

- (ix) Establishment of Institute of Life Sciences- Rs.200 crore.
- (x) Water supply to Bhopal city from Narmada river- Rs.725 crore.

(b) The proposals have been received with the request that they could be funded from the unspent money lying with Reserve Bank of India out of the compensation money given by the Union Carbide Company. According to the Supreme Court directions, the money received from the Union Carbide is earmarked for paying compensation to the Bhopal gas victims. In some of the proposals, the Government of Madhya Pradesh has been advised to take up the matter with the concerned Ministries Departments of the Government of India.

Decontrol of chemical fertilizer industries

†5160. SHRI RAM JETHMALANI:

SHRI RAJIV RANJAN SINGH 'LALAN':

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

- (a) whether Government have been suggested to decontrol the chemical fertilizer industry completely;
- (b) if so, when and by whom the same suggestions have been made;
- (c) whether it is also a fact that following the adoption of liberalized industrial policy it is also mandatory to decontrol the industry; and
- (d) if so, Government's reaction thereto?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI CHHATTRA PAL SINGH) : (a) and (b) Urea is the only fertilizer which is at present under price, distribution and movement control. In keeping with the policy of economic liberalization and reforms, all other varieties of fertilizers except urea have already been freed from price, movement and distribution control.

The High Powered Committee (April, 1998) and the Expenditure Reforms Commission (September, 2000) have, *inter alia*, recommended deregulation/decontrol of fertilizer industry. After examining these reports, Government have formulated the New Pricing Scheme (NPS) which has replaced the unit specific Retention Price Scheme *w.e.f.* 1-4-2003. The NPS will be implemented in stages.

†Original notice of the question was received in Hindi.

[9 May, 2003]

RAJYA SABHA

Stage-I will be of one year duration from 1-4-2003 to 31-3-2004. Stage-II would be of two years duration from 1-4-2004 to 31-3-2006. Modalities for subsequent stages will be decided after review of Stage-I and II.

Partial decontrol of distribution of urea has been allowed under NPS. In Stage-I, *i.e.* from 1.4.2003 to 31-3-2004, the allocation of urea under the Essential Commodities Act, 1955 (ECA) will be restricted up to 75% and 50% of production capacity in Kharif, 2003 and Rabi, 2003-04, respectively. During Stage-II, urea distribution will be totally decontrolled after having evaluated the Stage-I.

(c) and (d) Under the liberalized industrial policy, entrepreneurs are free to set up fertilizer units anywhere in the country subject to environmental clearances.

New Drug Policy

5161. SHRI G. K. VASAN : Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state :

- (a) whether a New Drug Policy has been formulated by Government;
- (b) If so, the details thereof; and
- (c) the date by which the Policy would come into effect?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI CHHATTRA PAL SINGH) :

(a) and (b) Government announced the 'Pharmaceutical Policy-2002' in February, 2002. The main objectives of this Policy are, *inter-alia*, ensuring abundant availability at reasonable prices within the country of good quality, essential pharmaceuticals of mass consumption and strengthening the indigenous capability for cost effective quality production. A copy of the Policy is available in Parliament Library.

(c) A Public Interest Litigation in Karnataka High Court resulted in an order dated 12.11.2002 which stopped the Government from implementing the price control regime of the Pharmaceutical Policy—2002. Government have filed a Special Leave Petition in the Supreme Court against the order of the Karnataka High Court.