

**GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA**

STARRED QUESTION NO:231
ANSWERED ON:05.12.2000
PRODUCTION AND CONSUMPTION OF CHEMICALS FERTILIZERS
RAMJI LAL SUMAN;ZORA SINGH MANN

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

- (a) whether there is a wide gap between production and consumption of various chemical fertilizers in the country;
- (b) if so, the average demand of each chemical fertilizer;
- (c) the average percentage of demand met through indigenous sources and imports, separately;
- (d) whether any time bound scheme has been formulated by the Government to meet the demand of fertilizers through indigenous production;
- (e) if so, the details thereof; and
- (f) if not, the reasons therefor?

Answer

THE MINISTER OF CHEMICALS AND FERTILIZERS (SHRI SUKHDEV SINGH DH

(a) to (f) : A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (f) OF LOK SABHA STARRED QUESTION NO. 231 TO B ANSWERED ON 5.12.2000.

a) In case of nitrogenous fertilisers, the country is nearly self-sufficient in urea, whereas in case of phosphatic fertilizers the self-sufficiency is to the extent of 70%. However, self-sufficiency is also related to various factors such as monsoon conditions which influence the demand.

b) & c) Average demand in terms of consumption of fertilizer nutrients of NPK and percentage of demand met through indigenous and imported sources during 1999-2000 are given below:-

Nutrients Average Demand in 1999-2000 Average %ge of consumption
(In lakh MTs)

		Indigenous	Imported	
Nitrogen (N)	116	94	6	
Phosphate (P)	48	70	30	
Potash (K)	17	0	100	

Since country has no known commercially exploitable resources of Potash, the demand for the same is met entirely through imports.

d) to f) To optimise the indigenous fertilizer production, the following facilities/concessions have been made available to the fertilizers industry by the Government at present:

1) As per the industrial policy resolution dated 24th July, 1991, no license is normally required for setting up/expansion of fertilizer plants. Entrepreneurs are free to set up/expand fertilizer projects anywhere in the country subject to environmental clearance.

2) Deemed Export Benefits to indigenous suppliers of capital goods to fertilizer projects provided such supplies are made under the procedure of international competitive bidding.

- 3) Reasonable return on investment to the entrepreneurs under the Retention Price-cum-Subsidy Scheme, at present applicable to existing urea capacity.
- 4) Concession on sale of decontrolled phosphatic and potassic fertilizers to farmers.
- 5) Import of capital goods for setting up of new plant/ modernisation of existing units at a concessional rate of customs duty.
- 6) Import of fertilizer raw materials and intermediates at a concessional rate of customs duty.