

GOVERNMENT OF INDIA
MINISTRY OF CHEMICALS AND FERTILIZERS
DEPARTMENT OF CHEMICALS AND PETROCHEMICALS

LOK SABHA
STARRED QUESTION No. 298
TO BE ANSWERED ON 16.03.2021

Indigenous Production of Chemicals and Fertilizers

*** 298 SHRI ARJUN LAL MEENA**
SHRI P.P. CHAUDHARY

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

- (a) the details of various schemes under the ambit of his Ministry to increase the indigenous production of chemicals and fertilizers;
- (b) the details of the schemes/projects including the funds provided, expenditure incurred and the number of beneficiaries during the last three years;
- (c) whether any specific system has been introduced to help producers to become more competitive in the global market post COVID-19; and
- (d) if so, the details thereof?

ANSWER

MINISTER OF CHEMICALS AND FERTILIZERS
(SHRI D. V. SADANANDA GOWDA)

(a) to (d): A statement is laid on the Table of the House.

Statement referred to in parts (a) to (d) of Lok Sabha Starred Question No.298 for answer on 16.03.2021 regarding 'Indigenous Production of Chemicals and Fertilizers'

(a) In so far as Department of Fertilizers is concerned, 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. Under NIP – 2012 read with its amendment, Matix and CFCL have set up Greenfield and Brownfield urea plants respectively. Further, a decision has been taken to revive 4 closed units of the FCIL namely Gorakhpur, Sindri, Talcher and Ramagundam and one closed unit of HCFL namely Barauni by setting up of new Ammonia-Urea complex. Each of these units has the installed capacity of 12.7 LMT per year.

The Government of India has also notified the New Urea Policy (NUP) – 2015 on 25th May, 2015 for existing 25 gas based urea units with the objective of maximizing indigenous urea production; promoting energy efficiency in urea production; and rationalizing subsidy burden on the Government. NUP-2015 also envisages the provision to incentivize beyond RAC production which has led to additional production from the existing gas based urea plants.

There is no Scheme in Department of Chemicals & Petrochemicals to increase the indigenous production of Chemicals.

(b) Urea is being provided to all the farmers at a statutorily notified Maximum Retail Price (MRP). The MRP of 45 kg bag of urea is Rs.242 per bag (exclusive of charges towards neem coating and taxes as applicable). The difference between the delivered cost of urea at farm gate and net market realization by the urea units is given as subsidy to the urea manufacturer/importer by the Government of India.

The details of subsidy allocated and expenditure on indigenous urea during last three years is as under:

Year	Revised Estimate (Rs. In crore)	Actual Expenditure (Rs. In crore)
2017-18	31973.70	31973.70
2018-29	34989.50	32189.50
2019-20	43050.00	43050.00

(c) No Sir.

(d) In view of (c) above, question does not arise.
