

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

LOK SABHA
UNSTARRED QUESTION NO. 352
TO BE ANSWERED ON 19-11-2019

Import of Petrochemicals

352. Shri Subhash Ramrao Bhamre: Shrimati Supriya Sule: Dr. Amol Ramsing Kolhe: Shri Sunil Dattatray: Shri Kuldeep Rai Sharma: Shri Mohanbhai Kalyanji Kundariya: Shri A.K.P Chinraj

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

- a) the details of domestic production of major chemicals and petrochemicals in the country during each of the last three years and the current year;
- b) whether imports of chemicals and petrochemicals has touched a whopping Rs 1.21 lakh crore annually in 2018-19;
- c) if so, the details thereof and the reasons therefor;
- d) whether the Government is considering to attract investments in this sector and if so, the details thereof; and
- e) whether the Government is planning to boost domestic production of chemicals and petrochemicals to cut down import and make India a manufacturing hub for the sector and if so, the steps taken in this direction and the time by which it is likely to be accomplished?

ANSWER

MINISTER FOR CHEMICALS & FERTILIZERS (SHRI D.V. SADANANDA GOWDA)

(a) The details of production of basic major chemicals are as below :

Product	Quantity ('000mt)			
	2016-2017	2017-2018	2018-19	2019-20 (up to Q2)*
Alkali Chemicals	7205	7924	8382	4299
Inorganic Chemicals	1163	1184	1184	557
Organic Chemicals	1662	1830	1917	937
Pesticides and Insecticides	215	213	218	93
Dyes & Pigments	322	369	383	191
Total	10567	11520	12084	6078

(*provisional)

(b) The details of production of basic major petrochemicals are as below:

Product	Quantity ('000mt)			
	2016-2017	2017-2018	2018-19	2019-20 (up to Q2)*
Synthetic fibre	3599	3625	3675	1972
Polymers	9163	9276	12115	5968
Synthetic rubber	285	308	350	178
Synthetic detergent intermediates	664	743	687	337
Performance plastics	1799	1719	1605	829
Fibre Intermediate	4588	5068	5614	2511
Olefins	8940	10304	11535	5678
Aromatics	5374	5388	5622	2114
Other Petrochemicals	2192	2128	2292	1169
Total	36604	38559	43495	20756

(*provisional)

- (b) Yes, the import of chemicals and petrochemicals for the year 2018-19 stands at Rs. 3.63 lakh crore (as on dated 31-5-2019) as per Directorate General of Commercial Intelligence and Statistics (DGCIS).
- (c) The production of domestic chemical and petrochemical is less than the demand for the same in the country. This is because chemical and petrochemical sector is a highly capital-intensive sector having long gestation period for starting operations. Shortage of feedstock/raw materials at competitive prices and high factor costs of production as compared to neighbouring countries are some of the factors which have led to increase in imports to meet the demand.
- (d) Yes, the Government is considering attracting investments in this sector and following measures are being taken:
- i. Chemicals & Petrochemicals Sector is broadly de-licensed and de-regulated. 100% FDI is permissible under automatic route.
 - ii. Four Petroleum, Chemicals and Petrochemicals Investment Regions (PCPIRs) have been notified in the country to give boost to the sector.
 - iii. Various other schemes are implemented and initiatives taken to promote investments in the sector for boosting domestic production.
- (e) To boost the domestic production of chemicals and petrochemicals and cut down imports and make India a manufacturing hub for the sector, the "Vision document 2024" of Department of Chemicals & Petrochemicals has been prepared to meet the growing domestic demand of chemicals and petrochemicals.
