Advantage India
Petrochemicals on a growth trajectory

Presentation by

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Conclave on Indian Petrochemical Industry

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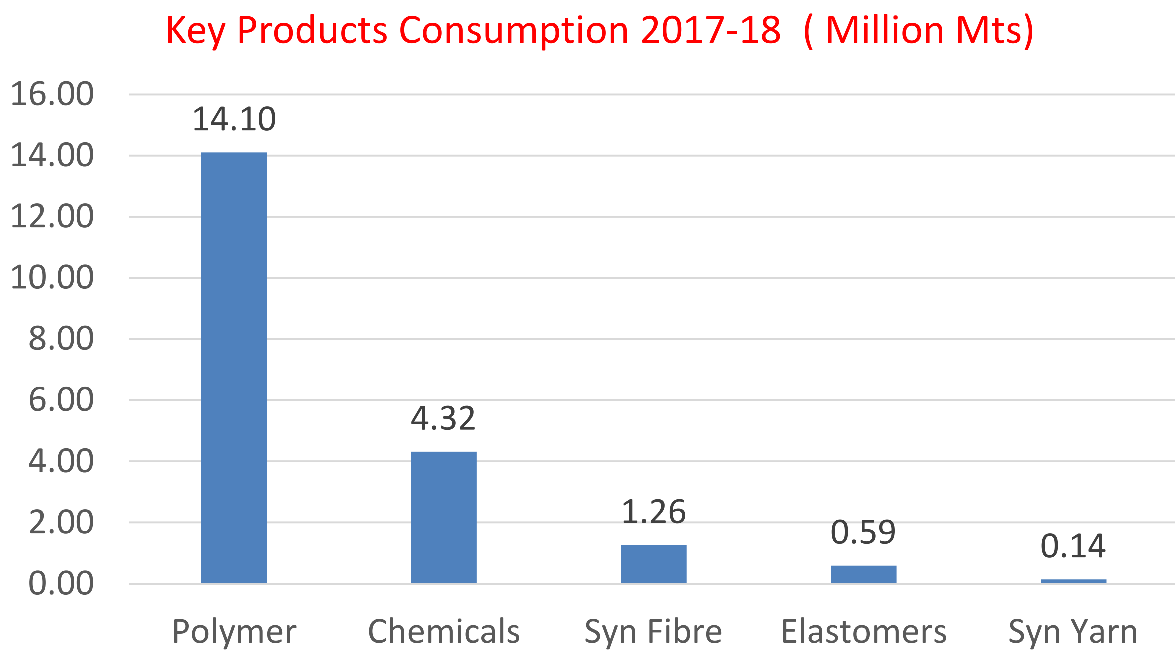
Chemicals and Petrochemicals Manufacturer's Association

India - a 20 million Mts Petchem Market today

- Where we are
- Advantage India
- Crystal Ball Gazing



Above consume 29 MMTA of building blocks, Fibre Intermediates and other intermediates

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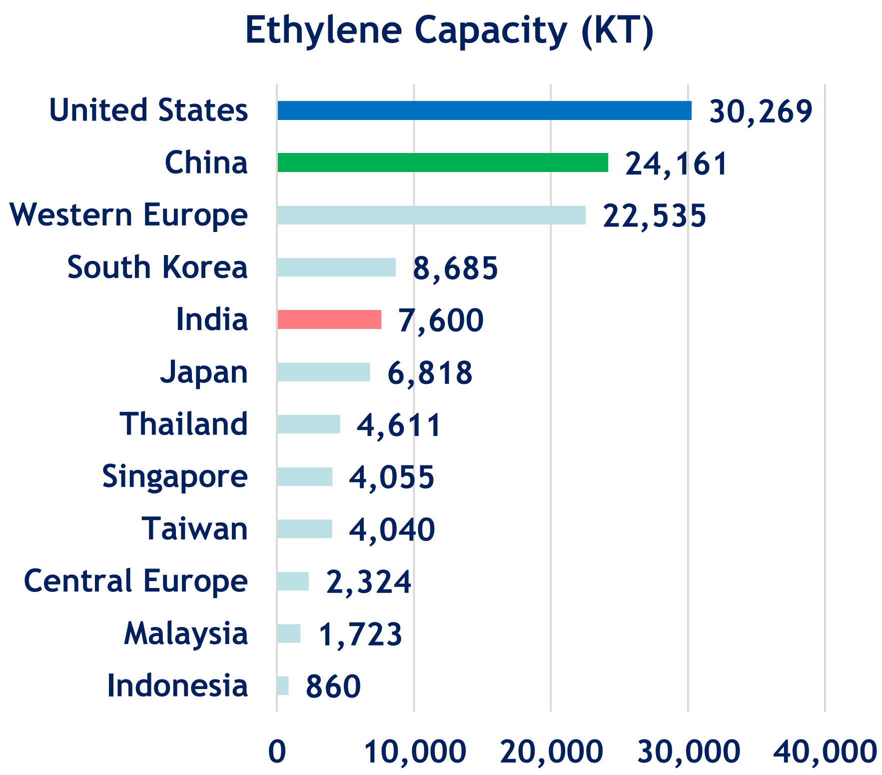
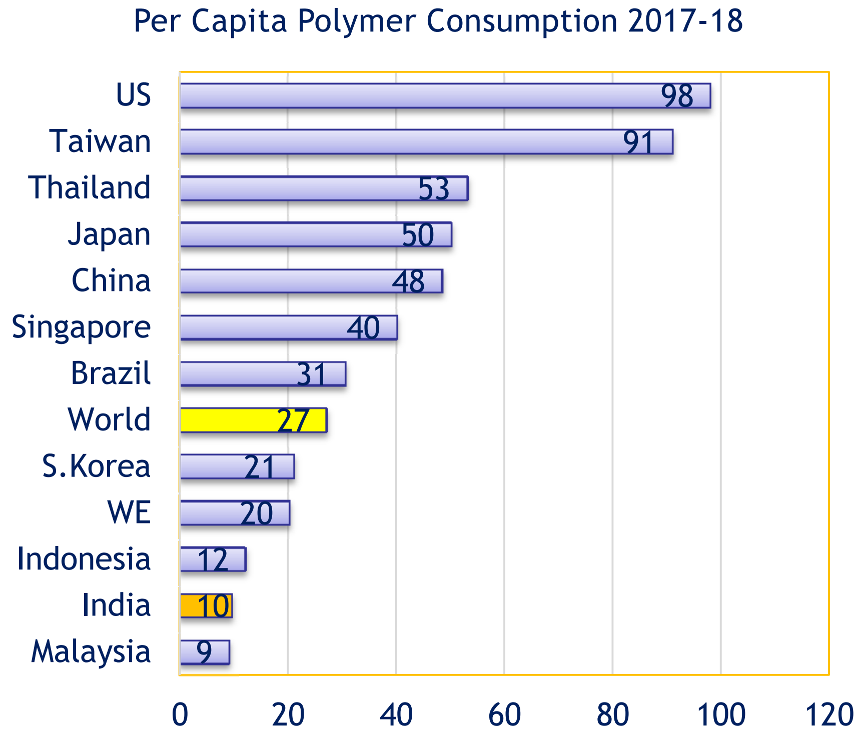
India 5th largest Ethylene producer in the world





Source: IHSMarkit

……...to catch up with the developing and developed countries

….. But largest producer is 4 times of India

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Deficit in most key Chemicals products

S. No	Product	Domestic Capacity (KTA)	Demand (KTA) 2017	Net imports in 2017 (KTA)
1	METHANOL	276	2019	1767
2	ACETIC ACID	165	992	844
3	STYRENE	0	703	714
4	TOLUENE (Incl Bnz)	2251	1540	409
5	PHENOL	57	305	267
6	EVA	0	169	171
7	VAM	0	162	166
8	MDI	0	118	120
9	TDI	61	65	44
10	PO	36	67	34
11	EO (Inc MEG)	1250	1152	0
12	CUMENE	76	57	0

For some key chemical products, we don't have domestic capacities

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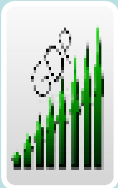
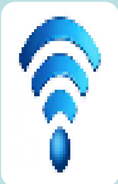
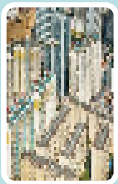
India-China comparison of key products capacities

Polymer Capacity 2017				(KTs)
S No	Building blocks and Polymers	India	China	Factor
1	Refinery (Mn BPD)	5.2	12.5	2
2	No of Crackers (Nos.)	10	52	5
3	C2	7560	24009	3
4	C3	5337	31611	6
5	PE	5050	17707	4
6	PP	4975	23296	5
7	PVC	1449	33607	23
8	PS	450	3440	8
9	ABS	131	3643	28
10	PET	2002	11,681	6

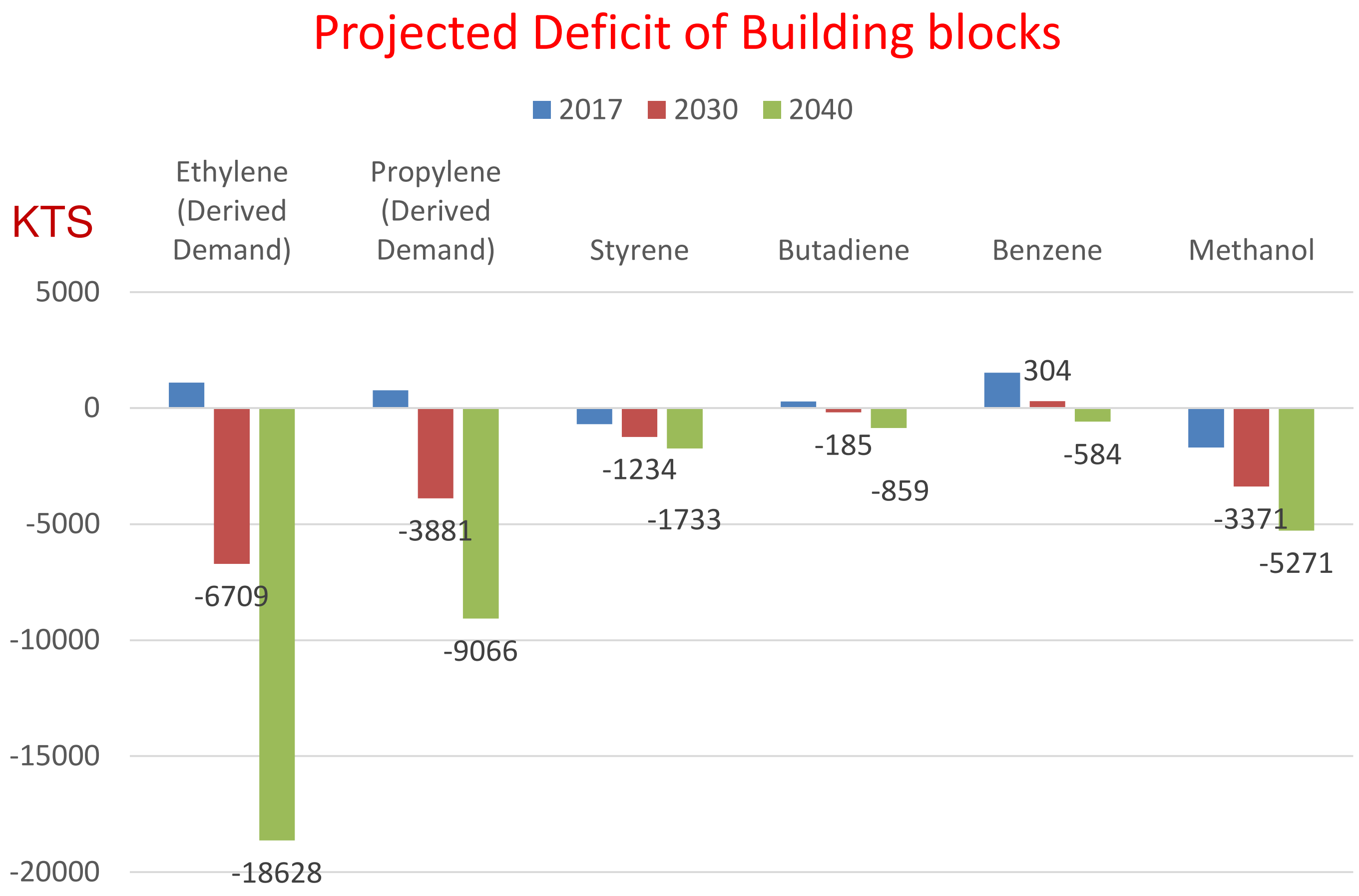
Source: ICIS

Chemical Capacity 2017				(KTs)
S No	Key Chemicals	India	China	Factor
1	METHANOL	276	76740	278
2	ACETIC ACID	165	8310	50
3	Benzene	1990	16980	9
4	STYRENE	0	8265	NA
5	TOLUENE (Inc Bnz)	2251	16427	7
6	PHENOL	57	2423	43
7	CUMENE	76	2933	39
8	VAM	0	3040	NA
9	EVA	0	712	NA
10	MDI	0	2970	NA
11	TDI	61	870	14
12	EO (Incl MEG)	1250	8030	6
13	PO	36	3042	85

As India plays catch up, lots of investment opportunities in India to be tapped

 India as growth Engine for the world	Higher than GDP growth of Petrochemicals --> investment by existing players across value chain
 Connectivity	Easy access to online shopping--> Requirement of new materials for delivery
 Urbanisation	Life style Change Retail boom--> Infrastructure Boom→ growth in Construction, White Goods, Flexible packaging.
 Electric Vehicles	Increase Electric Vehicles--> Lower oil demand--> downward pressure on plastic prices

Projected deficit of Building blocks: 2030 and 2040



The investment requirement is conservatively estimated to be:

US$ 30 bn till 2030 and

US$ 83 bn till 2040

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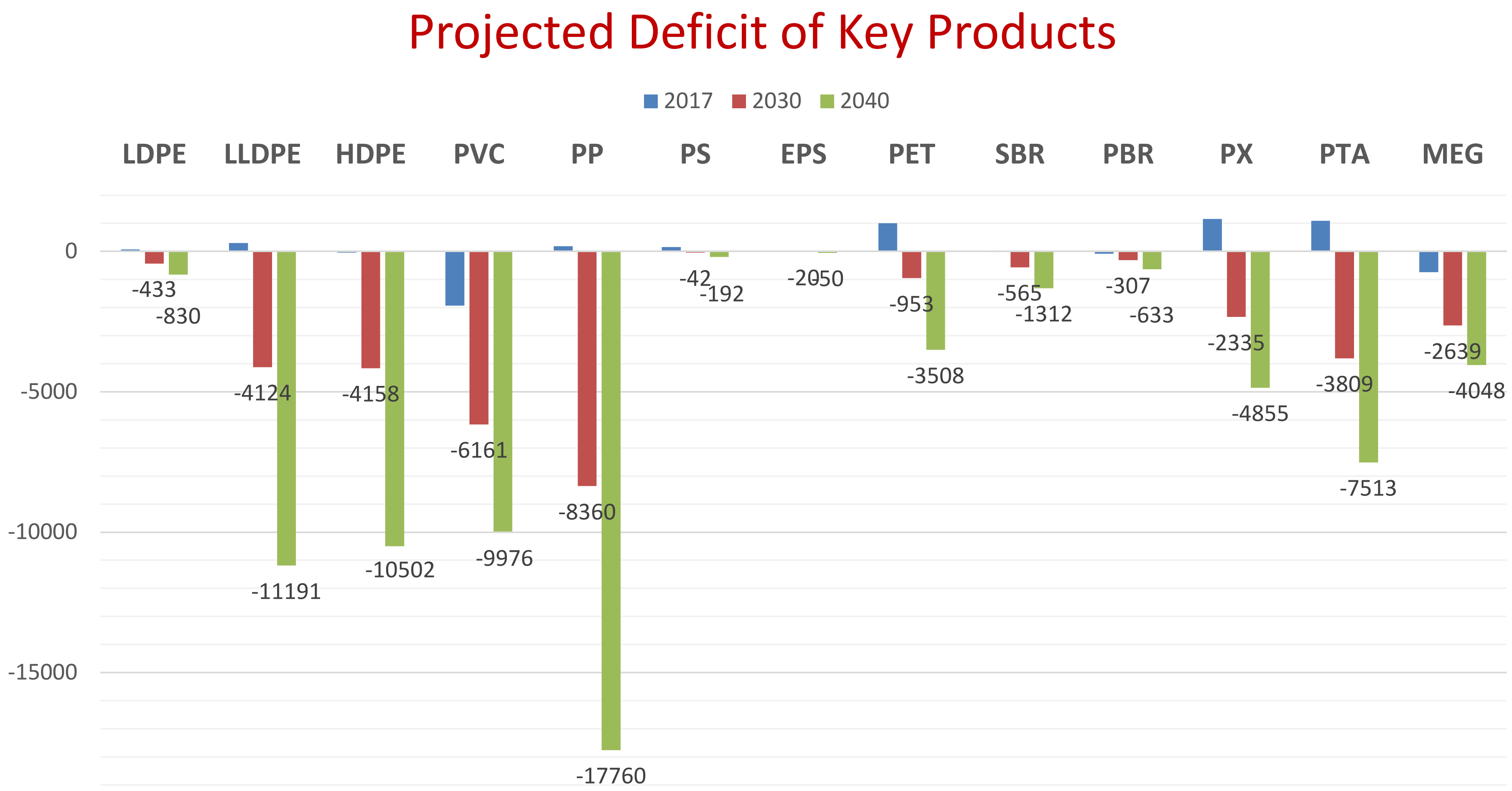
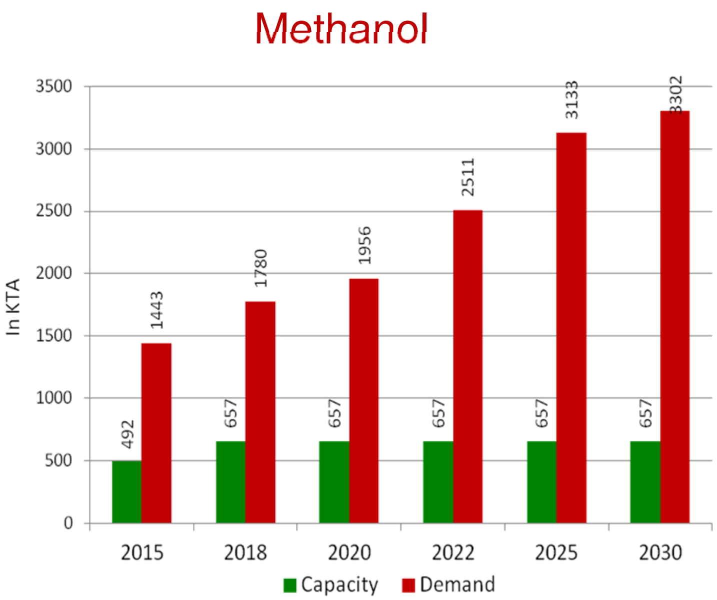
Projected deficit of end products : 2030 and 2040

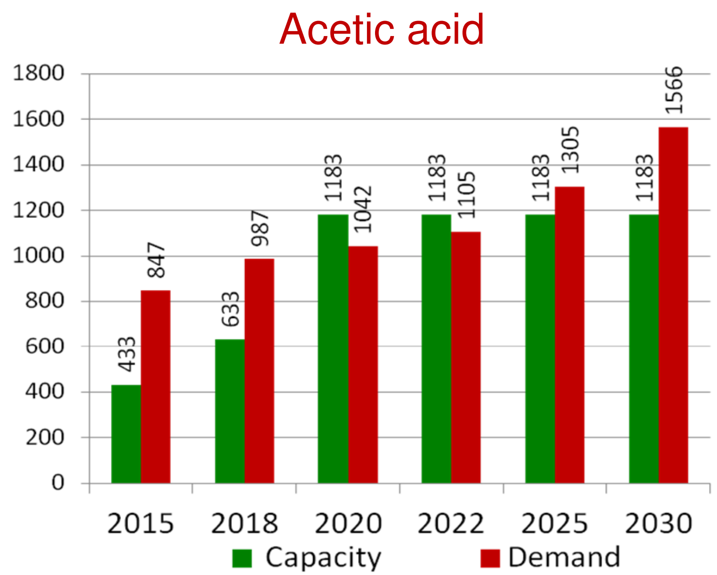
KTS

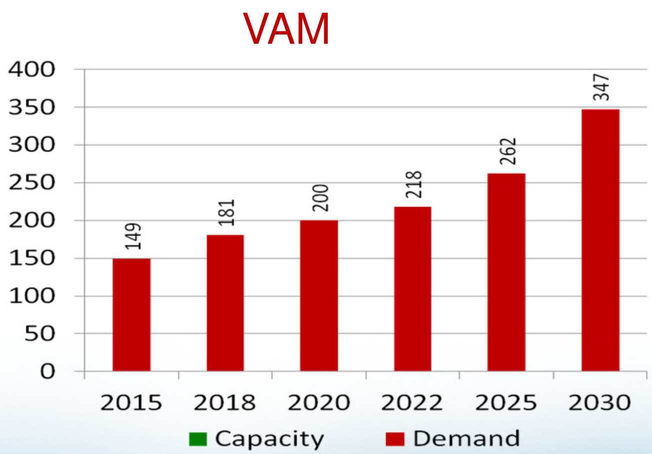


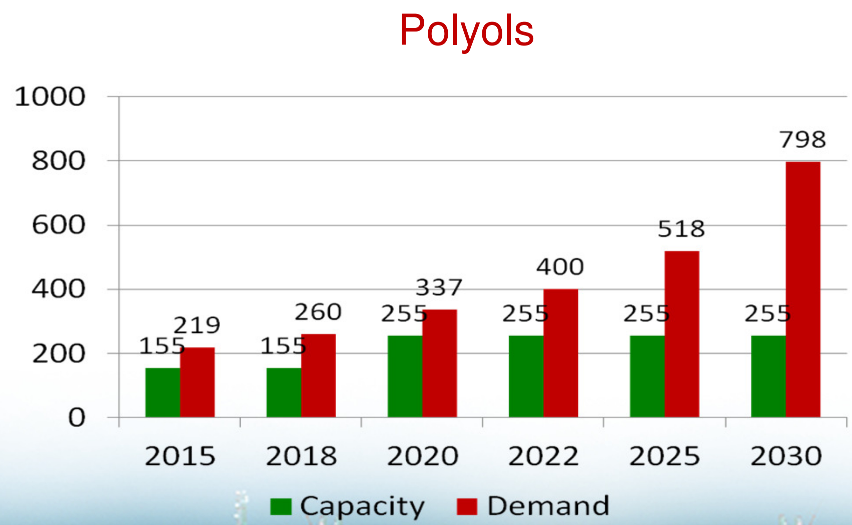
Domestic capacities needed on SoS basis and on an unprecedented scale.

Projected deficit of key Chemical products : 2025 and 2030









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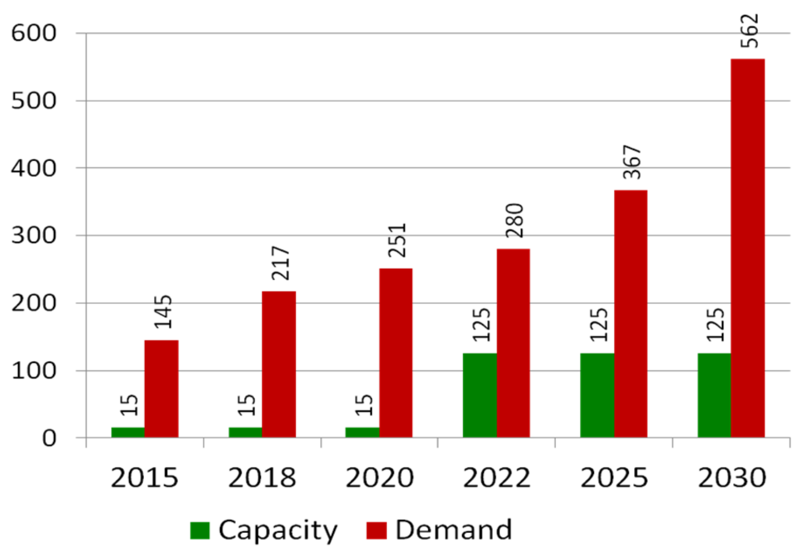
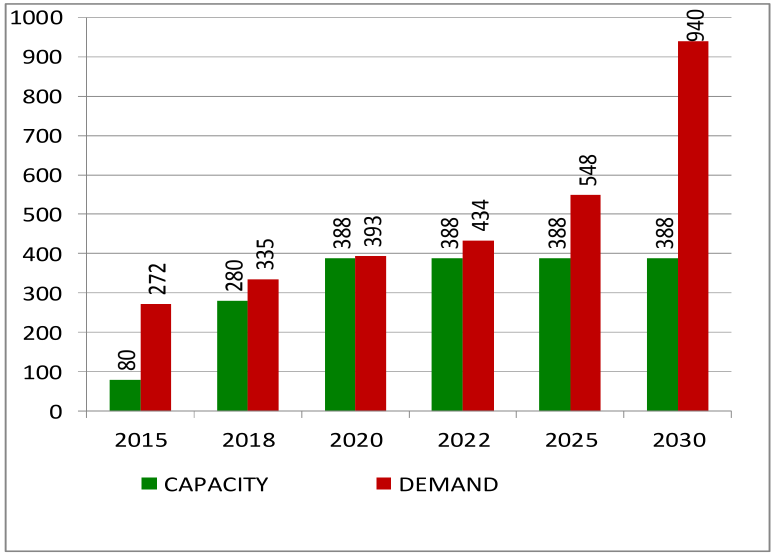
Projected deficit of key Chemical products : 2025 and 2030

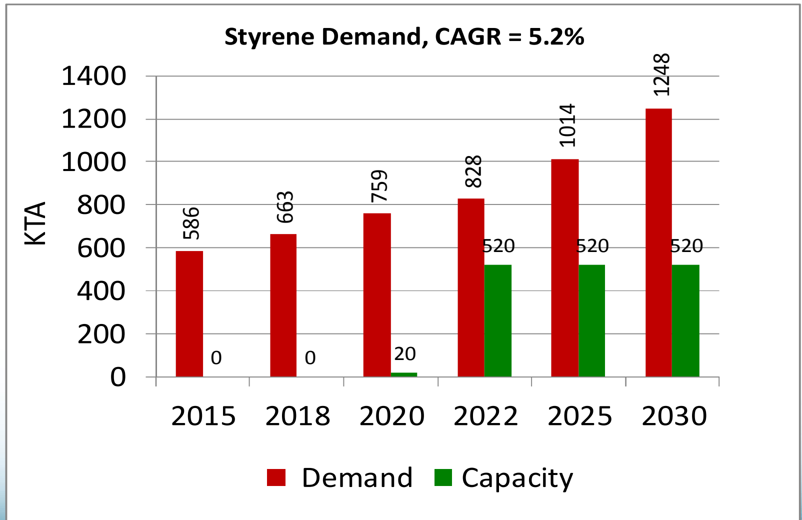
EVA



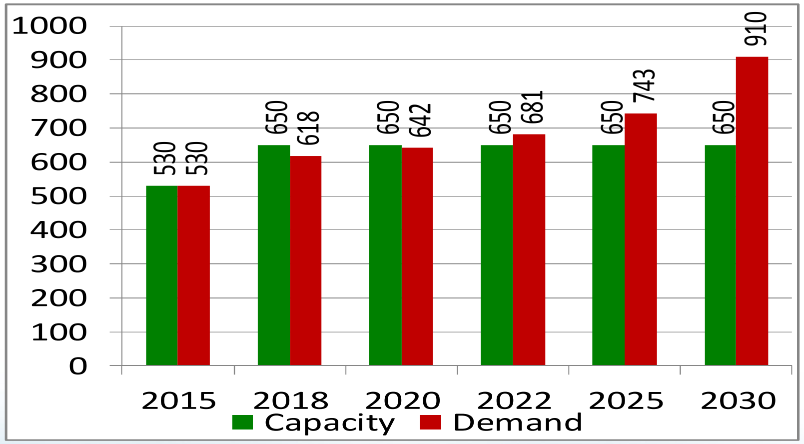
Phenol



Styrene



LAB



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Conclusion

- India’s growth drivers are in place.
- India need a world scale cracker every year
- New announcements will come as in the past.
- Scale and competitiveness will be key success factors
- Circular economy will be at central stage


Thank You!