

BFI to Produce Ammonia and Urea for Domestic, Export Markets



The MoU signing between Brunei Fertilizer Industries (L) and ThyssenKrupp Industrial Solutions AG (R), witnessed by the Minister at the Prime Minister's Office and Minister of Finance II and Chairman of the Foreign Direct Investment (FDI) and Downstream Industry Steering Committee, Pehin Orang Kaya Laila Setia Dato Seri Setia Awang Haji Abdul Rahman bin Haji Ibrahim

As part of the country's development of downstream activities in the oil and gas sector, the Government of His Majesty Sultan Haji Hassanal Bolkiah Mu'izzaddin Waddaulah ibni Al-Marhum Sultan Haji Omar 'Ali Saifuddien Sa'adul Khairi Waddien, Sultan and Yang Di-Pertuan of Brunei Darussalam has incorporated the Brunei Fertilizer Industries Sdn Bhd (BFI) on October 28, 2013, and is majority owned by the Government of Brunei Darussalam.



The Sungai Liang Industrial Park (SPARK) building

BFI will develop and operate a 2,200 mtpd ammonia and 3,900 mtpd granular urea plant on a 55 hectare site at the Sungai Liang Industrial Park (SPARK). The current market price for granular urea is estimated at USD240 per mt.

Capitalising on the country's significant stocks of natural gas and to be located next to well-established gas processing facilities in Lumut, BFI will utilise natural gas as its main feedstock to produce ammonia and urea in large quantities.

Although ammonia can also be produced from other hydrocarbons such as coal and oil, because they are heavier feed stocks and more complex to process, natural gas is the preferred feed stock for ammonia production.

With the opening of more agricultural lands globally to feed the increasing population, the demand for fertilisers worldwide is also increasing at the rate of three per cent per year. To produce the dry solid fertilisers, ammonia is usually converted to urea.

Urea is a white crystalline solid used extensively in the agricultural industry and mostly preferred by farmers because it can be stored and moved relatively easy. The top 10 urea exporting countries account for more than 70 per cent of global trade, with China emerging as the largest supplier.



Minister at the Prime Minister's Office and Minister of Finance II and Chairman of the Foreign Direct Investment (FDI) and Downstream Industry Steering Committee, Pehin Orang Kaya Laila Setia Dato Seri Setia Awang Haji Abdul Rahman bin Haji Ibrahim witnessing the exchange of documents between Minister of Development and Chairman of BFI, Dato Seri Setia Awang Haji

Bahrin bin Abdullah, and CEO of the Fertilizer & Syngas Technologies Business Unit of ThyssenKrupp Industrial Solutions AG, Ralf Richmann

With the establishment of BFI, Brunei Darussalam will be able to broaden its economic base and create the multiplier effects for spinoff industrial activities and employment for the locals. Spin-off industries using ammonia and urea include manufacturing of fibres, resins, plastics, refrigeration, pulp and paper.



BFI will be located at the Sungai Liang Industrial Park (SPARK) where the existing Brunei Methanol Company is located.

The construction of the BFI plant at SPARK is expected to begin in 2017 with completion targeted for 2020. One hundred per cent of the ammonia produced will be converted to granular urea. While some will be for domestic use, the rest will be mainly for export.



The entrance to the Brunei Methanol Plant

The establishment of BFI will significantly contribute to SPARK's continuous development as a world-class petrochemical hub that will be able to accommodate more downstream petrochemical projects in the future. BFI is expected to directly generate 200 jobs and a further 300 jobs indirectly.



Minister of Development and Chairman of BFI Dato Seri Setia Awang Haji Bahrin bin Abdullah giving his opening remarks



Photo shows the granular urea used as fertiliser in agriculture.

Ministry of Finance