

GOVERNMENT OF INDIA
MINISTRY OF CHEMICALS AND FERTILIZERS
DEPARTMENT OF CHEMICALS AND PETROCHEMICALS
RAJYA SABHA
UNSTARRED QUESTION No. 245
ANSWERED ON - 02/12/2025

INCENTIVE SCHEME FOR PROMOTING CHEMICAL PRODUCTS

245. SHRI NEERAJ DANGI:

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state: -

- (a) the current status of foreign direct investment (FDI) in the country's chemical industry and the efforts that are being made to increase it;
- (b) whether the Government has implemented any new policy or incentive scheme to promote the export of chemical products; and
- (c) whether the Government has issued any new standards or guidelines for the safety of workers in the chemical industry?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS
(SMT. ANUPRIYA PATEL)

- a) Total Foreign Direct Investment (FDI) made in Chemicals & Petrochemicals sector during the last three years is as under:

Period	FY 2023-24	FY 2024-25	FY 2025-26 (April-Sept)
USD Million	844	1060	534.12
INR Crore	6,985	8,942	4,598.19

To promote Foreign Direct Investment (FDI), the Government has put in place an investor friendly FDI policy, wherein Chemicals & Petrochemicals sector is open for 100% FDI under the automatic route.

- (b) The Government of India has undertaken various steps to enhance the exports of Indian chemical products. The key initiatives are as follows:
- The Department of Chemicals & Petrochemicals, has notified the PCPIR Policy to attract investment and for the generation of employment in the Petroleum, Chemical

and Petrochemical Investment Regions (PCPIRs). PCPIRs promote the Chemical and Petrochemical sectors in an integrated and environmentally friendly manner on a large scale. PCPIRs are conceptualized in a cluster-based approach with common infrastructure and support services to provide a competitive environment conducive for setting up businesses and export promotion. At present three PCPIRs have been notified in the States of Andhra Pradesh (Vishakhapatnam), Gujarat (Dahej) and Odisha (Paradeep).

- The Department of Chemicals and Petrochemicals has brought out a scheme for setting up of Plastic Parks. The scheme promotes setting up of need-based Plastic Parks with requisite state-of-the-art infrastructure and enabling common facilities. The objective is to consolidate and synergize the capacities of downstream plastic processing industry to help increase investment, production and export in the sector as well as generate employment. Under the scheme, the Government of India provides grant funding up to 50% of the project cost subject to a ceiling of Rs. 40 crore per project. In accordance with the scheme guidelines, 9 Plastic Parks have been approved so far and the same are at different levels of implementation.
 - The Government of India is implementing the Trade Infrastructure for Export Scheme (TIES) with the objective to enhance export competitiveness by bridging gaps in export infrastructure, creating focused export infrastructure. The scheme would provide assistance for setting up and up-gradation of infrastructure projects with overwhelming export linkages like the Border Haats, Land customs stations, quality testing and certification labs, cold chains, trade promotion centres, dry ports, export warehousing and packaging, SEZs and ports/airports cargo terminuses.
 - Implementation of the Remission of Duties and Taxes on Exported Products (RoDTEP) scheme, which has been extended to cover sectors including organic and inorganic chemicals with effect from 15.12.2022.
 - The Union Cabinet has approved the Export Promotion Mission (EPM) with a total outlay of Rs. 25,060 crore for FY 2025-26 to FY 2030-31. The Mission will operate through two integrated sub-schemes: NIRYAT PROTSAHAN – which focuses on improving access to affordable trade finance for MSMEs through a range of instruments and NIRYAT DISHA – which focuses on non-financial enablers that enhance market readiness and competitiveness, including export quality and compliance support, assistance for international branding, packaging, and participation in trade fairs, export warehousing and logistics, etc.
 - The Government has launched a Common Digital Platform for Certificate of Origin to facilitate trade and increase Free Trade Agreement (FTA) utilization by exporters.
- (c) The Government of India has enacted the Occupational Safety, Health and Working Conditions (OSH&WC) Code, 2020, which has been enforced with effect from 21.11.2025. It regulates working conditions and workplace environments to safeguard

the health, safety, and well-being of persons employed in the factories registered under the Code including chemical industries.

Further, to prevent major accidents due to handling of hazardous chemicals, the Ministry of Environment, Forest and Climate Change (MoEFCC) has notified Manufacture, Storage, and Import of Hazardous Chemical Rules, 1989. Further, MoEFCC and Central Pollution Control Board (CPCB) have developed an 'Integrated Guidance Framework for Chemicals Safety in respect of Isolated Storage(s) and Industries covered under MSIHC Rules, 1989'.
