

## **Centre is setting up Reverse Special Economic Zones in various nations: Secretary, Petrochemicals**

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To meet the increasing demand of specialty chemicals in the country, the centre is planning to set up Reverse Special Economic Zones (SEZ) in various nations starting from Iran, said Surjit Kumar Chaudhary, Secretary, Department of Chemicals & Petrochemicals, Ministry of Chemicals & Fertilizers at an ASSOCHAM event held in New Delhi today.

India is exploring to set up a chemical plant in Iran, a delegation has already gone there, said Mr Chaudhary, while inaugurating a national conference on 'Shaping Growth of Petrochemicals in India,' organized by The Associated Chambers of Commerce and Industry of India (ASSOCHAM).

"There is no shortage of coal in India, need to gasify it and used as raw material for producing petrochemicals which can be a good source of energy while for other major feedstock crude oil, we are dependent on imports.....", added Mr. Chaudhary at ASSOCHAM conference.

**Mr. Sanjaya Bhatnagar, CEO, Indian Synthetic Rubber Limited (ISRL) said,** Investment in new technology to reduce reliance on naphtha as feedstock could see more petrochemicals facilities using natural gas, thus improving raw material reliability and helping profit margins.

India's petrochemical industry is presently valued at \$40 billion and is expected to grow at 14% annually over the next few years and touch \$100 billion by 2020, However, the Indian petrochemical industry faces a number of challenges for sustained growth that includes lack of low cost feedstock due to dependency on imports, old technology, low production capacity of oil refineries particularly with reference to olefins like ethylene which are important sources of industrial chemical and plastic products, competitive disadvantage especially in comparison to China etc.

Mr. Amit Chaturvedi, Sr. Vice President & Head-Cracker Business, Reliance Industries Limited (RIL) said that the global contribution of petrochemical to the chemicals sector is about 40% while in India Petrochem sector accounts only 25-30% of the chemicals industry. It provides an ample scope of increasing petrochemicals contribution to global levels. Hence it is imperative that the lion's share of making "Make in India" campaign a success has to be come from Petrochemical sector.

The global petrochemicals market was valued at USD 472.06 billion in 2011 and is expected to reach USD 791.05 billion by 2018, growing at a CAGR of 6.7% from 2012 to 2018.

Mr. Rakesh Chitkara, Vice President-Corporate Affairs (South Asia), GE said, Indian petrochemicals industry faces a number of challenges for sustained growth that includes lack of low cost feedstock due to dependency on imports, old technology, low production capacity of oil refineries particularly with reference to olefins like ethylene which are important sources of industrial chemicals and plastics products, competitive disadvantage especially in comparison to China etc.

Mr. Chitkara said, with appropriate supporting policies & infrastructures, a combination of new local petrochemical production and imports will be required to meet the future growing Indian market demands. New petrochemical plants including steam cracker in India should be world-scale & fully integrated with complex refineries so they can be competitive against global players.

India's petrochemical industry has been one of the fastest growing industries in the Indian economy and has significant growth potentials, with the strong polymer and plastics demand forecast linked to high GDP growth rates, said Mr Chitkara.

Other who also spoke during the conference were Mr. Subas Das, Managing Director-India Operations, KBR Technology, Mr. Sanjaya Bhatnagar, CEO, Indian Synthetic Rubber Limited (ISRL), Mr. Amit Chaturvedi, Sr. Vice President & Head-Cracker Business, Reliance Industries Limited (RIL) and Mr. Babu Lal Jain, Sr. Member of ASSOCHAM.