



Monthly Report in July 2012



Policy Headline

Fertilizer Production Growth by 11.9% in 2012 1H

Bureau of statistics data show that domestic fertilizer production (pure quantity, similarly hereinafter) reached 37.0513 million tons in the first six months, up 11.9%; Among them, the nitrogen fertilizer production 24.8466 million tons (pure quantity), year-on-year growth of 10.05%; Urea production 15.1812 million tons, up 10.41%; Phosphate fertilizer production 9.7979 million tons, up 18.34%; Potash fertilizer production 2.4069 million tons, year-on-year growth of 6.85%

Expedite elimination of backward fertilizer in Hubei

A few days ago, Hubei issued the Hubei Provincial Notice of Restructure and Upgrade in Fertilizer Industry. It requests earnest effort is to make to carry out industrial investigation, fully screen undertakings, strictly enhance access management and accelerate the elimination of backward fertilizer. In the 12th Five Year period, the province will not approve new (modified or expanded) ammonia, monoammonium phosphate, DAP, urea, general calcium, production, compound fertilizer and other fertilizer projects.

NDRC: Increasing gas production in the first seven months

NDRC data show that the domestic gas production reached 62.3 billion cubic meters, year-on-year growth of 5.9%; the import gas 23.3 billion cubic meters, up 38.6%; apparent consumption of 82.8 billion cubic meters, an increase of 12.8%. In spite of the accelerating imported volume, natural gas ratio of dependence reached 28%.

Market Focus: NDRC: a new margin growth 15.5% in 2012 1H

NDRC released on August 16 that chemical industry gained profit of 155.8 billion yuan, 18.9% year-on-year drop. Among it, the fertilizer manufacturing gained 21.3 billion yuan, 15.5% up.

Market

Urea prices continue to fall

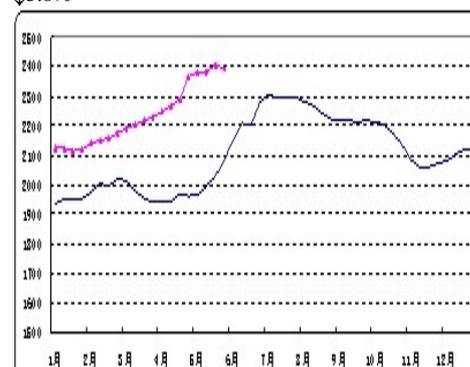
At present urea market undergoes the fertilizer off-season. With limited industrial demand, and wait-and-see ambience in compound fertilizer factory, urea market is still glooming. As to export, China exported urea of 353000 tons in July, 26.2% of year-on-year growth; the export urea in the first seven months totals 664500 tons, 30.8% of year-on-year decline. Pakistan's 300000 tons bidding and eminent Indian bidding in September are expected to stimulate the domestic market. China's successful cases will play a supporting role. But in the current market, the short term urea market will keep the gliding trend.

Average Ex-factory Urea Price: RMB2103/ton

↓4.1%

Average FOB Urea Price: USD375/ton

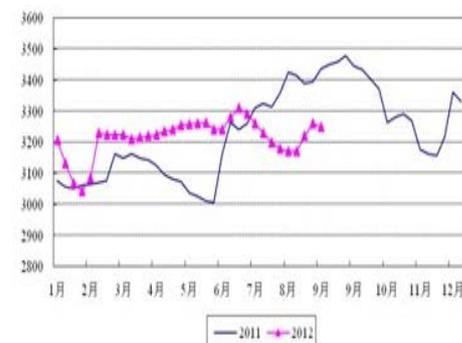
↓3.8%



the price of ammonia Ups and Downs

This month liquid ammonia market witnessed ups and downs mutually. Due to better downstream demand, and high-rate operation encountered with off-season and dull export, the price appeared to rise. According to the national bureau of statistics data, the national synthetic ammonia production in July reached 4.4813 million tons (physical quantity, similarly hereinafter), 3.65% up. The accumulated synthetic ammonia production in the first seven months reached 31.66 million tons, year-on-year growth of 6.96%. Urea market remains unclear, with insufficient support to the liquid ammonia. The market outlook is still bleak.

Average Ex-factory Ammonia: RMB3205/ton ↓0.5%



info Source:

www.cheminfo.gov.cn
www.chemcom.net.cn/www.sina.com.cn

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