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India's Chemicals and Petrochemicals Sector: A Foundation for Industrial Growth

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India's chemicals and petrochemicals industry is expanding its manufacturing base, investment potential and international engagement. Dedicated industrial parks and integrated infrastructure aim to improve production capacity and attract investment. Research funding, specialised institutions and skill development are building expertise for advanced applications. Quality standards and workplace safety measures reinforce responsible industrial practices. Together, these efforts position the sector to pursue greater value addition, technological capability and a stronger role in global chemical markets.

An Industry of Strategic Importance

India's chemicals and petrochemicals industry is an important pillar of manufacturing, agriculture and industrial development. Its products serve diverse sectors, including pharmaceuticals, textiles, construction, automobiles, electronics and consumer goods. India is the **sixth-largest producer of chemicals** in the world and the fourth-largest in Asia. The sector is currently valued at around USD 220 billion. It is projected to reach USD 300 billion by 2030 and USD 1 trillion by 2040.

India also holds prominent positions in specialised chemical segments. It is the **second-largest manufacturer and exporter of dyes** and **3rd largest exporter of agrochemicals** globally. There are approximately 13,000 large-scale units and 4.45 lakh micro, small, and medium enterprises (MSMEs) in the sector. Several initiatives are advancing chemical manufacturing, research and industrial infrastructure. These include dedicated chemical parks, funding opportunities and measures promoting quality and investment. Together, these efforts seek to strengthen India's participation in global value chains.

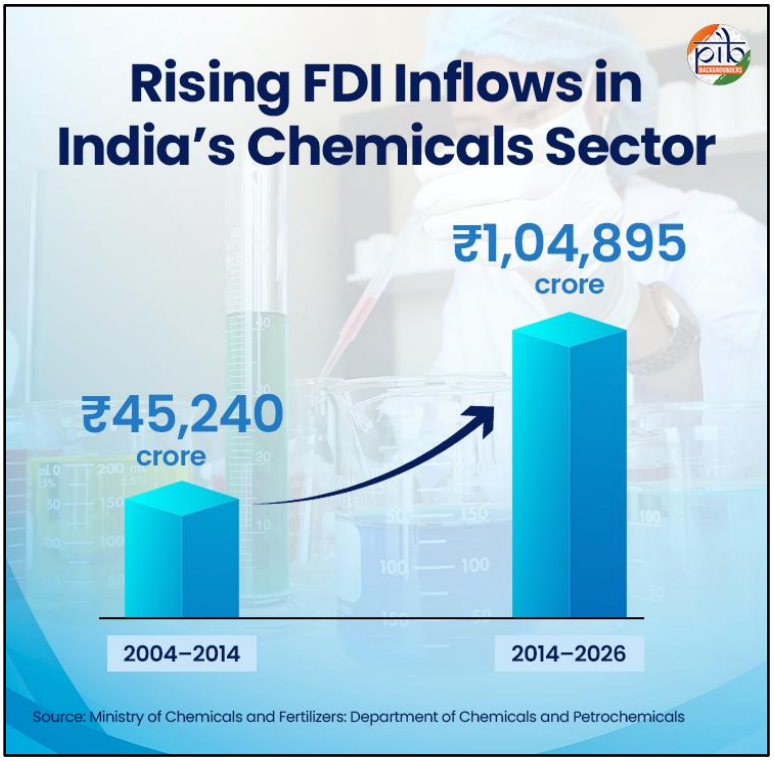
India Chem 2026: Connecting Industry, Investment and Global Markets

The 14th India Chem 2026 was organised from 22 to 24 October 2026 in Mumbai. The three-day event sought to attract investment and promote sustainable growth in the chemicals and petrochemicals sector. Its theme, "**Advantage Bharat: An Emerging Global Chemicals Hub**," highlighted India's industrial capabilities and opportunities for international collaboration. With a footfall exceeding 5,000 visitors, the event brought together industry leaders and businesses through country forums, the CEO Forum and sector-specific roundtables. The exhibition showcased technologies, equipment and investment opportunities, while the inaugural India Chem Youth Innovation Challenge encouraged students to develop practical, research-based solutions.

Strengthening Manufacturing Capacity and Industrial Infrastructure

Strengthening domestic manufacturing requires investment, industrial infrastructure and an enabling policy environment. India permits 100% FDI through the automatic route for most chemical sectors. Under the Automatic Route, investment by a person resident outside India does not require prior approval from the government. FDI inflows reached **₹1,04,895 crore** during **2014–2026**, more than double the ₹45,240 crore recorded during 2004–2014.

The production of major chemicals and petrochemicals increased from 45,638 thousand metric tonnes (MT) in 2015–16 to **58,617 thousand MT** in 2024–25. This momentum complements initiatives to expand industrial capacity, develop specialised manufacturing hubs and enhance infrastructure across the sector.



Petroleum, Chemicals and Petrochemicals Investment Regions

The concept of Petroleum, Chemicals and Petrochemicals Investment Regions (PCPIRs) is to promote the sector in an integrated manner. PCPIR is a specifically delineated investment region having an area of about **250 sq. km** with around 40% of the area earmarked for processing activities. PCPIRs follow a **cluster-based** approach with common infrastructure, basic utilities and support services. These include roads, rail networks, ports, Common Effluent Treatment Plants, sewage disposal plants, water supply and steam generation units. This infrastructure provides a competitive environment conducive to setting up businesses.

- India has three operational PCPIRs: Dahej in Gujarat, Visakhapatnam–Kakinada in Andhra Pradesh, and Paradeep in Odisha.
- Together, these regions have attracted ₹3.4 lakh crore in investment.
- They have generated 3.7 lakh jobs and facilitated the establishment of over 2,200 chemical manufacturing units.

This shared industrial ecosystem provides a foundation for further investment and value addition.

BHAVYA Rasayan: Dedicated Chemical Parks

The Bharat Audyogik Vikas Yojana Rasayan (BHAVYA Rasayan) Scheme, approved in July 2026, aims to establish **three dedicated chemical parks**. Each park will cover at least 8 square kilometres (2,000 acres) of land. The Centre will provide grants of up to ₹1,000 crore per park, subject to a minimum contribution of ₹500 crore by the concerned State Government. The scheme has a total financial outlay of **₹3,030 crore**. Of this, ₹3,000 crore is allocated for common infrastructure and basic utilities, while ₹30 crore covers administrative expenditure. It will run for five years, from FY 2026–27 to FY 2030–31.

The parks will provide plug-and-play infrastructure for the chemical industry, helping improve resource utilisation and reduce logistics costs. It will also foster sustainable industrial development through an environment-friendly ecosystem. This includes centralised facilities such as Common Effluent Treatment Plants, Storage and Disposal Facilities, and hazardous waste management infrastructure. The scheme is expected to attract investment, expand domestic production capacity and strengthen global competitiveness.

Plastic Parks: Strengthening Downstream Processing

The Scheme for Setting up of Plastic Parks supports India's downstream plastic processing industry. It focuses on increasing polymer (a petrochemical) absorption capacity and value addition in the domestic downstream plastic processing industry. Plastic Parks are industrial zones dedicated to plastic-related businesses and industries. Their objective is to consolidate and synergise the capacities of the plastic processing industry. This promotes investment, production and exports while generating employment. Under the scheme, the government provides grant funding up to 50% of the project cost, subject to a ceiling of Rs.40 crore per

project. The remaining project cost is funded by the State Government or its agencies, beneficiary industries, etc.

The parks also encourage environmentally sustainable growth through waste management and recycling initiatives. This makes them an important part of India's efforts to manage plastic waste and strengthen the chemical industry. **Ten Plastic Parks** have been approved across India, of which 4 have achieved **100%** infrastructure completion, including 3 completed during 2025–26.



Research, Innovation and Skill Development

As chemical applications expand across industries, the need for specialised knowledge and technical expertise continues to grow. Several initiatives are advancing these efforts through sector-specific research, specialised technical education and industry-oriented skill development.

Chemical Promotion and Development Scheme

The Chemical Promotion and Development Scheme (CPDS) facilitates the growth of the chemicals and petrochemicals industry through knowledge creation, dissemination and research promotion. It supports studies, surveys, databases and promotional materials to generate sector-specific knowledge. The scheme also incentivises research and innovation by recognising outstanding contributions to these sectors. It

provides **Grants-in-Aid** (General) to organisations, industry associations and other entities for workshops, seminars, studies and related activities.

- Since 2016, HIL (India) Limited, a public sector undertaking, has conducted farmer training programmes under CPDS.
- The Institute of Pesticide Formulation Technology (IPFT) also began conducting these programmes from 2022–23. They promote the safe and judicious use of pesticides and encourage Integrated Pest Management practices.
- These practices aim to minimise pesticide residues in food grains, edible oils, fruits and vegetables. As of August 2026, more than **250 programmes** have benefited over **1 lakh farmers** across the country.

Research, Development and Innovation Scheme

Launched in November 2025, the Research, Development and Innovation (RDI) Scheme has a corpus of **₹1 lakh crore** to catalyse private-sector investment in research and innovation. It provides long-term financing and refinancing on favourable terms for transformative projects. The scheme aims to accelerate advanced technology adoption, strengthen industrial competitiveness and promote self-reliance in critical and emerging technology areas.

Effective 8 October 2026, Advanced Chemicals, Petrochemicals and Material Technologies became an additional technology area eligible for funding under the scheme. This inclusion will strengthen sectoral research and innovation and facilitate the development of indigenous technologies for advanced industrial applications.

CIPET: Technical Education, Skills and Industry Support

The Central Institute of Petrochemicals Engineering & Technology (CIPET) is a centrally funded technical higher education institution. It undertakes Skill Development, Technology Support, Academic and Research (STAR) activities to advance India's petrochemical and allied industries. CIPET has expanded through several centres and laboratories. These include the Centre for Skilling and Technical Support (CSTS), Plastic Waste Management Centre (PWMC) and School of Advance Research in Petrochemicals (SARP). Other facilities include the Advance Research School for Technology and Product Simulation (ARSTPS) and Advance Polymer Design and Development Research Laboratory (APDDRL).

- CIPET's network now comprises **51 centres**, including **19 established** since 2014. Three of these centres are dedicated to plastic waste management.
- The institute has trained nearly **6.72 lakh** skilled professionals, including over 5.21 lakh during 2014–24. It also completed **8.53 lakh Technology Support Service** assignments during the same period.

Centres of Excellence

Centres of Excellence have been established to advance existing technologies, strengthen research and promote the development of new applications. **18 centres** have filed **85 patents**, published over **600 research papers** and developed **105 new technologies** and products. These achievements demonstrate the role of research institutions in building indigenous capabilities and supporting industrial innovation.

Quality, Safety and Responsible Chemical Use

Quality standards and workplace safety are essential to responsible growth in the chemicals and petrochemicals sector. Regulatory measures help ensure product quality, while targeted training equips industrial workers to handle hazardous chemicals safely.

Quality Control Orders

To protect consumers, promote quality manufacturing and curb substandard imports, Quality Control Orders (QCOs) have been issued. As of August 2026, **37 QCOs** are in force, making specified chemical and petrochemical standards mandatory. These orders require domestic manufacturers and importers to comply with the quality parameters prescribed by the Bureau of Indian Standards (BIS).

Workplace Safety and Hazardous Chemical Management

A nationwide training programme has been launched under the Viksit Bharat@2047 Action Plan for the workforce of **Major Accident Hazardous (MAH) Units**. It focuses on the "Safe Handling of Hazardous Chemicals at the Workplace and Reducing Risk Associated with Hazardous Chemicals". The programme is designed to cover all 2,393 MAH units over 5 years. Each training programme covers 100 participants from 50 MAH units, with two employees attending from each unit.

As of August 2026, **21 training programmes** have been conducted nationwide. These programmes have been attended by 1,376 industrial units and have trained **2,441 personnel**. The initiative seeks to strengthen workplace preparedness and improve awareness of hazardous chemical management.

Towards an Integrated and Competitive Industry

India's chemicals and petrochemicals industry spans a wide range of manufacturing activities, industrial applications and downstream products. Its development involves expanding production capacity, establishing specialised industrial facilities and creating an enabling environment for investment. Alongside manufacturing, research initiatives and technical institutions contribute to knowledge development, technology advancement and workforce training. Quality standards and hazardous chemical management address product compliance and workplace safety. India Chem 2026 connected these domestic developments with international participation, industry engagement and opportunities for collaboration.

Together, these areas reflect the breadth of efforts shaping the sector's industrial development and global engagement.

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