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Luzhai Fertilizer Plant Construction Project (I) - (IV)



The Luzhai Chemical Fertilizer Plant constructed under this project

Outline of Loan Agreement

Loan Amount / Disbursed Amount	10,273 million yen / 10,273 million yen
Loan Agreement	October 1991 - November 1995
Terms & Conditions	Interest rate 2.3%/2.6% p.a. Repayment period 30 years (Grace period 10 years)
Final Disbursement Date	November 1999 - December 2000

Project Outline

The fertilizer plant was constructed with an annual production capacity of 240,000 tons, to meet the rapidly growing demand for chemical fertilizer of the Guangxi Zhuang Autonomous Region, and cope with the increased demand for food production.

Results and Evaluation

Through this project, the Di Ammonium Phosphate (DAP) fertilizer plant was constructed in the Guangxi Zhuang Autonomous Region (240,000 tons/year: on a product weight basis). It produced 160,000 tons, 83% of the planned amount for the first year of operations in 2001, and in the second operational year of 2002 produced 140,000 tons, 64% of the planned amount. As DAP fertilizer was not well known by the farmers of the autonomous region, the sales in the region were limited. As a result, the effect upon food self-sufficiency within the region through this project has hardly been observed. However, since the completion of this project in 2000, the domestic production of DAP fertilizer has increased. In addition, considered the fact that imported volumes have decreased, it is believed that its domestic production through this project makes certain contributions to the self sufficiency of DAP fertilizer in the country.

It has been reported that DAP fertilizer has greater production effects than other chemical fertilizers, and it is believed that there is sufficient potential demand. Stabilization of its production and expansion of marketing/sales activities are needed.