

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

UNSTARRED QUESTION NO:659
ANSWERED ON:25.02.2010
SETTING UP OF FERTILIZER INDUSTRY IN KARNATAKA
Ganeshamurthi Shri A.;Patil Shri A.T. Nana

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

- (a) whether the the prices of the imported urea have gone up by more than thirty percent during the last one year;
- (b) if so, the reasons therefor;
- (c) the comparative analysis of prices of imported urea with the average cost of the urea produced locally from gas-based and naphtha-based plants of the country; and
- (d) the steps being taken by the Government to cohtrol the prices of urea?

Answer

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

(a) & (b): No Madam, The weighted average C&F price of urea imported during the current year (upto January 2010) is Rs. 13,225 per MT as against the weighted averave C&F price of Rs.24,076 per MT during the year 2008-09.

(c): The average provisional concession rate for the year 2008-09 for gas-based and naphtha-based plants are Rs.11,334 per MT & Rs.25,196 per MT as against the weighted average C&F price of Rs.24,076 per MT for urea imported through STEs and Rs.10,687 per MT for urea imported from Sur, Oman under long term Urea Off Take Agreement.

(d): Government is always 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 revfamp, expansion, revival of existing urea units and setting up of Greenfield projects. The policy aims kto substantially bridge the gap between consumption and eomestic production of urea in next kyears subject to confirmed and adequate availability of gas at reasonable prices.