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Nurturing Innovation

With more than 80 years of experience and expertise, Nitrogénművek Vegyipari Zrt is leading its market and developing and diversifying its products.

Images courtesy of Nitrogénművek Vegyipari Zrt

Nitrogénművek Vegyipari Zrt is a unique and prominent player in the European market. As the only company in Hungary which produces ammonia, nitric acid, and nitrogen fertilisers, Nitrogénművek has enjoyed substantial success over the past eight decades with a current turnover of €400 million.

Dr István Blazsek, CEO and General Manager of Nitrogénművek, shared his thoughts with *The CEO Magazine* on how Nitrogénművek has continuously invested in its products and facilities.

The CEO Magazine: How has your career led you to your current position?

István: I am a university-educated chemical engineer with more than 40 years' experience in the industry. I joined Nitrogénművek more than 40 years ago and I've been in different positions throughout the company. I started as a shift engineer and then I was plant manager and factory manager. In 1992, I became deputy technical general manager and in November 2006 I became the general manager or CEO of Nitrogénművek. I also have a diploma from

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the Economics Sciences University of Budapest; that's my second degree.

What are the main programs and initiatives that you've implemented to ensure further growth and success?

I was asked to be CEO of Nitrogénművek in 2006. Around that time, we were making good progress with a great €100-million investment project, replacing two old plants with new ones. That was a time when we constructed a new nitric-acid plant, which is one of the largest and most effective nitric-acid plants in the world. At the same time, we constructed a new granulation unit as well for CAN [calcium ammonium nitrate]. In Middle Europe, we were the only company who constructed two fertiliser plants at the same time, so we were able to renew our processes and improve our competitiveness.

As a market leader in fertiliser production in Hungary, what are the key strengths of your business?

Nitrogénművek has been operating since 1931. We are a company that has more than 80 years of experience in the nitrogen-based fertilising technique and we have great practices in the market. Our

market share is roughly 60 per cent in the domestic market and our products have a very high level of quality. We are able to continuously operate our production facilities. We have a high level of maintenance and process operation and we are sure that we have a minimal impact on the environment, which is very important nowadays in the chemical industry.

Another thing is that the family owner of the company has introduced and constructed new marketing and new product support for the farmers. We set up direct networking in Hungary, which means that many of our products can be directly sold to the farmers, while others can be sold by traders and partners.

Nitrogénművek is focusing on consistently improving our product quality, increasing our capacity through the revamping projects, and decreasing our energy consumption and carbon footprint. At the same time, we are going to introduce new products into the market.

What are the main areas of expansion that Nitrogénművek is exploring?

We have established companies with presences in nearby countries >





like Slovakia, Romania, Poland, Serbia, Germany, and Italy, so we can easily export into these markets. Because Nitrogénművek is a family-owned, independent company we can be very flexible in our decisions and in our market policy.

How important is continuous investment in the company?

Continuous investment in a company like ours is very important. In the fertiliser production and chemical industry, there's a lot of competition. We are producing bulk products

and value-add products and planning to sell these in the market. If you are second place in a tender, it doesn't mean anything because we are producing continuously. The core season for fertiliser is seasonal, which means that end users are using our fertilisers from February until early May, and between September and November, but we have to continuously operate our factories to be efficient. In the fierce race in the market, if you're not continuously investing in your company, then you'll lose.

What does the future hold for Nitrogénművek?

Our company is located in Hungary, a land-locked country, which gives us both advantages and disadvantages. While we're very far from the sea, our competitors cannot easily supply fertiliser into our market because of problems and

costs with transporting cargo from the nearest seaport. When we get huge equipment and machines from the United States, England, or other countries, we have to deliver the goods by rail or by air, which adds significant cost.

France or Germany use four to five times the amount of fertiliser that we use in Hungary so there's a lot of space for our fertiliser in the domestic market. There are spaces for our product in export markets as well.

According to Fertiliser Europe, which is an organisation for European fertiliser producers, forecasts predict that the fertiliser consumption in Western Europe will remain stable over the next 10 years. In our region, we are calculating that it will increase continuously 2 per cent in a year. That's why we're investing in increasing our capacities and diversifying our product range. •

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Congratulations Nitrogénművek Zrt on more than 80 years of outstanding performance as a leader in the Hungarian national economy and European fertiliser market.

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