

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

UNSTARRED QUESTION NO:3134  
ANSWERED ON:20.03.2008  
TRANSPORTATION OF GAS  
Patel Shri Kishanbhai Vestabhai;Singh Shri Sugrib

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

- (a) whether the transportation cost of gas to various fertilizer plants has become a major component in determining the overall price of the fertilizers;
- (b) if so, the details in this regard;
- (c) whether the Government has evolved any mechanism for reduction/neutralisation of transport cost of gas for the use of fertilizer plants in the country; and
- (d) if so, the details thereof?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS(SHRI B.K. HANDIQUE)

- (a) & (b) The transportation cost of gas has become a substantial component in determining the overall price of fertilizers. The actual transportation cost of gas for urea manufacturing units depend on the source of supply of gas and the number of gas pipeline networks through which it is received by the unit. Since sufficient gas is not available at present for the urea units, the shortfall is met through other feedstock like naphtha and FO/LSHS. It is estimated that if sufficient natural gas is available, the cost of transportation of same to the urea manufacturing units will be about 12% of the concession rate of urea.
- (c) No, Sir,
- (d) In view of (c) above, question does not arise.