Ammonia Market Research Report - Global Forecast till 2025

Overview

The Global Ammonia Market is Projected to register a considerable CAGR of 5.85% to reach USD 70.75 billion by the end of 2025. Ammonia is a colorless inorganic compound of nitrogen and hydrogen with a characteristic pungent smell. It is mainly produced using natural gas, the Haber process, in which nitrogen and hydrogen react in the presence of an iron catalyst to form ammonia. Majority of the ammonia produced is used in the production of fertilizers and synthesis of chemicals such as nitric acid and hydrogen cyanide.

The major factor driving the global market growth is increasing demand for nitrogen fertilizers across major agrarian economies in the globe. The increasing demand for food coupled with growing consumption of protein-rich diets and fruits and vegetables is driving the growth of the agricultural industry and consequently the consumption of fertilizers. Additionally, there is growing use of ammonia as a refrigerant in large refrigeration systems over HFCs and HCFCs. This mainly due to the substantial properties offered by ammonia such as high efficiency, excellent heat transfer properties, and cost-effectiveness. Furthermore, in the coming years, the steady growth in the demand for ammonia as an alternative fuel in power generation and transportation is expected to create significant growth opportunities for the players operating in the global market.

However, increasing ammonia emissions and strengthening emission regulations against ammonia refrigeration systems are likely to hinder the global market growth during the years to follow.

Market Dynamics

The global demand for ammonia is mainly driven by the growth of the fertilizers industry. Most of the ammonia produced is consumed by the fertilizers industry. Some of the commonly produced fertilizers through ammonia are urea, ammonium nitrate, ammonium sulfate, ammonium phosphate, diammonium phosphate, monoammonium phosphate, nitric acid, sodium bicarbonate, and sodium carbonate.

According to the United Nations, the world’s population is likely to exceed 8.6 Billion by 2030. Thus, the increasing demand for food coupled with the growing consumption of protein-rich diets, fruits, and vegetables is expected to boost the demand for fertilizers in the agricultural industry.

The agricultural industry is also expanding in developing economies such as India, China, and Thailand on account of the growing population. Additionally, the objective of the Indian government to triple the capacity of the food processing sector from the current 10% agriculture produce over the forecast period is expected to stimulate the product demand in the country. The total grain production in India between 2016 and 2017 was 275.68 Million tons. Furthermore, the total agricultural production in China accounted for around 5.9 trillion. The increasing agriculture produce in the South-East Asian nations primarily Indonesia, Thailand, Myanmar, and Cambodia is projected to fuel the demand for fertilizers.

Global Ammonia Market Revenue, by Application, 2018 (USD Million)
Based on form, the global market has been classified into liquid, gas, and powder. Among these, the liquid segment accounted for the largest market share of 43.14% in 2018. This primarily due to the high demand for liquid ammonia in major applications such as fertilizers, refrigerants, and chemicals.

On the basis of application, the global market has been categorized into fertilizers, chemicals, refrigeration, fibers and plastics, pharmaceutical, pulp and paper, and others. The fertilizer segment is projected to register a CAGR of 6.23%, owing to the need to increase agricultural productivity.

**Global Ammonia Market Share, by Region, 2018 (%)**

Asia-Pacific held the largest market share of over 53% in 2017 and is projected to register the highest CAGR during the assessment period. This is mainly attributed to the increasing demand for ammonia for producing fertilizers in the major economies of India, China, Thailand, and Indonesia.

The North American market is projected to register the second-highest CAGR of 5.37% to reach USD 10,141.9 Million by the end of 2025, wherein the US is the major contributor to the growth of this regional market. The US accommodates over 25 production plants of more than 15 substantial manufacturers of the production. The European market is following the market in Asia-Pacific, in terms of consumption, with France, Belgium, Italy, and Germany as the major contributors to the growth of the regional market.

The Latin American market is estimated to exhibit a healthy CAGR of 5.76% which is primarily
attributed to the rapidly growing demand for the product in the major agrarian economies such as Brazil and Argentina. Additionally, Trinidad & Tobago is a major producer of ammonia in this region.

**Key Players**

The prominent players in the global ammonia market are **CF Industries Holdings, Inc, Yara, Nutrien Ltd, Group DF, OCI NV, EuroChem Group AG, SABIC, Acron Group, Orica Limited, Uralchem JSC, AB "Achema, Togliattiazot, IFFCO, Qatar Fertiliser Company and Koch Fertilizer, LLC, among others.**

Some of the key business strategies followed by these players operating are capacity expansion, merger & acquisition, agreement, investment, and joint ventures.

**Industry Update**

- **In August 2017,** EuroChem announced the acquisition of Emerger Fertilizantes S.A., a privately-owned distributor of premium and standard fertilizers in Argentina. This acquisition will help Eurochem to strengthen its footprint in Latin America, which is one of the major revenue-generating regions for fertilizer sales.

- **In October 2018,** CF Industries and J. R. Simplot Company, a privately held agribusiness in the US, entered into an agreement that will allow CF Industries to ship, supply, and distribute its anhydrous ammonia from Simplot's Rivergate Terminal in Portland, US, from 2019. This will enable the company to meet the rising demand for anhydrous ammonia in Pacific Rim countries.

- **In December 2018,** Uralchem expanded its global presence in Kenya, Africa, in the field of mineral fertilizer production. Africa has a growing potential in the agricultural sector and is opening doors for investments. This expansion will widen its global footprint in Kenya and also help to create a hub in Zimbabwe to export fertilizers to the African countries.

**Market Segmentation**

**Global Ammonia Market, by Form**
- Liquid
- Gas
- Powder

**Global Ammonia Market, by Alloy Type**
- Fertilizer
- Chemicals
- Refrigeration
- Fibers and Plastics
- Pharmaceutical
- Pulp and Paper
- Others

**Global Ammonia Market, By Region**
- **North America**
  - US
  - Canada
- **Europe**
  - Germany
  - Belgium
  - Russia
  - France
  - UK
  - Italy
  - The Netherlands
  - Spain
  - Poland
- Rest of Europe

- Asia-Pacific
  - China
  - India
  - Japan
  - South Korea
  - Indonesia
  - Vietnam
  - Thailand
  - Australia & New Zealand
  - Rest of Asia-Pacific

- Latin America
  - Mexico
  - Brazil
  - Argentina
  - Rest of Latin America

- Middle East & Africa
  - Turkey
  - Egypt
  - Israel
  - C.C Countries
  - Rest of the Middle East & Africa

Available Additional Customizations
- Ammonia market PESTEL analysis
- Ammonia Capacity Projections (2019–2025), Kilo Tons

Intended Audience
- Ammonia manufacturers
- Suppliers and traders
- Government, associations, and industrial bodies
- Investors and trade experts
- Consulting in chemical experts
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