

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

UNSTARRED QUESTION NO:766

ANSWERED ON:10.12.2013

NEW INVESTMENT POLICY FOR UREA SECTOR

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

- (a) whether the Government has notified the new Investment Policy 2012 to facilitate fresh investment in the urea sector and to reduce India's dependency on imports;
- (b) if so, whether the response of the national and international investors under the new policy is very poor/unsatisfactory;
- (c) if so, whether the Government has reviewed its policy to attract foreign investments in the fertilizer sector and remove the guaranteed buy back clause in the policy and adopt a bidding process to shortlist the companies;
- (d) if so, the details thereof and the reasons therefor;
- (e) the number of proposals received so far in response to the new investment policy and the present status of these proposals along with the time by which the required amendments are likely to be made in the policy; and
- (f) the other steps taken by the Government to make the country self-reliant in the production of fertilizers and to reduce the import bill in this regard?

Answer

MINISTER OF STATE (I/C) IN THE MINISTRY OF STATISTICS AND PROGRAMME IMPLEMENTATION (SHRI SRIKANT KUMAR JENA)

(a): Yes, Madam.

(b): The response has been good.

(c) & (d): The proposal for amendment of New Investment Policy (NIP) – 2012 is under consideration of the Government.

(e): In response to notification of 2012, as of now, 14 companies (including PSUs) have responded to the NIP-2012 for setting up new Brownfield/Greenfield Projects. In addition, Nagarjuna Fertilizers and Chemicals Nigeria limited (NFCNL) has proposed a joint venture in Nigeria (provisions under NIP 2012 for overseas/joint projects). Final decision on these proposals will be taken after the amendment of NIP 2012 which is under consideration of the Government.

(f): The Government has notified the New Investment Policy 2012 to facilitate fresh investment in urea sector and to reduce India's import dependency.

However, in case of P & K fertilizers because of non availability of indigenous raw materials, the country has to depend on the import for raw material or finish products. The country is fully dependent on import in Potash sector as there are no economically exploitable potash bearing minerals.

In Phosphatic sector, though we are producing DAP, complex fertilizers and SSP, the raw materials for 'P' is mostly imported. India has limited amount of rock phosphate of low grade which can only be utilized for production of SSP. This indigenous availability of 'P' is partially sufficient to meet the requirement of SSP industry. On the whole, the country is 90% dependent on import either in the finished products or raw materials for P&K fertilizers.