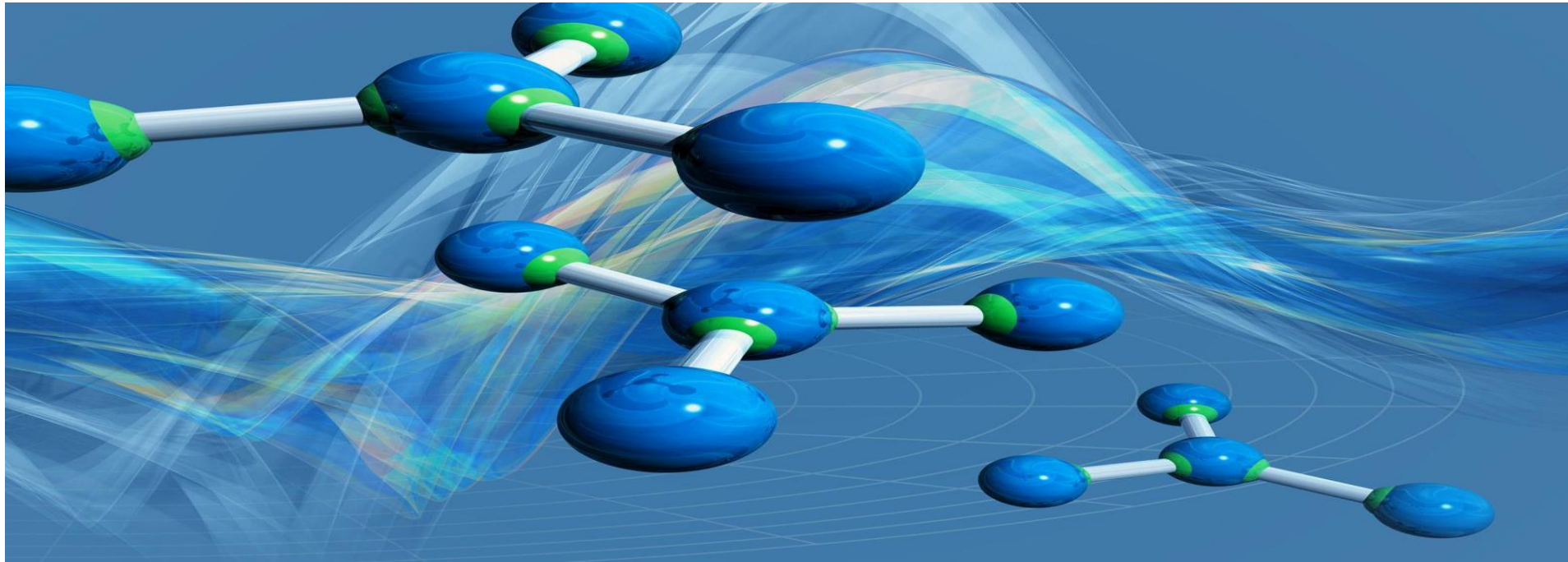


# CHEMICALS



# World's chemical nucleus

Chemicals industry in India is highly diversified, covering more than 80,000 commercial products. It is broadly classified into Basic chemicals, Specialty chemicals, and Agrochemicals. 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 is projected to reach \$ 304 bn by 2025

Indian chemicals industry (excluding pharmaceutical products) ranks 14th in exports globally

Demand of chemical products is expected to grow at approximately 9% p.a. over the next 5 years

Indian chemical industry employs more than 2 mn people

100% FDI is allowed under the automatic route in the chemicals sector (except in the case of certain hazardous chemicals)

For further details, please refer to [FDI Policy](#)

# Contribution in Indian Economy

Dyestuff and dye intermediates share (global)- 16%

Nation's Gross Value added – 1.2%

Chemical products exports share-10.3%

Contribution to global chemical industry- 3.4%

# Highlights



**Third largest consumer of polymers in the world**



**Fourth largest producer of agrochemicals in the world**



**Sixth largest producer of chemicals in the world**

# Industry Scenario

Market size of the Chemicals industry in India stood at \$ 163 bn in 2017-18.

Total production of chemicals, including basic petrochemicals, stood at 25,739,000 MT during 2016-17, a growth of 3.86% over 2015-16. Alkali chemicals had the largest share in the Chemical industry in India with approximately 69% share in the total production. Production of polymers account for around 59% of total production of basic major petrochemicals.

The petrochemical market in India is expected to grow at a CAGR of 10% over the next 5 years to reach \$ 100 bn by 2022

The market for crop protection chemicals in India is expected to reach \$ 7.5 bn by 2019. This growth in demand is based on a rapidly growing population and a decrease in per capita availability of arable land, both of which result in a greater need to increase agricultural yield

The specialty chemicals market has witnessed a growth of 14% in the last five years; the market size is expected to reach \$ 70 bn by 2020.

# Industry Trends



## Agro-chemicals

India's 50% exports of Agro-chemical production is likely to continue

## Specialty chemical

World's third largest polymer consumer owing to a growing Automobile industry



## Construction chemicals

100% Smart Cities by 2020 and other dependent construction projects

## Colourant chemicals

15% of global industry share



# Growth Drivers

- **Robust demand**

Large population base coupled with strong export demand

- **Policy support**

Setting up PCPIRs, plastic parks and CIPETs

- **Chemicals manufacturing hub**

The global shift towards Asia as the world's chemicals manufacturing hub

- **New focus segments**

Oil Specially and Knowledge chemicals

- **Cost competitive manufacturing**

skilled manpower, world-class engineering , and strong R&D



# Policies & Schemes

[UREA policy final](#)

[Petroleum, Chemical and Petrochemical  
Investment Regions](#)

[Scheme for setting up of plastic parks](#)



# Recent Investments

Jul 11, 2018 - **Toray Industries (India)**, a subsidiary of the Japanese major Toray Industries will invest **INR 1000 crore** to set up a plant for manufacturing chemicals used as advanced raw materials in **Sri City, Andhra Pradesh**

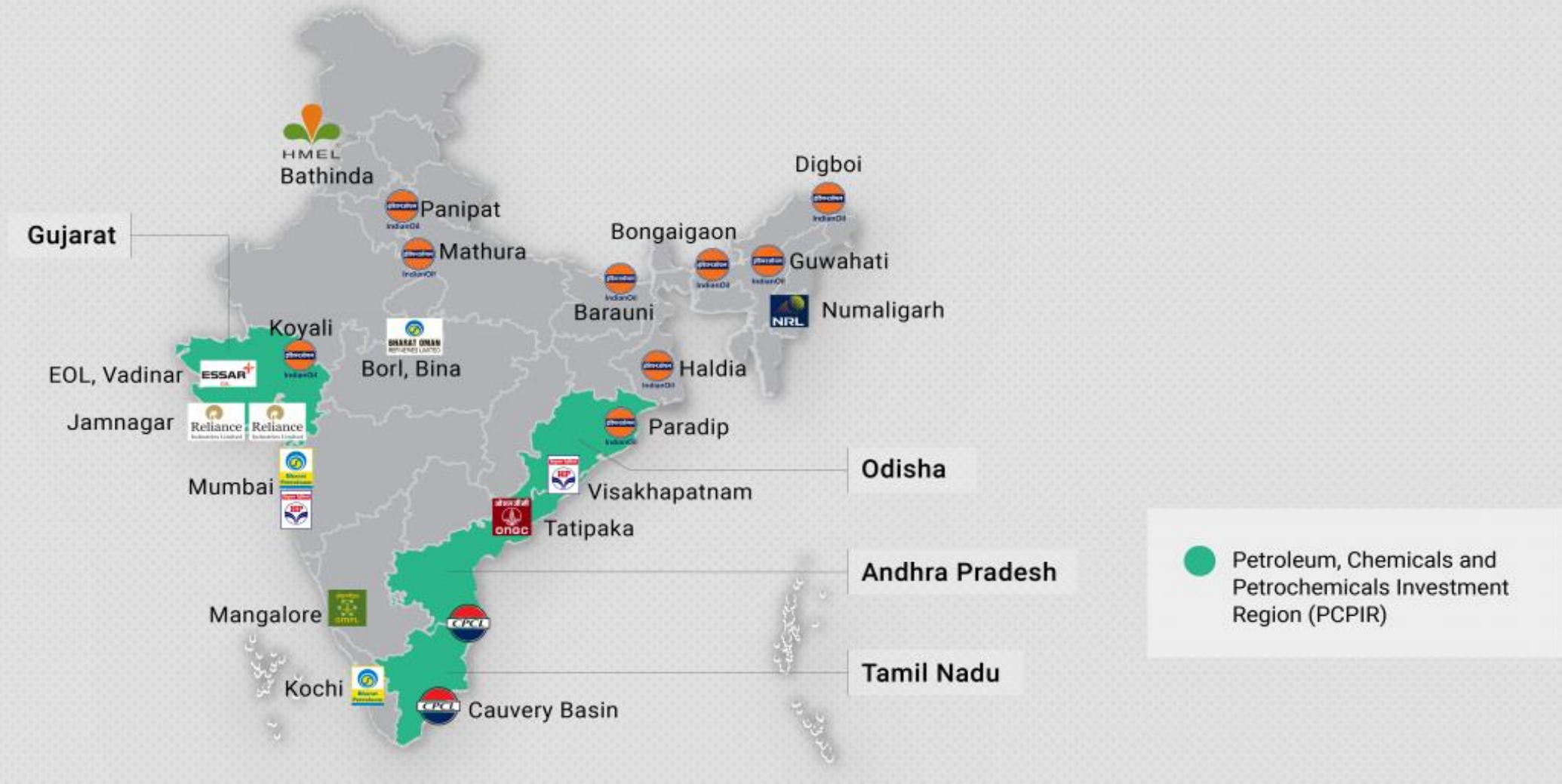
Mar 11, 2018 - **Himadri Speciality Chemical Ltd.** is planning to invest **\$ 153 mn** to expand its Carbon Black business by setting up new carbon black lines in its existing integrated plant in Mahistikry, West Bengal for producing Specialty Carbon Black.

Jan 28, 2017 - **Hindustan Petroleum Corporation Ltd (HPCL), Gail India Limited (GAIL) and Government of Andhra Pradesh**, have signed a Memorandum of Understanding (MoU) for setting up a greenfield, standalone petrochemical complex in Andhra Pradesh. The proposed complex, which will be spread in 2000 acres **of GMR's** Kakinada SEZ, is expected to involve an investment of **\$ 6.1 bn.**

# Major Investors



# PCPIR's and Refineries



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