

GOVERNMENT OF INDIA
MINISTRY OF CHEMICALS & FERTILIZERS
DEPARTMENT OF FERTILIZERS

LOK SABHA

UNSTARRED QUESTION NO. 912
TO BE ANSWERED ON : 01.03.2016

Production and Import of Fertilizer

912: SHRI PRATHAP SIMHA:
KUMARI SHOBHA KARANDLAJE:
DR. KULAMANI SAMAL:
SHRI DUSHYANT SINGH:

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

- (a) whether the fertilizers produced by the private as well as Government affiliated companies in India is insufficient for agricultural activities in the country, if so, the details thereof and the reasons therefor;
- (b) whether the Government imports/proposes to import fertilizers to supplement the demand of farmers in the country, if so, the details thereof, fertilizer-wise and country-wise;
- (c) whether several fertilizer units in the country have been closed/facing closure during the last two years and if so, the details of such fertilizer units and the reasons therefor along with the initiative of the Government to revive the closed as well sick units in the country;
- (d) whether the Government has drawn/proposed an action plan to boost the growth of fertilizer industry and enhance the production of fertilizers both quantitatively and qualitatively to make the country self-reliant in meeting the requirement of fertilizers and in particular to meet the requirement of States/UTs for the year 2016, if so, the details thereof and the present status of fertilizer production in India; and
- (e) whether the Government has been encouraging Indian companies to establish Joint Ventures for production of fertilizers in countries which are rich in fertilizer resources with buy back arrangement and to enter into long term agreement for supply of fertilizers and fertilizer inputs to India, if so, the details thereof?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF CHEMICALS & FERTILIZERS

(SHRI HANSRAJ GANGARAM AHIR)

(a): Yes, Madam. The indigenous production of fertilizers (Urea, DAP, MOP & NPK) is less than the requirement of the country. Indian's dependency on import is about 25% of our requirement of Urea. In respect of Phosphatic & Potassic sector, the country's dependence on imports is about 90% and 100% respectively, either in the form of raw material or finished fertilizers.

(b): Urea for direct agricultural use is imported on Government account through State Trade Enterprises (STEs) to bridge the gap between assessed demand and indigenous production. Government is also importing approximately 20 Lakh Metric Tonnes urea from Oman India Fertiliser Company (OMIFCO) under a Long Term Urea Off Take Agreement (UOTA) between GOI & OMIFCO. Import of all other fertilizers is free. Importers import these fertilizers as per their commercial judgement. The year-wise and country wise detail of fertilizers imported during this current year i.e. from 01.04.2015 to 31.01.2016 is as under: -

<Figures in Lakh MT>

Country	Urea	DAP	NPK	MOP#
Belarus				1.23
Canada				4.99
CIS				2.51
China	42.39	34.49	0.58	
Estonia			2.04	
Germany				0.71
Iran	16.53			
Israel				4.00
Jordan		0.81		3.39
Kuwait	0.86			
Lithuania	0.63			4.58
Oman	19.67			
Russia		3.04	3.67	7.71
S. Arabia		14.86		
Ukraine	1.18			
USA		3.53		
Uzbekistan				0.30
Total	81.26	55.73	6.29	29.42

MOP includes both for use as direct application as well as NPK manufacture.

(c): None of the unit of any of the Fertilizer PSUs has been closed/facing closure during the last two years.

(d): Yes, Madam. The Government had notified New Investment Policy – 2012 on 2nd January, 2013 and its amendment on 7th October 2014 to facilitate fresh investment in urea sector and to make India self-sufficient in the urea sector.

The Government has also notified the New Urea Policy 2015 on 25th May, 2015 for existing gas based urea units with the objectives of maximizing indigenous urea production; promoting energy efficiency in urea production; and rationalizing subsidy burden on the Government.

Apart from this, Government has taken steps for the revival/restructuring of the closed/sick PSUs. At present, all the five units of FCIL (Fertilizer Corporation of India Limited) and three units of HFCL (Hindustan Fertilizers Corporation Limited) are lying closed. As per CCEA decision dated 09.05.2013 two units of the FCIL namely Ramagundam and Talcher are being revived on 'nomination basis'. Further, as decided by union Cabinet on 31.03.2015 Gorakhpur unit of FCIL and Barauni unit of HFCL are to be revived on 'bidding route' while as per decision of the Cabinet dated 21.05.2015 the Sindri unit of the FCIL is to be revived on 'bidding route'. Setting up of fertilizer plants at all these locations is proposed.

The Government has also notified the New Urea Policy 2015 on 25th May, 2015 for existing gas based urea units with the objectives of maximizing indigenous urea production; promoting energy efficiency in urea production; and rationalizing subsidy burden on the Government.

In addition to the above, it is informed that the Union Cabinet on 21.05.2015 has approved for setting up of a new-brownfield Ammonia-Urea Complex in the existing premises of the BVFCL at Namrup (Assam).

Current Status of production in Public Sector and Private Sector in the current year upto January, 2016 is indicated below:

<Figures in LMT>

Year	Public Sector		Private Sector		
	Urea	Complex Fertilizers	Urea	DAP	Complex Fertilizers
2015-16 (upto January, 2016)	58.87	10.56	88.17	16.39	40.55

(e): The Government has been encouraging Indian Companies to establish Joint Ventures abroad in countries which are rich in fertilizer resources for production facilities with buy back arrangements and to enter into long term agreement for supply of fertilizers and fertilize inputs to India. Further, the Department is also working with the goal of having access to acquisition of the fertilizer raw materials abroad. So far, the Department of Fertilizers has undertaken Joint Ventures abroad with 5 countries in the previous years. The details of such Joint Ventures in the fertilizer sector are indicated below:

Joint Ventures under operation

S. No.	JV Country	Project-	JV participants with equity %	Product and the project status
1	Oman India Fertilizer Co. (OMIFCO), Oman		Oman Oil Co. (OOC-50%), IFFCO (25%) & KRIBHCO (25%)	16.52 lakh MT Urea & 2.48 lakh MT Ammonia, Production started in year 2006
2	ICS Senegal, Senegal		ICS Senegal and IFFCO consortium	5.5 lakh MT phosphoric acid Production already started
3	JPMC – IFFCO JV, Jordan		JPMC & IFFCO	4.8 lakh MT phosphoric acid,
4	IMACID, Morocco		OCP (50%) - Morocco, Chambal (25%) & TCL (25%)- India	4.25 lakh MT phosphoric acid
5	Tunisia-India Fertilizer Company (TIFERT), Tunisia		GCT (Tunisia), CFL & GSFC (India)	3.60 lakh MT of phosphoric acid. Commercial production started
