

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

UNSTARRED QUESTION NO:68

ANSWERED ON:02.07.2009

SETTING UP OF NEW FERTILIZER UNITS PLANTS

Chowdhury Shri Adhir Ranjan;Mahtab Shri Bhartruhari

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

(a) whether the Government proposes to set-up new units/plants in the country, particularly in West Bengal for increasing the production of Chemicals Fertilizers to meet the growing demand during Eleventh Five Year Plan;

(b) If so, the reasons therefor; and

(c) the funds likely to be invested for the purposes ?

Answer

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

(a) to (c) : In view of the increasing gap in demand and supply of urea in the country, the Government is encouraging companies for setting up of new urea plants within the country. Towards this end, a New Pricing Policy for attracting new investments in urea sector has also been announced by the Government on 4th September, 2008. The decision regarding setting up of a new unit/plant in the country will entirely be dependent upon the assessment of the investor who may be willing to invest in this sector in view of the emerging demand production gap and the attractive investment policy.

Further, the Government has decided to revive the closed units of erstwhile Fertilizer Corporation of India Ltd. and Hindustan Fertilizer Corporation Ltd. including their closed units at Durgapur and Haldai, which fall under West Bengal, subject to finalization of fully tied up revival proposals. An Empowered Committee of Secretaries under the chairmanship of Secretary (Fertilizer) has been constituted to look into the various possible options for revival of these closed units including closed units in the State of West Bengal. A final decision has not been taken in the matter.

It is estimated that setting up of a one million tonne urea plant would cost approximately Rs. 4,500-5,000 crore.