Eye on the Globe

Arab Fertilizer Association

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1- AFA Profile

Non-governmental Regional Organization since 1975

- Pursue its activities through :
- General Assembly
- Board of Directors
- General Secretariat

2- AFA VISION

World Food Security & Hunger Fighting

3- AFA MISSION & OBJECTIVES

Our mission is to provide distinctive services to our members, supporting them to achieve optimum utilization of natural resources and human performances, together with the effective use of latest and clean technology, maintaining safe and environmentally sound practices through:

- Enhance cooperation between it's members for improving the operating environment of the fertilizer industry.
- Increase Fertilizers Production and Improve Quality.
- Participate in the agriculture development and feeding the world
- Increase awareness of the efficient fertilizers use & Safety Awareness and Improve Working Conditions.
- Increase Contributing to the Development of the Regional Fertilizer Industry
- Encouraging Industrial Investments.

4- AFA Marketing Competence :

Studies indicate that the Arab Region will enjoy a major and pioneer role in fertilizer industry at international level during the 21st century due to :

- Huge Reserves of Raw Materials
- Strategic Location
- Wide Industrial Base.
- High Level of Experties.

5- FERTILIZER INDUSTRY DEVELOPMENT IN ARAB COUNTRIES:

Table (1)
Arab Fertilizers & Related Materials Share of Production & Export on the World Level

Product	Arab Production % against World Production	Arab Exports % against World Exports
Ammonia	7	13
Urea	9	29
Ammonium Nitrate	5	
Phosphate Rocks	33	74
Phosphoric Acid	18	71
Super Tri-Phosphate	24	67
Di-Ammonium Phosphate	16	18
Sulphur	8	21
Potash	4	6

Fertilizers & related materials production volume, during 2005, is estimated with $13 billion.

The following table illustrates development of Arab fertilizer industry:

Table (2)
Development of Arab Fertilizer Industry
(Million Ton producet)

Product	1980	190	2000	2005	2010	Development Percentage from 1980 to 2010
Ammonia	2	5.3	8.7	10.5	17.5	775 %
Urea	2.5	5.6	9.9	12.4	20	700 %
Ammonium Nitrate	0.8	1.1	2	1.8	2.1	163 %
Phosphate Rocks	31	37.7	44	50.1	54	74 %
Phosphoric Acid	1.3	4	4.7	5.8	6.5	400 %
TSP	0.9	1.8	1.5	1.8	2.2	144 %
DAP	0.9	3.4	3.4	3.4	4.2	396 %
Potash	0	1.96	1.93	1.8	2.5	

6- Future projects in Arab region

Underscoring the development of Arab fertilizer industry & such industry strategic aspirations, a number of projects & powers will enter the production process during the coming years. Therefore, such will support the status & share of fertilizer industry, contribute in promoting Arab economies & boost the development of human resources in the region through the provision of many job opportunities. It is noteworthy that fertilizer industry & mining are huge labor requiring industries.

We believe that fertilizer industry in general can be one of the best common Arab fields investing, integrating & supporting the concept of grand Arab market.

New projects production capacities in the Arab region are estimated as follows:

- Ammonia about 7.8 MT
- Urea about 9.5 MT
- Phosphate raw materials about 4.5 MT
- Phosphoric acid about 1MTPent-oxide Phosphor
- Super tri-Phosphate about 0.5 MT
- Ammonium Phosphate & NPK fertilizers about 0.85 MT
- Potash about 0.5 MT

Still there is space for more integrating projects in such a concern. Accordingly, I believe that there are lots of steps to be taken & the path, though clear & of noble goals, still needs more work. I wish we would all succeed in serving the development process & moving with the Arab societies toward more vistas & more economic security.

6.1 - Nitrogen Fertilizer Future Projects in Arab Regions.

Project / Country / Company	Production Capacity Tones product / year	Start up Date
6.1.1 Ammonia		
S. Arabia : SABIC Co.: Safco 4	1.25 Million	2006
Safco 5	1.25 Million	Under Study
UAE : FERTIL	1.25 Million	2010
Qatar : QAFCO	1.25 Million	2010
Bahrain		
GPIC	660,000	Under study
Egypt		
Alex Fertilizer Co	400,000	2006
Egyptian Fertilizer Co	400,000	2006
Helwan Fertilizer Co.	400,000	2007
Mobeco Fertilizer Co.	400,000	2008
Joint Venture Project		
Bahwan Project	600,000	2008
6.1.2 Urea		
S. Arabia : SABIC Co.: Safco 4	1.3 Million	2006
Safco 5	1.3 Million	Under Study
UAE : FERTIL	1.3 Million	2010
Jabel Ali (ETA Co.)	300,0000	
Qatar : QAFCO	1.3 Million	2010
Bahrain		
GPIC	990,000	Under study
Algeria : ASMIDAL	396.000	Under Study
Egypt		
Alex Fertilizer Co	650,000	2006
Egyptian Fertilizer Co	650,000	2006
Helwan Fertilizer Co.	650,000	2007
Mobeco Fertilizer Co.	650,000	2008

6.2- Phosphatic and Compound Fertilizer Future Projects in Arab Regions.

Project / Country / Company	Production Capacity Tones product / year	Start up Date
6.2.1 Phosphate Rock		
Saudi Arabia - (AL JALAMID)	4.5 Million	2008
6.2.2 Phosphoric Acid		
S. Arabia - S. Arabia Mining Co	605,000 (P2O5)	2007
Joint Venture Project		
Morocco (OCP & Fauji Pakistan)	375,000 (P2O5)	2008
6.2.3 Triple Super Phosphate (TSP)		
Syria – General Fertilizer Co	500,000	under study
6.2.4 Ammonium Phosphate & NPK :		
Morocco – OCP	850,000 (TSP/DAP Unit)	2005
5- Potash		
Jordan – Arab Potash Co	500.000	2006-2007

7- Impact of Arab Free Trade Zone on Inter-Arab Trade

One of the most important steps, recently taken toward Arab economic integration, is Arab trade arrangements concerning the exemption of all Arab origin products from custom tariffs. In addition, the ongoing work related to the elimination of all non-custom obstacles facing inter-Arab trade, service trade liberalization & investment heading toward Arab custom union.

7-1 Arab Free Trade Zone Positive Impact on Inter-Arab Trade:

Exports:

- About 9% inter-exports annual growth rate, during the application phase (1998-2003) in comparison with 5.5% annual growth rate, during the pre-application phase (1993-1998).

Imports:

- About 8% annual growth rate, during the application phase (1998-2003), in comparison with 4%, during the pre-application phase (1993-1998).

In relation to fertilizer industry, as we mentioned in the opening ceremony, 2005 data shows that:
Inter-Arab trade volume reached 100% in some final products, for example:

- Phosphoric acid
- Potash
- Ammonium phosphate
- Super tri-phosphate

Inter-Arab trade volume, for the other products, developed as follows:

- Urea 58%
- Sulphur 37%
- Ammonia 26%
- NPK fertilizers 23%
- Ammonium Nitrates 20%

Inter- Arab Trade Volume during 2005

Product	Unit	Imports	Imports		inter-Imports Percentage to Total Imports %
		2005	From Arab Countries	From Non Arab Countries	
Sulphur	1000 tones Product	**5162**	**1887**	**3275**	**37**
Ammonia	1000 tones Product	**1069**	**277**	**712**	**26**
Urea	1000 tones Product	**559**	**320**	**239**	**58**
A. Nitrate	1000 tones Product	**198**	**39**	**159**	**20**
Phosphoric Acid	1000 tones P2O5	**172**	**172**	**0**	**100**
Potash	1000 tones Product	**160**	**160**	**0**	**100**
DAP	1000 tones Product	**195**	**195**	**0**	**100**
TSP	1000 tones Product	**32**	**32**	**0**	**100**
NPK	1000 tones Product	**48**	**11**	**37**	**23**

Therefore, it is expected that the Arab free trade zone will provide an expanded market to contain production increase & the targeted economic development in the light of the preparation of suitable investment atmosphere & the increase of investment expenditure. Furthermore, Arab market affecting changes could be controlled, hence Arab markets are more capable of being stable, which is a major advantage provided by the region in comparison with the world market. It is to be borne in mind that the growth benefits will be distributed in an approximate way between Arab countries for the approximation of most of their economic levels.

8– CONCLUSION:

The increasing of Arab fertilizer productions capacities and share of Arab producers on the international market (***The Arab region owns one third of the world's reserves of natural gas and 70% of phosphate rock. While its share of exports of phosphates and other fertilizers range between 20% and 67%.***) clearly indicate that Arab fertilizer industry playing a major role within Arab countries for better utilization of natural resources (Gas, Phosphate, Potash), and increasing its share at the global level.

With the kind cooperation of international and regional organizations as well as the perspectives of companies working in the filed of fertilizer production and trading, AFA hopes to address the challenges facing fertilizers industry and to achieve its main goals:

- For the harmonious development of Fertilizers industry.
- For the free and fair Trade
- The best fertilizer use for an efficient crop growing for feeding the world.
- For more and more reconciliation between the fertilizer industry and the fertilizer use and the environment preservation