

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

UNSTARRED QUESTION NO:2089

ANSWERED ON:16.12.2003

AVAILABILITY OF GAS TO FERTILIZER UNITS

A. VENKATESH NAIK;ASHOK NAMDEORAO MOHOL;RAMSHETH THAKUR

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

- (a) whether it is a fact that the fertilizer industry has requested the Union Government to make available gas at internationally comparable rates to enable fertilizer units to switch over from Naphtha to gas;
- (b) if so, the details thereof;
- (c) whether it is a fact that in order to phase out fertilizer subsidies, the Government is actively considering the proposal;
- (d) if so, the details thereof;
- (e) the steps taken by the Government in this regard; and
- (f) if not, the reasons therefor?

**Answer**

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

(a) to (f): The primary goal of the new pricing scheme for urea units (NPS), made effective from 1.4.2003, is to encourage efficiency parameters of international standards based on the usage of the most efficient feedstock. Natural gas (NG)/Liquefied Natural gas (LNG), being an efficient feedstock for the manufacture of urea, besides being a clean and cost effective source of energy, the Government is formulating a policy to facilitate the switchover of the existing non-gas based urea units to NG/LNG for feedstock/fuel purposes.

Negotiations are going on between prospective NG/LNG suppliers and fertilizer companies on signing of Gas Sale Agreements.