

The Indian petrochemical sector – Q4FY26



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India's chemical sector is expected to scale rapidly, supported by strong domestic demand, global production leadership and import substitution opportunity¹



INR27.2 tn

Chemical industry expected market size in FY28¹

6th largest

Producer of chemical in the world and third largest in Asia¹

INR90.8 tn

Chemicals and petrochemicals expected demand in India by 2040¹

INR2.4 tn

Chemical imports outpaced export at INR1.7 tn in FY2026¹

Segmental performance

India's chemical industry is building multi-segment scale, with specialty chemicals, agrochemicals and dyes supported by deep R&D* capabilities¹

Dye exports (FY2026)¹



INR1.9 tn

India's dye exports (dyes and dye intermediates)

Alkali chemicals demand (by 2038)¹



30,467 mmt***

In FY25 India Alkali chemicals stood at 71.07 per cent of the total chemical production

Agrochemical expansion (2033)¹



INR2.1 tn

India agrochemical market growing at a CAGR** of 4.28 per cent

Indian specialty chemicals market to reach¹



INR8.4 tn

by 2033

*Research and development
**Compound annual growth rate
***Million metric tons

Performance snapshot

Drivers

Growing middle class driving chemical consumption¹



Rising incomes increasing demand for personal care, agrochemicals, food, paints and coatings

Downstream industries accelerating specialty chemicals demand¹



Automotive, water treatment and cosmetics sectors boosting demand for specialty chemical products

Challenges

Rising sustainability concerns challenging chemical operations¹



Environmental impact, water usage, safety and energy needs create ongoing operational constraints

High dependence on China creates supply vulnerability¹



Global supply chains remain China-dependent, exposing industry to disruptions and strategic sourcing risks

Outlook



23%

Manufacturing share of GDP* planned over two decades, supporting chemical demand growth¹

*Gross domestic product



INR20 tn

PCPIR** manufacturing hubs targeted to attract investment by 2035¹

**Petroleum, chemical and petrochem investment regions



0.7 mn

Additional employment to be created by 2030 as chemical sector scales up²



5-6%

India's global chemical sector share targeted by 2030, from current ~3.5 per cent (2023)²

Key takeaways

India's chemical sector scaling through demand, investments and policy support



Growing middle class and urbanisation increasing demand across personal care, agrochemicals, food, paints and coatings¹



PCPIR hubs, FDI* and new plants expanding chemical manufacturing capacity and competitiveness¹

*Foreign direct investment

Key investments by government of India (FY26):



Union budget 2026–27 proposed 3 chemical parks to boost domestic production and reduce import dependence³



BioPharma SHAKTI received INR100 bn over five years to scale domestic biologics and biosimilars manufacturing⁴

Source: 1) Chemicals, IBEF, February 2026; 2) NITI Aayog launches 'Chemical Industry: Powering India's Participation in Global Value Chains, PIB, 3 July 2025; 3) Provision of Rs 13000 cr for BioPharma SHAKTI & 3 Dedicated Chemical Parks is a strategic bet on India's future, PIB, 3 March 2026; 4) Transforming India into a Global Biopharma Hub, PIB, 2 February 2026

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