

Standing Committee Report Summary

Review of National Policy on Petrochemicals, 2007

- The Standing Committee on Chemicals and Fertilisers (Chair: Mr Azad Kirti Jha) presented its report on 'Review of National Policy on Petrochemicals, 2007' on August 6, 2026. The national policy aims to increase investments and domestic demand in the petrochemical sector. Domestic demand of petrochemicals has increased from 9 million metric tonnes (MMT) in 2007 to 40 MMT in 2024. At the same time, production has increased from 8.6 MMT to 28 MMT. Key observations and recommendations of the Committee include:
- **Review of the 2007 Policy:** The Committee noted that the sector has witnessed major shifts since the introduction of the policy. There is an emerging need to address global competitiveness and sustainability goals. It recommended initiating a holistic review of the policy to incorporate current industry needs and set high future growth trajectories.
- **Review of investment regions:** Three petroleum, chemicals and petrochemicals investment regions (PCPIR) were established in Gujarat, Andhra Pradesh, and Odisha for establishing manufacturing facilities. Each region will have a refinery/petrochemical feedstock company as an anchor tenant. The Committee observed that as compared to PCPIR of Gujarat, the other two in Andhra Pradesh and Odisha were lagging in investment and employment. Further, Andhra Pradesh PCPIR has not been able to secure an anchor tenant. It recommended a comprehensive review of the policy to identify and correct the existing gaps.
- **Increasing the production of synthetic fibres:** The Committee noted that India's production capacity of synthetic fibres is 9,700 kilo tonnes (KT). Against this, actual production and exports stood at 6,700 KT and 370 KT respectively in 2024. The Committee noted that the export quantity was inadequate as compared to the production. It recommended increasing the production of synthetic fibres and undertaking steps to enhance exports.
- **Reconstitution of Plastic Development Council (PDC):** The PDC was constituted as an advisory body under the 2007 policy for sustained development of plastics processing sector. The Council's tenure ended in 2013 and no new Council was reconstituted. Areas covered by PDC such as export promotion, and market access are being addressed by other councils under the Ministry of Commerce. The Committee observed that this is a deviation from the policy and recommended reconstituting the PDC.
- **Delays in plastic parks:** The scheme for setting up of plastic parks was launched in 2012 to create infrastructure and promote investment in plastics processing industry. The Committee noted that 10 plastic parks had been approved. Of the 919 plots in these approved parks, 322 have been allocated. Further, 50 plots are operational. Zero plots have been allotted for plastic parks in Jharkhand, Tamil Nadu, and Karnataka. The Committee recommended coordination with state governments for completing pending infrastructure.
- **Plastic waste management centres:** The Committee noted that three functional plastic waste management centres have been established at Bengaluru, Bhagalpur, and Varanasi. These centres provide solutions such as production of eco-friendly and value-added recycling. The Committee recommended that more PWMCs should be established across the country.
- **Centres of Excellence (CoEs):** The Committee noted that 18 CoEs exist in the country, which might be insufficient to address the needs of the country. Further, CoEs have developed 96 new products or technologies. However, they could transfer only 38 of these to the industry. The Committee recommended establishing more CoEs and reviewing functioning of CoEs regarding filing and granting of patents and transfer of remaining products and technologies.

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