

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

STARRED QUESTION NO:42
ANSWERED ON:28.02.2008
INVESTMENTS INTO THE FERTILIZER SECTOR
Patel Shri Kishanbhai Vestabhai;Singh Shri Sugrib

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

- (a) whether the Fertilizer Industry has sought the Government's intervention for reviving its sagging health and for formulating policies to attract fast domestic and foreign investments into the sector;
- (b) if so, the details thereof;and
- (c) the reaction of the Government thereto;

Answer

MINISTER OF CHEMICALS AND FERTILIZERS AND MINISTER OF STEEL(SHRI RAM VILAS PASWAN)

(a) to (c) A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PART (a) to (c) OF LOK SABHA STARRED QUESTION NO. 42 TO BE ANSWERED ON 28-2-2008.

(a) to (c) There has been no significant investment in fertilizer sector over last ten years (especially in Urea sector). The fertilizer industry has also drawn attention of Government towards the comparative low profitability in the fertilizer sector and on top of it, the liquidity problems being faced by them. On the other hand, the consumption of fertilizers has increased sharply over last few years leading to increased dependence on imports to meet the increasing requirement of fertilizers.

Keeping in view the lack of investments in fertilizer sector, the stagnant indigenous production, the increasing demand-production gap, the projected improved availability of gas in the country and the concerns of the industry, Government is in the process of finalizing a policy for attracting new investments in the fertilizer sector both within the country and abroad. The Government is looking into various options including benchmarking with Import Parity Price for finalization of the proposed policy with the aim of attracting the much required investments in the sector.