MARKET SIZE

SECTOR COMPOSITION

KEY TRENDS

GOVERNMENT INITIATIVES

ADVANTAGE INDIA

**CHEMICALS**

**Market Size of Indian Chemical Sector (US$ billion)**

<table>
<thead>
<tr>
<th>Year</th>
<th>FY19</th>
<th>FY20</th>
<th>FY21</th>
<th>FY22</th>
<th>FY23</th>
<th>FY24</th>
<th>FY25</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value (US$ billion)</td>
<td>178.0</td>
<td>194.6</td>
<td>212.8</td>
<td>232.6</td>
<td>254.3</td>
<td>278.1</td>
<td>304.0</td>
</tr>
</tbody>
</table>

**Indian Chemical Segmentation as % of production (FY19)**

- Alkali chemicals: 69%
- Inorganic chemicals: 16%
- Organic chemicals: 9%
- Pesticides: 2%
- Dyes & Pigments: 3%

**Key Trends**

- **Growing demand:** Rise in demand from end-user industries such as food processing, personal care and home care is driving development of different segments in India’s specialty chemicals market.
- **Increasing Investments:** PCPIRs are expected to attract investments worth Rs. 7.63 lakh crore (US$ 104.36 billion). Indian chemical companies spend ~1% of their revenue on R&D.
- **Policy support:** Under the Union Budget 2021-22, the government allocated Rs. 233.14 crore (US$ 32.2 million) to the Department of Chemicals and Petrochemicals.
- **Opportunities:** India’s specialty chemicals companies are expanding their capacities to cater to rising demand from domestic and overseas. With global companies seeking to de-risk their supply chains, which are dependent on China, the chemical sector in India has the opportunity for a significant growth.

**Import and Export of Chemicals (US$ million)**

- **Jan-20:**
  - Import: 1,265.2
  - Export: 1,891.2
- **Jan-21:**
  - Import: 1,530.4
  - Export: 1,939.4

*Note: Import includes data for both organic and inorganic chemicals and chemicals materials and products; Export data includes only organic and inorganic chemicals.*

**Make in India**

**Production-Linked Incentive (PLI) scheme**

**100% FDI**

*Growing demand:*

- Rise in demand from end-user industries such as food processing, personal care and home care is driving development of different segments in India’s specialty chemicals market.

*Increasing Investments:*

- PCPIRs are expected to attract investments worth Rs. 7.63 lakh crore (US$ 104.36 billion). Indian chemical companies spend ~1% of their revenue on R&D.

*Policy support:*

- Under the Union Budget 2021-22, the government allocated Rs. 233.14 crore (US$ 32.2 million) to the Department of Chemicals and Petrochemicals.

*Opportunities:*

- India’s specialty chemicals companies are expanding their capacities to cater to rising demand from domestic and overseas. With global companies seeking to de-risk their supply chains, which are dependent on China, the chemical sector in India has the opportunity for a significant growth.