

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

UNSTARRED QUESTION NO:3261

ANSWERED ON:13.12.2012

INCREASE IN COMPETITIVENESS AMONG FERTILIZER PRODUCING UNITS

Verma Shri Sajjan Singh

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

(a) whether the Government has taken any steps to increase the competitiveness among the fertilizer producing units in order to enhance their capacity; and

(b) 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) & (b): The Government has been implementing New Pricing Scheme(NPS) for urea manufacturing units in different stages since 2003. The primary consideration and goal of the NPS is to encourage efficiency parameters of international standards, based on usage of most efficient feedstock, state of art technology and also ensure viable rate of return to units. The NPS-III has measures to incentivize urea units to produce beyond their reassessed capacity. So far as P&K fertilizers is concerned, the NPS has been implemented for P&K fertilizers w.e.f. 01-04-2010 under which a fixed subsidy is provided on all subsidized P&K fertilizers. MRP is fixed by the companies. Therefore, in order to maximize profit, the fertilizer companies will tend to increase its efficiency, production etc.