

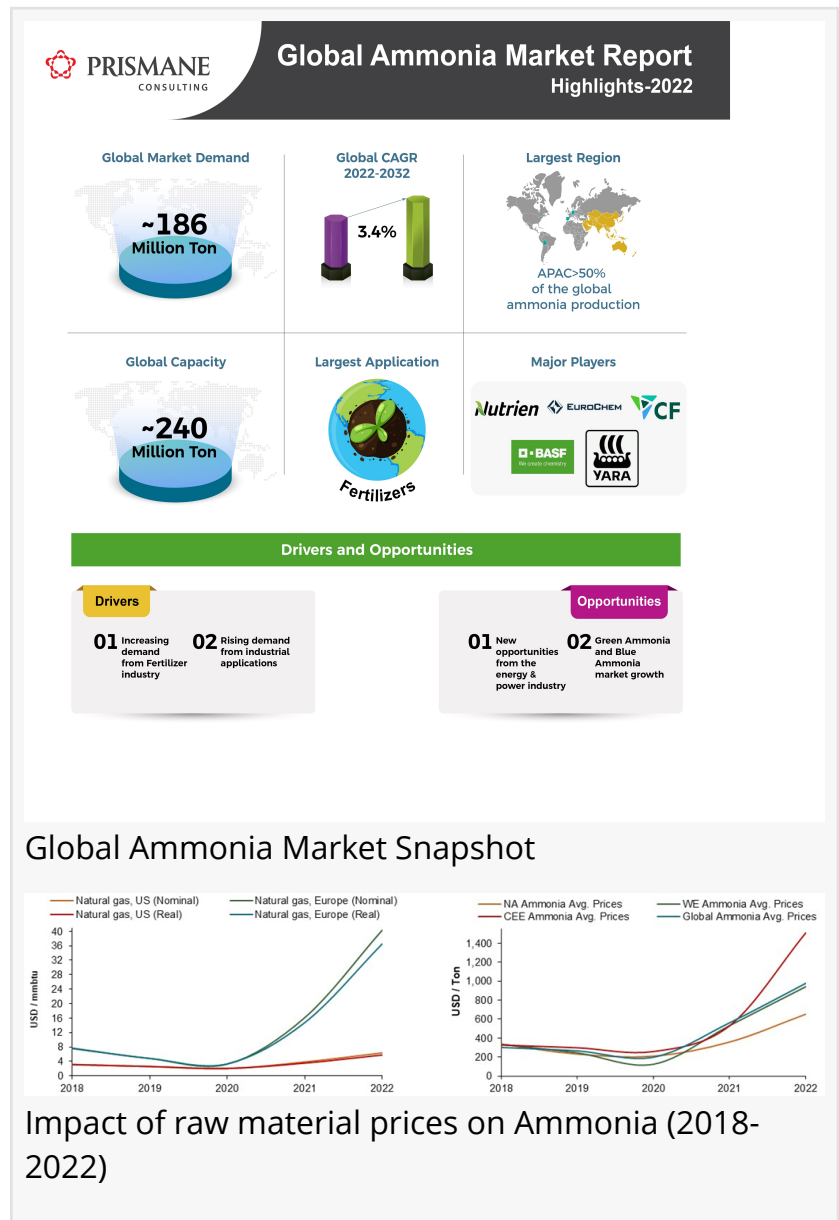
# "Global Ammonia Market: Rising Demand-Supply Challenges, Trade and Market Trends"

## Global Ammonia Market Overview

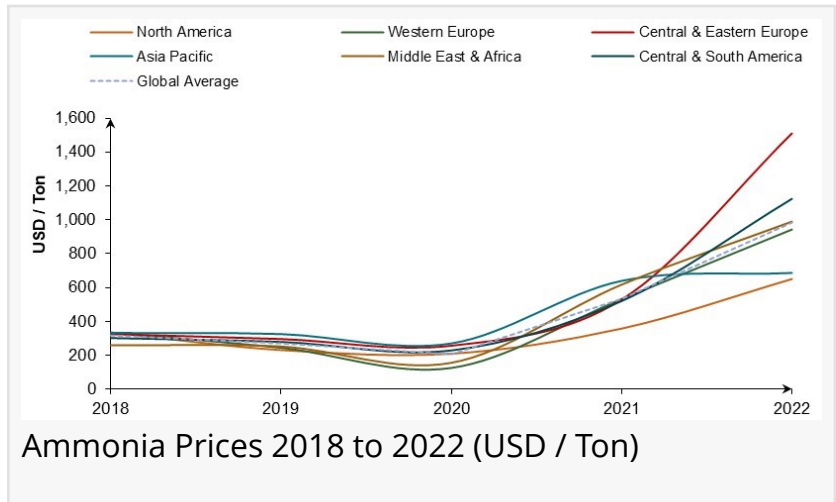
PUNE, MAHARASHTRA, INDIA, June 5, 2023 /EINPresswire.com/ -- Prismane Consulting has revised its [Global Ammonia Market Study Report and Market Model](#). This report covers the impact of COVID 19 and the fluctuations in the crude oil prices. All the existing capacities, plant wise operating rates and production have been included as a part of the study.

Ammonia plays a crucial role in the global nitrogen fertilizer industry as a vital component. It is primarily sourced from natural gas and coal gasification. This versatile chemical is in high demand for various fertilizers such as urea, ammonium nitrate, ammonium phosphate, and ammonium sulfate. Moreover, ammonia finds applications in refrigerants, pharmaceuticals, textiles, explosives, and chemicals. The current production process heavily relies on fossil fuels, resulting in significant CO2 emissions. By 2050, the demand for ammonia is expected to skyrocket, particularly in Africa, Latin America, and Asia, driven by the growing need for fertilizers. To address this challenge, the expansion of liquefied natural gas (LNG) capacity will facilitate the emergence of blue ammonia production, providing a competitive solution for decarbonizing the energy industry.

## Demand-Supply Scenario



In terms of production capacity, China holds the title of the largest producer, contributing to over 30% of global production and accounting for about 45% of CO<sub>2</sub> emissions. Other significant producers include the United States, the European Union, India, Russia, and the Middle East, with each accounting for approximately 8-10% of production. Ammonia is widely traded internationally, representing approximately 10% of total production.



Its most common derivative, urea, is even more extensively traded, representing nearly 30% of its production. The availability of feedstock and process energy plays a crucial role in determining the production locations and methods for ammonia. Regions such as the United States, the Middle East, and Russia benefit from low-cost natural gas, which explains their dominant positions in the industry, relying on natural gas-based plants. Conversely, China heavily relies on coal, which accounts for about 85% of its ammonia production, driven by its abundant coal reserves.

While ammonia demand is currently driven by its traditional uses, the industry is expected to undergo significant changes in the upcoming years. Capacity expansions, particularly in regions like North America and the Middle East & Africa, are driven by the availability of lower-priced natural gas. However, further expansions may lead to lower utilization rates as demand struggles to keep pace with increasing capacity.

Nitrogen fertilizer prices continued to rise significantly through 2021, eventually reaching record-high levels in 2022. This price rally was driven by a combination of high feedstock costs and supply constraints. Gas prices in Europe grew relatively much higher than that of Henry Hub, in 2021. For instance, in 2021, European TTF gas prices were reported to range between 15-17 USD/MMBtu in contrast with Henry Hub 3-5 USD/ MMBtu. This cost difference sharply spiked further following the war outbreak in Feb-2022, resulting in a price elevation and consequently slump in ammonia production. Feedstock prices climbed as high as 36-40 USD/ MMBtu in Europe, while US natural gas prices went slightly up, reaching 5-7 USD/ MMBtu. The war also disrupted exports from key regions, as both countries collectively account for over 22% of global ammonia exports. Additionally, Russia imposed fertilizer export quotas, while China implemented restrictions on fertilizer exports, leading to a supply shortfall, since both these countries represent more than 25% of the world's nitrogen and over 11% of ammonia trade. Furthermore, the gas supply shortage in Europe resulted in unprecedented natural gas prices, directly impacting production costs and exacerbating the supply shock. With Chinese exports remaining absent, European plants facing curtailments, and persisting disruptions in Russian exports in 2023, nitrogen fertilizer prices are expected to remain elevated compared to the period 2016-2021.

In 2022, China's ammonia exports reached a total of 239.8 kilo tons, marking a significant increase compared to the previous years. In contrast, the country only exported 4.3 kilo tons in 2021, 6.3 kilo tons in 2020, and 5.8 kilo tons in 2019. Despite being a net importer of ammonia, China witnessed a substantial rise in imports, reaching 235.9 kilo tons in 2022, 814.8 kilo tons in 2021, and 1,160.9 kilo tons in 2020. Among other notable exporters of ammonia, Indonesia and Saudi Arabia stood out with exports amounting to 1929.2 kilo tons and 1507.6 kilo tons, respectively.

#### Market Data & Forecast (Short-term and Long-term)

- Demand-Supply Analysis
- Demand Composition, by Applications
- Capacity & Production
- Trade (Import, Export and Net Export)
- Pricing Analysis
- Market Dynamics
- Latest Trends and market developments
- Key Players
- Process technology
- Strategic Issues and Recommendations
- Market / Product Outlook (Historical, Short, Mid and Long-term forecast)
- Business Opportunities & Challenges
- Strategic Analysis and High-level information on Market Entry, Best Strategies adopted.

#### Related Studies:

- [Global Green Hydrogen Market Study, 2016-2050](#)
- [Global Hydrogen Electrolyzer Market Study, 2016-2032](#)

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