

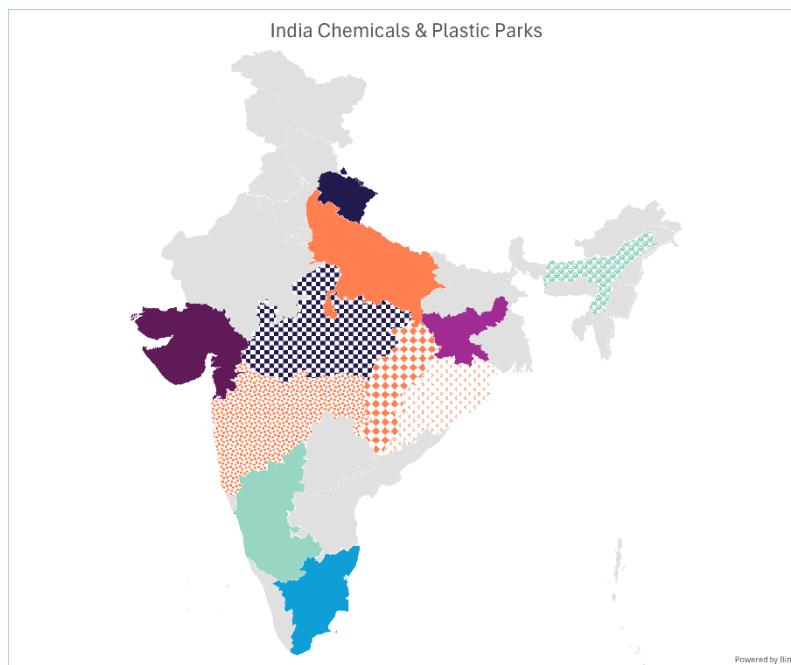
RLA Market Insights – Thursday, 05 February 2026

India's Annual Union Budget Spurs Chemical Manufacturing Growth with New Parks, CCUS Push & Cluster Revival

The Union Budget 2026-27 has outlined a series of initiatives aimed at strengthening India's chemical manufacturing ecosystem and reducing reliance on imports. A key announcement is the establishment of three new dedicated chemical parks which will be developed through a challenge-based approach. According to official budget documents, the government has earmarked \$65 million for the development of proposed chemical parks. However, details on the locations and planned capacities of these parks have not yet been disclosed. India remains a significant net importer of chemicals, as existing domestic production capacity is insufficient to meet growing domestic demand. These parks will follow a cluster-driven, plug-and-play model designed to improve scale, operational efficiency, and global competitiveness within the chemicals sector. To support implementation, the central government will also roll out a dedicated scheme to assist states in developing these integrated manufacturing hubs.

In a significant step towards sustainable industrial development, the Budget has proposed financial backing for Carbon Capture, Utilisation and Storage (CCUS) technologies across five energy-and emissions-intensive sectors i.e., chemicals, power, steel, cement, and refineries. An allocation of \$ 2.2 billion over the next five years has been earmarked to help advance CCUS solutions to higher technology readiness levels and facilitate their adoption in commercial applications. By capturing carbon dioxide emissions and either storing them or repurposing them for industrial use, the CCUS programme aims to curb greenhouse gas emissions while enabling hard-to-abate industries to transition towards cleaner production pathways.

The Budget also announced a plan to revive 200 legacy industrial clusters through targeted infrastructure upgrades and technological modernisation. This initiative is expected to enhance cost competitiveness, productivity, and efficiency across multiple sectors, including chemicals and petrochemicals. Emphasising the role of traditional industries, the finance minister noted that revitalising these clusters is essential for sustaining economic growth, safeguarding employment, and ensuring a more resilient industrial base.





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A monthly report covering the next four months including trends in oil supply, demand and trade, tanker demand and supply, spot, and time charter rates for MRs up to VLCCs, comparisons with FFAs plus the latest news on developments impacting the oil and tanker sectors.

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CHEMICAL CARRIER WORLD SERVICE

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