

GOVERNMENT OF INDIA
MINISTRY OF CHEMICALS & FERTILIZERS
DEPARTMENT OF FERTILISERS
LOK SABHA
UNSTARRED QUESTION NO. 263 TO BE ANSWERED ON: 19.11.2019

Fertilizer Import

**263. DR. BHARATIBEN DHIRUBHAI SHIYAL:
SHRIMATI QUEEN OJA:**

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

- (a) whether fertilizers are produced on a large scale in the country but at present import is increasing day by day in comparison to export and the production is stable;
- (b) if so, the reasons therefor;
- (c) whether the Government has formulated any action-plan to deal with this situation;
- (d) if so, the details thereof and if not, the reasons therefor; and
- (e) whether the Government has fixed any accountability in this regard and if so, the details thereof?

ANSWER

MINISTER OF CHEMICALS & FERTILIZERS

(SHRI D.V. SADANANDA GOWDA)

(a) & (b): The production, consumption and import of fertilizers during the last four years are given as under:

Fig. in LMT

Year	Production	Consumption/Sales	Import
2015-16	413.14	534.07	183.54
2016-17	414.41	499.10	141.23
2017-18	413.61	515.85	154.27
2018-19	414.85	537.90	188.43

The requirement of fertilizers in the country is much higher than the indigenous production. It is evident from above data that the indigenous production does not commensurate the domestic consumption/sale of fertilizers in the country. The gap has to be met through import.

At present, the annual requirement of urea in the country is about 320 LMT while the annual indigenous production is stagnated at around 240 LMT. The gap has to be met through import on government account. These imports are imperative for ensuring smooth and timely supply of urea to the farmers in the country.

All non-urea fertilizers are covered under Open General License regime and are imported by the fertilizer companies on commercially viable terms. In so far as P&K Fertilizers are concerned, there is no other option available but to import these fertilizers to meet the domestic demand. India is fully dependent on imports for its requirement of MoP which can be used as finished fertilizers as well as raw material for other complex fertilizers. India is also dependent on imports for the raw materials of phosphatic fertilizers such as natural gas, ammonia, rock phosphate, phosphoric acid, sulphur, sulphuric acid etc. due to non-availability/scarce availability of resources.

(c) to (e): With a view to facilitate fresh investment in urea sector and to make India self-sufficient in the urea sector, the Government has notified the New Investment Policy (NIP) - 2012 on 2nd January, 2013 and its amendment on 7th October, 2014. The Government of India has also notified the New Urea Policy (NUP), 2015 for existing 25 gas based urea units with the objective of maximizing indigenous urea production; promoting energy efficiency which led to additional production of approximately 20 LMT. Under the provisions of NIP - 2012, NUP-2015 and its amendment, Matix Fertilisers & Chemicals Limited (Matix) has set up a Coal Bed Methane (CBM) based Greenfield Ammonia-Urea complex at Panagarh, West Bengal. Chambal Fertilizers & Chemicals Limited (CFCL) has also set up a brownfield project at Gadepan, Rajasthan. The commercial production of CFCL-III has been started on 1st January, 2019. With the commissioning of Greenfield Ammonia urea plant set up by Matix Fertilizers & Chemicals Limited at Panagarh, West Bengal and Brownfield project of Chambal Fertilizers & Chemicals Limited at Kota, Rajasthan, the indigenous production of urea in the country is expected to be enhanced by 25.40 LMT per annum.

The Government has also decided to revive closed urea units namely Gorakhpur (UP), Sindri (Jharkhand), Talcher (Odisha) and Ramagundam (Telengana) units of Fertilizer Corporation of India Limited (FCIL) and Barauni (Bihar) unit of Hindustan Fertilizers Corporation Limited (HFCL) with the production capacity of 12.70 LMT each. These upcoming plants which are likely to be operational by 2021-22, will add 63.50 LMT of urea to the indigenous production of urea of the country leading to reduction in import of urea.

Further, the Union Cabinet in its meeting held on 21.05.2015 has decided to install a new urea plant of 8.646 LMT in the existing premises of Brahmaputra Valley Fertilizers Corporation Limited (BVFCL), which will subsequently replace the existing urea plants Namrup-II (capacity 2.20 LMTPA) and Namrup-III (capacity 2.70 LMTPA). Once this plant becomes operational, it will help in enhancing the indigenous production resulting in reduction in import dependency.

Fertilizers have been declared as essential commodities under the Essential Commodities Act, 1955. In order to ensure adequate availability of fertilizers at reasonable price to the farmers, the Government of India under Section 3 of the Essential Commodities Act has promulgated the Fertilizer Control Order, 1985 and Fertilizer (Movement Control) Order, 1973.
