

GOVERNMENT OF INDIA
MINISTRY OF CHEMICALS AND FERTILIZERS
DEPARTMENT OF FERTILIZERS

RAJYA SABHA

UNSTARRED QUESTION NO. 3389 TO BE ANSWERED ON : 01.04.2025

Promotion of domestic production of fertilizer

3389. SHRI K.R.N. RAJESHKUMAR:

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

- (a) the steps being taken to reduce the country's dependency on imported fertilizers and promote domestic production; and
- (b) the measures being taken to ensure price stability in the chemical sector and promote competitiveness and sustainability?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS & FERTILIZERS
(SMT. ANUPRIYA PATEL)

(a): With regard to Urea, the Government had announced New Investment Policy (NIP) – 2012 on 2nd January, 2013 and its amendment on 7th October, 2014 to facilitate fresh investment in the urea sector and to make India self-sufficient in the urea sector. Total 6 new urea units have been set up under NIP-2012 which includes 4 urea units set up through Joint Venture Companies (JVC) of nominated PSUs and 2 urea units set up by the private companies. The units set up through JVC are Ramagundam urea unit of Ramagundam Fertilizers and Chemicals Ltd (RFCL) in Telangana and 3 urea units namely Gorakhpur, Sindri and Barauni of Hindustan Urvarak & Rasayan Limited (HURL) in Uttar Pradesh, Jharkhand and Bihar, respectively. The units set up by private companies are Panagarh urea unit of Matix Fertilizers and Chemicals Ltd. (Matix) in West Bengal; and Gadepan-III urea unit of Chambal Fertilizers and Chemicals Ltd. (CFCL) in Rajasthan. Each of these units has installed capacity of 12.7 Lakh Metric Tonne per annum (LMTPA). These units are highly energy efficient as they are based on latest technology. Therefore, these units have together added urea production capacity of 76.2 LMTPA, thereby total indigenous urea production capacity (Reassessed Capacity, RAC) has increased from 207.54 LMTPA during 2014-15 to 283.74 LMTPA during 2023-24. Further, an exclusive policy for the revival of Talcher unit of FCIL through JVC of nominated PSUs namely Talcher Fertilizers Limited (TFL) by setting up a new Greenfield urea plant of 12.7 LMTPA at coal gasification route has also been approved.

In addition, the Government also notified the New Urea Policy (NUP) – 2015 on 25th May, 2015 for the existing 25 gas-based urea units with one of the objectives of maximizing indigenous urea production beyond RAC. The NUP-2015 has led to additional production of urea by 20-25 LMT as compared to the production during 2014-15 annually.

Above steps together have facilitated increase of Urea production from level of 225 LMT per annum during 2014-15 to a record Urea Production at 314.07 LMT during 2023-24.

With regard to P & K fertilizers, the P&K sector is decontrolled and the fertilizer companies manufacture/import/develop domestic production capacities of fertilizers as per the market dynamics. Further, to reduce dependency on imported fertilizers, the following measures have been taken by the Government:

(i) Based on the requests, the new manufacturing units or increase in manufacturing capacity of existing units have been recognized / taken on record under the NBS subsidy scheme. The number of P&K fertilizers covered under NBS policy has also been increased to from 22 grades in 2021 to 28 grades at present with a view to boost manufacturing and make country self-reliant in fertilizer production. 06 new grades added are NPK 08-21-21, NPK 09-24-24, Potash Derived from Molasses(PDM) (0-0-14.5-0) , NPK 11-30-14 fortified with Magnesium, Zinc, Boron and Sulphur, Urea-SSP Complex 5-15-0-10 and SSP 0-16-0-11 fortified with Magnesium, Zinc and Boron.

(ii) Freight Subsidy on SSP, which is an indigenously manufactured fertilizer, is applicable since Kharif, 2022 to promote SSP usage for providing Phosphatic or 'P' nutrient to the soil.

As a result of the above steps, the production of P&K fertilizers has increased from 185.23 LMT during 2021-22 to 189.25 LMT during 2023-24.

(b): Chemical Sector is de-licensed and de-regulated except few hazardous chemicals. As such prices of Chemicals are not being regulated by the Government.

For enhancing the competitiveness of the chemical sector, the Government has taken certain initiatives on the infrastructural front by way of establishment of Petroleum, Chemicals and Petrochemicals Investment Regions (PCPIRs) in the States of Gujarat, Andhra Pradesh and Odisha. Further, Plastic Parks have also been established by this Department to promote the development of the industry and enhances its competitiveness. Details of these two initiatives are as under:-

i. Petroleum, Chemical and Petrochemical Investment Regions (PCPIRs):

Government of India has notified the PCPIR Policy, 2007 to attract investment and for the generation of employment in Petroleum, Chemical and Petrochemical Investment Regions (PCPIRs). PCPIRs promote the Chemical and Petrochemical sectors in an integrated and environment friendly manner on a large scale and are conceptualized in a cluster-based approach with common infrastructure and support services to provide a competitive environment conducive for setting up businesses. At present, three (PCPIRs) are being implemented in the States of Andhra Pradesh (Vishakhapatnam), Gujarat (Dahej) and Odisha (Paradeep) to promote investment and industrial development in these sectors.

These PCPIRs have attracted investment of Rs. 2.61 lakh crore in Petroleum, Chemicals, Petrochemicals and ancillary industries and generated employment to 3.7 lakh persons.

ii. Plastic Parks: The Scheme for Setting up of Plastic Parks promotes setting up of need-based Plastic Parks with requisite infrastructure and enabling common facilities to consolidate and synergize the capacities of downstream plastic processing industry to help increase investment, production and export in the sector as well as generate employment. 10 Plastic Parks have been approved so far.

Further under the scheme for setting up of Centre of Excellence (CoE), the Department of Chemicals & Petro-Chemicals provides grant-in-aid to identified research institutes with the objective of improving the existing technology and research in the country and to promote development of new applications. Till date, 18 CoEs have been approved.
