

Indian Chemical Industry: A Snapshot



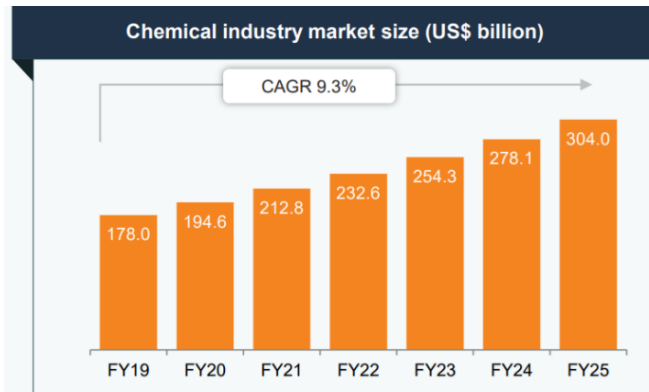
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A brief of Indian Chemical Industry

1.1 Market Size of Chemical Industry

Indian Chemical Industry is one of the most prominent industries in the country. It has shown promising results till date. This industry is the constant hub of opportunities in every situation. Between 2006 and 2019, the compound annual growth rate (CAGR) in TRS for India's chemical companies was 15 percent—a figure much higher than the global chemical-industry return, with a CAGR of 8 percent, and the overall global equity market, with a CAGR of 6 percent. Even between 2016 and 2019, when India's economy faced headwinds, the chemical industry maintained a CAGR of 17 percent. India ranks 6th in the world in Chemical sales. Chemicals industry in India is highly diversified, covering more than 80,000 commercial products. It is broadly classified into Bulk chemicals, Specialty chemicals, Agrochemicals, Petrochemicals, Polymers and Fertilizers. India's proximity to the Middle East, the world's source of petrochemicals feedstock, makes for economies of scale. India is a strong global dye supplier, accounting for approximately 16% of the world production of dyestuff and dye intermediates. Chemicals industry in India has been de-licensed except for few hazardous chemicals. Upcoming Petroleum, Chemicals and Petrochemicals Investment Regions (PCPIRs) and Plastic parks will provide state-of-the-art infrastructure for Chemicals and Petrochemicals sector. The Indian chemicals industry stood at US\$ 178 billion in 2019 and is expected to reach US\$ 304 billion by 2025 registering a CAGR of 9.3%. The demand for chemicals is expected to expand by 9% per annum by 2025. In September 2020, the production of key chemicals was 8,36,435 MT and petrochemicals was 17,26,502 MT. Specialty chemicals constitute 22% of the total chemicals and petrochemicals market in India. The demand for specialty chemicals is expected to rise at a 12% CAGR in 2019-22. The petrochemicals demand is expected to record a 7.5% CAGR between 2019 and 2023, with polymer demand increasing at 8%. The agrochemicals market is expected to witness an 8% CAGR to reach US\$ 3.7 billion by FY22 and US\$ 4.7 billion by FY25. In October 2020, exports of organic chemicals and inorganic chemicals increased by 2% on a y-o-y basis to reach US\$ 1,812.22 million. For petrochemicals, imports of petroleum and crude products decreased by 39% on a y-o-y basis to reach US\$ 3,44.1 million in October 2020.



Production, Export and Imports during April-December 2020-21

Table 1: Production, Export and Imports of agrochemicals (Unit: 000 tonnes)

	2019-20	2020-21	2019-20 (y-o-y)	2020-21(y-o-y)
Production	145	163	-12.8%	11.9%
Exports	330	384	0.0%	16.1%
Imports	83	117	-9.4%	41.2%

*Total exports and imports include insecticides, rodenticides, fungicides, herbicides, anti-sprouting products and plant growth regulators and disinfectants.

	2019-20	2020-21	2019-20 (y-o-y)	2020-21 (y-o-y)
Exports				
Insecticides	100	103	72.2%	3.0%
Fungicides	121	151	17.1%	24.6%
Herbicides	78	93	6.5%	19.3%
Imports				
Insecticides	11	13	-26.8%	13.1%
Fungicides	7	9	-3.4%	39.1%
Herbicides	26	39	-11.1%	50.7%

1.2 Challenges faced by the Indian Chemical manufacturing Industry:

- **Shortage of raw materials**

The raw materials or feedstock used in the organic, as well as the inorganic chemical industry, are not quickly accessible in the market. The chief feedstock like naphtha and natural gas are accessible at a very eminent cost in India as contrasted to other nations like the Middle East, China, and other South East Asian countries. This shortage of feedstock makes India uncompetitive in the worldwide chemical market.

- **Comfort in Affordable Import**

One of the prominent challenges confronted by the Indian chemical industry is the expertise in the availability of inexpensive chemicals through import. The tax and other entry barriers on the import of several chemicals have been waived off by the Indian government. This has directed to an improvement in the import of various chemicals accessible in the global market at a much lower price.

- **Remote Location and Poor Infrastructural Facilities**

The significant Indian chemical industry has been established along the west coast in Gujarat, while the biggest need for chemicals is in southern and eastern India. This provides a rise in logistical transportation prices, thus enhancing the overall price of chemicals. In addition to that, there are various infrastructural difficulties encountered by the enterprise. The ports do not have sufficient facilities, the pipeline connectivity is considerably poor, the power supply is inadequate and even the railway stations are a disorder; considering it is challenging for the chemical industries to obtain the raw material from many chemical product vendors in India

- **Complicated Regulatory problems and high tax rates**

The massive duty tax inflicted on a lot of raw materials exceeds the tax imposed on the ready-made products. This disappoints the Chemical Industry of India from the manufacturing sector, more chemicals due to the high cost of raw materials and supports the import of similar chemicals due to the negligible taxes

- **Lack of Feedstock**

In today's rapid business scenario, a company's lack of agility will significantly affect their ability to be competitive. The chemical industry, being highly volatile, requires the players in this sector to evolve and adapt themselves to the changing market conditions constantly and less dependability on other players. To help them achieve this, chemical manufacturers must have a reliable IT infrastructure and ERP system that can analyse operational data, support critical business functions, and ensure improved organizational transparency. With the rising competition on one side and mounting challenges on the other, the only option left with the chemical manufacturers to survive in the market is to convert these challenges into opportunities.

1.3 Indian Chemical Industry – Opportunities

- **Enhanced need for value-added products**

The neediest for value-added chemical products such as performance plastics and biodegradable polymers are anticipated to maximize on the upcoming time due to the different environmental factors. This would be a new opportunity for the chemical industries in India to begin involving the growing necessities of value-added chemical products. With some more trial in value-added products, R&D can turn to be immense chemical business opportunities for Indian Enterprises

- **Increase Export in Developing Markets**

Another prominent opportunity for the chemical industry in India is provided by the energetically rising countries of the middle east, Africa and the Asia Pacific. These nations are growing at a faster pace as contrasted to the grown nations of Europe and North America thus providing more opportunities for export to the big as well as small chemical industries in India. Currently, the chemical export share of our country in the international market has been just 2%; the day-by-day growth in these rising markets would open modern export opportunities for India.

- **Coal Gasification**

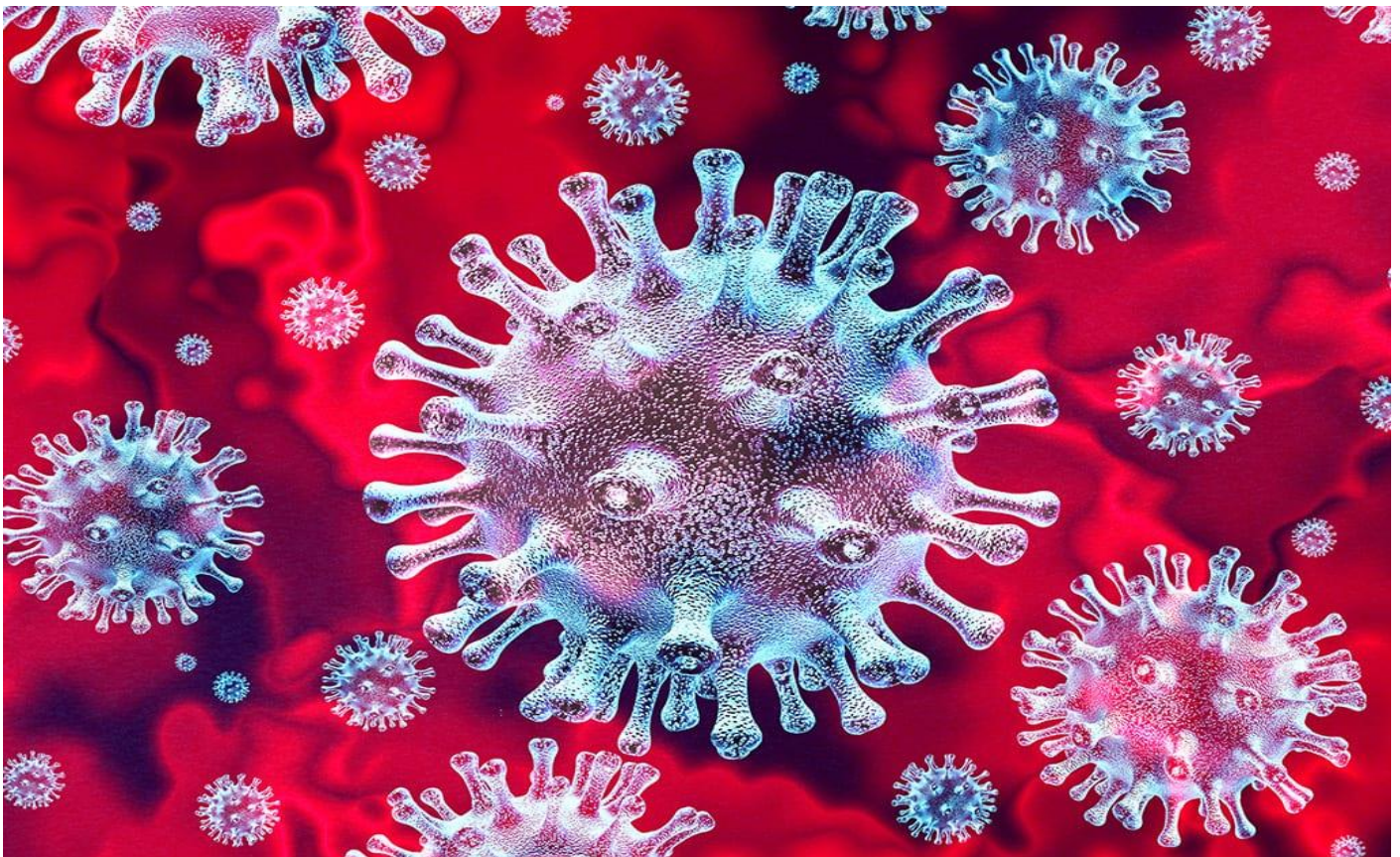
India is presented with coal in excess. Coal gasification comes as an excellent opportunity for the Indian chemical industry to expand its petrochemical and chemical production by leveraging in gasification technology. The need for petrochemicals has developed and the performance of coal gasification for generating more and more chemicals and petrochemicals would be a big opportunity to satisfy this expanding need which was earlier being satisfied by expanded imports.

- **Reverse Special Economic zone in International Market**

Setting up chemical plants in contrary SEZs aka Special Economic Zones in nations like Iran, Myanmar, and Mozambique would provide new opportunities to India that has always been seeming for cheaper raw materials for its chemical industry. Chemical plants emerge in these economic zones would enable cheap and easy duty-free import of raw materials for additional utilization.

The Indian chemical industry has gained much-needed assistance in the earlier 4-5 years. The Government is necessitating strict measures to cut out the challenges encountered by the industry and coming up with new schemes and plans to leverage all the possibilities to the summit. In fact, the new 'Make In India' initiative would also perform a central position in advancing the extension of the Indian chemical industry.

Impact of Covid-19 on Indian Chemical Industry



Apart from the human toll, the coronavirus pandemic is also affecting the global economy as governments undertake lockdown measures and curb the movement of their populations. Industrial activities are being halted, international travel has ceased and only essential businesses such as food and pharmaceuticals are being allowed to operate. These measures are having a significant toll on almost all industrial sectors as factories are facing supply chain breakdowns and labour shortages.

The chemical industry is no exception. Global chemical production witnessed a decline of nearly 3% in March. The reasons behind this reduction are raw material and labour shortages as well as government-mandated plant shutdowns. Among the different categories in the chemical industry, the specialty chemicals sector observed disruptions and production declines since February 2020. The most severe effects were felt in March, when global specialty chemicals production fell by more than 6%.

Uneven Demand Across Segments

Specialty chemicals have myriad uses across a broad range of industries, such as polymers and plastics, adhesives, paints and coatings, lubricants, cleaning materials and many more. Any disruption in this industry has a cascading effect on various other sectors that are dependent on specialty chemicals. Uneven demand has been observed for specialty chemicals across different segments since the outbreak. While demand for specialty chemicals in the paints and coatings industry has gone down drastically, its requirement in the manufacture of pharmaceuticals, cleaning agents, detergents, flavours and fragrances, and plastics has either gone up or remained stable. The paints and coatings industry was hit severely as its two major end-use sectors, construction and automotive, have witnessed a significant slump in demand. Soon, specialty chemical manufacturers will need to make well-informed strategic changes and restructure their businesses to navigate this uneven demand scenario until the threat of the pandemic is over and industry dynamics return to pre-outbreak levels.

The Impact on Specialty Chemicals Manufacturers

The pandemic has had a mixed impact on specialty chemical manufacturers. Low crude prices reduced raw material costs for some product lines while the shutting down of Chinese plants even helped manufacturers based out of Europe, the U.S. and India to fill the void and increase order intakes. However, supply chain disruptions have led to procurement issues for several manufacturers. Companies dependent on Chinese raw materials are also facing significant logistical challenges.

Most of the impact will be felt by the specialty chemical manufacturers in Q1 of 2021 rather than in Q4 of 2020. Specialty chemical manufacturers such as Clariant and Evonik have already reported reduced earnings for Q1 2020. These companies will mostly witness a U-shaped recovery as demand is not expected to grow drastically even after the lockdown is

lifted in developed economies. Specialty chemical manufacturers are most likely to fulfil their existing order commitments by the end of 2020, once factories reopen and supply chains become more fluid. The time taken and extent of the recovery will depend on how early lockdowns are lifted in various parts of the world and how fast the world can recover from the pandemic.

The industry could potentially be hit hard by the COVID-19 outbreak on numerous fronts: lowered demand and productivity, operational and supply chain disruptions, potentially tightening credit markets and the health of their workforce. The industry may be especially vulnerable given that the bulk of its production workforce is in on-site jobs that cannot be done remotely. Additionally, given the nature of the industry, companies may need to consider how to create social distancing in workplaces that are often worker-dense. On top of this, many companies should prepare for major global supply chain and other distribution disruptions. They should also likely expect that supply chain partners may experience their own challenges and may not be able to fulfil orders on time — or at all — during the crisis. Finally, expect slackening demand for products resulting from some impacted industries, including automotive and industrial products.

Role of Chemical Industry in covid recovery

During the COVID-19 pandemic, some of the biggest health and economic challenges in decades came to the forefront. Across the world, countries undertook necessary measures to limit the spread of COVID-19. While doing so, plastics being part of the overall chemical industry, played a vital role. It helped in the form of ventilators, COVID-19 test kits, personal protective equipment (PPE), packaging material and so on. Chemical industry manufactures products essential across the spectrum and serves as a feeder for many other industries, therefore playing a catalytic role in economic resurgence of India. As India continues to make efforts in addressing the challenges pertaining to COVID-19, the Chemical industry is geared to play key role that generates the much-needed employment. It is believed that it will have a multiplier effect resulting in securing and creating new livelihood opportunities. Chemical Industry turned a net Exporter for the first time in decades and our Industry not only is addressing domestic growth but also global demand opportunities.

Credit profiles of most of the rated basic chemical and petrochemical players are expected to remain resilient in 2020-21, supported by the diversification of products in their portfolio, wide applications of these chemicals and manageable leveraging levels.

Despite the pronounced decline in revenues and margins in FY21, the credit profile of most incumbents is supported by their large size, strong balance sheets, healthy liquidity and strong financial flexibility. The global chemical industry has been dealt a series of blows from closures related to Covid-19 pandemic, demand destruction and logistical challenges.

Recent Investments in the Industry



Reasons to invest in chemical industry

- The growth drivers of the sector in India include a large domestic and foreign demand for chemicals and petrochemicals.³
- Four Petrochemical Investment Regions (PCPIRs) policies being implemented in Andhra Pradesh, Gujarat, Odisha and Tamil Nadu which is expected to attract investment of around INR 7.63 lakh cr.
- India ranks 17th in the world export of chemicals (excluding pharmaceutical products) and ranks 7th in the world imports of chemicals (excluding pharmaceuticals products).³
- The value additions in the petrochemicals chain offer immense possibilities and cater to the needs of textiles and clothing, agriculture, packaging, infrastructure, healthcare, furniture, automobiles, information technology, power, electronics and telecommunication, irrigation, drinking water, construction and a variety of other articles of daily and specialized usage amidst other emerging areas.³
- In recent times, there has been a global shift towards Asia as the world's chemical manufacturing hub.³
- India also offers the availability of a large pool of skilled science professionals.³
- India has several world-class engineering facilities and strong R&D capabilities.³

- The per capita consumption of chemicals is lower in India, compared to western countries, therefore presenting immense scope for setting up export-oriented manufacturing units through new investments.³
- To promote investments in the sector, the government is implementing four Petroleum, Chemical and Petrochemical Investment Regions (PCPIR) in the country. PCPIRs will be clustered providing investors with a transparent and investment-friendly policy and facility regime.²
- To promote Make in India, 6788 Certificates of Registration (CR) issued to indigenous manufacturers of pesticides and 1011 CRs issued for export of pesticides.
- The government has been promoting the use of ethanol as a blendstock with main automotive fuel like petrol in line, envisages an indicative target of blending 20% ethanol in petrol by 2030.¹⁵

Investment Opportunities

Dyestuff Industry

The Indian Dyestuff Industry is an important sub-sector of the Chemicals industry and it ranks second in Asia. It also accounts for 16% of the world market. It has forward and backward linkages with various sectors such as paper, textiles, plastics, printing ink leather and foodstuffs. The sub-sector has immense potential and serves as a profitable opportunity for investors.

Pesticides Industry

- India is the 4th largest producer of agrochemicals in the world. With more than 45 technical grade pesticides being manufactured in the homeland, the country qualifies as one of the most dynamic generic pesticide manufacturers in the world. Being a net export earning industry, it has a significant contribution to the foreign exchange basket of the country.

Fine & Specialty Chemicals

India produces many fine and speciality chemicals, which are essential for increasing industrial production. These special chemicals find wide usage as polymer additives, food additives and pigments and anti-oxidants in the rubber industry.

A few recent developments/investments in the Indian chemical sector are as follows:

- In November 2020, Indian companies are witnessing interest from strategic investors led by Japan, Korea and Thailand, as they seek to diversify supply chains from China.

This includes large deals in FY 2020—KKR’s \$414 million acquisition of JB Chemicals and Pharmaceuticals Ltd. and Carlyle’s US\$ 210 million acquisition of SeQuant Scientific Ltd.

- On November 06, 2020, HIL (Hindustan Insecticides Limited) signed a memorandum of understanding with the Department of Chemicals & Petro Chemicals to achieve revenue target of Rs. 451 crore (US\$ 60.86 million).
- On November 04, 2020, Pidilite Industries acquired Huntsman Group's Indian subsidiary for Rs. 2,100 crore (US\$ 283.38 million) to strengthen adhesives and sealants portfolio that will complement the company's retail portfolio.
- In October 2020, Grasim Industries signed a definitive agreement with Lubrizol Advanced Materials (speciality chemical company) to manufacture and supply chlorinated polyvinyl chloride (CPVC) resin in Gujarat. The initial production is expected to begin in end-2022.

Government Initiatives and Schemes



Advantage India

- Rise in demand from end-user industries such as food processing, personal care and home care is driving development of different segments in India's specialty chemicals market
- Rising middle-class population is likely to support strong demand for specialty chemicals in the automotive, personal products, water treatment and construction segments
- Make in India' initiative is likely to grow in the Indian chemical industry over the next decade, focusing on developing and promoting Petroleum, Chemicals, Petrochemicals and Investment Regions (PCPIRs)
- India's specialty chemicals companies are expanding their capacities to cater to rising demand from domestic and overseas. Companies such as Aarti Industries, Fine Organic Industries, Himandri Specialty Chemicals and Bodal Chemicals have diversified their portfolios to meet demands from customers

Production Linked Incentive Scheme (PLI)

The Centre is mulling to launch a production linked incentive (PLI) scheme in the chemicals sector to bolster domestic manufacturing and exports. Union Chemicals and Fertilisers Minister DV Sadananda Gowda has said the government has adopted a consultative approach for forming policies aimed at the chemicals and petrochemicals sector of the country.

"Implementations of the Budget announcements can't be done only by the government. We should take our industry in confidence so that implementations can start from first week of April," Gowda said at FICCI's webinar on 'Implementation Strategy of Budget Announcement 2021-22'. The Union Minister said the biggest impediment for the government is to meet the suggestions of the industry with policy implementation. Highlighting the Rs 35,000 allocation towards the development of COVID-19 vaccines in Budget 2021, Gowda said it is looked at as an attempt to reduce raw material imports widely used in local manufacturing.

FDI Policy

- 100% FDI is allowed under the automatic route in the Chemical industry, except in the case of hazardous chemicals.
- The cumulative FDI equity inflow in the Chemicals industry (excluding fertilizers) is USD 18,378.18 mn during the period April 2000 to December 2020. This constitutes 3.52% of the total FDI inflow received across sectors.

Make in India

Make in India Initiative focuses on making India a Global manufacturing hub and developing Indian Economy. The 25 key sectors recognized under the program include auto components, automobiles, defence, chemical manufacturers, biotechnology, electronic systems, leather, food processing, mining, oil and gas, railways, ports, and textiles.

“Make in India” is an income pitch the Prime Minister is making on 25 key industries to draw foreign traders to India. The goal of this initiative is to confirm that the offering of the manufacturing sector, that’s around 15 percent of the Gross Domestic Product (GDP) of the country, is expanded to 25 percentage inside the following couple of years.

The Government of India’s aggressive initiative proposes to modify the country from being Asia’s 0.33-biggest financial system into a global production powerhouse. The initiative has established an enthusiastic intention of building 100 million extra jobs within the production zone with the support of 2022.

The initiative has encouraged India to achieve the top spot and appear as the pinnacle vacation spot in the world for foreign funding. After the release of the initiative, common Foreign Direct Investment (FDI) has grown by 39 percentage.

- The chemical enterprise in India is a key component of its economic system, accounting for an approximately 2. Eleven percentage of the GDP. In terms of the extent of production, Indian chemical manufactures enterprise is the 1/3 prominent producer in Asia and sixth largest within the global.
- India’s increasing per capita intake and call for agriculture-related chemical substances provides the big scope of increase for the arena within the ordinance. Fascinated with the aid of the order and returns of the Indian marketplace, foreign companies have bolstered their presence in India. From April 2000 to May 2015, overall FDI inflows into the Indian chemical elements industry had been \$10.49 billion.
- The Government of India allows a hundred percentage FDI inside the Indian chemical compounds area; while manufacturing of most chemical products is de-licensed. In addition to encouraging research and development inside the division, the government is continually reducing the listing of funded chemical objects for manufacturing inside the small-scale region. This stimulates more investment in upgrading technology and modernization.

Growth and Competitiveness

- The officials have begun some of the stratagems to advance competitiveness in the province
- The share of manufacturing accepted through the Cabinet as in line with the recent Planning Commission would contribute 25 percent of the GDP by way of 2025
- Consent is granted for FDI as much as 100 percent in the chemical manufacturers compounds sector, excise responsibility decreased from 14 percentage to 10 percent, effective legal guidelines on anti-dumping to more sell the enterprise

- Aggregate FDI inflows into the chemical industry reached \$10,588 million at any stage in April 2000-June 2015
- Policies that have been initiated to installation covered Petroleum, Chemicals and Petrochemicals Investment
- Regions (PCPIR) are likely to be developed by way of the stop of 2015-2016. The land necessary for a PCPIR might cross down from 250 rectangular kilometres to 50 rectangular kilometres
- Karnataka, Maharashtra, and Kerala are new candidates for PCPIR

Conclusion

- The chemical manufacturers are a key component of the Indian economy, which accounts for around 2.11 percentage of the united states of GDP of India. In terms of the extent of manufacturing, the Indian chemical enterprise is the 1/3-biggest manufacturer in Asia and the sixth-largest inside the international.
- Bulk chemical compounds account for 39 percent of the Indian chemical enterprise, accompanied by using agrochemicals (20.3 percent) and strong point chemical compounds (19.5 percentage). Pharmaceuticals and biotechnology account for the last share. By allowing one hundred in keeping with cent FDI in the sector and by means of launching the Draft National chemical manufacturers Policy geared toward developing the world's share within India's GDP, the Government of India has been supportive, to say the least.
- As per to a Tata Strategic Management file launched in October 2015, the chemical industry within the nation has the potential to rise at nine percentage compatibles with annum to touch \$214 billion in the next four years. The file additionally highlights that at \$139 billion, the modern domestic chemical market develops skilful 3.3 percent of the comprehensive chemical market.
- While there are many roadblocks ranging from loss of infrastructure to risky political weather, the tale up to now tells us that the Government of India is making a sincere try to make the initiative paintings. It has introduced many steps to gain the enterprise surroundings by way of easing tactics to do enterprise within the country and drawing foreign investments. In 2015, the Government of India cleared as many as 1,671 proposals by means of traders, double the extent of consents granted in 2014.

CHEMICAL PROMOTION DEVELOPMENT SCHEME (CPDS)

Chemical Promotion Development Scheme (CPDS) is being implemented since 1997 in the Chemical Division of DCPC under Plan Head of Account. The objective of CPDS is to facilitate growth and development of Chemicals and Petrochemicals Industry by creation of knowledge products through studies, survey, data banks, promotional material etc. and dissemination of knowledge through conduct of seminars, conferences, exhibition etc. to facilitate development of these sectors. The Scheme also aims to incentivize research and innovation by awarding outstanding efforts in the field of chemicals and petrochemicals. The aim of the Scheme is basically to extend soft support in the form of Grants-in-Aid (General) to various organisations/ industry associations, etc. to conduct workshops, seminars, studies, etc. to obtain necessary inputs for enabling the Department to firm its views on various policy

matters relating to the Chemical and Petrochemical sector. Industry Associations, PSUs and Autonomous Bodies viz. DMAI, AMAI, FICCI, CII, ICC, CIPET, IPFT, HIL etc. organise small events on the themes which are useful for the development of Indian Chemical & Petrochemical Industry. Few small programmes periodically organised on Plastic waste management, Green Chemistry, chemical safety and security rating system, safe handling of Chlorine and Chlorine containers, status of implementation of Health, Safety, Security and Environment in MSME sector, Chlor-Alkali Industry etc. are some of the noteworthy events. Mega events such as India Chem, Conference on Advancements in Polymeric Materials (APM), National Awards, PCPIR Conference are organised under CPDS.

Key Points in the Union Budget 2020-21

During the FY22 budget announcement, the government also increased the credit for farmers increased from Rs. 15 lakhs crores to Rs. 16.5 lakhs crores and decided to further add 1,000 mandies through the eNam platform which is to give benefit to the farmers to sell his crops at better prices which will ultimately improve the profitability of the farming community.

- Going forward, with acreage and crop prices both improving, the sector is structurally well-placed also considering the fact that that this year's harvest is slated to be a bumper crop and the farming community will be having good liquidity to spend money to safeguard their crop from pests and diseases.
- Exports of agrochemicals are to remain steady as agronomic conditions in most markets in both the Northern and Southern hemispheres have improved compared with the same period last year.
- The pandemic has had limited impact on crop planting patterns and crops like wheat, rice and soya bean have shown strength.
- The government is slated to bring a production-linked incentive (PLI) scheme for the promotion of domestic manufacturing of agrochemicals. The domestic agrochemicals sector has a good opportunity to gain considerable market share in the global markets as customers are looking to diversify their supplies away from China.
- The industry is also trying to engage into backward integration for the manufacturing of technical grade pesticides as its wants to shift its reliance from China and become self-sufficient in the coming years.

Contact:

- The total allocation towards the Department of Chemicals and Petrochemicals is USD 28.97 Mn.
- The total allocation towards the Central Institute of Plastic Engineering and Technology stands at USD 13.03 Mn.
- The allocation towards the Promotion of Petrochemicals stands at USD 7.13 Mn.

Future Outlook of Chemical Industry

The Indian chemical industry, led by the Indian Chemical Council (ICC), has set a goal of doubling turnover from the current \$150 billion to \$300 billion by 2025, provided the government extends its support to the proposed infrastructure and policy changes.

This will require an investment of about \$75-100 billion and the target is to reduce import dependency and improve exports. In the changing scenario, India will require at least one new cracker every year with an investment of \$1 billion each over the next 10 years to make basic chemicals such as ethylene, propylene, butadiene and other derivatives required for the petrochemical industry to meet the Indian chemical industries' raw material requirements.

Though the Indian chemical industry enjoys reasonable export presence, it lacks significantly behind its Asian counterparts. In order to be competitive at a global level, India will have to address the key issues pertaining to inadequate infrastructure and lack of availability of low-cost feedstock for production. The industry can leverage new technologies and explore alternative feedstock options such as coal gasification, syngas, and pet coke to mitigate the issue of feedstock availability in the sector. Post the formation of the new government at the centre in 2014, the Indian chemical industry has received a much needed boost. The chemical sector has been included as priority sector under the ambitious 'Make in India' initiative of the government. 'Make in India' is expected to play a pivotal role in driving some of the key initiatives to stimulate growth in the chemical industry. The government has already taken some crucial steps to create favourable conditions, in terms of policies and infrastructure, to attract global and domestic investment in the Indian chemical industry

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