



Reliance
Industries Limited

Transforming India into Global Manufacturing Hub

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The subject in perspective

1. The demand for chemicals in India is expected to increase from \$212 billion now, to \$850 billion by 2040
2. At present, the net import of chemicals in India is about 30% of our consumption. For some chemicals, the imports are multiple times of the largest plant capacities for those chemicals. Examples are Styrene, PVC, Methanol, Polycarbonate, EPDM, etc.
3. Very large opportunity to meet the large and fast-growing domestic demand for chemicals, and also to help India become a Global Manufacturing Hub
4. Size of the opportunity

	China	USA	Germany	Japan	India	Mexico	Vietnam
Size of the manufacturing sector, \$ billion	4820	3170	880	790	520	410	120
Chemical production, \$ billion	2581	654	243	245	152	40	40
Contribution of the chemical industry, %	53.6	20.6	27.6	31.0	29.2	9.8	33.3

5. Imagine the potential growth in the Market Capitalization of Indian chemical companies

Once in a century opportunity for the Indian chemical industry

Actions required to transform India into a global manufacturing hub

1. By the Indian industry
2. By the Indian Government
3. By the Indian chemical industry, and the industries which are upstream and downstream of the Indian chemical industry
4. Production Linked Incentive (PLI) Schemes to promote domestic manufacturing, technology upgradation, enhancing global competitiveness, and boosting exports
5. PLIs are creating ecosystems to develop global manufacturing hubs for API, Energy Storage Battery, Green Hydrogen, Electronics, Telecom Equipment, Textiles, Steel, Renewable Energy, Food Processing, etc. These industries are downstream of the chemical industry, and therefore these PLI schemes will help create a large and thriving market for the new generation industries for the world

What chemical industry must do to become a global manufacturing hub

1. Doing better in what Indian chemical industry is already good at
2. Catching-up with China, the country which is at present the global manufacturing hub
3. Doing better than Vietnam and Mexico, the countries which are endeavoring to be the global manufacturing hub
4. Imperatives for the future global manufacturing hub

Action plan for the Indian chemical industry

Doing better in what Indian chemical industry is already good at

1. Entrepreneurial mindset

India has 5300 companies listed on BSE and 2200 on National Stock Exchange.
Compared to 2800 companies listed on NYSE and 3300 on NASDAQ

2. Safety

3. Environmental compliance

4. Customer service

5. Project implementation

6. Vertical integration

7. Cost control

8. Leveraging the large Indian market

9. Quality

Build on strengths and demonstrated achievements

Catching-up with China – the present global manufacturing hub

1. Scale
2. New technology
3. R&D
4. Speed of action
5. Infrastructure such as renewable power
6. Support-systems such as strong position in the Global Supply Chain
7. For example, China implemented 217 GW of Solar PV in 2023. This is 53% of the capacity implemented globally during 2023

Path to success

1. Other countries are also endeavoring to become the Global Manufacturing Hub
2. Some of these countries are ahead of India – two examples are Mexico and Vietnam
3. We will have to do better than the competition
4. Scale
5. Attract the global chemical companies, where technologies are not available for licensing
6. Foreign Direct Investment so far during 2024 in Mexico was 38.2 billion, and in Vietnam during 2023 was \$36.6 billion
7. Ready infrastructure for project implementation

Competitive advantage

Imperatives for the future global manufacturing hub

1. Artificial Intelligence
2. Sustainability
3. Recycle
4. Low-emission products and processes
5. Bio-based products
6. Biotechnology
7. Advances in catalysis
8. Electrochemistry
9. Better trained human resources
10. Customer-connect with the industries of the future, downstream of the chemical industry

New skills for the new world



Thank you