

[25 April, 2003]

RAJYA SABHA

Leave to Appeal (Civil) 3668/2003 has directed, *inter alio*, to review drugs which are essential and life saving in nature till 2nd May, 2003.

(d) The Drugs (Prices Control) Order, 1995 does not make any distinction between Life Saving drugs and other drugs. The Drug Policy, as amended from time to time, is directed towards ensuring abundant availability of quality drugs at reasonable prices.

Price of fertilizers in International Market

†3751. SHRIKAPIL SIBAL:

SHRI RAJIV RANJAN SINGH 'LALAN':

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

(a) whether it is a fact that average prices of chemical fertilizers at the international market during the year 2002-2003 were found less than that of average prices of the same in the Indian market:

(b) the average prices of all the chemical fertilizers at the Indian market as well as international market, and

(c) what are the factors for which prices of chemicals and fertilizers are found higher in the Indian market.'

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI CHHATTRA PAL SINGH): (a) and (b) The Maximum Retail Price (MRP) for urea as notified by the Government has been Rs. 4830 per MT during the year 2002-2003 which was lower than the average international price of \$132.22 per MT (exchange rate of Rs. 48.40). In case of DAP, the indicative MRP during the year 2002-2003 has been Rs. 9350 per MT. against this the average international price of DAP was \$ 192.76 per MT and with the average rupee dollar conversion rate, the average import price of DAP was approximately the same as the MRP in 2002-2003 in the country. As regards Muriat of Potash (MOP), since there are no exploitable reserves of MOP in the country, its entire requirement is met from import. On the other hand, there are no imports of complex fertilizers and Single Super Phosphate (S&P) in the country.

(c) The main reason for the higher cost of production of urea in India is the costlier feedstock compared to the prevalent cost in the other exporting countries in the world. As regard DAP, the variation in the cost of indigenous DAP compared to imported DAP is primarily because of the reason that more than 90% of the raw material/intermediates required for its production are imported and their cost in the international market fluctuate depending on demand supply position.

Promotion to private fertilizer companies

†3752. SHRI ABHAY KANT PRASAD: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether Government are considering to implement new fertilizer policy to increase production of fertilizers in the country;

(b) if so, the details thereof and by when the said policy is likely to be implemented; and,

†fOriginal notice of the question was received in Hindi.

(c) the details of provisions made for promoting private fertilizer producers?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRICHHATTRA PAL SINGH): (a) to (c) Government has introduced new pricing scheme for urea units *w.e.f.* 1-4-2003 replacing the Retention Price Scheme. The new scheme will be implemented in Stages. Stage-I will be of one year duration, from 1 -4-2003 to 31 -3-2004. Stage-II will 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. The new policy aims at greater transparency, uniformity and efficiency in subsidy disbursement to urea units and to inducing urea manufacturers to take cost reduction measures and be competitive. The new scheme also moots decontrol in distribution of urea. During Stage-I of the scheme, the allocation of urea under the Essential Commodities Act, 1955 will be restricted to 75% and 50% of the production capacity of each unit in Kharif 2003 and Rabi 2003-2004, respectively. During Stage-II, urea distribution will be totally decontrolled after having evaluated Stage-I.

The new scheme is applicable to all the existing urea units, whether they are in public sector, private sector or cooperative sector.

Proposal for wage revision on BVFCL

3753. DR. ARUN KUMAR SARMA : Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) implementation status of the proposal for wage revision of the Brahmaputra Valley Fertilizer Corporation Limited and target set to clear: and

(b) viability status of this company in this globalized market and action taken for its survivality?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI CHHATTRA PAL SINGH) : (a) The management of Brahmaputra Valley Fertilizer Corporation Limited had submitted a proposal for implementation of wage revision based on 1997 scales of pay. This proposal is under examination and its approval is subject to generation of adequate internal resources for meeting the additional financial implication as well as the long term viability of the enterprise.

(b) The revised cost of revamp project of BVFCL has been approved in 2002 by the Government based on the Internal Rate of Return (IRR) of 22.72%.

Prices of fertilizers

†3754. SHRI UDAY PRATAP SINGH: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether Government are contemplating to reduce the prices of fertilizers, and

(b) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI CHHATTRA PAL SINGH): (a) and (b) Increase in the sale prices of fertilizers made effective from 28-2-2003 has already been withdrawn *w.e.f.* 12-3-2003.

†Original notice of the question was received in Hindi.