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

LOK SABHA
UNSTARRED QUESTION NO. 1058
TO BE ANSWERD ON 22.07.2022

FOREIGN DIRECT INVESTMENT IN CHEMICAL SECTOR

1058. SHRI RAJESHBHAI CHUDASAMA:

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

(a) the total Foreign Direct Investment (FDI) in the chemical sector during of the last three years;
(b) whether the FDI inflow in the chemical sector has registered a sharp decline;
(c) if so, the details thereof along with the reasons therefor; and
(d) the details of the steps taken/proposed to be taken by the Government to increase the inflow of FDI in the chemical sector?

ANSWER

MINISTER OF STATE FOR CHEMICALS AND FERTILIZERS
(SHRI BHAGAWANT KHUBA)

(a): Total Foreign Direct Investment (FDI) made in chemical sector during last three years is as under:

<table>
<thead>
<tr>
<th>Year</th>
<th>FDI (in Rs. Cr.)</th>
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<tbody>
<tr>
<td>2019-20</td>
<td>7492</td>
</tr>
<tr>
<td>2020-21</td>
<td>6300</td>
</tr>
<tr>
<td>2021-22</td>
<td>7202</td>
</tr>
<tr>
<td>Grand Total</td>
<td>20994</td>
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</tbody>
</table>

(b)&(c): Although the decline of 20% was observed in year 2020-21, there was also the recovery of about 14% in year 2021-22, it cannot be inferred that there was any sharp consistent decline. Department has not undertaken any study to assess the reasons for decline in FDI inflow during 2020-21. COVID-19 may have been one of the factors which have impacted the FDI inflow in India.

(d): To promote and facilitate investment in the chemical sector, Government has set up a dedicated Project Development Cell (PDC) to identify potential projects, conduct regular investor outreach programs and facilitate fresh investments in this sector.

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