



सत्यमेव जयते
Department of Industrial Policy and Promotion
Ministry of Commerce and Industry
Government of India

CHEMICALS SECTOR OVERVIEW

- Indicative content:
 - Current Scenario
 - Current Market Size: **\$139 Bn (2016)**
 - FDI Inflows: **US\$ 2.2 billion** (April 2014 - March 2016)
 - India Rankings:
 - **3rd** Largest Producer of Chemicals in Asia
 - **7th** largest in the World
 - **3rd** Largest Producer of Agrochemicals
 - Contributes to **10.6% of total exports & 10.5% of total imports**
 - Major segments of Chemical Industry: Base Chemicals, Specialty Chemicals, Agro Chemicals, Pharmaceuticals and Biotechnology
 - **Infrastructure:** 4 Petroleum, Chemicals & Petrochemicals investment regions (PCPIRs) and 10 Plastic Parks have been approved
 - Future Potential
 - India Projected Market Size: **\$ 403bn (FY 2025)**
 - Focus states: Gujarat, Odisha, Andhra Pradesh, Tamil Nadu, Maharashtra

DEMAND DRIVERS

- Agro Chemicals: Pesticide consumption in the country is **0.6 kg/hectare**, compared with a global average of **3-10 kg/hectare**.
- **Construction & Water Treatment Chemicals:** Increase in demand with Government initiatives like
 - 100 smart cities by 2020
 - Housing for all – 20 million houses by 2020
 - Clean India Mission
 - National Mission for clean Ganga
- Specialty chemicals: Growth of **14%** in the last five years; the market size is expected to reach **USD 70 billion by 2020**.

POLICY SUPPORT & INCENTIVES

- **100% FDI** is allowed through automatic route except a few hazardous chemicals
- **National Draft Chemical Policy**
- **PCPIR Policy:** PCPIRs are infrastructure driven projects wherein GOI provides support for development of external physical infrastructure

RECENT INVESTMENTS

- **April 2017:** Air Products announced that INOX Air Products Ltd., its joint venture (JV) in India to build 6 new air separation units (ASU)
- **June 2017:** Kansai Paint Co Ltd plans to invest \$82.3 million in India