

**PUBLIC NOTICE**

No. 7-1/2006-Fert

Islamabad, the 29th September, 2006

**PROMOTING BALANCED USE OF
FERTILIZERS AND SUBSIDY ON PHOSPHATIC
AND POTASSIC FERTILIZERS**

As per the decision of ECC of the Cabinet dated September 27, 2006, subsidy on phosphatic and potassic fertilizers during Rabi 2006-07 would be allowed as per following details:-

S.No	Product	Fertilizer Grade			Subsidy per 50 Kg bag (In Rupees)
		N	P ₂ O ₅	K ₂ O	
1.	DAP	18	46	0	250
2.	SSP (P)	0	18	0	98
3.	SSP (G)	0	20	0	109
4.	TSP	0	46	0	250
5.	MAP*	11	52	0	257*
6.	SOP	0	0	50	250
7.	MOP	0	0	60	250
8.	NP	22	20	0	109
9.	NP	20	23	0	125
10.	NP	23	23	0	125
11.	NPK (MOP)**	8	23	18	200
12.	NPK (MOP)**	8	18	20	181
13.	NPK (MOP)**	10	28	10	194
14.	NPK (MOP)**	18	9	18	124
15.	NPK (MOP)**	17	17	17	163
16.	NPK (SOP)**	12	15	20	182

*45.5 kgs bag (MAP only)

**Existing stocks only

Subsidy would be given on imports production and inventories (one time only) as per following details:-

IMPORTS

In view of large inventories and future production, subsidy on imports would only be needed upto December 31, 2006 and for the those imports only which are already confirmed / lined up. This should suffice for the requirements of Rabi 2006-07. Details of imports already confirmed / Lined up are as follows:

M/s Fauji Fertilizer Company-DAP-80,000 Tons(+/-10%) October/November 2006.

M/s Engro Chemicals Pakistan Limited-DAP-83,000 Tons(+/-10%) October/November 2006.

M/s Khalid Javaid & Brothers-DAP-25,000 Tons(+/-10%) October/November 2006.

M/s Engro Chemicals Pakistan Limited-MAP-35,000 Tons(+/-10%) October/November 2006.

Ministry of Finance/AGPR/SBP will create a sub-head of Government Account (under Federal Government Account No. 1) for debiting the amount to be given as subsidy. Following procedure will be followed for obtaining subsidy:

- a). Importers may lodge their claims alongwith the following documents, to their bankers within 30 days from the clearance of the consignment from the customs:
 - Import documents including invoice, copy of contract/LC, Bill of Entry/GD Form, etc.
- b). The commercial bank would examine, process, recommend and forward, the claim within 3 working days of its receipt, to concerned State Bank of Pakistan Banking Services Corporation field Office, for payment.
- c). State Bank of Pakistan (SBP) Banking Services Corporation(BSC) Field Office, on the basis of the bank's certification, will debit relevant head of Government Account and will credit the bank's account with the claimed amount within three working days of receipt of claim from the bank for onward disbursement to the concerned importer immediately.
- d). A consolidated amount of all such payments on daily basis will be advised by SBP Banking Services Corporation (BSC) Field Offices to Accounts Department, State Bank and Accounts Department SBP BSC, Head Office.
- e). Consequent upon issuance of public notice by MINFAL, the Accounts Departments of State Bank of Pakistan will issue circular to the banks highlighting the above procedure.

PRODUCTION

Three phosphatic fertilizers in this category would be eligible for subsidy (DAP, NP and SSP). Subsidy on all three would be administered at the production stage.

For the month of October 2006, payment may be made in advance by the Government on the basis of historical data of production or on receiving a statement of planned production from the manufacturers. For the following months, adjustments may be made on the basis of actual production reported to CBR. Production details would be further verified by half-yearly and annual reports of the manufacturers.

EXISTING STOCKS(ONE TIME ONLY)

On a one time basis, the Government would give subsidy on the stocks of DAP, MAP, TSP, NP, SSP(G), SSP(P), NPK grades, MOP and SOP already being carried by the importers and manufacturers.

The private sector commercial importers/traders will be required to submit an inventory statement immediately. Such statements would be physically verified by teams constituted by MINFAL. M/s FFC, FFB, ECPL, DH/DCL, NFC/NFML and Pakarab would be required to submit a declaration signed by their Chief Executives stating the inventory position on September 30, 2006. This would be followed by a certificate from their auditors within two weeks. This may further be verified by the half-yearly and annual reports of the Companies/Firms concerned.

On receipt of such statements, subsidy due on these stocks would be paid in three installments of 33% and 33%, 33% and 34% in October, November and December 2006.

Subsidy in case of imports, production and existing stocks (one-time only) would be administered and monitored by a Committee headed by Secretary, MINFAL. The Committee would also be responsible for removal of difficulties, if any, during the implementation of the scheme. The proposed arrangements would be for Rabi 2006-07 only and will be effective from October 01, 2006.

(Rana Muhammad Aslam)

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