

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

UNSTARRED QUESTION NO:6268  
ANSWERED ON:06.05.2003  
PRODUCTION OF UREA  
BASUDEB ACHARIA

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

- (a) the contribution of different feed stock raw materials, energy, wage and capital in the cost of production of urea;
- (b) whether it is a fact that the fertilizer plants based on the coal are running successfully in China and South Africa;
- (c) if so, the details of comparative data and cost of production and reasons for their becoming unsuccessful in India;
- (d) whether there is no successful oil based plant in the world; and
- (e) if so, the facts thereof and the reasons therefor?

**Answer**

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

(a): The cost of production of urea varies from unit to unit depending upon feedstock, vintage of plant, location of plant etc. The weighted average contribution of raw materials as feedstock/fuel/energy, conversion cost (which includes salaries/wages), depreciation and capital related charges for gas based, naphtha based, FO/LSHS based units per tonne of urea based on the retention prices of urea units notified as on 1.4.2002 is given in the table below:

Rs./MT

Feedstock	Cost towards	Conversion Cost	Depreciation	Capital
feedstock/fuel	including coal,	Related		
	power, water etc.	charges		
Gas based Units	3673	784	543	1185
Naphtha based units	8751	1161	499	1456
FO/LSHS based units	8194	1545	234	920

(b) and (c) : As per information available, urea plants based on coal are running successfully in China and South Africa. However, cost data of these plants are not maintained. The primary reason for the failure of coal based fertilizer plants in India was high ash content of the available Indian coal and engineering deficiency of equipment.

(d) and (e): As per information available, there are successful oil based fertilizer plants operating in China, Brazil and Europe. In India, oil based plants are in operation at Nangal, Bhatinda, Panipat and Bharuch.