

## **Technology upgradation key to make chemical and petrochemical industry competitive**

**NEW DELHI, April 15, 2013. Dr. T. Ramasami, Secretary, Department of Science and Technology, Government of India,** today inaugurated a national seminar on **'Technology upgradation in the chemical and petrochemical industry'**.

The two-day seminar is organised by Federation of Indian Chambers of Commerce and Industry (FICCI) in association with Department of Chemicals and Petrochemicals, Government of India and Indian Institute of Chemical Engineers (IIChE)-NR. A large number of captains of the chemical and petrochemical industry as well as academia and policy makers were present.

IIT Delhi and Engineers India Ltd. were the Knowledge and Strategy Partners. A knowledge paper prepared by them was released during the seminar. The seminar focused specifically on emerging technologies in the sector. A special panel discussion on this theme was chaired by **Ms. Neelkamal Darbari, Joint Secretary, Department of Chemicals and Petrochemicals, Government of India.**

The chemical industry is an integral component of the Indian economy. The relevance of the chemical industry to the overall manufacturing sector can be gauged by the fact that basic chemicals and chemical products account for about 14% in overall Index of Industrial Production (IIP). The industry has key linkages with several other downstream industries such as automotive, consumer durables, engineering, food processing etc. The industry produces and supplies more than 80000 products.

The challenges to the Indian industry include growing competition from other countries, lack of R&D, need of skilled workforce, feedstock as well as lack of infrastructure and presence of a large small and medium sector in need of technology upgradation.

The Indian chemical industry generated total revenue of about US\$ 108 billion in 2010 (Source: CMIE). In the chemical sector, 100% foreign direct investment (FDI) is permissible through automatic route. Manufacture of most chemical products including organic/inorganic, dyestuffs and pesticides is de-licensed.

With Asia's increasing contribution to the global chemical industry, India emerges as one of the focus destinations for chemical companies worldwide. There is a huge unrealised potential for further growth as indicated by the present very low per capita consumptions in the country. The domestic demand is rapidly increasing, and is being fuelled by approximately 200 million Indian middle class consumers.

The New National Manufacturing Policy has set the target of increasing the share of manufacturing in GDP to at least 25% by 2025 from the current 16%. This indicates the prospects of growth for the sector in the coming days. However, to make this a reality, significant investments have to be made in capacity creation, R&D, feed stock availability and infrastructure to enable the industry to be globally competitive. Also, to become competitive in the global market, the chemical industry in the coming decades will have to

promote sustainable development by investing in technologies that protects environment and stimulates growth while balancing economic needs and financial constraints.