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British International Investment commits $65M to Singapore's Indorama to support global food security

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British International Investment (BII), the UKâ??s Development Finance Institution (DFI) and impact investor, has committed $65 million to support Indorama Eleme Fertilizer and Chemicalsâ?? expansion plans in Nigeria. The investment forms part of a $1.25 billion financing package which will allow Indorama, the largest fertilizer producer in Sub-Saharan Africa, to increase its fertilizer production and build a new port terminal for exports, bolstering global food production and food security.

The new production facility will be complemented by a shipping terminal currently under construction at Indoramaâ??s operations in Port Harcourt, Nigeria. Both will help meet the growing global demand for fertilizer and are expected to create up to 8,000 direct and indirect jobs.

BIIâ??s investment forms part of a consortium led by IFC and includes commercial banks, impact investors and other DFIs. This is BIIâ??s fourth investment in Indorama since 2013 and signifies the DFIâ??s longstanding commitment to strengthening value chains in Nigeriaâ??s agricultural sector and increasing the countryâ??s export potential.

Indoramaâ??s two operational urea fertilizer lines currently serve Nigeriaâ??s domestic market, supporting the countryâ??s agricultural sector, which accounts for a quarter of its GDP and employs approximately a third of its labour force. This investment will finance the development of Indoramaâ??s third nitrogenous urea fertilizer production line, which is expected to

increase its annual capacity to 1.4 million metric tons of urea, one of the most widely used fertilizers worldwide.

Nigeriaâ??s economy has historically relied heavily on revenue from the oil and gas sector, making it vulnerable to external shocks and the price volatility of commodities. By supporting Indoramaâ??s expansion, BII aims to accelerate Nigeriaâ??s economic diversification and progress its delivery of the National Development Plan, which outlines ambitions to boost Nigeriaâ??s global competitiveness and build on its strong foundations for industrialisation.

Manish Mundra, Group Director for Africa, Indorama CorporationÂ said:Â â??The establishment of this fertilizer plant underscores Indoramaâ??s unwavering commitment to Nigeriaâ??s industrial growth, economic diversification, and leveraging its strategic geographic location. This landmark financing represents a pivotal moment in Nigeriaâ??s journey towards becoming a major player in the global fertilizer market. With the addition of Line 3, Nigeria is prepared to significantly ramp up its export capacity, thereby enhancing its position as a key exporter of fertilizers to Africa and the world.â❧

SÃ©rgio Pimenta, IFCâ??s Regional Vice President for AfricaÂ said:Â â??Reliable access to high quality fertilizer is essential for food production and food security around the world. IFCâ??s investment in Indorama, along with African, Asian, European, and American partners, signals our joint commitment to support the agriculture sector, Nigeriaâ??s economy, and the expansion of Indorama, an important supplier in the global food chain.â❧

As part of the project, Indorama will implement a greenhouse gas (GHG) emissions strategy to reduce emissions at its petrochemical complex by 32% by 2026, including by significantly reducing gas flaring and other improvements. This strategy aligns with Nigeriaâ??s pledge to eliminate routine gas flaring by 2030 under the World Bank-led Global Gas Flaring Reduction Partnership.