India Ammonia Market Size and Share Outlook - Forecast Trends and Growth Analysis Report (2025-2034)

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Report description:

The India ammonia market size attained a volume of 18.29 MMT in 2024 . The industry is expected to grow at a CAGR of 8.20% during the forecast period of 2025-2034 to reach a volume of 40.22 MMT by 2034 .

India is establishing itself as a significant participant in the renewable ammonia market, having already signed several international trade agreements and with more in the pipeline which can aid the growth of the India ammonia market. The country's goal to generate 5 million metric tons (MMT) of renewable hydrogen by 2030 and capture a 10 per cent share of the global trade by that time highlights its dedication to renewable energy as a critical trend in the ammonia market.

The Asia Pacific was the leading ammonia-producing and consuming region in 2020. China is the leading producer of the product in the region. Ammonia is manufactured mainly from coal gasification in China, whereas it is primarily obtained from natural gas globally. China is followed by India and Indonesia in terms of industry development of the product. The capacity of the product is expected to increase dramatically globally in the coming years.

According to ITC Trademap, in 2023, India imported 2,336,714 tons of ammonia from various countries, reflecting a slight increase from 2,243,843 tons in 2022. Imports from Saudi Arabia reached 953,287 tons, significantly up from 930,631 tons in 2022, indicating strong demand. As per the India ammonia market analysis, Oman saw a substantial rise, exporting 385,643 tons to India in 2023, up from 103,172 tons in 2022.

Bahrain's exports to India increased to 372,783 tons in 2023 from 235,816 tons in 2022, showcasing growing trade volumes. Imports from Indonesia rose to 192,121 tons in 2023 compared to 253,908 tons in 2022. As per the India ammonia market dynamics and trends, Qatar's exports to India increased to 119,845 tons in 2023 from 374,716 tons in 2022, indicating fluctuating volumes.

Key Trends and Recent Developments

May 2025

Coal India Limited (CIL) signed a non-binding memorandum of understanding (MoU) with AM Green, a Greenko Group company, to supply 4,500 MW of renewable energy for green ammonia production. The energy mix includes 2,500-3,000 MW of solar power and 1,500-2,000 MW of wind power, with an estimated investment of ?25,000 crore.

May 2025

Juno Joule Green Energy Pvt Ltd, based in Vijayawada, has partnered with German firm Select Energy GmbH to develop a green hydrogen and ammonia production facility near Mulapeta port in Andhra Pradesh. The project, with an estimated investment of ?10,000 crore (approximately USD 1.3 billion), aims to produce up to 1 million tons of green ammonia annually by 2029.

May 2025

AM Green has partnered with the Port of Rotterdam Authority to establish a green fuel corridor between India and Northwestern Europe. The initiative aims to facilitate annual trade of up to 1 million tonnes of green fuels, including green ammonia, valued at nearly USD 1 billion.

May 2025

Larsen & Toubro (L&T) has acquired land in Kandla, Gujarat, to develop green hydrogen and ammonia projects. This initiative aligns with India's National Green Hydrogen Mission and aims to bolster the country's clean energy infrastructure. L&T plans to manufacture electrolyzers and execute engineering, procurement, and construction (EPC) projects for green hydrogen, ammonia, and methanol, contributing to the nation's sustainability goals.

Government Incentives for Green Ammonia Production

The Indian government is playing a pivotal role in shaping the future of the India ammonia market, particularly in the green ammonia sector. In May 2024, the Indian government introduced a ?10,000 crore viability gap funding scheme under the Production-Linked Incentive (PLI) program to boost green ammonia production by 2 million tonnes by 2025-26 period, positioning India as a leader in sustainable ammonia production. This initiative supports the country's broader commitment to achieving net-zero emissions by 2070, as outlined in its national climate action plan.

Strategic Partnerships and Infrastructure Development

There is a growing trend in the India ammonia market, where collaborations and infrastructure investments are playing a critical role in transforming production practices, integrating renewable energy, and creating a more sustainable future for the agricultural and industrial sectors. In April 2025, Bharat Petroleum Corporation Limited (BPCL) entered into a joint venture with Singapore-based Sembcorp to develop green hydrogen and renewable energy projects across India. The collaboration also explores initiatives in green ammonia production, port emissions reduction, bunkering, and other green fuel technologies.

International Collaborations for Export-Oriented Facilities

International collaborations have become a key driver for the India ammonia market expansion, particularly in terms of export-oriented facilities. India is rapidly positioning itself as a major player in the global green ammonia market by partnering

with international companies to develop large-scale ammonia production facilities that meet both domestic and international demand. Juno Joule Green Energy Pvt Ltd partnered with Germany's Select Energy GmbH to develop a green hydrogen and ammonia production facility near Mulapeta port in Andhra Pradesh. The project, with an estimated investment of ?10,000 crore, aims to produce up to 1 million tonnes of green ammonia annually by 2029, complying with the EU's Renewable Fuels of Non-Biological Origin (RFNBO) standards.

Subsidies and Policy Support for Fertilizer Sector

The growth of the India ammonia market is significantly influenced by government subsidies and policy support, particularly within the fertilizer sector. These measures aim to ensure affordable fertilizer prices for farmers, enhance domestic production, and reduce import dependency. In the fiscal year 2024-25, the Indian government allocated ?1.64 trillion for fertilizer subsidies, a decrease from the previous year's revised estimate of ?1.95 trillion. This allocation includes ?1.22 trillion for urea subsidies and ?0.45 trillion for nutrient-based subsidies (NBS) for phosphatic and potassic fertilizers.

Rising Demand from Industrial Sectors

Ammonia demand in India is increasingly being driven by expanding industrial sectors, particularly the chemicals and fertilizers industries. The growing construction, textile, and mining sectors are also significant consumers of ammonia for their operations. The Indian government's push to promote industrial growth through infrastructure development and ease of doing business initiatives will further increase ammonia demand in these sectors. Apart from the agricultural sector, other key industrial sectors such as construction, textiles, and mining are also significant consumers of ammonia. In the construction industry, ammonia is used in the production of various construction materials like cement, where it is part of the process for manufacturing certain chemicals used in concrete.

India Ammonia Industry Segmentation

"India Ammonia Market Report and Forecast 2025-2034" offers a detailed analysis of the market based on the following segments:

Market Breakup by Physical Forms

- Anhydrous Ammonia
- Aqueous Ammonia

Key Insight: Anhydrous ammonia remains the most widely used form in India due to its high nitrogen content and essential role in fertilizer production. It is primarily used in the manufacturing of urea and ammonium nitrate, making it indispensable for India's agricultural sector. With India being one of the largest consumers of ammonia in the form of urea, the demand for anhydrous ammonia is expected to remain robust. The growth in industrial and agricultural applications, particularly with the rising demand for urea-based fertilizers, ensures its continued relevance in the India ammonia market.

Market Breakup by Application

- Urea
- Ammonium Phosphate Fertilisers
- Industrial
- Others

Key Insight: Urea remains the dominant application of ammonia in India, as it is the most commonly used nitrogenous fertilizer in

the agricultural sector. With India being one of the largest producers and consumers of urea, ammonia's role in urea production is critical. The government's continued subsidies for urea, aimed at improving agricultural productivity, will likely sustain its strong demand. Given India's growing need for food security and the increasing acreage under irrigation, urea's demand will likely remain high, ensuring continued growth in ammonia consumption.

Market Breakup by Region

- North Region
- East and Central Region
- West Region
- South Region

Key Insight: The North region of India stands as the largest market for ammonia, primarily due to its robust agricultural base. Major states like Punjab and Uttar Pradesh, with their vast agricultural land and high demand for fertilizers, make it the leading consumer of ammonia in India. The presence of numerous fertilizer plants and a large proportion of the country's wheat and rice production in this region ensures continued strong demand. Industrial growth in cities like Delhi also supports ammonia use, particularly in the chemicals and textiles industries. Government policies focused on agricultural growth and fertilizer subsidies further solidify the North's position.

India Ammonia Market Share

Role of Aqueous Ammonia in Industrial Applications and Sustainable Practices

Aqueous ammonia, while less widely used compared to anhydrous ammonia, plays a key role in industrial processes, particularly in the textile, chemical, and pharmaceutical industries. It is used for neutralizing acids and as a feedstock for various chemicals. The increasing focus on sustainable production methods and stricter environmental regulations may drive the growth of aqueous ammonia in pollution control and wastewater treatment processes. As industries transition to greener practices, aqueous ammonia's role in cleaner technologies will become more prominent.

Growing Demand for Ammonia in Fertilizer and Industrial Applications

Ammonium phosphate fertilizers are a crucial component of India's fertilizer industry. These fertilizers are a key source of phosphorus and nitrogen, essential for plant growth, especially for crops like wheat and rice. The growing focus on balanced fertilization practices and improving crop yields drives the demand for ammonium phosphate fertilizers. As India strives to achieve food security amidst increasing agricultural challenges, the importance of ammonium phosphate fertilizers is set to rise, fostering growth in ammonia consumption for this application.

The industrial application of ammonia, particularly in chemicals, textiles, and refrigeration, has been witnessing gradual growth. Ammonia is used in various chemical processes like producing nitric acid, hydrogen, and as a refrigerant. The industrial sector's expanding capacity, particularly in sectors like petrochemicals, mining, and pharmaceuticals, contributes to ammonia demand. Additionally, the shift towards more sustainable production techniques and energy efficiency, such as in ammonia-based refrigeration systems, suggests an upward trend in ammonia consumption in this sector.

India Ammonia Market Regional Analysis

Rising Ammonia Demand in South, Central, and East India

Emerging regions like South and Central India are showing promising growth potential in the India ammonia market. States such as Tamil Nadu, Karnataka, and Madhya Pradesh are experiencing significant industrial expansion, especially in petrochemical, pharmaceutical, and textile sectors. Additionally, the push towards sustainable agricultural practices and irrigation projects is boosting ammonia demand.

While the East region is still catching up, it holds significant potential due to increasing investments in agricultural infrastructure and the growing focus on improving productivity. With the right policy and industrial development, these emerging regions are expected to see steady growth in ammonia consumption in the coming years.

Competitive Landscape

Key players in India ammonia market are actively enhancing production capacities and embracing sustainable practices. Companies are investing in advanced technologies and forming strategic partnerships to meet the growing demand for ammonia-based fertilizers and industrial applications. These initiatives aim to improve operational efficiency and ensure a steady supply of ammonia to various sectors.

Additionally, there is a significant focus on green ammonia production. Industry leaders are collaborating with international firms to develop facilities that utilize renewable energy sources, aligning with India's commitment to reducing carbon emissions. These projects not only contribute to environmental sustainability but also position India as a key player in the global green ammonia market.

National Fertilizers Limited (NFL)

National Fertilizers Limited (NFL), established in 1974, is one of India's leading fertilizer manufacturers. It produces a variety of nitrogenous and phosphatic fertilizers, including urea and ammonia. NFL operates multiple production units across India and plays a vital role in the country's agricultural sector, contributing to the government's initiatives to boost food security.

Krishak Bharati Co-Operative Limited (KRIBHCO)

Krishak Bharati Co-Operative Limited (KRIBHCO), founded in 1980, is a prominent cooperative in India's fertilizer industry. Specializing in the production of urea and ammonia, KRIBHCO focuses on supplying fertilizers to farmers at affordable prices. The cooperative works towards improving agricultural productivity and plays a crucial role in India's fertilizer distribution network.

Rashtriya Chemicals and Fertilizers Ltd (RCFL)

Rashtriya Chemicals and Fertilizers Ltd (RCFL), a public sector enterprise established in 1978, is a key player in India's chemical and fertilizer sector. RCFL manufactures a wide range of products, including ammonia, urea, and complex fertilizers. The company contributes significantly to the country's agricultural growth, ensuring the availability of quality fertilizers to farmers.

Ramagundam Fertilizers and Chemicals Limited

Ramagundam Fertilizers and Chemicals Limited, based in Telangana, is an important fertilizer producer in India. The company primarily manufactures urea and ammonia, playing a vital role in India's fertilizer supply chain. With its strategic location and efficient production processes, it supports agricultural growth and food security across India, focusing on affordable and sustainable fertilizer production.

Other players in the India ammonia market report are India Farmers Fertiliser Cooperative Limited, Gujarat Narmada Valley

Fertilizers & Chemicals Limited, MATIX Fertilisers & Chemicals Ltd., Mysore Ammonia Pvt. Ltd., Yara Fertilisers India Private Limited, Nagarjuna Fertilisers & Chemicals Ltd., Malanadu Ammonia Pvt. Ltd., and others.

Key Features of the Report:

- Comprehensive analysis of India ammonia market dynamics and growth drivers.
- In-depth insights into ammonia production, consumption, and market segmentation.
- Detailed breakdown by ammonia form, application, and regional performance.
- Market forecasts and projections through 2034 based on current and future trends.
- Competitive landscape analysis of key players in India ammonia market.
- Insights into emerging trends, including green ammonia production and policy impacts.

Why Choose Expert Market Research?

- Trusted insights from experienced analysts with deep market knowledge.
- Data-driven, actionable recommendations for strategic decision-making.
- Comprehensive, region-specific analysis to help businesses expand.
- Reliable, up-to-date market trends and projections for long-term growth.

Call to Action:

Download a free sample of the India Ammonia Market Report 2025-2034 to explore key trends, growth projections, and market dynamics. Contact us today for tailored insights that can help you stay ahead of industry developments and make informed business decisions in the evolving ammonia market.

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Table of Contents:

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