is rising. It is whether the landed spread between competing oils has moved enough to justify switching procurement.

Market signal: Follow the delivered spread. That is where substitution decisions are made.

FERTILIZERS & INDUSTRIAL INPUTS

UREA — FIRMING

Middle East urea prices were around $405–$410/MT FOB in early September—well off April's Hormuz-driven spike above $700, supported by tighter supply and steady demand from key importers.

Even here, the screen price is only part of the story. Freight, inspection requirements and payment terms can all change the final cost.

For many buyers, the real question is not whether the benchmark has moved, but what a reliable cargo will cost at their port.

Market signal: A higher benchmark is only one factor. Focus on the total delivered cost.

SULPHUR — MIXED

Sulphur remains an important input for fertilizers and industrial products, with prices influenced by refinery activity, export availability and strong downstream demand, particularly from Asia. Spot prices have been volatile, with meaningful differences between origins and shipment timings.

As with other bulk commodities, the final cost depends on more than the headline price. Freight, inspection, export documentation and route availability can significantly affect what buyers actually pay.

Market signal: Look beyond the headline price. Availability, logistics and documentation determine the real cost.

A CHEAPER ORIGIN CAN BECOME THE MORE EXPENSIVE CHOICE ONCE FREIGHT IS ADDED.

CARAVAN
THE EXECUTIVE NEWSLETTER OF
QASR AL ANQAA GROUP OF COMPANIES

THE CHEAPEST DEAL CAN BECOME THE MOST EXPENSIVE

In global trade, compliance is moving from the back office to the centre of the commercial decision.

By Josephine Beaumont
CARAVAN Editorial Team

A buyer has two offers for the same commodity. The specifications are comparable. Delivery terms look similar. One supplier is $20 per tonne cheaper. On a 10,000-tonne cargo, that is $200,000. The decision seems easy.

Then the paperwork starts.

The certificate of origin does not quite match the invoice. The HS classification raises a question at customs. The bank wants more information about one of the parties. The inspection certificate describes the product differently from the contract. Payment stops while somebody tries to work out whether the problem is serious.

The $200,000 saving begins to disappear.

This is the part of international trade that rarely makes it into the initial price comparison. Buyers spend considerable time negotiating dollars per tonne, yet a transaction can lose far more through a documentation problem, a delayed payment or a cargo sitting at port.

Compliance used to be treated largely as a control function: something checked after the commercial people had agreed the deal. That distinction is becoming harder to maintain.

THE DOCUMENTS ARE PART OF THE CARGO

In physical trade, a shipment effectively travels twice: once as goods and once as information.

The invoice, packing list, certificate of origin, bill of lading and inspection certificate all describe the same transaction to different institutions. When those descriptions disagree, even slightly, the cargo may continue moving while the deal around it stops.

That makes documentation more than administration. It is part of execution.

The same is true of origin.

A tonne of material may be chemically identical whether it comes from one country or another. Commercially, it may be a very different product. Origin can affect tariffs, customs treatment, banking appetite and the documentation required at destination.

A buyer who discovers that after signing has a problem. A buyer who discovers it before pricing has a choice.

THE BANK HAS A VOTE

Commodity traders sometimes talk about a transaction as if it involves two parties: buyer and seller.

In reality, the bank has a vote.

Banks may examine the counterparties, beneficial owners, jurisdictions, payment structure and supporting documents. Sanctions screening adds another layer. The relevant question is not simply whether a country is restricted. A company, shareholder, bank, vessel or other participant can create a problem in an otherwise legitimate transaction.

None of this means every deal is unusually risky. It means bankability cannot safely be assumed.

Finding out that a payment route does not work when payment is due is very different from finding out before the contract is signed.

CUSTOMS HAS ONE TOO

Then there is classification.

An HS code looks like a technical detail until it determines the duty, permit or documentation required to clear the cargo. A classification error discovered before shipment is paperwork. Discovered at the port, it can become storage, demurrage and a dispute over who pays.

Inspection creates similar problems.
"SGS inspection" written into a negotiation sounds reassuring, but it leaves several questions unanswered. Where will the inspection happen? Which specification will be tested? Who appoints the inspector? Which result is binding?

Those details become considerably less academic once a vessel has been loaded.

THE BETTER DEAL

This changes the meaning of a competitive offer.

The supplier quoting the lowest number is not necessarily offering the best economics. A supplier that consistently provides clean documents, verifiable origin, acceptable inspection procedures and a transaction structure banks are comfortable processing may be worth several dollars more per tonne.

Buyers face the same test. A buyer that can establish its identity, financial capacity and payment structure quickly is easier to transact with than one offering attractive terms but producing uncertainty at every stage.

Compliance, in that sense, is not the opposite of speed. Done early, it is often what makes speed possible.

There will always be pressure to save another $5 or $10 per tonne. That is part of trading.

But the cheapest cargo is only cheap if it can be paid for, cleared and delivered.

Everything before that is just a quotation.

Closing Remarks

If one insight from Issue 6 changes a decision you were about to make, then this issue has done its job. The return of protectionism is changing more than tariffs; it is changing how companies price risk, document trade, choose partners and protect transactions before they begin. The businesses that respond well will not necessarily be the biggest or the fastest, but the ones that understand what has changed before committing themselves. We will continue that conversation in the next issue of CARAVAN.

Contact
WhatsApp: +971 55 718 8109
Website: qasralanqaa.com
info @qasralanqaa.com