

GOVERNMENT OF INDIA
MINISTRY OF CHEMICALS AND FERTILIZERS
LOK SABHA
UNSTARRED QUESTION NO: 1918
ANSWERED ON:05.08.2010
DEMAND OF GAS BY FERTILIZER INDUSTRY
ANANT KUMAR HEGDE

- (a) whether due to the shortage of gas supply the expansion of fertilizer companies in the country and efforts to cut production cost are becoming unsuccessful;
- (b) if so, the facts thereof and the total quantity of gas being demanded by the fertilizer industry for its use;
- (c) whether additional investment of 27000 crore of rupees is likely to be hampered due to short supply of gas; and
- (d) if so, the reaction of the Government thereto?

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

ANSWER

MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI SRIKANT KUMAR JENA)

(a) to (d):The Government has notified on 4th September 2008, a policy for New investment in Urea sector and offtake of urea from Joint Venture abroad. The fertilizer Industry in terms of New Investment Policy have initiated investment for expansion of existing capacities. Six fertilizer companies viz IFFCO-Kalol, KRIBHCO-Hazira, RCF-Thal, IGFL-Jagdishpur, CFCL-Gadepan and TCL-Babrara have also indicated their intention for expansion of their existing units by setting up a 1.15 Million Tonne per annum Ammonia Urea plants in their existing premises, involving an investment of approx. Rs. 24,000 crore. The companies have been regularly requesting the Government for either firm allocation of gas at predetermined fixed prices from domestic gas sources for a period of 15 years or insulate industry from any additional liability arising due to increase in delivered price of gas by correspondingly increasing the floor prices in the absence of any commitment on allocation of natural gas at fixed prices. The constraints indicated above are under examination and accordingly a proposal for amendment in the New Investment Policy notified on 4th September 2008 is under consideration to facilitate the investments in urea sector.

Based on the current assessment, total requirement of gas proposed for fertilizer industry is as under:-

(i) Present requirement 2010-11 43.96 MMSCMD

(ii) Year wise additional requirement

of gas 2011-12 3.43 MMSCMD

 2012-13 16.87 MMSCMD

 2013-14 63.65 MMSCMD

 2014-15 63.65 MMSCMD

(iii) Year wise total requirement 2010-11 43.96 MMSCMD

of gas for fertilizer units 2011-12 47.39 MMSCMD

 2012-13 60.83 MMSCMD

 2013-14 107.6 MMSCMD

 2014-15 107.6 MMSCMD