

## Jiujiang Fertilizer Plant Construction Project (I)(II)(III)



Jiujiang Fertilizer Plant Facilities

### Outline of Loan Agreement

Loan Amount / Disbursed Amount	21,357 million yen / 21,357 million yen
Loan Agreement	October 1991 - August 1993
Terms & Conditions	Interest rate 2.6%p.a. Repayment period 30 years (Grace period 10 years)
Final Disbursement Date	November 1996 - September 1999

### Project Outline

The project covered construction of a urea fertilizer plant with an annual output capacity of 520,000 tons in order to meet increased demand for chemical fertilizers in Jiangxi Province and respond to the need to improve food productivity.

### Results and Evaluation

This project was given priority since it covered one of the ten chemical fertilizer plants nationwide that were targeted for development (of which 6 were covered by Japan's ODA loans) under China's eighth five-year development plan (1991-95).

Under the project, output performance for urea has grown from 210,000 tons/year in fiscal 1997 (year of completion), to 83% of the final target (520,000 tons/year) in fiscal 1998, and 97% in fiscal 1999, thus the planned target has almost been accomplished. In fiscal 2000, the planned output target was revised to 300,000 tons based on a management decision by the operation/maintenance agency, the Jiujiang branch of China Minerals.

The gap behind demand for nitrogen fertilizers and output volumes in Jiangxi Province has been reduced from the pre-project level of 250,000 tons to 120,000 tons, and the project is evaluated as having contributed to improving the demand-supply balance for chemical fertilizers in the province. The project is also considered to have contributed to increases in food production volumes and productivity throughout China, and to the accomplishment of government policy goals.

No particular problems have been identified in terms of operation and maintenance, however, the financial status of the executing agency will require careful monitoring as China continues to develop into a market economy.