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J. M. BAXI & CO.

CHEMICAL & ACIDS UPDATE

JULY 2024



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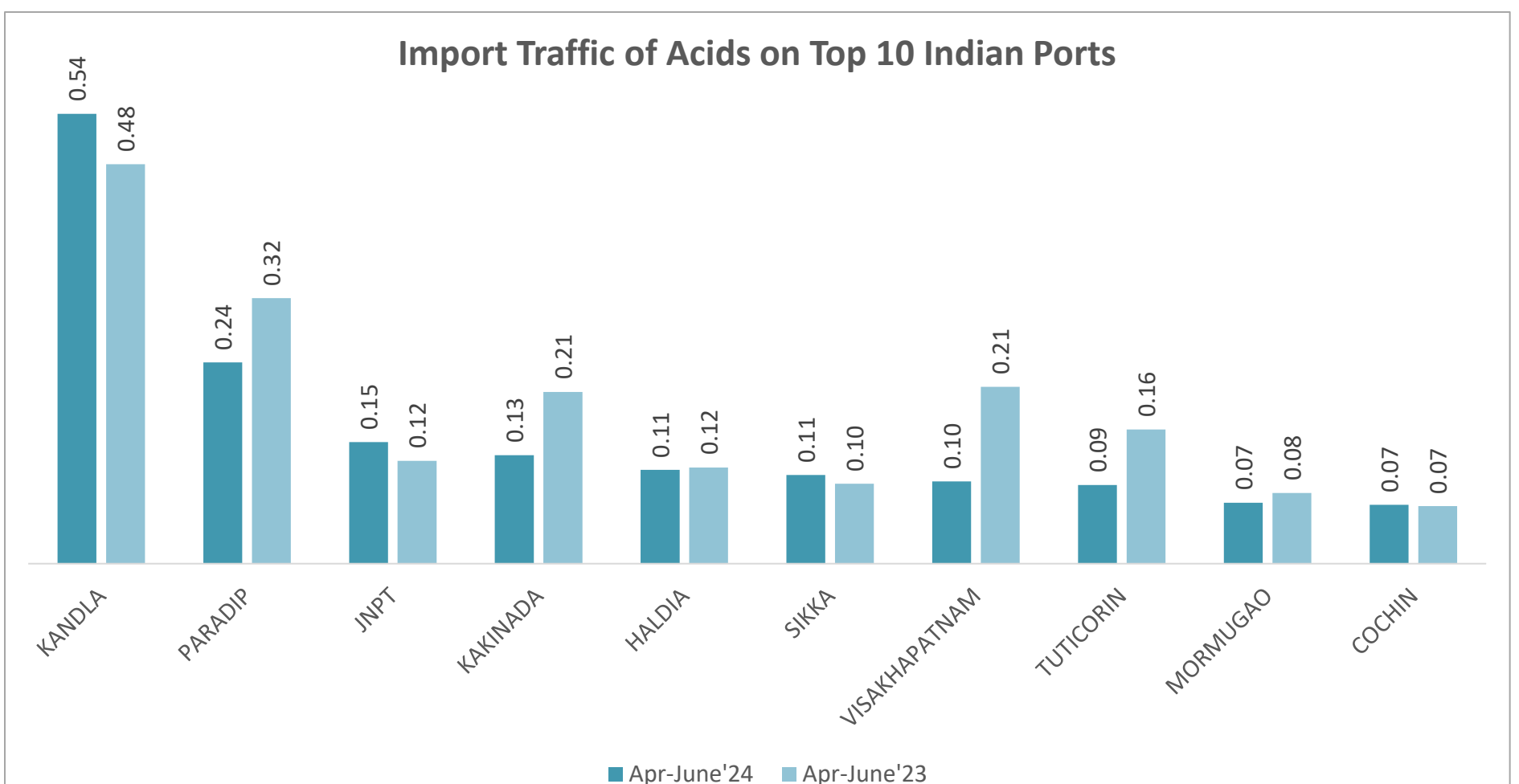
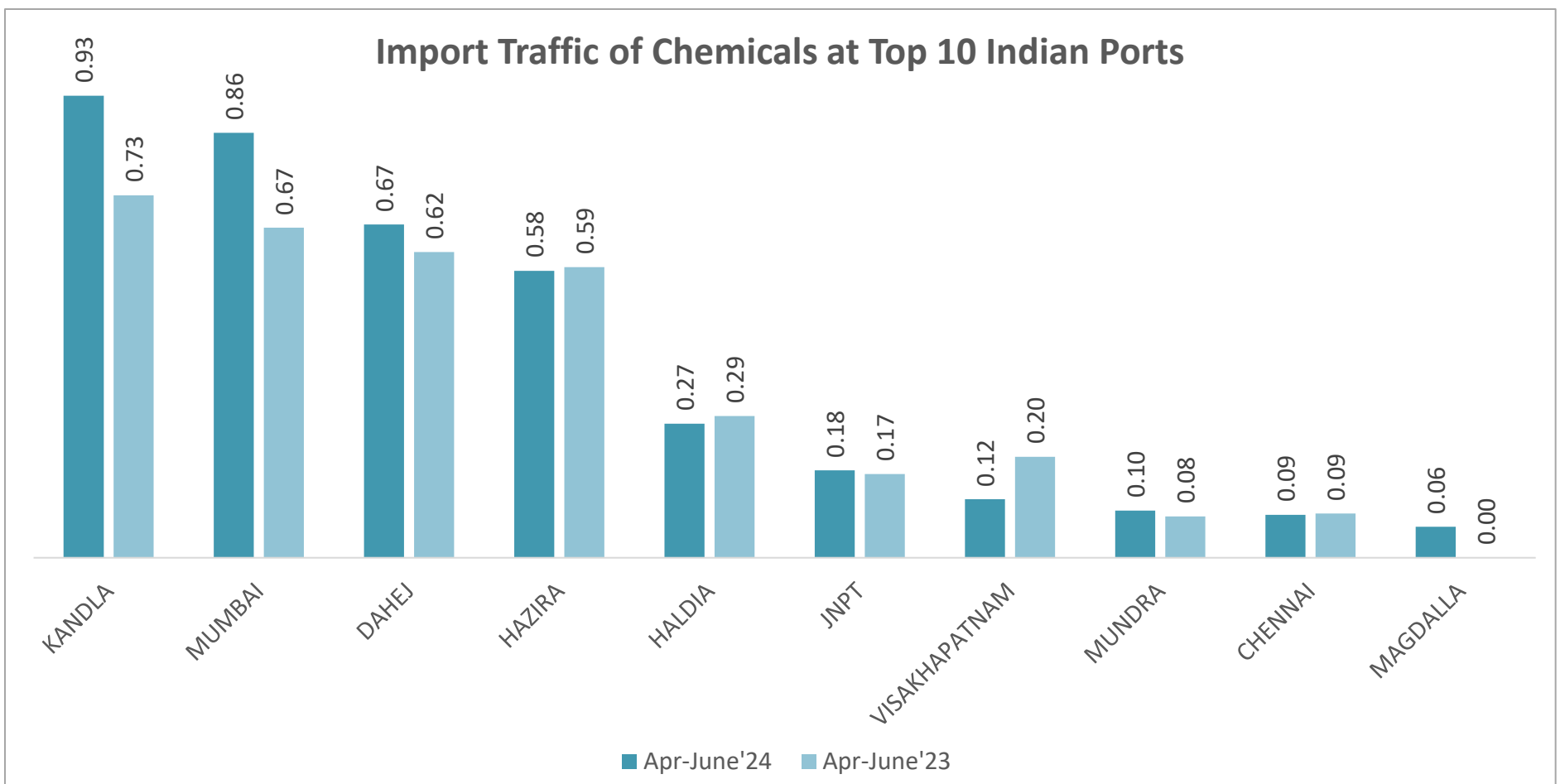
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PORT ANALYSIS

- The port traffic for Chemicals & Acids was 7.81 MMT in Apr-June'24.
- The Import of Chemical was 4.06 MMT in Apr-June'24 which was an increase of 9.11% from the previous fiscal.
- Import of Acids in Apr-June'24 was 1.77 MMT, a decline of 14.50% compared to Apr-June'23.



PORT ANALYSIS

Top Chemical Products exports from India

(Qty in Million Metric tonnes)

ALKYLATE	0.603
BENZENE	0.253
CAUSTIC SODA	0.059
PARAXYLENE	0.018
MTBE (METHYL TERTIARY BUTYL ETHER)	0.013
ANILINE	0.007
PARA DICHLORO BENZENE	0.005
TOULENE	0.002
2-ETHYL-6-METHYL ANILINE	0.002
CHLOROFORM	0.001
ACETIC ACID	0.001
VINYL ACETATE MONOMER	0.001
SOLVENT C 9	0.000
TOTAL	0.965

There are approximately 100 variants of chemicals India imported during April – June 2024

Top Chemical Products Imports to India

(Qty in Million Metric tonnes)

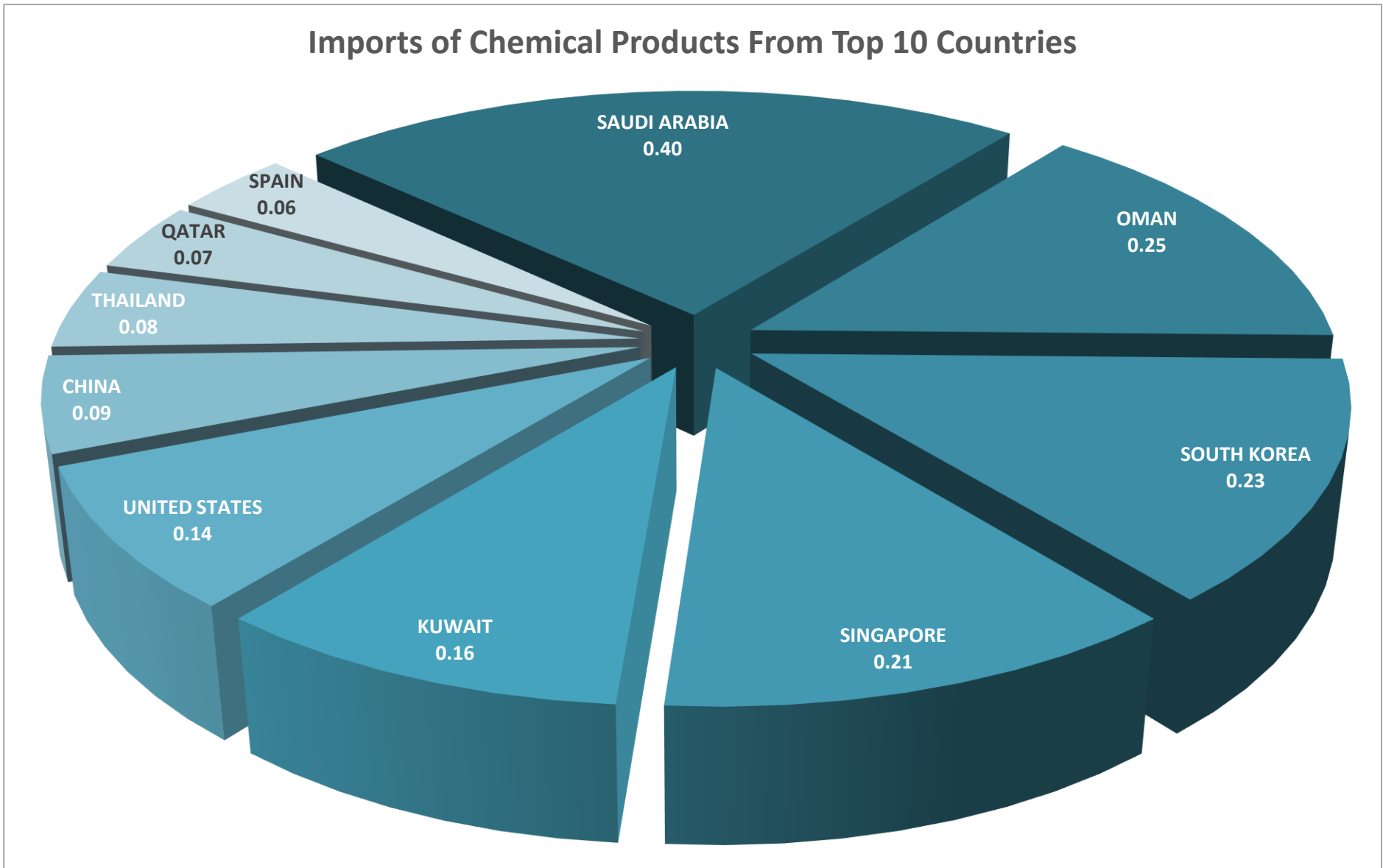
METHANOL	0.675
BASE OIL	0.512
PARAXYLENE	0.293
ACETIC ACID	0.239
STYRENE MONOMER	0.233
MONO ETHYLENE GLYCOL	0.149
ETHANOL	0.101
TOLUENE	0.070
ETHYLENE DI CHLORIDE	0.069
2 ETHYLHEXANOL	0.068
PHENOL	0.061
LINEAR ALKALENE BENZENE	0.059
LUBE OIL	0.059
MIXED XYLENE	0.057
J 150 (CHEMICAL)	0.055
CAUSTIC SODA	0.055
VINYL ACETATE MONOMER	0.051
TOULENE	0.050
BUTYL ACRYLATE	0.040
ACRYLONITRILE	0.038



PORT ANALYSIS

- India imported highest quantity of Chemicals from Saudi Arabia at 0.40 MMT in the period of Apr-June'24.

Top Ten Indian Importers	Import Quantity in MMT
RELIANCE INDUS. LTD.	0.82
MCPI PVT. LTD.	0.21
C. J. SHAH AND CO.	0.09
KLJ GROUP	0.08
B. K. SALES CORPN.	0.08
EARNEST ENERGY PVT. LTD.	0.07
CHEMFORM TRADING CO.	0.06
JUPITER DYCHEM PVT. LTD.	0.05
INDIAN OIL CORPN. LTD.	0.05
INDIA GLYCOLS LTD.	0.04

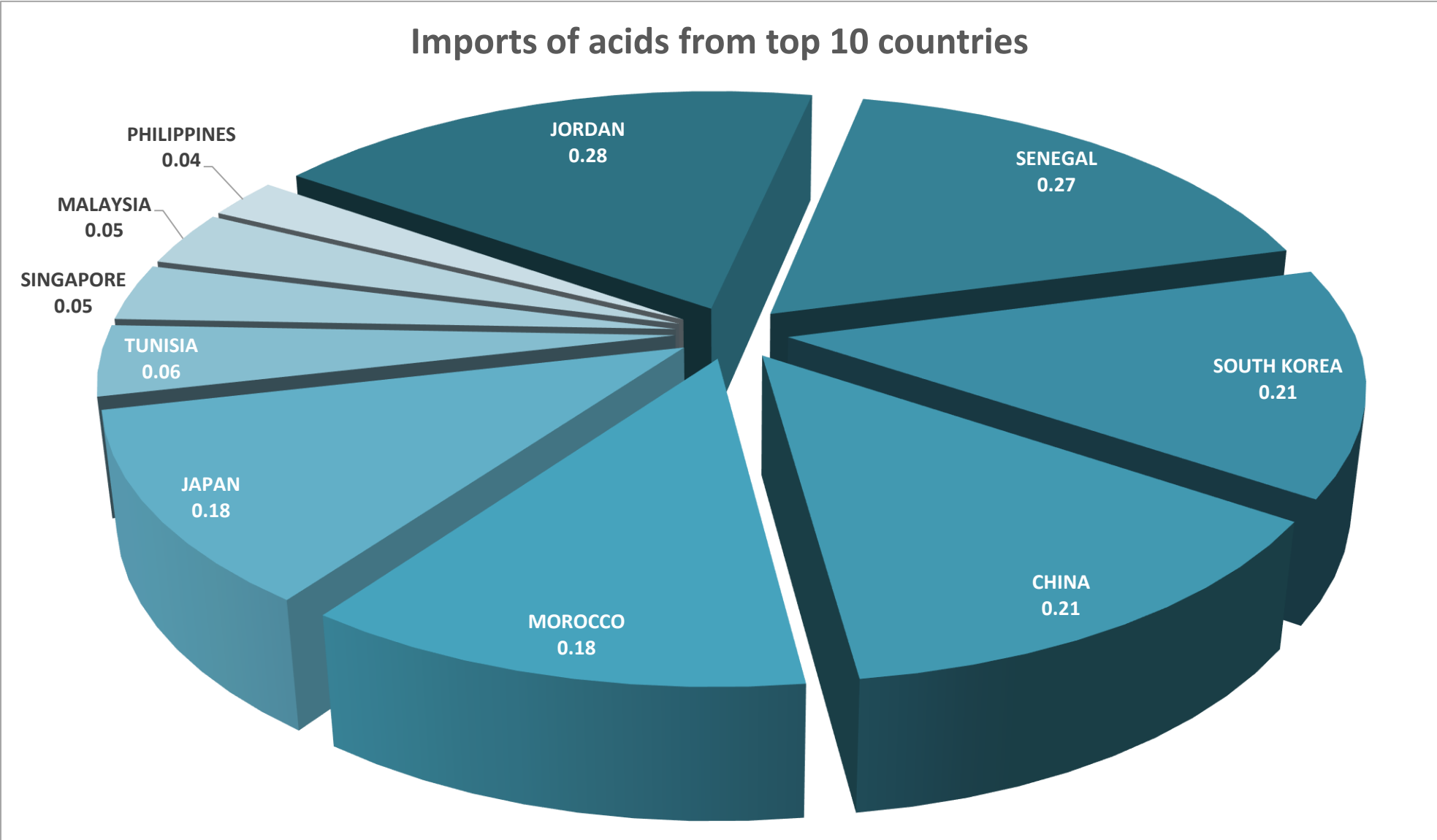




PORT ANALYSIS

- India Imported highest qty of Acids from Jordan at 0.28 MMT in the period of Apr-June'24.

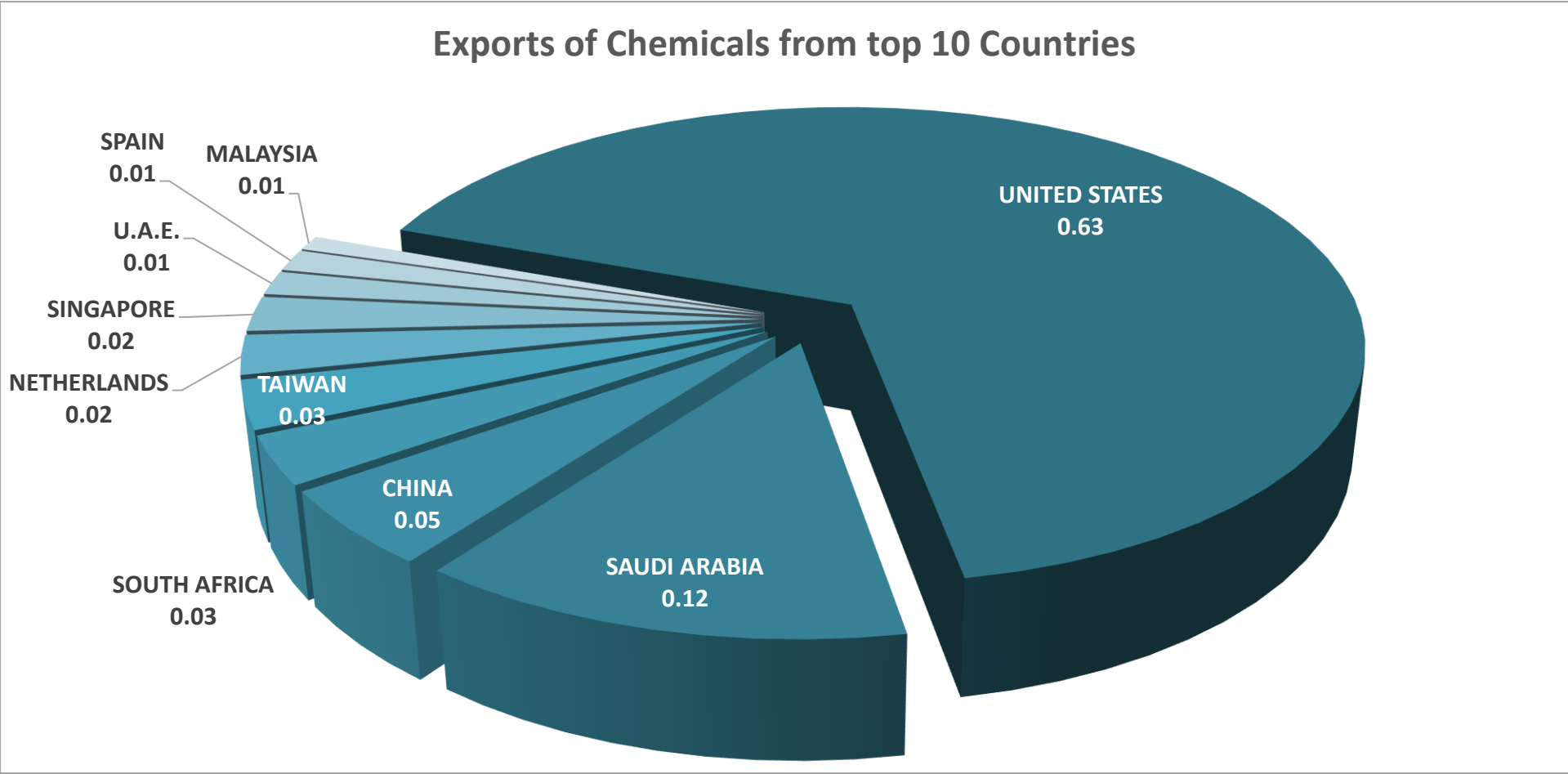
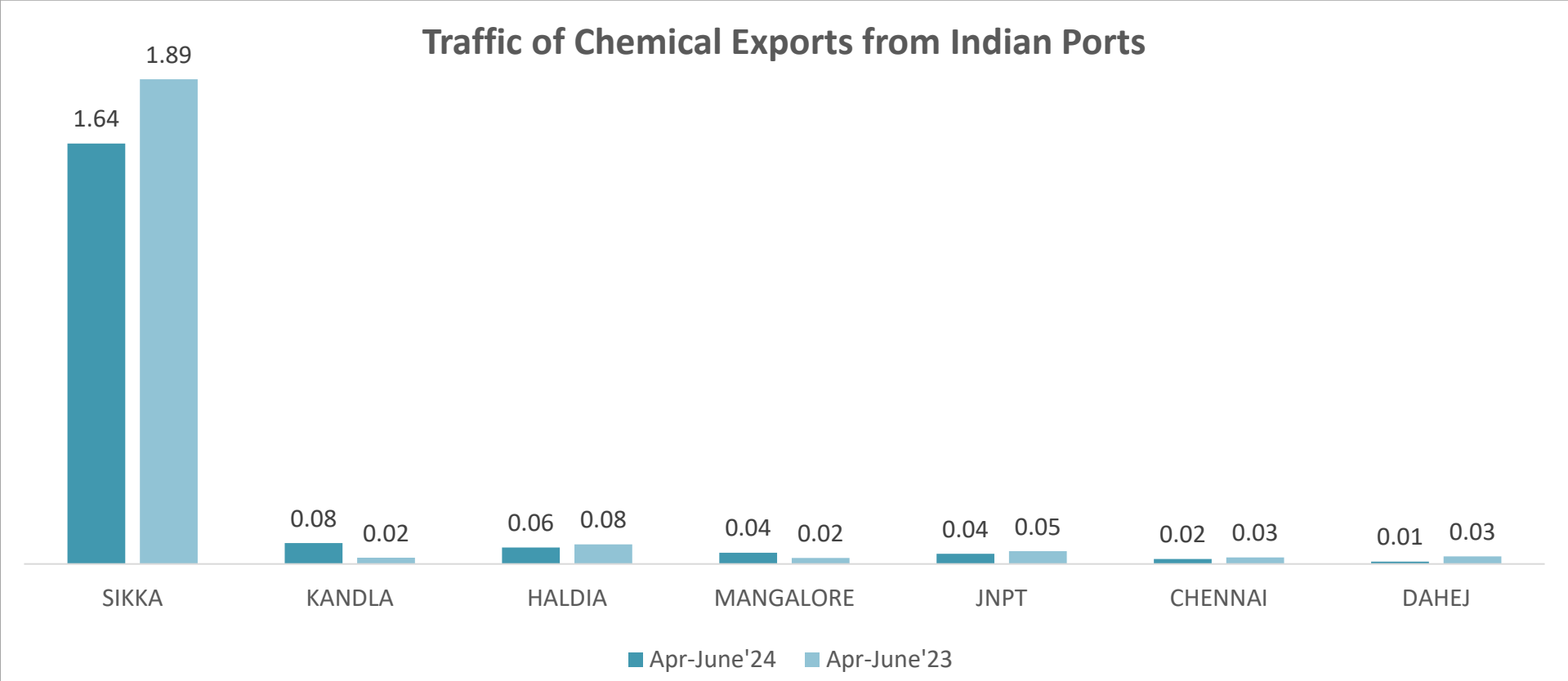
Top Ten Indian Importers	Import Quantity in MMT
INDIAN FARMERS FERTILIZERS CO OP LTD.	0.57
COROMANDEL INTL. LTD.	0.19
PARADIP PHOSPHATES LTD.	0.17
GUJARAT STATE FERTILIZERS CO. LTD.	0.11
GREENSTAR FERTILIZERS PVT. LTD.	0.09
INDORAMA INDIA PVT. LTD.	0.09
MAHADHAN AGRITECH LTD.	0.08
FERTILIZERS & CHEMICALS TRAVACORE LTD.	0.07
MANGALORE CHEMICAL AND FERTILIZERS LTD.	0.05
HINDUSTAN PETROLEUM CORP. LTD.	0.04





PORT ANALYSIS

- India exported 1.91 MMT of Chemicals in the period of Apr-June'24. Exports saw a decrease by 14.99% as compared to the same period of the previous year.
- Sikka port saw the highest export traffic at 1.64 MMT in Apr-June'24.
- India exported the highest qty of chemicals to U.S at 0.63 MMT in Apr-June'24.





MARKET OVERVIEW AND TRENDS

KEY HIGHLIGHTS

- **Agrochemical Industry Advocates for Higher Import Duties**
- **Godrej Industries to acquire unit of Shree Vallabh Chemicals in Gujarat.**
- **Andhra govt, BPCL explore possibility of setting up Rs 70,000 cr petrochemical complex.**
- **Aditya Birla Group's chemical ops to foray in US with USD 50 million investment**
- **Adani Wilmar buys controlling stake in Gujarat-based Omkar Chemicals**



KEY HIGHLIGHTS

Agrochemical Industry Advocates for Higher Import Duties

Ahead of the budget, Crop Care Federation of India, representing major players in the agrochemical industry, has called for an increase in import tariffs to counteract the dumping of chemicals from China. Harish Mehta, a senior advisor to the federation, emphasized the need to raise import tariffs by 7.5% to mitigate the effects of Chinese predatory pricing and monopolistic practices. He stated that such measures would protect the domestic chemical industry, a significant contributor to the country's GDP and exports. The federation suggested that an increase in tariffs between 5% and 7.5% could help level the playing field for local manufacturers. The industry highlighted that while India's chemical sector was trade surplus in 2020-21, it faced a \$17 billion trade deficit in FY23, attributing this change largely to unfair trade practices by foreign players, particularly from China. Estimates indicate that the global chemicals industry is valued at \$5,000 billion, with India's share at \$220 billion as of 2022. In its representation, the federation also advocated for the fast-tracking of trade remedy measures, including mandatory BIS standards for specialty chemicals and agrochemicals by relevant ministries. As reported by the economictimes.indiatimes.com, additionally, the federation called for expedited regulatory approvals by ministries of agriculture, health, and environment, favouring domestic manufacturing projects. The industry also proposed the introduction of a production-linked incentive (PLI) scheme to strengthen domestic manufacturing and supply chain capabilities.

Source: Chemical digest



KEY HIGHLIGHTS

Godrej Industries to acquire unit of Shree Vallabh Chemicals in Gujarat

Godrej Industries Ltd announced on Monday that its chemicals business unit will acquire Shree Vallabh Chemicals' Ethoxylation unit II in Kheda, Gujarat, for an estimated Rs 45 crore. This acquisition will allow Godrej Industries to expand its product range by incorporating Ethoxylation technology into its existing portfolio.

Godrej Industries Ltd said its chemicals business unit has agreed to acquire a unit of Shree Vallabh Chemicals at Kheda in Gujarat entailing an estimated investment of Rs 45 crore. The company's chemicals business has signed a business transfer agreement with Shree Vallabh Chemicals Unit II (Kheda), with the intention to acquire their Ethoxylation unit II, Godrej Industries said. This transaction will help the company expand its product offerings by adding the Ethoxylation technology to its portfolio of process and batch technologies, it added. The Shree Vallabh Ethoxylation Unit II has a manufacturing capacity of 24,000 MTPA (Million Tonne Per Annum) of finished products. On the estimated amount to be invested, Godrej Industries said it will be around Rs 45 crore "...the proposed acquisition of the unit will aid us in expanding our offerings and also cater to new applications for our customers. By enabling us to accelerate the investment timeline, we are confident that it will also provide us with various cost synergies," Godrej Industries (Chemicals) Executive Director and CEO Vishal Sharma said.

Source: Economic Times



KEY HIGHLIGHTS

Andhra govt, BPCL explore possibility of setting up Rs 70,000 cr petrochemical complex

Andhra Pradesh Chief Minister N Chandrababu Naidu met with Bharat Petroleum Corporation Ltd officials to discuss establishing an oil refinery and petrochemical complex, potentially attracting investments of Rs 70,000 crore. Naidu emphasized the state's strategic location and directed officials to prepare a feasibility report within 90 days. Additionally, Naidu engaged with VinFast's CEO to invite the Vietnamese automobile conglomerate to set up an EV and battery manufacturing plant in the state. Both initiatives reflect Naidu's commitment to fostering industrial growth and investment in Andhra Pradesh.

Andhra Pradesh Chief Minister N Chandrababu Naidu on Wednesday met Bharat Petroleum Corporation Ltd officials here to explore the possibility of setting up an oil refinery and petrochemical complex, which could attract investments worth Rs 70,000 crore. The Chief Minister met with Bharat Petroleum Corporation Ltd (BPCL) chairman and managing director G Krishna Kumar at the secretariat. "We explored the establishment of an oil refinery and petrochemical complex in Andhra Pradesh with an investment of 60-70,000 Cr. (Rs 60,000 to Rs 70,000 crore," said Naidu in a post on X. He directed officials to prepare a detailed feasibility report in 90 days, noting that the state is strategically located on the east coast of the country with significant petrochemical potential. According to the CM, up to 5,000 acres of land is required for a project of this magnitude and vowed that the state government will look forward to facilitating it in a hassle-free manner. BPCL is a Maharatna public sector undertaking and a Fortune 500 company, which is into oil refining and fuel retailing businesses, among others.

Similarly, Naidu also met the chief executive of VinFast, Pham Sanh Chau, an automobile conglomerate from Vietnam. "Had an engaging discussion with the CEO of VinFast Pham Sanh Chau. VinFast is a leading automobile conglomerate from Vietnam. Have invited them to set up their EV (electric vehicle) and battery manufacturing plant in Andhra Pradesh," said Naid The CM directed the Industries department to facilitate VinFast team's visits to suitable land parcels and wished for a successful collaboration with the Vietnamese company. VinFast's parent company Vingroup has business interests in a plethora of industries, which also include technology, industrials, real estate and services, among others.



KEY HIGHLIGHTS

Aditya Birla Group's chemical ops to foray in US with USD 50 million investment

The Aditya Birla Group is already present in the US through Hindalco Industries-owned Novelis Inc and Aleris Inc, and Georgia-based Birla Carbon. It currently has an investment of more than \$15 billion in businesses in the US, and is the largest Indian investor in the US as of now.

The Aditya Birla Group's chemical business is venturing into the US with a \$50 million investment by setting up a manufacturing and research and development facility at Beaumont in Texas.

The investment will be done by Aditya Birla Chemicals (Thailand) Ltd, through its wholly owned subsidiary in the USA, Aditya Birla Chemicals (USA) Inc. "The development of a new chemicals facility represents a significant expansion of our ambitions in the Americas and a continuation of our strategy to apply our deep manufacturing expertise in new markets," Kumar Mangalam Birla, the chairman of the Aditya Birla Group said. The Aditya Birla Group is already present in the US through Hindalco Industries-owned Novelis Inc and Aleris Inc, and Georgia-based Birla Carbon. It currently has an investment of more than \$15 billion in businesses in the US, and is the largest Indian investor in the US as of now. "As we continue to grow our presence in the U.S., our investment will support the revitalization of the growing American manufacturing sector and demonstrates our ongoing commitment to the customers and communities we serve across the country," Birla said. The new facility will be an advanced materials site, that will be used to develop and manufacture customized specialty products and epoxy solutions for the US market. "By investing in this important project and expanding our U.S. presence, our chemicals business will be well-positioned to capture a significant part of the over \$2 billion market for U.S. epoxy solutions," Jayant V Dhobley, the chief executive officer and business head for Global Chemicals at Aditya Birla Group said.

Source: Economic Times



KEY HIGHLIGHTS

Adani Wilmar buys controlling stake in Gujarat-based Omkar Chemicals

Adani Wilmar Ltd (AWL) has announced the acquisition of a 67 percent stake in Omkar Chemicals Industries Pvt Ltd (OCIPL), a Gujarat-based specialty chemicals firm. AWL, a joint venture between Adani Group and Singapore's Wilmar, is a leading player in oleochemicals and one of the largest food-FMCG companies in India. OCIPL operates a manufacturing plant in Panoli, Gujarat, with an annual capacity of around 20,000-mt of surfactants, and is planning to scale up its capacity for other products, AWL said. "The speciality chemicals market presents a significant opportunity across diverse sectors such as home & personal care products, food additives, plastics & polymers, agrochemicals, and lubricants & petrochemicals. AWL currently operates in this sector through third-party manufacturing and by importing from Wilmar's plants," the filing informed. "We are pleased to add that these specialty chemicals, which represents further downstream derivatisation of our product portfolio. Through this acquisition, AWL will immediately establish a production footprint and capabilities that will allow us to better meet customer requirements," said Mr. Saumin Sheth, Chief Operating Officer of AWL. "Downstream derivatisation of our basic oleochemicals in select areas is a strategic focus for us, in line with the focus of our co-promoter Wilmar International which is the world's largest oleochemical manufacturer. We aim to bring the diversified product portfolio of Wilmar and its associates to India to better serve our customers," he added. AWL expects to close the deal in three to four months and it doesn't need government or regulatory approvals. In FY2023-24, OCIPL reported a turnover of Rs. 13.95-crore. Its plant commenced operations in FY2023-24 and its capacity utilisation was below 10 percent.

Source: Chemical Weekly



OTHER REPORTS FOR JULY 2024

- J. M. BAXI Monthly Agri Products Update
- J. M. BAXI Monthly Automotive Industry Update
- J. M. BAXI Monthly Cement Update
- [J. M. Baxi Monthly Chemical Update](#)
- J. M. BAXI Monthly Coal Update
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