

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

**LOK SABHA
UNSTARRED QUESTION NO 1187
TO BE ANSWERED ON 18.12.2018**

Growth of Chemical Industry

**1187. ADV. M. UDHAYAKUMAR:
SHRIMATI VASANTHI M:**

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

- (a) whether it is a fact that the country's chemical industry is expected to grow at around 9 per cent per annum to reach US \$ 304 billion by the financial year 2025 from US \$ 163 billion in the financial year 2018;
- (b) if so, the details thereof;
- (c) whether the growth is likely to be driven by rising demand in end use segments for speciality chemical and petrochemicals intermediates;
- (d) if so the details thereof;
- (e) whether it is also true that the domestic chemical industry attracted FDI investment of US \$ 1.3 billion in the financial year 2018 which is about 3% of the total FDI inflow and if so, the details thereof; and
- (f) whether the domestic chemical industry's growth is largely driven by the country's consumption growth story and if so, the details thereof?

ANSWER

**MINISTER OF STATE (INDEPENDENT CHARGE) FOR MINISTRY OF PLANNING
AND MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND
FERTILIZERS (RAO INDERJIT SINGH)**

(a & d) The Chemical sector is de-licensed. According to the knowledge paper prepared by Federation of Indian Chambers of Commerce and Industry (FICCI), India's chemical Industry is estimated at \$163 billion in financial year 2018 and it is estimated to grow at 9% per annum to reach \$ 304 billion by financial year 2025. The growth is linked to rising demand in the various end-use segments including speciality chemicals & petrochemicals intermediates and to increase in exports to various countries.

(e) In the Chemical Sector, 100% FDI is permissible under the automatic route. The FDI Inflow during the financial year 2017-18 in the chemical sector (other than fertilizers) is US\$ 1,307.90 million, which is 2.92% of the total FDI inflows of the order of US\$ 44,856.75 million.

(f) Domestic chemical industry's growth is linked to the consumption requirement by various manufacturing sectors in the industry & increase in exports to various countries.
