

## Expert Focus: Will India's draft national chemical policy be published in 2019?

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Tavinder Sidhu and Kshitez Kaushik of MV Kini law firm in India examine the status of the much-anticipated national chemical policy

India's national chemical policy has been pending since 2008, so expectations that a revised draft will be published in early 2019 should be considered in that context.

Although a [draft](#) was published in 2014 for public comment, it still has not come into force five years later.

The Department of Chemicals and Petrochemicals (DPCP) prepared this to help the growth and development of the chemical sector. It was supposed to have high importance, elevating and adding to the research and development ecosystem of chemicals.

Initially, the aim was to encompass the creation of infrastructure, technology upgrades, safety and security in handling, sustainability, pollution mitigation and environmental aspects like effluent, waste disposal and treatment, and green chemistry.

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### A brief history

By 2015, India had refurbished the 2007 Policy Resolution for Petrochemicals, bringing chemicals and petroleum under the scope of the Resolution, and renaming it as Policy Resolution for Promotion of Petroleum, Chemicals and Petrochemical Investment Regions (PCPIRs). With this, the government signalled its intention to revive the policy.

Soon afterwards, the former union minister of chemicals and fertilisers declared that the government would enact a national chemical policy covering the environment, infrastructure and a duty structure for the industry.

In early 2016, there were discussions about the need for a national chemical inventory, which would be critical for effective policy decisions. The first draft of the inventory was submitted to the DPCP listing almost 4,600 substances, although there were later revisions. And India reiterated its intention to pass the national chemical policy.

By April 2016, the Ministry of Environment Forest and Climate Change founded the National Coordination Committee (NCC) for preparing a National Action Plan for Chemicals (NAPC).

### **Expectations for 2019**

There is, once again, speculation that the committee must have reached the final stages, with a draft ready for public comments in the near future.

What might it entail? It may recommend the preparation of a chemical inventory/database, which will capture the details of all chemicals used in India, including the total quantity produced each month, import and export figures, the types of chemicals manufactured and imported, and the gross national demand.

It is also expected to introduce mandatory real-time GPS tracking of hazardous chemicals for safety and security purposes. Currently, some industrial units across the country use this system on voluntary basis.

A proposed merger of the Chemical Accidents (Emergency Planning, Preparedness, And Response) Rules, 1996 (CAEPPR rules) with the Manufacture, Storage & Import of Hazardous Chemicals Rules, 1989 (MSIHC rules) is also expected.

The MSIHC rules lay down the procedure and safeguards for handling hazardous chemicals onsite, along with requirements for the industry and regulatory authorities on handling and mitigating chemical emergencies.

The objective of CAEPPR rules is to provide administrative structure at different levels for effective planning, preparedness and response to a possible accident caused by hazardous chemicals. A merger of the two laws would streamline the legislation, resulting in effective implementation and a safer handling protocol of hazardous chemicals throughout the country.

The committee may include a provision for strengthening the role of Emergency Response Centres, by providing support on infrastructure, training projects, capacity building, and a system for awareness raising on occupational health and safety.

Some anticipate that it could also make an important legislative change by amending public liability insurance.

## National chemical policy

There were a few announcements in 2018 suggesting the draft policy would be published in the 2018/19 financial year, but the government has also said that chemicals and petrochemicals cannot be seen in isolation and require a robust ecosystem. The latest statements indicate that it may prefer to synchronise both sectors, which would require a single and comprehensive integrated policy.

If this vision is India's preferred option, then preparation of the national chemical policy is likely to be deferred for the tenure of the government. General elections are proposed in the spring and past governments have been reluctant to implement new policies just before voters go to the polls.

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Informal inquiries indicate that senior officials in the Ministry of Chemicals and Fertilisers have divergent views on a policy, and the ministry has asked about "the actual need", as others – including the national manufacturing, foreign direct investment and PCPIR policies – have already benefited the chemical sector.

It appears India may have to wait a while longer for a national chemical or chemical and petrochemical policy. The industry is already flourishing, because of government support through PCPIRs and plastic 'parks' for businesses. The Central Institute of Plastics Engineering & Technology (CIPET) allows 100% foreign direct investment (FDI) and lower rates of customs and excise duty.

These initiatives have clearly had a positive effect because India is the third largest producer of chemicals in Asia by volume and the sixth largest worldwide.