INVESTMENT OPPORTUNITY

Investment Opportunity(1004)

Establishment of a Urea Production and Packaging Plant

Project Overview

The Ministry of Investment presents a strategic investment opportunity for the establishment of an integrated plant for the production and packaging of urea in the city of Ajdabiya. The project aims to support the agricultural sector and its associated industries, enhance food security, utilize the availability of natural gas as a raw material for production, and increase the value added of national resources, thereby contributing to the diversification of the national economy and the promotion of non-oil exports.

Project Location & Nature

- **Location:** City of Ajdabiya – State of Libya.
- **Type of Activity:** Chemical and Fertilizer Industries.
- **Nature of the Project:** Strategic Industrial and Export Project.

Target Markets

- The Libyan Market.
- Local Agricultural Companies and Projects.
- North African Countries.
- African Sahel Countries.
- Middle Eastern Countries.
- European Markets.

Land Area Requirements

Item	Area
Total Area	150,000 m^2
Production and Processing Area	70,000 m^2
Storage and Logistics Facilities	40,000 m^2
Future Expansion Areas and Supporting Services	40,000 m^2

Estimated Investment Capital

Item	Value in USD
Civil Works and Infrastructure	40,000,000
Urea Production and Processing Units	180,000,000
Storage and Packaging Facilities	35,000,000
Utilities and Supporting Services	20,000,000
Working and Operational Capital	25,000,000
Total Investment	**300,000,000 USD**

Project Components

- Ammonia Production Unit.
- Urea Manufacturing Unit.
- Granulation and Drying Units.
- Automated Packaging and Wrapping Lines.
- Storage Tanks for Raw Materials and Finished Products.
- Quality Control and Chemical Analysis Laboratories.
- Power Generation Plant and Supporting Utilities.
- Handling, Shipping, and Storage System.
- Administrative and Service Buildings.
- Integrated Industrial Safety and Security Systems.

Core Products

- Agricultural Urea Fertilizer (46% Nitrogen).
- Granular Urea.
- Urea Designated for Industrial Applications.
- Packaging and Distribution Products of Various Commercial Sizes.

Product Applications

- Agricultural fertilizers and the enhancement of agricultural production.
- Food security projects.
- Major agricultural production companies.
- Various chemical industries.
- Production of certain urea-based industrial compounds and products.
- Local and regional markets designated for nitrogen fertilizers.

Estimated Production Capacity

- Production of 700,000 tons per annum of urea.
- Potential for expansion up to 1,000,000 tons per annum.
- Production compliant with approved international specifications for agricultural fertilizers.

Financial Indicators

Indicator	Value
Expected Annual Revenues	250 – 400 Million USD
Annual Net Profit	50 – 90 Million USD
Rate of Return on Investment (ROI)	16% – 24%
Capital Payback Period	5 – 7 Years
Operating Profit Margin	20% – 30%

Competitive Advantages

- Local availability of natural gas as a raw material for production.
- Strategic location connecting Eastern Libya with its Southern and Central regions.
- High local and regional demand for nitrogen fertilizers.
- Feasibility of exporting to African and Arab markets.
- Low production costs relative to importing markets.
- Support for agricultural development plans and national food security.
- Realization of added value for Libyan natural resources.

Employment Opportunities

- Direct Jobs: 300 – 500 jobs.
- Indirect Jobs: 1,000 – 2,000 jobs.
- Jobs during the Construction Phase: 800 – 1,200 jobs.

Available Contractual Frameworks

The Ministry of Investment offers investors the possibility of contracting under one of the following models:

- Direct Investment.
- Partnership with the Libyan Private Sector.
- Partnership with the Public Sector.
- Joint Venture (JV).
- Public-Private Partnership (PPP).
- Build-Operate-Transfer (BOT) System.
- Build-Own-Operate (BOO) System.
- Management and Operation Contracts.

Investment Incentives and Advantages

The project enjoys the advantages and exemptions prescribed pursuant to the Investment Promotion Law No. 9 of 2010, foremost among which are:

- Exemption from customs duties on equipment, machinery, and production lines.
- Tax exemptions prescribed for industrial and export projects.
- Facilities for the allocation of industrial plots.
- Freedom to transfer profits and capital in accordance with legislation in force.

- Facilitation of procedures for governmental licenses and approvals.
- Support for projects linked to food security and agricultural development.
- Eligibility to benefit from additional incentives for strategic projects with high added value.

Technical and Economic Feasibility Study Services

Should the investor wish to obtain a comprehensive technical, economic, and financial feasibility study for the project in accordance with approved international standards, specialized consultative offices capable of preparing the final studies for the project are available through the Ministry of Investment and its partners. The cost of preparing the final study shall be 1.5% of the total investment value of the project.

Invitation to Invest

The Ministry of Investment hereby invites local and international investors, companies specialized in the chemical industries, fertilizers, and agricultural production sectors, investment funds, and financing institutions to participate in this strategic project. This project represents a significant opportunity to support national food security, enhance processing industries associated with natural gas, increase non-oil Libyan exports, and elevate the contribution of the industrial sector to the national economy, thereby contributing to the realization of sustainable development and strengthening Libya's position as a regional hub for the fertilizer industry in North Africa.

MINISTRY OF INVESTMENT -*State of Libya*