

GOVERNMENT OF INDIA
MINISTRY OF CHEMICALS & FERTILIZERS
DEPARTMENT OF FERTILIZERS

LOK SABHA

UNSTARRED Question No. **2033** TO BE ANSWERED ON **02.08.2024**

SELF RELIANCE OF DOMESTIC FERTILIZER INDUSTRY

2033 SHRI ABHISHEK BANERJEE:

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

(a) the steps taken/proposed to be taken by the Government to ensure self-reliance of the domestic fertilizer industry in the country; and

(b) the amount of money spent on import of fertilizers during the last five years, year-wise?

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 at present. 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. The NUP-2015 has led to additional production of urea by 20-25 LMTPA as compared to the production during 2014-15.

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 314.09 LMT during 2023-24, thereby reducing import of Urea during 2023-24.

With regard to P&K Fertilizers, the Government has implemented Nutrient Based Subsidy Policy w.e.f. 1.4.2010 for Phosphatic and Potassic (P&K) Fertilizers. Under the policy, a fixed amount of subsidy, decided on annual/bi-annual basis, is provided on notified P&K fertilizers depending on their nutrient content. Under this policy, MRP is fixed by fertilizer companies as per market dynamics at reasonable level which is monitored by the Government. The Government has taken following steps to make country self-reliant in fertilizer production:

(i) Based on examination of requests received, permissions are granted to the fertilizer companies for increasing their manufacturing capacity which are under NBS and for induction of new P&K companies & their fertilizer products under Nutrient Based Subsidy (NBS), with a view to boost manufacturing and make country self-reliant in fertilizer production.

(ii) Potash derived from Molasses (PDM) which is 100% indigenously manufactured fertilizer has been notified under Nutrient based subsidy (NBS) regime w.e.f 13.10.2021.

(iii) Further, freight subsidy on Single Super Phosphate (SSP), which is also an indigenously manufactured fertilizer, has been made applicable for Kharif and Rabi 2023-24 to help in promotion of SSP usage for providing Phosphatic or "P" nutrient to the soil.

As a result of these steps, production of DAP has increased from 38.99 LMT in 2018-19 to 42.93 LMT in 2023-24, while during the same period, the production of NPKs has increased from 89.98 LMT to 95.48 LMT by 22 P&K fertilizer manufacturing units. Similarly, production of SSP increased from 40.72 LMT in 2018-19 to 44.44 LMT in 2023-24 by 104 SSP manufacturing units.

(b): The value of imported urea during the years 2019-20, 2020-21, 2021-22, 2022-23, and 2023-24 is Rs. 14,049 Cr., Rs. 25,049.62 Cr., Rs. 50,250.40 Cr., Rs. 41,365.6 Cr. and Rs. 28,193.94 Cr. respectively.

P&K fertilizers are covered under Open General License (OGL) and companies are free to import /produce these fertilizers as per their business dynamics.
