

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI SRIKANT JENA): (a) to (d) The information is being collected and would be laid on the Table of the House.

Setting up of Fertilizer Fund

2207. SHRI DEVENDER GOUD T.: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether it is a fact that a Working Group of the Planning Commission has recommended for setting up of a Fertilizer Fund with an amount of ₹ 25,000 crores;

(b) if so, the details thereof;

(c) the aims and objectives of the proposed Fund; and

(d) the other recommendations made by the Working Group with regard to import of fertilizers and to overcome the shortage of fertilizers domestically?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI SRIKANT JENA): (a) to (c) No 'Fertilizer Fund' as such has been visualized.

(d) Regarding import of fertilizers, the Working Group has indicated that since India is dependent on imported raw materials and intermediates for phosphatic and potassic (P&K) fertilizers and is devoid of any substantial economically exploitable reserves of P&K raw materials, sufficient supplies of raw materials and intermediates for P&K sector over a sustained period has to be ensured.

The Indian companies need to invest outside in the resources rich countries by way of joint ventures in new mining capacities, production of phosphoric acid, production of finished fertilizers, long term buy back arrangement with present suppliers etc. This will not only provide some control over the world resources but will also help in stabilising the international prices. In parallel, intensive Research and Development (R&D) to explore the possibility of extraction of inputs from other natural resources in the country like marine, land could be initiated specially for potash.

To overcome shortages of fertilizers, the Working Group has recommended that new investments need to be attracted to the special economic zones where fiscal benefits are provided to attract investments. Besides fiscal benefits, the fertilizer industry could be provided incentives as under:

(i) Exemptions from various taxes, such as income tax, custom duties, central excise duties and service tax.

(ii) Viability gap funding for investments in new projects in India and abroad.

- (iii) Facilitating long term contracts for gas.
- (iv) Securitization of subsidy receivables to ensure regular cash flow.

Import of phosphatic and potash fertilizer

2208. SHRI HUSAIN DALWAI: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

- (a) whether our country depends heavily on imports for its phosphatic and potash fertilizer requirements;
- (b) if so, the magnitude of this import and percentage of share of these two fertilizers in total consumption of fertilizers in the country;
- (c) the reasons for increased dependency on import of fertilizers; and
- (d) the steps taken to increase production of these two fertilizers in the country?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI SRIKANT JENA): (a) to (c) Yes Sir. The country has no known reserve of potash and very little reserves of phosphates that too of low quality suitable only for the production of Single Super Phosphate (SSP) and therefore, the country is fully dependent on imports in case of Potassic fertilizers and to the extent of 90% in case of Phosphatic fertilizers either in the form of finished fertilizers or raw materials.

The country being dependent on imports to meet the requirements of Phosphatic and Potassic (P&K) fertilizers including its raw material, the Government is encouraging the acquisition of fertilizer assets/resources by Indian Public Sector Undertakings/Companies and setting up of joint ventures fertilizer projects abroad in resource rich countries. The Government also encourages long term off-take agreements for supply of fertilizers/fertilizer inputs at preferential prices to increase production of P&K fertilizers.

Timely supply of DAP and Urea to Madhya Pradesh

†2209. DR. CHANDAN MITRA: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

- (a) the details of demand of DAP and Urea in Madhya Pradesh and the allocation of these being made by Government to the State for last three years, year-wise;
- (b) the reasons for very late allocation of imported Urea and DAP to Madhya Pradesh each month; and

†Original notice of the question was received in Hindi.