

## Wengfu Fertilizer Plant Construction Project (I)(II)



External view of Wengfu Fertilizer Plant

### Outline of Loan Agreement

Loan Amount / Disbursed Amount	12,286 million yen / 12,190 million yen
Loan Agreement	August 1993 ~ January 1995
Terms & Conditions	Interest rate 2.6%p.a. Repayment period 30 years (Grace period 10 years)
Final Disbursement Date	October 2000 ~ February 2001

### Project Outline

The project covered construction of a triple super-phosphate (TSP) fertilizer plant with an annual output capacity of 800,000 tons in order to meet increased demand for phosphate compound fertilizers throughout China 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).

TSP output performance in 1999 (the year of completion) was sluggish at 3.3%. Thus, since TSP phosphate fertilizers have low marketability, at the beginning of 2000, the executing agency, Wengfu Phosphate Fertilizer Plant (WFPF) converted one of the TSP production lines to diammonium phosphate (DAP) production, which includes both phosphate and nitrogen, with output exceeding 100,000 tons in both 2000 and 2001.

China continues to import around 40% of its phosphate compound fertilizers, and since production of DAP has only just started via the conversion of project equipment, the project's contribution to meeting demand for phosphate compound fertilizers remains limited. Given that volume of DAP import has been increasing nationwide, WFPF has decided that DAP is highly marketable, and in 2001, began converting the remaining production line to DAP production. It is hoped that managerial efforts will continue to be made to improve DAP manufacturing technologies and develop market outlets, etc.