

**GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA**

UNSTARRED QUESTION NO:442

ANSWERED ON:21.11.2000

INDO-OMAN FERTILISER DEAL

CHELLAMELLA SUGUNA KUMARI;HANNAN MOLLAH;MALYALA RAJAI AH;SHIVAJI VITHALRAO KAMBLE

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

- (a) whether the Government are aware of contents of the news-item Captioned `Oman deal hasRs. 15000 crore stink` appearing in `The Asian Age` dated 20th & 21st October, 2000;
- (b) whether the Government as alleged have pushed through the Oman-India Fertilizer Project despite serious objections by the Ministry of Finance, his Ministry and Public Investment Board;
- (c) if so, the observations made by the Ministry of Finance etc. in this regard; and
- (d) the reasons for approving the project and the steps taken to safeguard the interests of the nation in the matter?

Answer

MINISTER OF STATE IN THE MINISTRY OF CHEMICALS & FERTILIZERS (SHRI SATYA BRATA MOOKHERJEE)

(a): Yes, Sir.

(b) & (c): Government have approved investment of US\$ 80 million each of the Indian sponsors of the project viz. IFFCO and KRIBHCO as equity contribution in the revised and restructured Indo- Oman Fertilizer Project on 20.6.2000 after considering all aspects relating to the project. The approval however is subject to early resolution of certain outstanding issues.

(d): The approval of the project was for a number of reasons, including an assured supply of urea at a fixed price based on low cost preferred feedstock (natural gas) for a long-term of 15 years. Further, the draft fertilizer policy envisages setting up of joint ventures in countries where natural gas is available in plenty. This project was conceived in 1994, and forms a part of the Memorandum of Understanding between the Sultanate of Oman and the Govt. of India, is in keeping with the objectives of the draft fertilizer policy.