



Exciting Insights into Global Chemical Production and Trade

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Vibrant Economy require Chemical Industry!



The Top 3 Majors	GDP US\$ bn	Chemical Production US\$ bn
USA	19,485	765
EU	14,701	900
CHINA	12,143	1,500
WORLD	80,963	5,680
India lags behind in chemical production		
INDIA	2,653	150

- ❑ Chemical production is closely correlated to industrial and manufacturing activities.
- ❑ ~96% of the manufactured goods require chemicals to produce them.
- ❑ Papers, medicines, pesticides, paints, cars, computers, mobile phones, shoes, clothes, furniture, building materials etc. require chemicals to produce.
- ❑ For India to become **\$5,000bn (\$5 trillion)** economy by 2024, focus must shift to manufacturing goods.

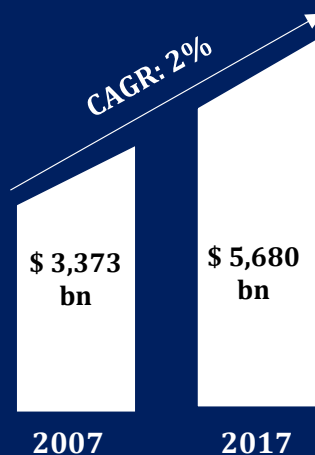
❑ *“For every \$1 generated by the chemical industry, a further \$4.20 is generated elsewhere in the economy.”*

- The Global Chemical Industry: Catalyzing Growth (March, 2019)

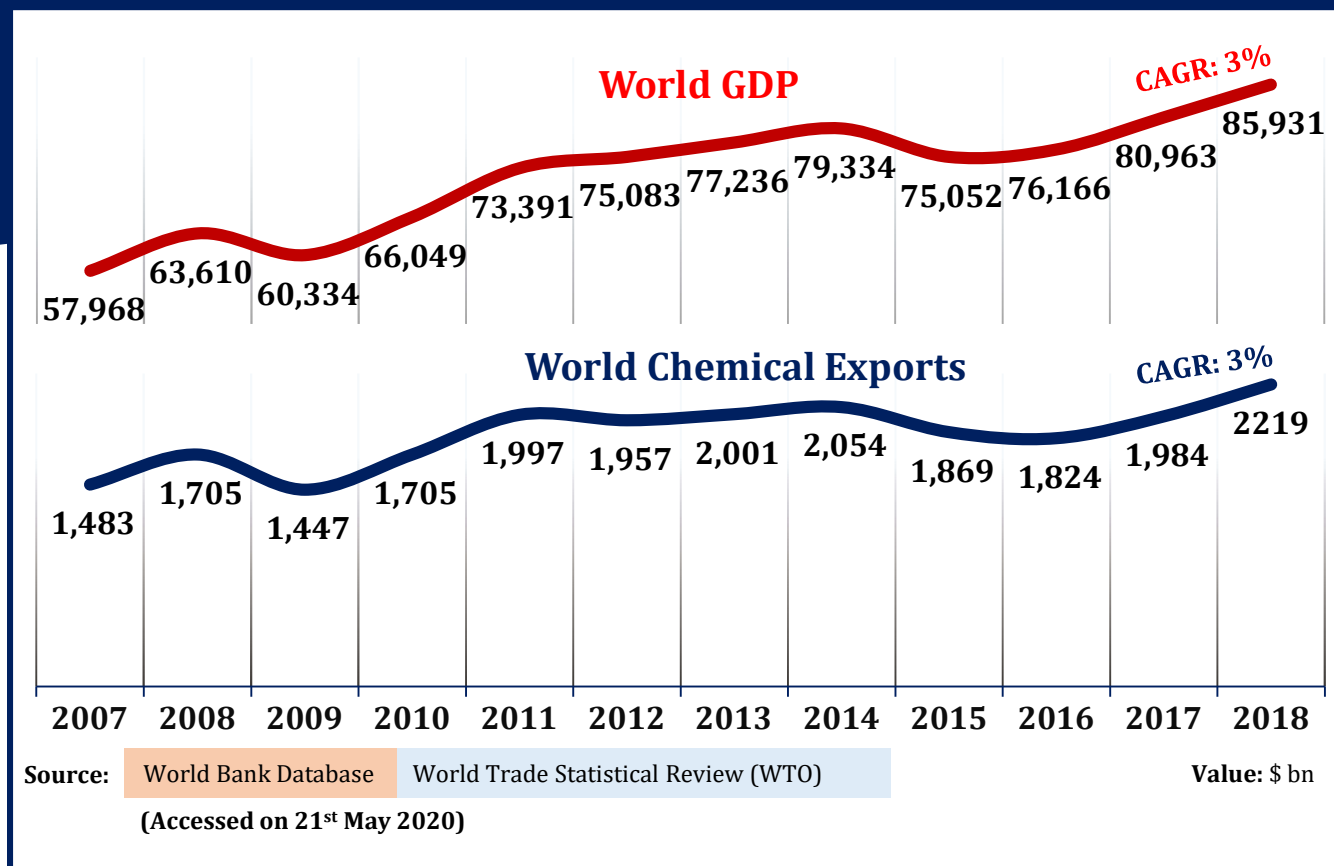
Source: World Bank Database (Accessed on 21st May 2020) **Unit:** US\$ bn
 ICCA & Oxford Economics Report 2019 **Year:** 2017
 Cefic Facts & Figure 2018 Report
 EFPIA Key Data 2018 Report

World Chemical Exports and GDP.

From 2007-18, global chemical exports grew at 3% CAGR, higher than the 2% CAGR for the chemical production!



Chemical Production



- ✓ Global chemical exports accelerate the global GDP, as chemicals are used extensively in the manufacture sector.
- ✓ Globally ~50% of the chemical production (\$5,680 bn) is exported.

India's Merchandise Export Top 5 Commodities by value



Top 5 Commodities for year 2018-19

Sr. no	Commodity	Export Value (bn \$)	Share
India's Merchandise Export		330	100%
1	Petroleum Crude & Products	47	14%
2	Chemicals & Related Products	44	13%
3	Gems & Jewelry	40	12%
4	Agri. & Allied Products	37	11%
5	Textile & Allied Products	37	11%
6	Others	125	39%

Top 5 Commodities for year 2019-20(P)

Sr. no	Commodity	Export Value (bn \$)	Share
India's Merchandise Export		313	100%
1	Chemicals & Related Products	45	14%
2	Petroleum Crude & Products	41	13%
3	Gems & Jewelry	36	12%
4	Agri. & Allied Products	35	11%
5	Textile & Allied Products	34	11%
6	Others	122	39%

Source: Ministry of Commerce Database (Accessed on 2nd July 2020)

- ✓ **Generic drugs and generic pesticides account for more than 50% of India's chemicals export.**
- ✓ **Chemicals can lead India's merchandise export and easily reach \$ 100 bn in the next 3 years.**
- ✓ **Needed – Policy support to facilitate larger production and export.**
- ✓ **Remember, the world export of chemicals is as high as \$ 2219 bn.**

Chemicals Export. EU's Leadership



Sector	World Export	Export from EU	EU's share in world export	Export from India	India's share in world export
Chemicals (2018)	2219	1090	50%	50	2%
Pharmaceuticals (2019)	637	424	67%	16	3%
Pesticides (2019)	36.3	16.8	46%	3.4	9%

Source: International Trade Statistics Database, World Trade Statistical Review (Accessed on 13th May 2020)
Value : \$ bn

- The EU enjoys a lion's share in global export of chemicals - incl, pharmaceuticals and pesticides.
- With aggressive export oriented efforts, India can command a better share.
- Needed in India**, regulatory support to produce more and export more.



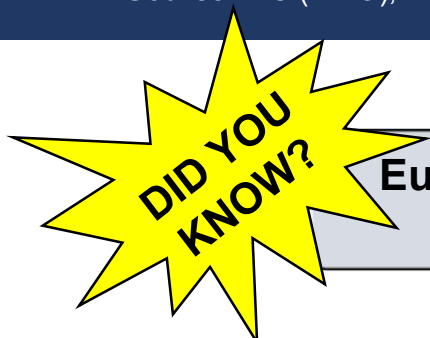
Global Agrochemicals Trade



Agrochemical Exports 2019			
Rank	Countries	Exports (bn USD)	World % Share
1	China	4.9	13%
2	USA	4.1	11%
3	Germany	4.0	11%
4	France	4.0	11%
5	India	3.4	9%
6	Belgium	1.8	5%
7	UK	1.5	4%
8	Spain	1.3	4%
9	Israel	1.3	4%
10	Italy	0.8	2%
11	Hungary	0.6	2%
12	Netherlands	0.6	2%
13	Korea	0.6	2%
14	Others	7.5	20%
Total-World		36.4	100%

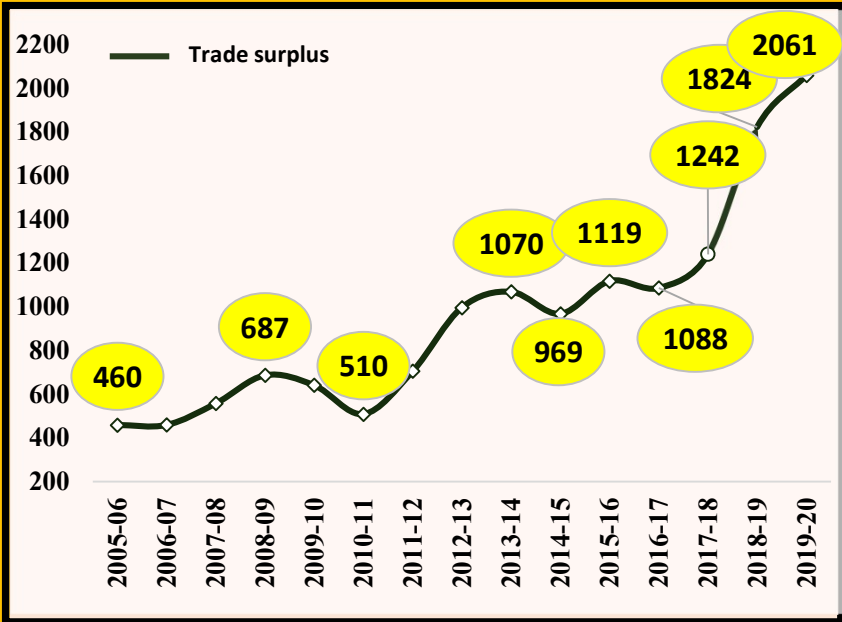
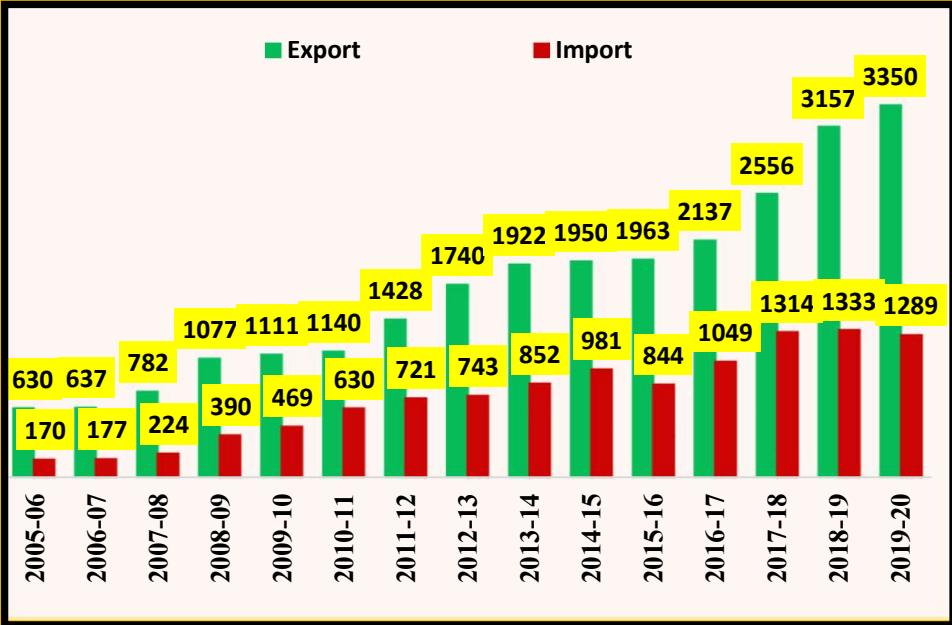
Agrochemical Imports 2019			
Rank	Countries	Imports (bn USD)	World % Share
1	Brazil	3.6	10%
2	France	2.0	6%
3	Germany	1.6	4%
4	Canada	1.4	4%
5	India	1.3	4%
6	USA	1.1	3%
7	UK	1.1	3%
8	Spain	1.0	3%
9	Italy	0.9	3%
10	Poland	0.9	3%
11	Ukraine	0.8	2%
12	Russia	0.8	2%
13	China	0.8	2%
14	Others	18.6	51%
Total- World		35.9	100%

Source: ITC (WTO), HS Code- 3808 (Accessed on 2nd July 2020)



Europe accounts for ~50% of global agrochemical exports followed by China (13%), USA (11%) and Germany (11%) .

India's Agrochemicals Trade and Trade Surplus



Source: Ministry of Commerce Database (Accessed on 2nd July 2020)

Value: \$ mn

India's agrochemicals trade has been consistently fetching trade surplus.