

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

UNSTARRED QUESTION NO:74  
ANSWERED ON:18.02.2003  
PRODUCTION OF UREA  
PRABHA RAU;VILAS BABURAO MUTTEMWAR

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

- (a) whether it is a fact that production of urea has dropped during the last one year;
- (b) whether the consumption of urea has also decreased;
- (c) if so, the reasons therefore; and
- (d) the step taken by the Government to increase the production and consumption of urea with a view to ensure that the low consumption of urea does not affect the sowing of the Kharif crop?

**Answer**

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS & FERTILIZERS (DR. CHHATTRA PAL SINGH)

(a) to (c) Production and consumption of urea during 2000-01, 2001-02 and estimate for 2002-03 is given below:-

(Lakh MT)

Year	Production	Consumption/Sale
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2001-02	191.73	199.17
2002-03	189.00	186.00

(estimated)

Production of urea in the current year has reduced compared to 2001-02 mainly due to shortage of natural gas in gas based plants and FACT:Cochin-I, FCI:Sindri, NLC:Neyveli and IIL:Kanpur remaining closed since 1.4.2002. The consumption of urea will also be less in 2002-03 due to wide spread drought in the Kharif seasons and not so favourable weather conditions in the current Rabi seasons.

(d) Urea Industry is facing problems mainly on two fronts for matching the production with installed capacity; firstly, limitation in availability of natural gas specially for gas based urea plants such as RCF-Thal and KRIBHCO-Hazira; secondly, on account of frequent shut down/break down of old vintage plants. Department of Fertilizer is pursuing with Ministry of Petroleum and Natural Gas to make available adequate and qualitative gas to urea plants. Many fertilizer companies are taking step for long term tie-up with prospective suppliers of liquefied natural gas (LNG) and/ or natural gas to overcome constraints in the domestic availability of gas. Many urea units have also installed dual fuel facility of naphtha for supplementing alternate feed. Capital additions are also recognized under Retention-cum-Price Subsidy Scheme (RPS) so as to encourage urea units to undertake investment for improving their efficiency by expansion/retrofitting/revamping of existing plants to overcome equipment breakdowns etc.

Government will, however, ensure adequate availability of urea to meet the demand of various States for next Kharif seasons.