

Rationalising fertilizer subsidy

1426. DR. K.V.P. RAMACHANDRA RAO: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether Government is considering to revise and rationalise the fertilizer subsidy as the industry is facing challenges like unfavourable policies for setting up new urea facilities and delays in providing interim relief to naphtha-based urea producers, if so, the details thereof; and

(b) whether Government is considering to encourage overseas joint ventures to meet the shortfall in fertilizer availability?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI HANSRAJ GANGARAM AHIR) : (a) A final Cabinet Committee on Economic Affairs (CCEA) Note regarding New Urea Policy – 2015 has been approved and sent to the CCEA on 05.05.2015 for its consideration. Further, to facilitate fresh investment in urea sector, the department of fertilizers has notified NIP – 2012 on 2nd January, 2013 and an amendment thereof on 7th October, 2014.

For continuation of the three naphtha based urea units *i.e* Madras Fertilizers Limited (MFL) – Manali, Southern Petrochemicals Industries Limited (SPIC) – Tuticorin and Mangalore Chemicals & Fertilizers Limited (MCFL) – Mangalore, a draft CCEA note has been circulated for inter-ministerial consultations. A final CCEA Note will be submitted to CCEA after the receipts of comments of all concerned ministries/departments.

(b) 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 fertilizer inputs to India. Further, the Department is also working with the goal of having access to acquisition of the fertilizer raw materials abroad to ensure assured supply of raw materials and fertilizers inputs to augment indigenous production and reduce import dependence.

Revival of defunct urea manufacturing units

1427. DR. K.P. RAMALINGAM: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether it is a fact that Government has approved a policy to supply natural gas at a uniform price to all urea plants;