

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

UNSTARRED QUESTION NO:5792

ANSWERED ON:08.09.2011

IMPORT OF UREA

Chaudhary Shri Jayant;Paswan Shri Kamlesh

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

- (a) The import price of urea during the last five year till date;
- (b) The quantity of urea imported during the said period, total money spent on this account and the subsidy outgo for the import;
- (c) the projected consumption of urea in the country during the next plan period; and
- (d) the steps taken by the Government to bridge the gap between demand and indigenous availability of urea?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF STATISTICS AND PROGRAMME IMPLEMENTATION AND MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI SRIKANT KUMAR JENA)

(a) : Import of Urea for direct agriculture use is made on Government account through three State Trading Enterprises (STEs) i.e. MMTC Limited, State Trading Corporation Limited and Indian Potash Limited. Besides this, Government is also importing approximately 2 million MT of granular urea per annum from Oman India Fertiliser Company (OMIFCO), Sur, Oman under Long Term Urea Off Take Agreement (UOTA) between GOI & OMIFCO. The weighted average price of urea imported on Government account during the last five years and current year upto 31st August 2011 is as under:-

Year Weighted average C&F price US\$ per MT
 For imports For imports
 through STEs from OMIFCO

2006-07	248.85	168.66
2007-08	344.20	180.10
2008-09	524.41	232.79
2009-10	277.14	164.99
2010-11	327.38	166.78
2011-12	436.90	291.01
(upto 08/11)		

(b) The quantity of urea imported on Government account during the last five years and current year upto 31st August 2011, the weighted average value of urea and the net subsidy paid on imported urea is as under:-

Year Quantity of urea imported Value Net subsidy paid
 (in lakh MT) Million US \$ Rupees/Crore
 By From Total
 STEs Oman

2006-07	28.82	18.37	47.19	394.95	3274.09
2007-08	50.37	18.91	69.28	1027.01	6606.11
2008-09	37.61	19.06	56.67	2416.00	10078.86
2009-10	31.48	20.62	52.10	1212.65	4603.32
2010-11	45.46	20.64	66.10	1832.50	6453.91
2011-12	9.39	16.10	25.49	976.67	3608.42
(upto 08/11)					

(c): Urea demand Projection during the twelfth five year plan is yet to be finalised by Department of Agriculture & Cooperation (DAC). The demand forecast of urea for the year 2011-12 in the eleventh five year plan will be approximately 287.55 lakh MT. If the same trend continues, the likely demand of urea in the last year of twelfth five year plan i.e.2017-2018 will be around 343.35 lakh MT (taking 3% growth projection per year).

(d): Government is always encouraging production of fertilisers in the country to achieve self-sufficiency. A new policy was announced on 4th September 2008 to attract new investments in urea sector. 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 subject to adequate availability of gas at reasonable prices.