



Rs. 10000 crore Special Banking Arrangement made in Budget 2017 to clear Fertilizer Subsidy dues: Shri Ananth Kumar

Chemicals and Fertilizers Minister addresses media on Budget 2017 allocations and achievements of the Ministry in last three years

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Union Minister of Chemicals and Fertilizers, Shri Ananth Kumar addressed the media here today and appraised the gathering about the achievements of Department of Chemicals, Fertilizers and Pharmaceuticals during the last three years. Minister of State for Chemicals & Fertilizers, Shipping, Road Transport & Highways, Shri Mansukh Lal Mandaviya was also present on the occasion.

Speaking on budget allocations for the Fertilizer sector, the Minister said that the overall budget allocation for the Department of Fertilizer for the year 2017-18 is 74,235 crores. He added that Fertilizers, along with Power, has been the torchbearer of achievement of this Government. It has been one of the fastest growing sectors in the last quarter. Further, to reduce the burden of fertilizer subsidy backlogs, a Special Banking Arrangement of Rs. 10000 crores has been approved in this Budget to clear fertilizer subsidy dues, the Minister informed.

Shri Ananthkumar stated that the Government has taken key measures to make the country self-sufficient in urea and other fertilizers like promoting energy efficiency in urea production, maximizing indigenous urea production, timely import of urea and other fertilizers, prepositioning of fertilizers with the States during lean season to ensure adequate supply in the season and rationalizing the subsidy. Such steps have resulted in highest ever production of 245 LMT of urea previous year, without adding additional capacity. Indigenous urea as well as imported urea have been neem coated. This has resulted in an increase in farm yield with less urea required and helped check black marketing and hoarding of urea, he added.

Regarding the revival of the Gorakhpur, Sindri units of FCIL and Baruni unit of HFCL, the Minister informed that approval of the Cabinet has been obtained to revive the three units. Cabinet approval has also been obtained for setting up of new ammonia urea complex at Namrup within existing premises of Brahmaputra Valley Fertilizers Corporation Limited. Further, the Talcher plant will be the first ever unit to be revived based on the coal gasification technology, he added.

Keeping in pace with the international market, the Department has engaged fertilizers companies to reduce the prices of DAP, MOP and complex fertilizers by Rs. 125, 250 & 50 respectively per 50 gm bag from June, 2016. Prices of DAP has again been reduced by Rs. 65 per 50gm during December, 2016.

Informing about the implementation of policy of promotion of city compost, Shri Ananthkumar said that the Government of India approved policy on promotion of city compost in which Marketing Development Assistance (MDA) of Rs. 1500/MT has been provided for scaling of production and consumption of city compost. A budget provision of Rs. 15 crores has been made for releasing the MDA during 2017-18 on sale of city compost.

Speaking about the Direct Benefit Transfer in fertilizer subsidy payment it was informed by the Hon'ble Minister that a decision to implement the DBT in fertilizer sector was announced during the budget speech of 2016-17 with a view to improve service delivery to farmers. The proposed DBT model in fertilizers is different from conventional system of continue to receive urea at statutory price and P&K fertilizers at subsidized prices in the market. The fertilizers companies used to receive subsidy on receipt of fertilizes at the district, will now get subsidy after the fertilizers are sold to farmers/ beneficiaries by the retailers to point of sale (POS) machines through biometric authentication.

In the Pharmaceutical sector, the Minister informed that under the Pradhan Mantri Bhartiya Janaushadhi Pariyojana (PMBJP) over 760 Jan Aushadhi Kendras are functioning across the country. With the Government's target to achieve 3000 JAKs, every tehsil would have one JAK soon. Currently over 450 medicines and 150 health supplements are available at around one-third the price of branded drugs at the JAKs. Further, the Minister that Medical devices parks are coming up at four locations including Vishakhapatnam, Baddi (Himachal Pradesh) and others in Gujarat and Telangana. Shri Kumar also informed about the coming up of National Institutes of Pharmaceutical Education and Research (NIPER), the latest been set up at Jhalawar, Rajasthan. These institutes would lead to path breaking research in pharma sector and give a boost to creating a strong force of pharma scientists in the country.

Talking about achievements in Chemicals & Petrochemicals sector, Shri Kumar informed about the focus of the government on establishing Central Institute of Plastics Engineering & Technology (CIPET) and Petroleum, Chemicals and Petrochemicals Investment Regions (PCPIRs) and plastic parks to give a boost to the Make in India mission. This step would lead to the generation of over 39 lakh employments opportunities in times to come, he added. Answering a question on strategic sales of Fertilizer PSUs, Shri Kumar informed that strategic sale is a method of utilizing the excess land resources available with loss making fertilizer PSUs to mitigate all liabilities and aid in the revival of the plant in turn. This would have no effect on the availability of affordable medicines in the market, he added.

Other dignitaries present at the occasion were Shri Anuj Kumar Bishnoi, Secretary Chemicals & Petrochemicals, Shri Jai Priye Prakash, Secretary, Pharmaceuticals, Smt. Bharathi Sihag, Secretary, Fertilizers, along with other senior officers of the Ministry.

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