Sabic and Maaden sign 3-Year fertilizer MoU as urea expansion plans gather pace

24 August 2026 | News

Saudi fertilizer majors will explore joint opportunities in value-added agri-nutrients, production and manufacturing, while Sabic advances plans to add 2.6 million metric tonnes of annual urea capacity

Sabic Agri-Nutrients and Maaden Integrated Fertilizer Company have signed a three-year memorandum of understanding to explore collaboration across the fertilizer value chain, bringing together two major Saudi players as the country continues to strengthen its position in global agri-nutrient markets.

The non-binding agreement, disclosed in a filing to the Saudi stock exchange Tadawul on August 18, establishes a framework for the companies to explore the development and investment of value-added agri-nutrient products, including potential opportunities in joint production and manufacturing.

For Sabic Agri-Nutrients, the agreement aligns with its broader 2040 strategy to strengthen its global presence in nitrogen-based fertilizers. The company is already preparing for a significant expansion of its urea business after receiving approval for additional gas feedstock allocation from Saudi Arabia's Ministry of Energy in March.

The planned expansion could add 2.6 million metric tonnes per year of urea capacity, lifting Sabic Agri-Nutrients' total capacity to approximately 7.4 million metric tonnes annually if completed. The project would further reinforce Saudi Arabia's position as a major supplier to international nitrogen fertilizer markets.

The partnership also brings together businesses with an existing commercial relationship. Maaden Integrated Fertilizer Company, a wholly owned subsidiary of Maaden, serves as the holding entity for the company's phosphate business. Sabic already holds minority stakes in Maaden's Wa'ad Al-Shamal and Maaden Phosphate operations, which form part of a major phosphate complex in northern Saudi Arabia.

The new MoU could therefore create opportunities to deepen cooperation across both nitrogen and phosphate-linked segments, particularly as fertilizer producers increasingly look beyond conventional commodity products towards higher-value and more specialised agri-nutrient offerings.

Sabic said the agreement has not resulted in any financial impact at this stage, reflecting the exploratory and non-binding nature of the arrangement. The three-year framework will instead provide the companies with time to assess potential investments, production partnerships and other areas of cooperation.

The agreement comes at a strategically important moment for Saudi Arabia's fertilizer industry. While companies continue to invest in new capacity and strengthen partnerships, regional trade flows have faced pressure from disruptions to commercial shipping routes, including restricted vessel movements through the Strait of Hormuz.

Against this backdrop, the Sabic-Maaden agreement signals a longer-term push towards greater integration within Saudi Arabia's fertilizer industry. Combining Sabic Agri-Nutrients' strength in nitrogen fertilizers with Maaden's phosphate business could potentially create new opportunities across the agri-nutrient value chain, from large-scale commodity fertilizers to more specialised and value-added products.