

Ammonia and Urea Annual Report - 2016

Report Overview

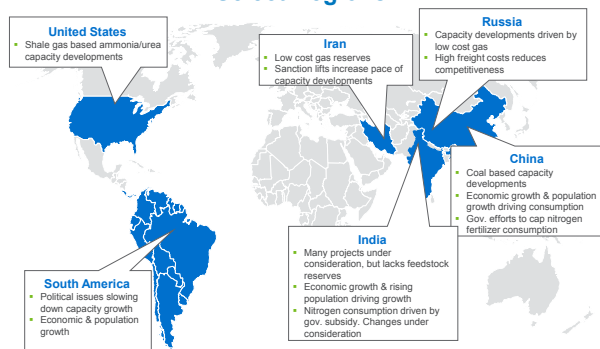
Tough macro-economic conditions have led to challenging market dynamics for the fertilizer sector. Global ammonia and urea prices have fallen by more than 40 percent in the U.S. in the past two years as a result of global overcapacity, particularly from China, as well as from slow demand growth. Still, capacity expansions are underway.

Nexant's Ammonia and Urea Annual Report 2016, which is part of the Strategic Business Analysis (SBA) Program, addresses some of the key challenges facing this industry:

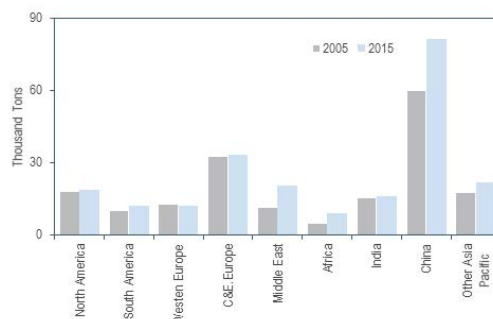
- What will be the impact of the overcapacity on the global prices and margins for ammonia and urea in the long term?
- What will be the impact of China's one percent fertilizer consumption growth policy on global ammonia and urea market dynamics in the long term?
- Will the U.S. turn into a net exporter post 2020 given the shale gas driven capacity expansions?
- How has the cost competitiveness of major fertilizer producing regions changed in the low oil price environment?

The SBA report uses an integrated proprietary simulator for modeling the global chemical and fertilizer industry markets and prices. The NexantThinking Simulator provides better understanding of the impact of different scenarios on the global ammonia/urea industry, taking into account natural gas and coal outlooks.

Developments in Ammonia/Urea Industry in Select Regions

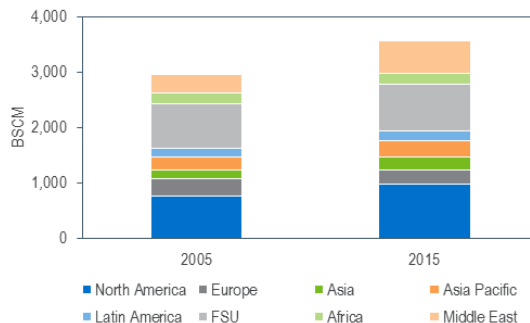


Global Ammonia Capacity Expansions



Natural gas production and prices play a major role in influencing ammonia/urea capacity expansions. Nexant's proprietary World Gas Model forecasts natural gas supply and consumption, and prices for 140 countries globally.

Natural Gas Production by Region



Nexant's SBA program identifies the key trends and strategic issues shaping the global **ammonia**, **urea** and **ammonium nitrates (AN, CAN, UAN)** industry based on a review of the markets, prices, delivered cost competitiveness and technology.

Market Dynamics: Assesses historic and forecast capacity, production and consumption to 2035 for about 40 countries/regions. Demand by end use is forecast based on projection of end uses, tying to economic activity, population growth, and government subsidies.

Profitability & Pricing: Provides margin and price forecasts until 2035 for USGC, Middle East, Western Europe and China for three sets of crude oil, natural gas and coal price scenarios. China analysis includes both mine mouth and coastal production economics.

Delivered Cost Competitiveness: Competitiveness analysis of key in-market producers and exporters to the major consuming markets such as the U.S, India, Western Europe, etc. is discussed.

Technology Overview: Provides licensor overview, including detailed review of major licensors.



Reimagine tomorrow.

NexantThinking™

NexantThinking reports and subscription programs provide clients with comprehensive analytics, forecasts and insights for the chemicals, polymers, energy and cleantech industries. Using a combination of business and technical expertise, with deep and broad understanding of markets, technologies and economics, NexantThinking provides solutions that our clients have relied upon for over 50 years.

Global in scope, Nexant serves its clients from over 30 offices located throughout the Americas, Europe, the Middle East, Africa and Asia.

Subscribe to our thought leadership today and explore our products and services at:

thinking.nexant.com

Corporate Headquarters

Tel: +1 415 369 1000
101 2nd St Suite 1000
San Francisco
CA 94105-3651
USA

Americas

Tel: +1 914 609 0300
44 S Broadway, 4th Floor
White Plains
NY 10601-4425
USA

Europe, Middle East & Africa

Tel: +44 20 7950 1600
1 King's Arms Yard
London EC2R 7AF
United Kingdom

Asia Pacific

Tel: +662 793 4600
22nd Floor, Rasa Tower I
555 Phahonyothin Road
Kwaeng Chatuchak
Khet Chatuchak
Bangkok 10900
Thailand

Copyright © 2000–2015 Nexant Inc.

