

**GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA**

UNSTARRED QUESTION NO:1388
ANSWERED ON:02.12.2014
REVIVAL OF MITSUBISHI CHEMICAL CORPORATION
Singh Dr. Nepal

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

- (a) whether the Government is aware that Mitsubishi Chemical Corporation, a Japanese company set up in Haldia city of West Bengal is on the verge of closure;
- (b) if so, the details thereof and reasons therefor;
- (c) whether the Government proposes to take any steps to address the problem of the said sick company ; and
- (d) If so, the details of steps taken by the Government so far to revive the said company?

Answer

MINISTER OF STATE OF THE MINISTRY OF CHEMICALS & FERTILIZERS (SHRI HANSRAJ GANGARAM AHIR)

(a) and (b): The Government is aware that MCC PTA India Corp. Private Limited is a subsidiary of Mitsubishi Chemical Corporation, Japan. They have a plant for manufacturing Purified Terephthalic Acid (PTA) at Haldia, West Bengal. The company has informed that they have become a sick unit on 31.03.2013.

The petrochemical items including PTA are de-licensed, decontrolled and their prices are market driven. The viability of the petrochemical units depend on the demand and supply forces, prices of raw material, backward integration and global competitiveness. MCC PTA India Corp. Private Limited does not have backward integration, competitive cost of production etc.

(c) & (d): The Government has maintained the duty differential of 5% between the raw material, i.e. Paraxylene and PTA. At present import duty on raw material, i.e. Paraxylene is 0% and on PTA is 5%. In addition, the designated authority has also imposed the Anti Dumping Duty for import of PTA in July, 2014 from various countries such as Peoples Republic of China, European Union, Korea RP and Thailand with a view to address the problems being faced by the industry.