

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

UNSTARRED QUESTION NO:3283

ANSWERED ON:15.04.2010

FREE IMPORT OF FERTILIZERS

Shivanagouda Shri Shivaramagouda;Singh Shri Jagada Nand

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

(a) whether the Government proposes to free the import of fertilizers;

(b) if so, the detail thereof alongwith the reasons therefor;

(c) whether the indigenous fertilizer producers are not able to meet the country's fertilizer demand and the Government has to depend on the import of deregulated phosphorus and potash fertilizers; and

(d) if so, the steps taken by the Government to minimise the import of fertilizers and promote the indigenous producers to meet the country's fertilizer demand?

Answer

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

(a) & (b): Import of urea in the country is restricted and its import for direct agricultural use is made on government account through State Trading Enterprises (STEs). Import of all other fertilizers is free and the importers are importing these fertilizers as per their requirement under Open General License (OGL). As of now, there is no change in policy related to urea.

(c) The fertilizers like Urea, Di Ammonium Phosphate, various grades of complex fertilizers, Single Super Phosphate (SSP) etc. are being produced in the country. However, the gap between assessed demand and indigenous production is being met through imports. Muriate of Potash (MOP) is the only fertilizer, whose demand is fully met through imports as there are no viable sources of MOP in the country.

(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 revamp, expansion, 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 also 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 the possibilities for joint ventures abroad to ensure uninterrupted supply of fertilizer inputs to P&K sector.