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

RAJYA SABHA
UNSTARRED QUESTION No. 2582
ANSWERED ON - 11/08/2026

SHARE IN GLOBAL CHEMICAL VALUE CHAIN

2582. SHRI S NIRANJAN REDDY:

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

(a) whether it is a fact that India's share in the global chemical value chain is estimated at only 3.5 per cent, with an ambition to increase it to 5-6 per cent by 2024;
(b) if so, the strategy formulated to enhance the country's participation in the global chemical value chain, including measures to promote innovation and value – added chemical production;
(c) the steps taken to support Indian chemical companies in moving beyond the production of intermediates to developing differentiated and innovative chemical solutions for global markets; and
(d) whether any PLI, R&D support or export promotion measures have been introduced for this purpose and if so, the details thereof ?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS

(SMT. ANUPRIYA PATEL)

(a) to (d) As per the Niti Aayog Report on Chemical Industry released in July, 2025 India's share in the global chemical value chains is 3-3.5%. The Government has taken following measures with respect to infrastructure augmentation, promoting innovation and export promotion with the overall objective of enhancing the country's integration in global chemical value chains.

2. Infrastructure Initiatives :

2.1 Scheme for setting up of Chemicals Parks :

The Union Cabinet on 24th July, 2026, has approved the BHAVYA – Rasayan (Bharat Audyogik Vikas Yojana–Rasayan) Scheme for establishing three dedicated Chemical Parks in the country with a total budget outlay of Rs. 3,030 Crore under the Challenge Route.Accordingly, all States and Union Territories, are eligible to apply for the establishment of a Chemical Park in accordance with the Scheme guidelines and selection criteria. Under the Scheme, the Central Government will provide financial assistance of up to Rs. 1,000 Crores for each Chemical Park, subject to a minimum contribution of Rs. 500 Crores by the respective State Government. The initiative aims to improve cost competitiveness, thereby increasing domestic production and enhanced integration of Indian industry into global value chain.

2.2 Petroleum, Chemical and Petrochemical Investment Region(s) (PCPIR)

Government of India notified the Petroleum, Chemical and Petrochemical Investment Region(s) (PCPIR) Policy, 2007 to attract investment and for generation of employment in the Petroleum, Chemical and Petrochemical Investment Region(s). PCPIRs are conceptualized in cluster-based approach with common infrastructure and basic utilities to provide a competitive environment conducive for setting up businesses. The PCPIRs promote the Chemical and Petrochemical sector in an integrated and environmentally friendly manner.

Currently, three PCPIRs have been notified in the States of Andhra Pradesh (Vishakhapatnam-Kakinada), Gujarat (Dahej) and Odisha (Paradeep). These three PCPIR regions have till date, attracted a total investment of Rs. 3,49,192 Crores and a total of 2246 industrial units have been set up which have generated employment for 3,71,263 individuals.

2.3 Scheme for Setting up of Plastic Parks

The Scheme aims at setting up need-based Plastic Parks, with requisite infrastructure and enabling common facilities through a cluster-based approach, to consolidate and synergise the capacities of the domestic downstream plastic processing industry. The larger objective of the Scheme is to contribute by increasing investment, production, as well as employment generation. Under the Scheme, the Government of India provides grant funding up to 50 per cent of the project cost, subject to a ceiling of Rs. 40 Crores per project. 10 Plastic Parks have been approved in the States of Madhya Pradesh (two Plastic Parks), Odisha, Jharkhand, Tamil Nadu, Uttarakhand, Chhattisgarh, Assam, Uttar Pradesh and Karnataka.

3. R&D Initiatives :

3.1 Scheme for setting up of Centres of Excellence :

Under the scheme, the Department provides grant-in-aid to Government educational and research institutions to improve existing technology and promote development of new applications in the field of Chemicals and Petrochemicals. The emphasis of the Scheme is on modernisation and upgradation of existing manufacturing processes as well as improving the quality of products. The Centres of Excellence (CoEs) are expected to work towards updating products for new uses, developing innovative product technology, improving production processes etc. Under the scheme, the Government of India provides financial support up to 50 per cent of the total project cost, subject to an upper limit of Rs. 5 Crores. 18CoEs have been approved in this regard.

4. Export promotion Initiatives :

4.1 The Department of Chemicals & Petrochemicals though the Chemical Promotion and Development Scheme conducts industry promotion events, seminars, conferences, exhibitions. These events are useful for the promotion of exports and attracting foreign investment in the sector, R&D promotion, import substitution, skill development and sustainability initiatives for comprehensive development of the sector.

4.2 The Union Cabinet has approved **Export Promotion Mission (EPM).** The Mission will provide a comprehensive, flexible, and digitally driven framework for export promotion across different sectors including Chemicals and Petrochemicals, with a total outlay of Rs. 25,060 Crores 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 such as interest subvention, export factoring, collateral guarantees, credit cards for e-commerce exporters, and credit enhancement support for diversification into new markets.

- **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, inland transport reimbursements, and trade intelligence and capacity-building initiatives.

4.3 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 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.

4.4 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 December, 2022.

4.5 The Government has launched Common Digital Platform for Certificate of Origin to facilitate trade and increase Free Trade Agreement (FTA) utilization by exporters.

4.6 Department of Commerce regularly participates in International Exhibitions and organises Buyer-Seller Meets to showcase Indian chemical products and enhance global visibility. These initiatives facilitates direct engagement between Indian exporters and overseas buyers.

5. Further, at present there is no PLI scheme for the sector.

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