

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

UNSTARRED QUESTION NO:1274
ANSWERED ON:04.03.2010
PRODUCTION CAPACITY OF FERTILIZER UNITS
Mahtab Shri Bhartruhari

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

- (a) the number of fertilizer units operating in the country both in public/private sector at present, State-wise;
- (b) whether these units are utilizing their full capacity;
- (c) if so, the details thereof;
- (d) if not, the reasons therefore; and
- (e) the steps taken by the Government to enhance the production capacity of these units?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF CHEMICALS & FERTILIZERS (SHRI SRIKANT KUMAR JENA)

- (a) The details of number of fertilizer units producing Urea, DAP and Complex Fertilizers, operating in the country both in public/ private sector at present, state-wise are at Annexure- I.
- (b) to (e) Some of the fertilizer units in the country are not utilizing their full capacity. Unit-wise details of installed capacity, production & percentage capacity utilization of major fertilizer manufacturing units are at Annexure-II.

Government has been encouraging production of urea in the country to achieve self-sufficiency. The Government has announced a new policy on 4th September 2008 to attract new investments. The policy is based on Import Parity Price (IPP) benchmark with suitable floor & ceiling prices aiming to revamp, expansion and revival of existing urea units and setting up of Greenfield projects. The policy aims to substantially bridge the gap between consumption and domestic production of urea in next five years subject to adequate availability of gas at reasonable prices. Government has taken initiatives to encourage indigenous production in P&K sector by allowing import parity price to the indigenous manufacturers of DAP. Government has also reduced the custom duty on phosphoric acid from 5% to 2% to enable indigenous manufacturers of P&K fertilizers to procure this important input at reasonable price. Government is also encouraging private sector and public sector companies to explore possibilities for joint ventures abroad to ensure uninterrupted supply of fertilizer inputs to P&K sector.