

GOVERNMENT OF INDIA
MINISTRY OF CHEMICALS & FERTILIZERS
DEPARTMENT OF FERTILIZERS

LOK SABHA

UNSTARRED QUESTION NO. 3034 TO BE ANSWERED ON 13.12.2024

Import Dependency of Fertilizers

3034: SHRI MADDILA GURUMOORTHY:
SHRI P V MIDHUN REDDY:

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

- (a) whether Urea imports consisted of 7.6 million metric tons (mt) in 2022-23 with even domestically produced Urea heavily relying of imported natural gas, if so, the details thereof including the measures that have been taken to reduce urea imports;
- (b) whether the Government has looked into developing alternative feedstocks and raw materials as India's fertilizer sector continues to be dependent on imports of natural gas, ammonia and fertilizers;
- (c) if so, the details thereof;
- (d) whether the Government has taken any action towards the recommendations made by Standing Committee on Chemicals and Fertilizers which included establishing long-term agreements for import of fertilizers' raw materials or setting up joint venture plants in countries rich in fertilizer's raw materials with buy-back arrangements to ensure self-reliance' and
- (e) if so, the details thereof and if not, the reasons therefor?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS & FERTILIZERS

(SMT. ANUPRIYA PATEL)

(a): Yes, 7.58 Million Metric Tonnes of Urea was imported during 2022-23.

As regards the steps taken to reduce Urea import, 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 of 76.2 LMTPA thereby total production urea production capacity has increased from 207.54 LMTPA during 2014-15 to 283.74 LMTPA at present.

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.

These 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.

Accordingly, the import of Urea has been reduced from 75.80 LMT in 2022-23 to 70.42 LMT in 2023-24.

(b) & (c): Government mandated revival of Talcher Fertilizer unit through formation of a JVC of nominated PSUs named Talcher Fertilizers Ltd. (TFL) for setting up Ammonia urea plant of 12.7 LMT per annum capacity based on coal gasification technology. On completion of the project, the production of urea in the country will increase by 12.7 LMTPA and will assist in maximizing the indigenous production of Urea and provide security in feedstock supply as a coal would be sourced domestically and providing alternate route of urea production to diversify the feedstock risk in the sector. This will also reduce the dependency on urea imports and import of natural gas leading to savings in foreign exchange and maximizing indigenous urea production.

In so far as P&K Sector is concerned, Potash derived from Molasses (PDM) has been inducted under Nutrient Based Subsidy (NBS) Scheme as an alternative to Muriate of Potash (MOP), which is totally imported.

(d) & (e): The Government of India has been actively engaging with countries rich in fertilizer raw materials to explore long-term agreements for the import of raw materials or the establishment of joint venture fertilizer plants under buy-back arrangements.

To achieve this, the Government has facilitated the establishment of several Long-Term Agreements (LTAs) between Indian companies and foreign companies in fertilizer rich countries.

Additionally, the India fertilizer companies have also formed Joint venture in fertilizer-rich nations, such as Oman India Fertilizer Company (OMIFCO) in Oman, Industries Chimiques Du Senegal (ICS) in Senegal, and Jordan India Fertilizers Company (JIFCO) in Jordan.
