

GOVERNMENT OF INDIA
MINISTRY OF COMMERCE & INDUSTRY
(DEPARTMENT OF COMMERCE)

RAJYA SABHA
UNSTARRED QUESTION NO. 2911
ANSWERED ON 20/12/2024

ENHANCING COMPETITIVENESS OF INDIA'S CHEMICAL EXPORTS

2911. SHRI AYODHYA RAMI REDDY ALLA:

Will the Minister of Commerce and Industry be pleased to state:

- (a) the key strategic initiatives being implemented to diversify India's chemical export portfolio and reduce dependence on traditional markets;
- (b) the manner in which Government is addressing the challenges posed by the ongoing global trade tensions and geopolitical uncertainties on India's chemical export sector;
- (c) the specific measures being taken to enhance the competitiveness of India's chemical exports in the face of increasing competition from countries like China and South Korea; and
- (d) the manner in which Government is supporting the development of green chemistry and sustainable practices in India's chemical industry to align with global environmental standards?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY
(SHRI JITIN PRASADA)

(a) Department of Chemicals and Petrochemicals (DCPC), being nodal department for all organic and inorganic chemicals, has been taking various initiatives to support the development of the chemicals sector which also helps diversify India's chemical export portfolio and enhance competitiveness of India's chemical exports.

Some of the steps taken by DCPC are: (i) Setting up of Petroleum, Chemicals and Petrochemicals Investment Regions (PCPIR) to attract mega investments in chemicals and petrochemicals sector, in a cluster-based model; (ii) Launch of Scheme for Setting up of Centres of Excellence (CoEs) in the field of Petrochemicals to provide grant-in-aid to educational and research institutions to improve existing technology and promote development of new application; (iii) Chemical Promotion Development Scheme (CPDS) to facilitate growth and development of Chemicals and Petrochemicals Industry by creation of knowledge products through studies, survey, data banks, promotional material; (iv) Quality Control Orders (QCOs) to make product standards mandatory to both domestic manufacturers and overseas suppliers to meet the Bureau of Indian Standards (BIS) parameters in public interest; and (v) Initiation of New Harmonized System of Nomenclature (HSN) Codes to correct data, particularly for import-export, which enables targeted policy interventions.

Further, Ministry of Commerce & Industry (M/o C&I) has also taken various steps to promote exports of chemicals from India. Measures have been taken for facilitating exports & promoting assistance to exporters, identifying products for export, encouraging diversification of Indian export portfolio, besides measures taken for investment & innovation in India's chemical industry.

Some of the steps taken are as follows: (i) Launch of New Foreign Trade Policy 2023; (ii) Interest Equalization Scheme on pre- and post- shipment rupee export credit; (iii) Trade Infrastructure for Export Scheme (TIES); (iv) Market Access Initiatives (MAI) Scheme to Indian exporters to showcase their products in international markets; (v) Remission of Duties and Taxes on Exported Products (RoDTEP) Scheme; (vi) Districts as Export Hubs initiative to identify products with export potential in each district; (vii) Common Digital Platform to increase Free Trade Agreement (FTA) utilization; (viii) Regular monitoring of export performance; (ix) Basic Chemicals, Cosmetics & Dyes Export Promotion Council (CHEMEXCIL) coordinates with M/oC&I in promotion of India's Chemicals exports; (x) Trade Connect e-Platform provides comprehensive services to exporters; and (xi) 100% FDI allowed in Indian Chemical Sector.

(b) & (c) The Government is addressing the challenges posed by the ongoing global trade tensions and geopolitical uncertainties by providing appropriate support to the domestic industry and also to the exporters. Various interventions like stakeholder consultations, trade events, Buyer Seller Meets, Reverse Buyer Seller Meets, etc. are taken by various Government Ministries & Departments to explore new markets where India's Chemicals can be exported. The Government is also actively working on strengthening existing trade agreements and negotiating others to facilitate better market access for India's chemical products.

The specific measures being taken to enhance competitiveness of India's chemical exports in the face of increasing competition from countries like China and South Korea are given below:

(i) the Government provides support to invest in research and development to create innovative products and solutions by providing substantial funding and creating a conducive environment to accelerate the development of new technologies and products;

(ii) the Government provides support to Chemical exporters to comply with standards with international regulations. Such support is provided under MAI scheme of Department of Commerce;

(iii) maintaining interface of Department / Export Promotion Councils (EPCs)/ Trade Bodies with our Embassies / Missions in various countries with reference to issues of exporters and emerging trends, etc.

(d) Ministry of Chemicals and Fertilizers (M/o C&F) is actively supporting the development of green chemistry and sustainable practices in the chemical industry. The Ministry has launched the Green Chemistry Initiative to encourage the adoption of green technologies and processes. This initiative focuses on designing chemical products and processes that reduce or eliminate the generation of hazardous substances. The emphasis in CoEs is also on modernization and upgradation of existing manufacturing processes as well as improving the quality of products. This scheme effectively addresses environmental concerns; energy efficient processes for innovative product design and development, etc.

Further, all new and expansion projects of Synthetic organic chemicals industry are required to obtain prior environmental clearance from Central and State levels, as the case may be.
