

News Release

Policy reforms needed to revitalize investments in India's chemical industry: LANXESS perspective

- The government to support with infrastructure, favorable policies and by attracting investments
- The industry to work towards improving its image

Mumbai, April 9, 2013: LANXESS, a global specialty chemicals company and a leading player in the Indian chemical industry actively participated in discussing the challenges faced by the industry, at the 14th Annual Chemical Weekly business Outlook conference held at the Hotel Leela in Mumbai on April 9, 2013. The theme for this conference was 'Novel technologies and new markets – the opportunities and challenges for India's fine and specialty chemicals industries.' Dr. Joerg Strassburger, Managing Director and Country Representative, LANXESS India Private Limited, represented the industry's problems and solutions and recommended some possible solutions.

At the outset, Mr. Rajeev Pandia, an industry veteran and the moderator for the opening panel congratulated Dr. Joerg Strassburger, for building a strong case for the Indian Chemical industry by not only establishing a successful business in India but by expressing his views on the operating environment for chemical businesses in India.

Strassburger stated that India has the potential to build a USD 80 to USD100 billion specialty chemical industry by 2020 and Asia Pacific region now forms nearly 42% of the global market for chemicals, clearly making it the largest contributor. The strong domestic demand will be supported by the rising middle class household consumption, increase in discretionary spending by middle-class households and buoyant exports. This further implies that India can leverage this shift in specialty chemical landscape.

Addressing the challenges that can deter the growth of the chemical industry in India, Strassburger made some strong recommendations to improve logistics and infrastructure support for chemical plants, to accelerate the implementation of PCPIRs (Petroleum, Chemicals and Petrochemicals Investment Region) and to enhance the competitiveness of the Indian chemical industry. He underlined that

government support in terms of improvement in infrastructure like road, rail and land availability; introduction of favorable policies to attract investment, to attract key raw material suppliers and anchor investors in PCPIRs; and in increasing the speed of implementation of different projects, for example, through single window clearance, is quintessential for the growth of the chemical industry.

On the other hand, Strassburger also prescribed that the industry needs to take some pro-active steps in improving its own perception and it is very important that the chemical companies act responsibly towards people and environment. He added that the jobs in this industry should be made more lucrative for the right talent. “India is undoubtedly one of the large potential markets in Asia which is not yet fully leveraged. Nevertheless the industry needs to consciously contribute towards changing its image by practice rather than preaching”, concluded Strassburger, strongly encouraging the industry to leverage its full potential.

The audience and panelists resonated the views of Strassburger about the industry and agreed with him on the corrective actions required.

Other speakers in the opening panel included Mr. Dilip Chandwani, Vice President, Manufacturing Competitiveness and Technology & Manufacturing Economic Practice, Kline & Company USA and Mr. Manish Panchal, Practice Head - Chemical, Life Science & Energy Industries, TATA Strategic Management Group. Around 150 delegates from different areas of the chemical industry attended the conference. The audience was very responsive and posed thought provoking questions at the end of each session.

About LANXESS

LANXESS is a leading specialty chemicals company with sales of EUR 9.1 billion in 2012 and roughly 17,200 employees in 31 countries. The company is currently represented at 49 production sites worldwide. The core business of LANXESS is the development, manufacturing and marketing of plastics, rubber, intermediates and specialty chemicals. LANXESS is a member of the leading sustainability indices Dow Jones Sustainability Index (DJSI) World and FTSE4Good as well as the Carbon Disclosure Leadership Index (CDLI).

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