

GOVERNMENT OF INDIA
MINISTRY OF CHEMICALS AND FERTILIZERS
DEPARTMENT OF CHEMICALS AND PETROCHEMICALS

RAJYA SABHA
UNSTARRED QUESTION No. 1951
ANSWERED ON - 10/03/2026

DEDICATED CHEMICAL PARKS SCHEME

1951. SHRI SANA SATHISH BABU:

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

- a) whether the Dedicated Chemical Parks announced in the Union Budget 2026-2027 are proposed to be developed as greenfield projects or by leveraging existing industrial clusters;
- (b) the selection criteria and implementation framework under the challenge-based mechanism;
- (c) the manner in which these parks are expected to strengthen domestic manufacturing, enhance supply-chain integration and reduce import dependence in the chemicals sector, with supporting data and the likely benefits to Andhra Pradesh in this regard; and
- (d) the timeline for operationalisation?

ANSWER

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

(a) to (d): Subsequent to the announcement in the Union Budget of FY 2026–27, the proposed scheme for establishment of Dedicated Chemical Parks is currently under formulation. The scheme envisages the development of three such Parks as greenfield projects. Under the proposed scheme, the three Chemical Parks will be developed with plug-and-play facilities for the industry. The scheme will involve development of common infrastructure facilities and basic utilities.

The Government of India would provide partial financial support towards the cost of establishing these facilities and utilities, with the rest to be provided by the concerned State Government.

The establishment of these Chemical Parks shall enhance the cost competitiveness of the Indian chemical industry by providing common infrastructure facilities and basic utilities, thereby reducing the capital cost requirement for an individual industry. It will also promote

logistics-related efficiencies and economies of scale, while encouraging sustainability and the circular economy. This would result in enhanced domestic production and better supply chain integration.

The Scheme is proposed to be implemented through the challenge route. Accordingly, the Scheme would allow any State in the country including Andhra Pradesh to submit proposals for the establishment of Chemical Parks. The proposals would be evaluated based on the selection criteria to be laid down in the Scheme, consequent to its finalisation. Based on this evaluation, the most suitable proposals would be selected.
