



## Market Analytics: Ammonia and Urea - 2020

**Market Analytics: Methanol and Derivatives - 2020** is one in a series of reports published as part of Nexant's Markets & Profitability program.

Market Analytics: Ammonia and Urea - 2020 report provides an in-depth analysis of the industry.

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Along with the written report, Nexant's Online Database includes supply, demand and trade analysis for 40 countries and global capacity listings updated on a monthly basis.

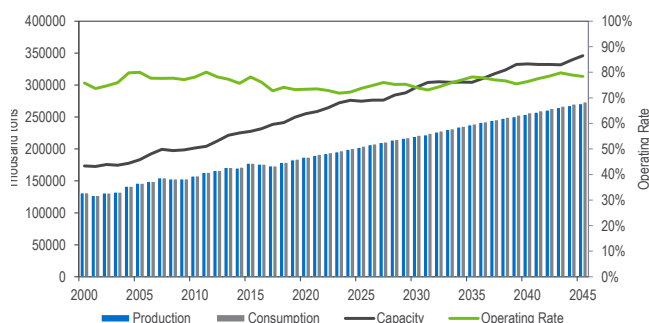
### Report Abstract:

The ammonia and urea industries represent significant and vital components of the chemical economy. They serve as significant sources of revenue and employment, in particular within countries with significant availability of feedstocks such as natural gas and coal. The principal application of ammonia and urea is within the fertilizer sector, which is critical to agricultural production and the wider world economy.

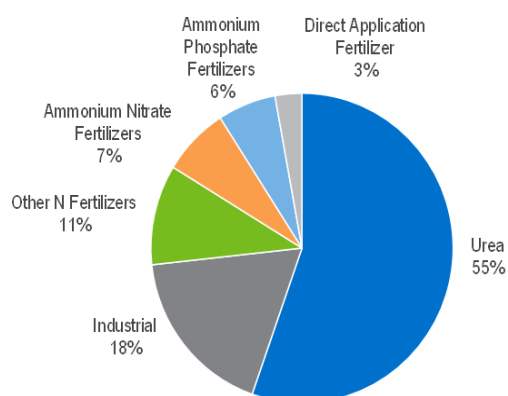
Global ammonia consumption in 2020 is estimated at nearly 190 million tons, driven primarily by urea consumption, which in turn is mainly a function of fertilizer demand. Fertilizer demand growth has historically been linked to food consumption through GDP and population growth. This trend is expected to continue, although in recent years this dynamic has begun to change somewhat, due to the rapid growth in biofuels production (mainly bioethanol) made from corn and wheat, and biodiesel made from soya, palm and rapeseed oil.

Global demand growth from 2019 was modest given strong demand for fertilizers against subdued industrial consumption at the beginning of the year due to disruption from the COVID-19 pandemic. Despite interruptions to global trade, governments across the world have prioritised food security, hence little impact has been seen in overall fertilizer consumption of ammonia and urea globally.

**Global Ammonia Supply, Demand and Trade**  
million tons



**Global Ammonia Demand, 2020-e**



In terms of supply, feedstocks for ammonia production are principally natural gas and coal. The rising demand for urea and ammonia will be met by new investment, leading to expansions and new capacity coming onstream.

China alone contributes to a significant part of this new capacity in the form of coal-based syngas units. There have been a large number of plant closures in China over the last decade, with further closures not expected in the short term. These plants were all of small capacity (typically around 60 000 tons per year for ammonia, and less than 200 000 tons per year for urea). However, net capacity has grown in China as the smaller plants have been replaced with fewer large scale plants which promise better economics of scale and hence more financial protection in an economic downturn.

The most prominent development in the last few years was the plethora of ammonia and urea capacity projects announced in the United States, as a result of low natural gas prices given extensive development of abundant shale gas reserves, in combination with high ammonia/urea prices.

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Chapters 3 and 4 are segmented by key region:

- North America
- South America
- Western Europe
- Central Europe
- Eastern Europe
- Middle East
- Africa
- Asia Pacific

Each region/country is further segmented by:

- Consumption: Assesses historic and forecast consumption; forecasts are based on projections of end use and economic activity.
- Supply: Includes a list of all producers, their production capacity, location, etc., and discussion of the status of new projects.
- Supply, Demand and Trade: Provides historical analysis and forecasts to 2045 of consumption, production, imports/exports, inventory build-up/decline, capacity and capacity utilization.

This analysis will identify the issues shaping the industry, as well as provide an independent appraisal of the market.

For related analysis, please refer to:

- Profitability and Price Forecasts: Ammonia and Urea
- Market Insights: Natural Gas as C1 Chemical Feedstock – 2019
- Market Analytics: Methanol and Derivatives – 2020

## Subscription Details:

Subscription to **Market Analytics: Ammonia and Urea - 2020** includes:

- 12 month access via the Nexant website, to:
  - Unlimited downloads of PDF reports
  - Downloadable data in Excel from the Online Database
- Webinar
- Consultation time with the project team

Customized subscriptions are also available.

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The **Markets and Profitability** program tracks over 60 feedstocks, petrochemicals, polymers, chemical intermediates and fertilizers on an ongoing basis and provides regularly updated reports covering all commercial aspects of these global industries. The accompanying database, provides global analysis and forecasts in two major inter-related areas: **Markets and Profitability**.

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