

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

UNSTARRED QUESTION NO:1043  
ANSWERED ON:27.02.2006  
SETTING UP OF FERTILIZER PLANT IN EGYPT BY IFFCO  
Rao Shri Sambasiva Rayapati

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

- (a) Whether Abhijit Sen Committee has proposed new norms for pricing of phosphatic fertilizers, creating a level- playing field for companies and providing them required competitive edge in international market;
- (b) If so, whether seeing core competence of Indian companies, several foreign fertilizer majors have shown interest to enter into joint ventures with Indian companies;
- (c) If so, the details thereof;
- (d) Whether, El Nasser, an Egyptian company which signed an agreement with Indian Farmers Fertilizers Cooperative Limited (IFFCO) for setting up a \$325 million phosphoric acid plant in Egypt?
- (e) if so, the details thereof; and
- (f) whether number of fertilizer companies approached abroad to cut costs?

**Answer**

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (SHRI B. K. HANDIQUE)

- (a) An Expert Group under the chairmanship of Prof. Abhijit Sen, Member Planning Commission was set-up by the Government in March 2005 to examine the issues related to the pricing of phosphatic fertilizers. The Group has submitted its report in December 2005. The Expert Group has suggested a transparent methodology for working out concession rates for indigenous DAP, based on prices of imported DAP.
- (b) & (c) The country is almost completely dependent on imported raw materials/ intermediates for manufacturing phosphatic fertilizers. Since the Indian fertilizer industry is completely import dependent, it is in their interest to have Joint ventures abroad to ensure sustained static supply of raw materials/ intermediates for production of phosphate. The industry is moving in this direction.
- (d) & (e) Yes Sir, El-Nasar of Egypt and IFFCO have formed a joint venture under the name of Indian Egyptian Fertilizer Company on 15.11.2005. Pre- Project activities are under progress.
- (f) Yes Sir, Some of the fertilizer companies are having Joint venture abroad and some proposals are in the pipeline