

## Sectoral

### Chemicals

#### 1. What is Cluster Development Scheme (CDS)?

Department of Pharmaceuticals (DoP) has announced the Scheme for Cluster Development Programme for Pharma Sector in July 2014 to enhance quality, productivity and innovative capabilities of the SME pharma sector in the country.

#### 2. What is Pharmaceutical Promotion Development Scheme (PPDS)?

Pharmaceutical Promotion Development Scheme (PPDS) is meant for promotion, development and export promotion in Pharmaceutical sector. Under PPDS the Department of Pharmaceuticals on its own or through financial support by way of Grant-in-aid to the institutions, organizations, voluntary organizations or NGOs as mentioned in Rule 206 of GFR 2005: 1) Conduct Training/knowledge improvement programs/activities on issues/subjects relevant to growth of pharmaceutical industry. 2) Organize Summits, Convention, Exhibitions, Pharmacy week, meetings etc. in India and abroad and produce promotional materials like films, displays etc. 3) Conduct research studies, sector reports etc. 4) Purchase books, quality standards, pharmacopoeias, magazines, directories, software for developing information data banks, developing e-learning modules etc. 5) Give awards to achievers in pharmaceutical industry. 6) For any other activity not covered under above categories which may be decided by the Department of Pharmaceuticals from time to time.

#### 3. What is PCPIR?

Government of India has approved 4 Petroleum, Chemical and Petrochemical Investment Regions (PCPIRs) in the state of Andhra Pradesh (Vishakhapatnam), Gujarat (Dahej), Odisha (Paradeep) and Tamil Nadu (Cuddalore and Naghapattinam) to promote investment and industrial development in these sectors. The PCPIR is envisioned to reap the benefits of co-siting, networking and greater efficiencies through use of common infrastructure and support services. Each PCPIR is a specifically delineated region having an area of about 250 sq. km. wherein 40% of the area has to be for processing activities. For more information, [click here](#)

#### 4. What is Chemical Promotion Development scheme (CPDS)?

Chemical Promotion Development scheme is a government scheme with an objective of promoting and developing the chemical & petrochemical sectors by extending financial support for conduct of seminars, conferences, exhibitions, conducting studies/ consultancies, for facilitating growth, as well as analyzing critical issues affecting chemical and petrochemical sector.

#### 5. What are OCPFs?

OCPFs comprise of two different categories of organic chemicals and these are Discrete Organic Chemicals (DOCs) and PSF chemicals. For more details, please visit the following link.

#### 6. What is a DOC?

Discrete organic chemical is defined as any chemical belonging to the class of chemical compounds consisting of all compounds of carbon except for its oxides, sulfides and metal carbonates, identifiable by chemical name, by structural formula, (if known) and by Chemical Abstracts Service (CAS) registry number (if assigned). For instance: Acetic Acid ,Ethanol. For more details, please visit the following link.

#### 7. What are the objectives of the scheme for setting up of plastic parks in India?

The major objectives of the scheme are: 1) Increase the competitiveness, polymer absorption capacity and value addition in the domestic downstream plastic processing industry through adaptation of modern, research and development led measurers. 2) Increase investments in the sector through additions in capacity and production, creating quality infrastructure and other facilitation to ensure value addition and increase in exports. 3) Achieve environmentally sustainable growth through innovative methods of waste management, recycling, etc. 4) Adopt a cluster development approach to achieve the above objectives owing to its benefits arising due to optimization of resources and economies of scale.

#### 8. What is the meaning of SCOMET?

SCOMET is an acronym for Special Chemicals, Organisms, Materials, Equipment and Technologies.

For more details, please visit the following link.

## 9. What are dual-use goods and technologies?

Dual-use items are goods, software, technology, chemicals etc. which can be used for both civil and military applications. Such items require an authorization for exporting out of the country. India ' s list of items which need an export license is known as the SCOMET list. Please visit the following link for more information.

## 10. Is export of SCOMET items regulated?

Yes, export of items in the SCOMET list is regulated as per India ' s Foreign Trade Policy. Export is either prohibited or is permitted under an authorization. For more details, please visit the link.

## 11. Where can we find the list of SCOMET items?

Appendix 3 of Schedule 2 of ITC (HS) Classification contains the control list of India which is also referred to as the SCOMET list. You can go to the DGFT website to see the complete list. In the list as appearing in Appendix 3 of Schedule 2 of ITC (HS) Classification, SCOMET items are listed under eight (9) categories as follows: a) Category 0: Nuclear material, nuclear-related other materials, equipment and technology. b) Category 1: Toxic chemical agents and other chemicals. c) Category 2: Micro-organisms, toxins. d) Category 3: Material, Materials Processing Equipment, and related technologies. e) Category 4: Nuclear-related other equipment, assemblies and components; test and production equipment; and related technology, not controlled under Category 0. f) Category 5: Aerospace systems, equipment including production and test equipment, related technology and specially designed components and accessories thereof. g) Category 6: Munitions List. h) Category 7: Electronics, computers, and information technology including information security. i) Category 8: Special Materials and Related Equipment, Material Processing, Electronics, Computers, Telecommunications, Information Security, Sensors and Lasers, Navigation and Avionics, Marine, Aerospace and Propulsion. Each category contains exhaustive listing of items covered under that category. Special conditions applicable to items under different categories are mentioned under each category. For more details, please visit the following link.

## 12. Who gives license for Category 0 items in the SCOMET list?

Licensing authority for items in Category 0 in Appendix 3 to Schedule 2 of ITC (HS) is Department of

Atomic Energy. Applicable guidelines are notified by the Department of Atomic Energy under Atomic Energy Act, 1962. For certain items in Category 0, formal assurances from the recipient State will include non-use in any nuclear explosive device. Authorizations for export of certain items in Category 0 will not be granted unless transfer is additionally under adequate physical protection and is covered by appropriate International Atomic Energy Agency (IAEA) safeguards, or any other mutually agreed controls on transferred items. Export of items specified under the Note 2 of the 'Commodity Identification Note' of the SCOMET list would also be permitted against an authorization granted by the Department of Atomic Energy. For more details, please visit the following link.

### 13. What are the documents to be submitted for the application on SCOMET Authorization?

The following documents need to be uploaded online while making the application: i) End Use-cum-End User Certificate(s) (EUC) from all the firms/entities involved in the supply chain of the product(s) (to be furnished on their letter head duly signed by the authorised signatory). ii) Copy(ies) of Purchase Order(s) of firm(s) involved in the supply chain of the item/product. iii) Aayat Niryat Form (ANF)-1 (Profile of Exporter). iv) Elaborate technical specification relating to item of export. v) Copy(ies) of supply contract/agreement {if documents are bulky only the relevant portion containing contract reference and parties to the contract and the portion indicating the item(s) to be supplied and quantity thereof not exceeding 10 pages shall be uploaded}. vi) Copy of DGFT authorization letter for the same product, if any in case of application for repeat orders. Hard copy (Paper copy) of the following documents are required to be submitted to DGFT (HQ): i) Original End Use-cum-End User Certificate (EUC). ii) Copies of Bills of Entry into the destination country for items exported during the last one year. For more details, please visit the following link.

### 14. What are the restrictions on export of chemicals as per SCOMET list?

a. Export of Category 1A chemical is prohibited. b. Export of chemicals listed in Category 1B is permitted only to States party to the Chemical Weapons Convention after obtaining an authorization from DGFT. The list of State Parties to the Chemicals Weapons Convention (CWC) and countries which are not State Parties is available on the OPCW website link. c. Export of Chemicals in Category 1C is allowed to State Parties to the CWC without an export licence subject to the condition that the exporter shall notify within 30 days of export to the National Authority, Chemicals Weapons Convention, Cabinet Secretariat; the Ministry of External Affairs (D&ISA); the Department of Chemicals & Petro-chemicals, and the DGFT of such exports in the prescribed format (Aayat Niryat Form ) along with the End Use Certificate and submit to the DGFT a copy of the bill of entry into the

destination State Party within 30 days of delivery. Export of chemicals in Category 1C to states not party to the Chemical Weapons Convention shall continue to be restricted and shall continue to be restricted and will be allowed only against an export licence and a Government signed EndUse-Certificate, and in that case also exporters shall submit to the DGFT a copy of the bill of entry into the destination country within 30 days of delivery. d. The sub-category 1D of SCOMET titled ‘ Other Chemicals ’ contains 25 AG controlled chemical precursors. 1. Export of chemicals in this category is allowed to countries specified in Table 1 (given in category 1D) without an export licence subject to the condition that the exporter shall notify within 30 days to specified departments 2. Export of chemicals in this category to other countries shall be restricted and will be allowed only against an export licence, and in that case the exporter shall submit to the DGFT a copy of the bill of entry into the destination country within 30 days of delivery. 3. Countries in Table 1 include Argentina, Australia, Austria, Belgium, Bulgaria, Canada, Croatia, Republic of Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Japan, Republic of Korea, Latvia, Lithuania, Luxembourg, Malta, Mexico, Netherlands, New Zealand, Norway, Poland, Portugal, Romania, Slovak Republic, Slovenia, Spain, Sweden, Switzerland, Turkey, Ukraine, United Kingdom, United States. e. Notification no. 56(RE-2013)/2009-14 dated 12.12.2013 has been rescinded since the three chemicals covered in the notification are now included in Category 1D. For more information, please click [here](#).

## 15. What is the FDI limit in chemical sector?

100% Foreign Direct Investment (FDI) is allowed under the automatic route in the chemicals sector. For more information, click [here](#).

## 16. Who are the key stakeholders under Chemicals sector in India?

Apart from Department of Chemicals & Petrochemicals, Ministry of Chemicals & Fertilizers (Govt. of India), some of the important industry associations are as follows: - Alkali Manufacturers Association of India Association of Synthetic Fibre Industry Chemicals & Petrochemicals Manufacturers Association Crop life India Dye Manufacturers Association of India Indian Chemical Council Indian Speciality Chemical Manufacturers Association Organization of Plastic Processors of India The All India Plastic Manufacturers' Association