India’s chemical industry globally on 6th place

With a turnover of over 131 billion euros, India is again on the 6th place in a global comparison of the biggest chemical producers. In Asia, the country is on the 4th place, after China, Japan and South Korea.

In the past 5 years, the chemical production in India grew with roughly 7.2 percent per year. After three years of remarkably dynamic growth of 11 percent, the growth in 2018 only amounted to 4 percent. The demand for chemicals rose further and reached a level of roughly 151 billion euros in 2018.

When comparing the investments of India to those of the rest of the world, the country landed on the 6th place with a volume of 7.5 billion euros. In the last 5 years, the investments grew very dynamically and reached a plus of roughly 8 percent per year.

SPECIALIZED ON PHARMACEUTICALS

India has specialized on the production of pharmaceuticals. More than a fourth of the turnover is generated within this class. Another focus of the Indian chemical industry are the fine- and specialty products. While the share of the turnover that is generated by the polymers has declined throughout the last decade, the share of the pharmaceuticals has risen steadily. The share of turnover of the other product classes has only changed marginally in the last ten years. The indian trade balance with chemicals was strongly negative in 2018 with a minus of 20.1 billion euros. Especially the basic chemicals were imported in huge amounts. India could only generate significant plus in the trade balance within the class of the pharmaceuticals.

EIN HANDELSPARTNER MIT POTENZIAL

In 2018, the german chemical industry exported goods with a value of 1.9 billion euros to India. This is equivalent to 1 percent of the chemical exports from Germany. From India, Germany received goods equivalent to 1.1 percent of the German chemical imports. The goods were worth 1.6 billion euros. The German trade balance with India was therefore positive in 2018. Even though these numbers might seem low, India is still a trade partner with a lot of potential. The trade with India has risen continuously during the last years.

German chemical producers have built up sales and production facilities in India. The direct investments of German chemical companies in India amounted to 1.1 billion euros in 2018. In total, 50 subsidiaries of German companies were active in India. They employed 24,000 employees and generated a turnover of roughly 4.4 billion euros.

**STRUCTURE OF INDIA’S CHEMICAL SECTORS**

shares in percent, 2018

- **Pharmaceuticals**: 32.0%
- **Detergents and personal care products**: 10.0%
- **Petrochemicals**: 18.4%
- **Polymers**: 12.6%
- **Fine & Specialty products**: 20.1%
- **Inorganic basic chemicals**: 15.3%
- **Chemicals/Pharmaceuticals**: -20.2%

**INDIA’S TRADE BALANCE FOR CHEMICALS**

in billion euros, 2018

- **Chemicals/Pharmaceuticals**: -20.2
- **Inorganic basic chemicals**: -10.4
- **Polymers**: -8.8
- **Petrochemicals**: -8.8
- **Fine & Specialty products**: -1.3
- **Detergents and personal care products**: -0.1
- **Pharmaceuticals**: 9.3

**Sources**: Chemdata International, VCI