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

LOK SABHA
UNSTARRED QUESTION NO. 948
ANSWERED ON 24/07/2026

INDIGENOUS PRODUCTION OF CRITICAL CHEMICAL MATERIALS

948. SHRI P V MIDHUN REDDY:

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

(a) whether Government is aware that imports of chemical materials and products increased by 44.4 per cent year-on-year during April-December, 2025;

(b) the measures taken by the Government to promote indigenous production of critical chemical inputs and intermediates to reduce dependence on import while maintaining global competitiveness;

(c) whether any assessment has been conducted by the Government regarding the potential for domestic chemical manufacturers to integrate into global value chains for pharmaceutical, electronics and renewable energy sectors, if so, the details thereof; and

(d) if not, the reasons therefor?

ANSWER

THE MINISTER OF STATE FOR CHEMICALS & FERTILIZERS

(SMT. ANUPRIYA PATEL)

(a): As per the data available on the website of the Department of Commerce, Ministry of Commerce and Industry, imports of major chemical materials and products increased from ₹4,70,570.43 Crore during April–December 2024 to ₹5,21,964.05 Crore during April–December 2025, registering an increase of 10.92 per cent.

(b): The Department of Chemicals and Petrochemicals has taken the following initiatives to promote indigenous production of critical chemical inputs and intermediates to reduce import dependency while maintaining global competitiveness:

Petroleum, Chemicals and Petrochemicals Investment Regions (PCPIR):

The Department had notified the Petroleum, Chemicals and Petrochemical Investment Region (PCPIR) Policy. PCPIRs are conceptualized as cluster-based model of Development with common infrastructure and support services. Three PCPIRs have been set up at Dahej (Gujarat), Vishakhapatnam–Kakinada (Andhra Pradesh) and Paradeep (Odisha). Currently, 2,246 chemical units are functional in these PCPIRs having a cumulative investment of Rs. 3,49,192 Crore and these regions have generated employment of 3.7 lakh persons.

Plastic Park Scheme:

The Department of Chemicals and Petrochemicals (DCPC) implements the Scheme for Setting up of Plastic Parks. The Scheme promotes setting up of need-based Plastic Parks with requisite state-of-the-art infrastructure and enabling common facilities. The objective is to consolidate and synergize the capacities of downstream plastic processing industry to help increase investment, production and export in the sector as well as generate employment. Under the Scheme, the Government of India provides grant funding up to 50% of the project cost to the State Government subject to a ceiling of Rs. 40 Crore per project. In accordance with the Scheme Guidelines, 10 Plastic Parks that have been approved are at different stages of implementation.

Centres of Excellence (CoEs):

The Department of Chemicals and Petrochemicals has implemented a Scheme for setting up of Centres of Excellence. The objective is to provide grants-in-aid to educational and research institutions to improve existing technology and promote development of new applications of polymers and plastics. In 2024, the Scheme was also extended to include research related to Chemicals. The emphasis of the Scheme is on modernization and upgradation of existing manufacturing processes as well as improving the quality of products. 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 Crore. 18 CoEs have been approved under the Scheme.

Chemical Promotion and Development Scheme (CPDS):

The Department of Chemicals & Petrochemicals is also implementing the Chemical Promotion and Development Scheme (CPDS) to attract investment and facilitate growth and development of Chemicals and Petrochemicals Industry by dissemination of knowledge through conduct of seminars, conferences, exhibitions, etc. in different sub sectors of the industry such as Agrochemicals, Dyes and Pigments, Chlor-Alkali, Plastics and Petrochemicals.

These events promote Indian industry and trade, attract foreign investment, encourage R&D for indigenization of technologies, improve skills and support sustainability initiatives for comprehensive development of the sector.

(c) and (d): NITI Aayog, in its July 2025 report titled "Chemical Industry: Powering India's Participation in Global Value Chains," has assessed the potential for integrating India's chemical industry into global value chains across various sectors including pharmaceuticals, electronics and renewable energy. The report identifies cost competitiveness as a key factor for enhancing domestic manufacturing capacity and highlights the need for establishing world-class chemical hubs through cluster-based development with shared infrastructure and logistics connectivity.

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