

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

UNSTARRED QUESTION NO:3518
ANSWERED ON:15.12.2011
IMPORT OF FERTILIZER
Bajwa Shri Partap Singh

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

- (a) whether the Indian Fertilizer Companies are being unable to secure fertilizers on well negotiated long term contracts and are being forced to import the same on the much higher spot prices in the international market;
- (b) if so, whether the government is giving any assistance to the Indian Fertilizer Companies to secure better long term contract rates so that the fertilizer is not imported on the more expensive spot rate;
- (c) if so, the details thereof;
- (d) whether any policy measures have been initiated to reduce the dependence on such imports in the long run; and
- (e) if so, the details thereof?

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): There had been constraints in securing long term contracts in P & K sector in Kharif season due to competing demand in other countries and cartelization. However, due to the reasons of cartelization amongst the leading producers and marketing companies, increase in the prices of fertilizers and fertilizer inputs in the International Market has been noticed.

(b)& (c): Import of Fertilizers except Urea is under Open General List (OGL) as per Foreign Trade Policy and the fertilizer entities takes decision about import of these fertilizers in accordance with their commercial interest and also as per the demand of the fertilizers in the Country. However, the Department of Fertilizers provides all possible diplomatic and other assistance to the Indian Fertilizer entities to secure better long term contracts for import of fertilizers and fertilizer inputs to the Country.

(d)&(e) : It has been the policy of this Department to put efforts in consultation /cooperation with the Ministry of External Affairs, Department of Expenditure and the other concerned Ministries/ Departments of the Government of India to encourage fertilizer PSUs and the Private fertilizer entities of India for acquiring fertilizer mineral assets and to set-up Joint Venture Fertilizer Projects abroad in the resource rich countries and also to enter in to long-term agreements for supply of fertilizers / fertilizer inputs, at some preferential prices from such countries.