

**GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA**

UNSTARRED QUESTION NO:1979

ANSWERED ON:11.12.2008

PRODUCTION OF CHEMICALS

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

- (a) whether the Government has taken steps to increase the production of chemicals in the country;
- (b) If so, the target set and the achievements made during each of the last two years and current year;
- (c) whether performance of chemicals producing units are not satisfactory;
- (d) if so, the reasons therefore; and
- (e) the corrective measures taken by the Government in this regard?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS AND MINISTER OF STATE IN THE MINISTRY OF MINES: (SHRI B.K. HANDIQUE)

(a) to (e): Chemical sector is delicensed and de-regulated except for few hazardous chemicals like Hydrocyanic acid and its derivatives, Phosgene and its derivatives and Isocyanates and di-isocyanates of hydrocarbon for which industrial licence is required. In chemical sector, 100% FDI is permissible. To promote investment in the chemical sector, Government has announced the Petroleum, Chemicals & Petrochemicals Investment Region (PCPIR) Policy which seeks to attract domestic and foreign investment by promoting high class infrastructure and a competitive environment conducive for setting up chemical and petrochemical units in an integrated manner. In the budget 2008, Government reduced excise duty on chemicals from 16% to 14% to promote growth of the sector. Production of major chemicals during the years 2006-07 and 2007-08 is given below:

(Unit in 000 tons)

Year	Alkali Chemicals	Inorganic Chemicals	Organic Chemicals	Pesticides (Tech.)	Dyes & Dyestuffs	Total Major Chemicals
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2006-07	5269	602	1545	85	33	7534
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2007-08	5443	609	1546	83	44	7725
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(Source: S&M Division of DCPC)