

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

**LOK SABHA
UNSTARRED QUESTION NO 3409
TO BE ANSWERED ON 16.03.2021**

Boosting of Chemical Industry

3409: SHRIMATI NAVNEET RAVI RANA:

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

- (a) whether it is a fact that the specialty of chemical sector in India has been one of the few sectors that have remained largely unfazed by the ongoing Covid-19 slowdown;
- (b) if so, the steps taken/being taken by the Government to further boost the chemical industry in the country by creating a conducive policy structure for export and technological transfer; and
- (c) the measures taken by the Government for promoting technology that would help domestic industries for rising to global standards considering the fact that the Government's production-linked-incentive scheme and push for "Aatmanirbhar Bharat" will continue to create demand for the chemical industry as it spans across most manufacturing sectors ?

ANSWER

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

- (a) The Chemical sector is delicensed and free from licensing regime except for three hazardous chemicals. Only Industrial Entrepreneur Memorandum (IEM) is required to be obtained from Department for Promotion of Industry and Internal Trade (DPIIT) for setting up new undertaking or to carry out substantial expansion in the chemical sector.

Entrepreneurs are setting up units based on techno economic feasibility, demand and supply scenario and cost of feedstock/ raw materials and selling in the free market. 100% FDI is permissible under the automatic route to boost foreign investment.

The quantum of production of Major Chemicals decreased to 69.34 lakh tonnes during 2020-21 (Up to November-2020) as compared to 80.75 lakh tonnes during the corresponding period of the previous year, recording a decline of 14.13%. Among Major Chemicals, the production of Pesticides & Insecticides has increased by 23.5% and in case of Alkali Chemicals, Inorganic Chemicals, Organic Chemicals and Dyes & Pigments production has decreased during the period as compared to the last year.

The quantum of production of Major Petrochemicals also decreased to 266.20 lakh tonnes during 2020-21 (Up to November-2020) as compared to 282.48 lakh tonnes during the corresponding period of the previous year, recording a decline of 5.76%. Production of all the Major Petrochemicals i.e., Synthetic Fibre, Fibre Intermediate, Polymers, Synthetic Rubber, Performance Plastics, Aromatics and Other Petrochemicals decreased except Synthetic Detergent Intermediates and Olefins during the period as compared to the last year.

(b) & (c) The Government has notified “Petroleum, Chemicals and Petrochemicals Investment Region (PCPIR) Policy, 2007” to provide integrated top class infrastructure in the approved four PCPIRs in different States. Steps have been taken to increase growth of the chemical sector by rationalization of customs duty on the feedstock/building blocks/Intermediates for having growth along the complete value chain. In addition,

various virtual conferences/webinar have been organized with stakeholders and overseas manufacturers for boosting investment in chemical sector. Moreover, for promoting technological capability, acquisition of foreign technology is encouraged through foreign technology collaboration agreements which is permitted through automatic route by RBI subject to ceiling on payment of lumpsum fee/royalty. Recent measures such as production-linked–incentive scheme for 13 sectors announced in the Budget 2021-22 and push for 'Aatmanirbhar Bharat' will help the growth of the chemical sector by increasing demand of chemical products.
