

FM: PLI for chemicals, petrochem on the cards

SUBHAYAN CHAKRABORTY

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The government is considering a separate production-linked incentive (PLI) scheme for chemicals and petrochemicals, said Finance Minister Nirmala Sitharaman on Thursday.

Global manufacturers are interested in India where the sector is linked to 80,000 products, she said at the third Global Chemicals & Petrochemicals Manufacturing Hub summit organised by industry association Ficci.

“We are in favour of India becoming a manufacturing hub, and therefore of course we will consider a PLI scheme also for chemicals and petrochemicals.”

The Centre has allowed 100 per cent foreign direct investment (FDI) in the sector and unregulated it except for hazardous materials. The specialty chemicals sector had a 12 per cent compound annual growth rate between 2020 and 2025, helped by the strong engineering capabilities, low-cost manufacturing and abundant manpower, she said.

Specialty chemicals comprise 22 per cent of India's petrochemicals sector and it is valued at \$32 billion. “Given how global manufacturers are looking to diversify their products and capabilities, India stands out as not only a market with a huge domestic demand as well as export possibilities,” said Sitharaman.

The FM said Indian companies in the sector had to improve their standards in sustainability before they can work with global peers. “It's important to have your recycling and reusability elements high on your agenda,” Sitharaman said.

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Finance Minister

