

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

UNSTARRED QUESTION NO:4206
ANSWERED ON:19.08.2010
JOINT VENTURE FERTILIZER UNITS
Sukur Shri Jadhav Baliram

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

- (a) whether the investment policy announced by the Government envisages roadmap for setting up of joint ventures in fertilizer sector;
- (b) if so, the details thereof;
- (c) the details of the joint venture fertilizer projects set up so far; and
- (d) the efforts being made by the Government to encourage the Indian companies to establish joint venture production facilities in those countries which have rich resources of natural gas and rock phosphate?

Answer

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

(a) : Yes, Madam.

(b) : The policy announced by the Department of Fertilizers regarding new investment in urea sector and long-term offtake of Urea from joint ventures abroad provides as below;

‘The joint venture projects abroad in gas rich countries will be encouraged through firm offtake contracts with pricing decided on the basis of prevailing market conditions and in mutual consultation with the joint venture company. However, the principle for deciding upon the maximum price will be the price achieved under Greenfield projects or 95% of IPP as applicable to brown filed projects (in absence of any Greenfield project) with a cap of USD 405 CIF India per MT and a floor of USD 225 CIF India per MT (inclusive of handling and bagging costs). The offtake commitments from new JV projects abroad would be limited to a maximum of 5 million tones. However, this ceiling can be reviewed, and additional committed offtake and any deviation of price principle thereof can be decided upon by Department of Fertilizers in consultation with the Department of Expenditure keeping in view that this does not constrain setting up of Greenfield projects in the country.’

(c): Details of the Joint Venture Fertilizer Projects set-up so far is given below:

JV Project-Country Entities Annual Production Capacity

Oman India Fertilizer Co. Oman Oil Co. (OOC-50%), 16.52 Lakh MT urea
(OMIFCO), Oman IFFCO (25%) & KRIBHCO (25%) & 2.48 Lakh MT Ammonia

ICS Senegal, Senegal ICS Senegal and IFFCO c 5.5 Lakh MT Phosphoric Acid
onsortium

Indo -Jordan Chemicals JPJC (Jordan) & SPIC (India) 2.24 Lakh MT Phosphoric Acid
Company (IJC), Jordan

JPJC - IFFCO JV, Jordan JPJC & IFFCO 4.8 Lakh MT Phosphoric Acid
to be commissioned by 2010

IMACID, Morocco OCP (50%) Morocco, 4.25 Lakh MT Phosphoric Acid
Chambal (25%)
& TCL (25%) - India

Tunisia-India Fertilizer GCT (Tunisia) CFL & GSFC 3.60 Lakh MT of Phosphoric Acid
Company (TIFERT), Tunisia. (India)

(d): The Department of Fertilizers is in correspondence, with the cooperation of Indian Missions, with various Countries having rich resources like Natural Gas, Rock Phosphate and Potash, for exploring possibility of setting-up Joint Venture Fertilizer plants. The Department provides all the possible information, help and co-operation to the Indian Fertilizer entities, both Public as well as Private sector also for setting-up of Joint Ventures abroad.