

**Uj GOVERNMENT OF INDIA
MINISTRY OF CHEMICALS & FERTILIZERS
DEPARTMENT OF CHEMICALS & PETROCHEMICALS**

**RAJYA SABHA
UNSTARRED QUESTION NO. 3063
TO BE ANSWERD ON 28.03.2023**

FOREIGN DIRECT INVESTMENT IN CHEMICAL SECTOR

3063. Dr. Fauzia Khan:

Will the Minister of Chemicals and Fertilizers be pleased to state: -

- a. the total foreign direct investment in the chemical sector during of the last three years;
- b. whether the FDI inflow in the chemical sector has registered a sharp decline;
- c. if so, the reasons therefor; and
- d. the steps taken/proposed to be taken by Government to increase the inflow of FDI in the chemical sector?

ANSWER

**MINISTER OF STATE FOR CHEMICALS AND FERTILIZERS
(SHRI BHAGAWANTH KHUBA)**

(a): The details of the Foreign Direct Investment (FDI) made in chemical sector during last three years is as under:-

Year	FDI (in Rs. crores)
2020-21	6,300
2021-22	7202
2022-23 (upto December, 2022)	11,906

(b)&(c): No Madam. The FDI inflow in Chemical sector has been rising since F.Y. 2020-21.

(d): To attract Foreign Direct Investment (FDI) in the chemical sector, the Government has put in place an investor friendly policy, wherein most sectors, except certain strategically important sectors, other are open for 100% FDI under the automatic route, including chemical sector. Almost 98% of the FDI equity inflow has come under automatic route during the current financial year 2022-23 (up to December, 2022). Further, the policy on FDI is reviewed on an ongoing basis, to ensure that India remains an attractive and investor friendly destination. Changes are made in the policy after having consultations with stakeholders, including apex industry chambers, associations, representatives of industries/groups and other organizations. FDI policy provisions have been progressively liberalized and simplified

across various sectors. Further, all proposals seeking Government approval under the FDI route are now filed on National Single Window System (NSWS) Portal.

To promote and facilitate investment in the chemical sector, the Government has also set up a dedicated Project Development Cell (PDC) to identify potential projects, conduct regular investor outreach programs and facilitate fresh investments in this sector. Also, Department of Chemicals and Petrochemicals organizes mega global events like "India Chem" and Summit on "Global Chemical and Petrochemical Manufacturing Hubs" biennially to attract mega investment in the sector.
