

### Ammonia and Urea Annual Report - 2017

#### Report Overview

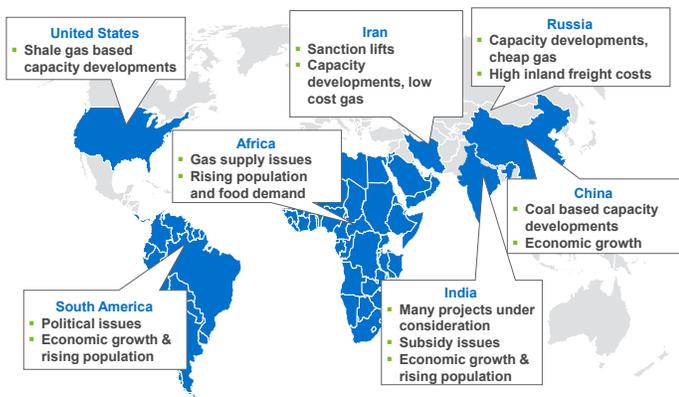
Global ammonia and urea prices have finally begun to trend upwards in 2017, after falling by almost 50 percent over the past five years, as a result of global overcapacity and slower than expected demand growth. It remains to be seen if ammonia and urea prices can recover to their previous peak of 2012, given the capacity additions underway in the U.S., China, and other parts of the world.

Nexant's Ammonia and Urea Annual Report 2017, 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 capacity developments in China and the U.S. 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?

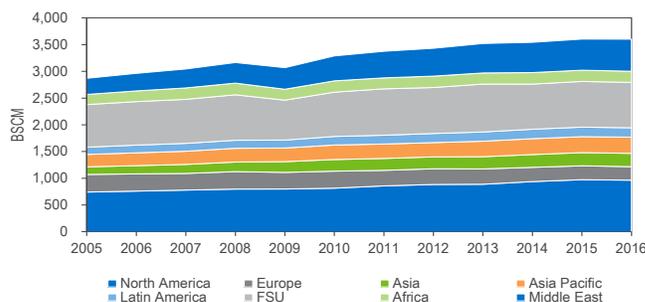
The SBA report uses an integrated proprietary simulator for modeling the global chemical and fertilizer industry markets and prices. The NexantThinking Simulator provides better understanding of the impact of different scenarios on the global ammonia/urea industry, taking into account natural gas and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

#### Developments in Ammonia/Urea Industry in Select Regions



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 Fertilizers 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 United States, India, Western Europe, etc. is discussed.

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

Complementary to the SBA Annual Report, NexantThinking Online Database offers access to supply/demand balances for ammonia and urea in 40 countries/regions, and price & profitability analysis for major global regions. Please **contact us** to schedule a demo session to our Online Database.

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