



Chemical Industry is the **Backbone** of Merchandise Exports

**Global leaders in merchandise exports
are leaders in chemicals, too.**

**To increase India's merchandise exports, the priority focus
should be on expanding the domestic chemical industry.**

Over the last 15 years, China added a whopping **\$2,163 bn** to its merchandise exports. In case of India, the increase is only **\$258 bn**.

Merchandise export. 15-year trend

Year	India	China	World	India's Share	China's Share
2008	195	1,431	16,169	1%	9%
2009	165	1,202	12,565	1%	10%
2010	226	1,578	15,302	1%	10%
2011	303	1,898	18,338	2%	10%
2012	297	2,049	18,509	2%	11%
2013	315	2,209	18,959	2%	12%
2014	323	2,342	19,000	2%	12%
2015	268	2,273	16,555	2%	14%
2016	265	2,098	16,036	2%	13%
2017	299	2,263	17,741	2%	13%
2018	325	2,487	19,550	2%	13%
2019	324	2,499	19,017	2%	13%
2020	276	2,590	17,653	2%	15%
2021	395	3,358	22,366	2%	15%
2022	453	3,594	24,926	2%	14%
Growth	258	2,163	8,757	1%	5%

Source: WTO Database (Accessed on 16th December 2023)

Unit: \$ bn

In fact, India's merchandise export for the year 2022 (**\$453 bn**) is similar to what China's merchandise export (**\$438 bn**) was in the year 2003! (Source: WTO)

Clearly, India is 20 years behind China in the merchandise export.

So, what is the main reason behind India's slow growth trajectory?



A large chemical industry is vital to foster the growth of the manufacturing sector and merchandise exports.

China has a huge chemical industry of around **\$2000 bn** whereas India's chemical industry is worth less than **\$200 bn**.

China uses chemicals for producing a variety of merchandise goods - from shirt buttons to sophisticated modern electronic items.

Chemicals are used in nearly **96%** of the manufactured goods adding maximum multiplier effect. **Chemical sector is the mother of manufacturing sector.**



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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)

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For India to become the 3rd largest economy overtaking Japan and Germany, India's share in global merchandise exports should be in double digit instead of the present 2%. This is possible only if India's chemical industry is allowed to grow exponentially. Pro-chemical industry regulatory policies alone can achieve this growth.



Issued in the interest of Indian manufacturing sector by
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