

African Development Bank to boost Indorama's fertilizer production and export capacity with \$75M investment

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The African Development Bank has signed a \$75 million loan agreement with Nigeria's Indorama Eleme Fertilizer and Chemicals Limited. The loan will enable Indorama to increase its fertilizer production and develop a port terminal for exports, supporting food production and food security across regional and international markets, while fostering job creation in Nigeria.

The expansion will include the development of a third urea fertilizer production line and a new shipping terminal at Indorama's facilities in Port Harcourt. The new production line is expected to have an annual capacity of 1.4 million metric tons of urea, one of the most widely used fertilizers worldwide.

Indorama's two operational urea fertilizer lines serve Nigeria's domestic market, supporting the country's agricultural sector, which accounts for a quarter of its GDP and employs about a third of its labor force. The new production line and terminal, which will help meet growing global demand for fertilizer, are expected to create up to 8,000 direct and indirect jobs in Nigeria.

"The African Development Bank is proud of its continued partnership with Indorama, the IFC and other lenders on this critical project as it is aligned with our strategic priorities to 'Feed Africa' and 'Industrialize Africa' while generating significant development outcomes in Nigeria," said Ousmane Fall, Acting Director of Industrial and Trade Development Department at the African Development Bank.

Speaking on the development, Manish Mundra, Group Director for Africa, Indorama Corporation said, "The establishment of this fertilizer plant underscores Indorama's unwavering commitment to Nigeria's industrial growth, economic diversification, and leveraging its strategic geographic location. This landmark financing represents a pivotal moment in Nigeria's journey towards becoming a major player in the global fertilizer market. With the addition of this third line, 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. Furthermore, the establishment of this fertilizer plant will not only address critical issues such as broader food security but will also stimulate agricultural growth and create employment opportunities in Nigeria.â

The African Development Bank's loan follows a strategy to support investment in private sector development to promote the growth of the real sector.

The \$75 million senior loan is part of a \$ 1.25 billion facility arranged by IFC. The financing package includes a \$215.5 million loan from IFC's own account, a \$94.5 million loan through the Managed Co-Lending Portfolio Program (MCP), and \$940 million in parallel loans mobilized from other development finance institutions and commercial banks, such as the African Development Bank, Bangkok Bank, British International Investment, Citibank, Deutsche Investitions- und Entwicklungsgesellschaft (DEG), DZ Bank, Emerging Africa Infrastructure Fund (EAIF), Rand Merchant Bank, Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden (FMO), Export-Import Bank of India (India Exim Bank), Export-Import Bank of Korea (KEXIM), the Standard Bank Group, Standard Chartered Bank, and the United States International Development Finance Corporation (DFC).