

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

UNSTARRED QUESTION NO:2411  
ANSWERED ON:11.03.2010  
DEMANDS OF PETROCHEMICALS  
Owaisi Shri Asaduddin

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

- (a) whether the demands for petrochemicals (Polymers) was projected to have a potential to reach 12.5 million tonnes by the end of Eleventh Five Year Plan;
- (b) if so, the total capacity addition made by the Government for the last three years of Eleventh Five Year Plan to meet the increased requirement;
- (c) the target fixed by the Government at the inception of the said plan for the capacity addition and achieved so far;
- (d) the further steps taken by the Government for the remaining period of above plan to meet the projected demand and capacity addition; and
- (e) the funds invested so far and likely to be invested during the plan period?

**Answer**

THE HON'BLE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI SRIKANT KUMAR JENA)

(a) Yes Madam.

(b) to (e) The Petrochemicals Industry is delicensed, liberalized and deregulated. The Government is not making any investment for capacity additions in the Petrochemicals Sector. However Government is providing support to GAIL'S joint venture company i.e. Brahmaputra Cracker And Polymer Limited (Assam Gas Cracker Project) by way of Capital subsidy amounting to Rs. 2138 crores, as part of the project cost of Rs. 5460.61 crores. So far Rs. 453.74 crores towards capital subsidy has been released to BCPL.

The import of polymers is under open general license and can be imported by user industry depending on the demand and competitive prices. The capacity additions are being planned by the Private Sector and Oil Public Sector Undertakings depending on the techno-economic viability. As per Industry Estimates, the total investment made in the upstream Petrochemical Sector during 2007-08 & 2008-09 is around Rs. 13200 crores.