

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

UNSTARRED QUESTION NO:2419  
ANSWERED ON:30.07.2002  
FERTILIZER PRICING POLICY  
ASHOK NAMDEORAO MOHOL;RAMSHETH THAKUR

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

- (a) whether the Government propose to achieve a phased decontrol of the fertilizer industry as reported in the Hindu dated July 12, 2002;
- (b) if so, whether the Government also propose to establish a sustainable pricing policy to deal with the closure and rehabilitation of sick and unviable fertilizer units;
- (c) if so, the details thereof;
- (d) the steps taken by the Government to restructure and revamp the fertilizer industry to prepare it to meet the challenges of global competition; and
- (e) the production strategy of the Government to increase chemical fertilizers output during the Tenth Five Year Plan?

**Answer**

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI TAPAN SIKDAR)

- (a): In keeping with the policy of economic reforms, all other varieties of fertilizers except urea have already been freed from movement and distribution control. The Government intends moving towards deregulated regime in all the three types of fertilizers, that is nitrogen, phosphatic and potassic, after taking into account the interest of farmers and over all national food security concerns.
- (b) to (d) : Government is in the process of formulating new pricing policy for urea units keeping in view the recommendations of Expenditure Reforms Commission for replacing the existing Retention Price Scheme. The proposed pricing policy would be in the shape of Group Concession Scheme, which will aim at greater uniformity and transparency in operational parameters and will induce urea units to take measures suo moto in order to be efficient and cost effective.
- (e) : Government will aim at attaining the optimum level of self-sufficiency, to the extent possible, in production of fertilizers indigenously and will closely monitor between demand and supply position to take a view on import needs.