

# NEWSLETTER

## CONSTRUCTION INFRASTRUCTURE UPDATES

### TUESDAY, MARCH 17, 2026

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[Rs 356-Crore Coastal Highway Project Launched To Link Surat And Bharuch, Cutting Travel Distance To 18 Km](#)

[India's chemicals industry to reach \\$255 billion by 2030: Report](#)

Rs 356-Crore Coastal Highway Project Launched To Link Surat And Bharuch, Cutting Travel Distance To 18 Km

Swarajya,  
March 17, 2026

A major coastal highway project aimed at improving connectivity across South Gujarat has formally begun, with the groundbreaking ceremony held on Monday in Pardi Jakhri village in Surat district's Olpad taluka.

The Rs 356 crore project is expected to significantly shorten travel time between Hazira in Surat and Kantyajal in Bharuch.

The new highway will stretch for about 18 km and is planned as a four-lane road running along the coastal belt through parts of both Surat and Bharuch districts.

Once operational, the route is expected to reduce the existing travel distance between the two points from around 55 km to roughly 18–20 km.

Local representatives and officials from the state highway authorities attended the ceremony, including former Gujarat minister and Olpad MLA Mukesh Patel.

The route will pass through several coastal villages in the Olpad region, including Dandi, Mor, Nes, Bhagva and Pardi Jakhri, creating improved access for local communities and businesses.

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The BJP MLA explained that the coastal highway would be developed along two routes, with the stretch between Surat and Hansot expected to be completed in about one-and-a-half years.

From Hansot, the road would be linked to the network connected with the Bhadbhut barrage scheme. Once finished, the coastal highway is also expected to reduce traffic pressure on National Highway 48.

To support the new corridor, bridges will also be constructed across the Senakhadi creek and the Keem River.

The project will integrate with several existing state highways in the Olpad region, including the Surat–Olpad–Sahol road, Surat–Dandi road, Olpad–Karanj road and Olpad–Saras–Kudiana road.

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Steel companies seek government intervention as coated steel units stare at propane shortage

The Economic Times,  
March 17, 2026

India's chemicals industry to reach \$255 billion by 2030: Report

The Economic Times,  
March 17, 2026

### **Synopsis**

*India's chemicals sector is poised for significant growth, reaching \$230-255 billion by 2030. Emerging sectors like semiconductors and electric vehicles will drive this expansion. The industry presents substantial import substitution opportunities, particularly in inorganics and polymers.*

India's chemicals industry is set to outpace economic growth and expand to \$230-255 billion by 2030, driven by emerging high-growth segments, according to a report by McKinsey & Company.

The sector, currently valued at \$155-165 billion, is projected to grow at a compound annual rate of 8-9 per cent despite global headwinds.

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The report identified eight high-growth arenas - including semiconductors, electric vehicles and batteries, renewables, construction, aerospace and defence, auto components, bio-to-X and e-commerce - that could generate an additional \$30-35 billion in demand by 2030, growing at around 16 per cent annually.

Construction-linked chemicals alone are expected to double to \$28 billion by 2030, supported by infrastructure and urban development.

India's chemicals sector has delivered a total shareholder return CAGR of about 17 per cent over the past decade, outperforming global peers and benchmark indices. However, the report highlighted a \$31 billion trade deficit in chemicals, particularly in inorganics and polymers, indicating significant import substitution opportunities.

To capitalise on the growth potential, the report recommended that companies scale up global operations, pursue partnerships and acquisitions, increase R&D spending, and adopt AI-led efficiencies. Strengthening supply chains and balance sheets will also be critical as the industry navigates global volatility and shifts towards value-led growth, it added.

"India's chemicals industry is entering a defining decade," said a McKinsey statement on the report.

The report, 'From Challenges to Possibilities: Leading India's Chemicals Industry Through Global Headwinds', projects the chemical sector "to expand from \$155-165 billion today to \$230-255 billion by 2030, potentially outpacing the GDP growth rate."

In order to identify the next wave of growth, McKinsey research has identified 18 distinctive arenas of growth at an India level. Of these, eight select arenas could unlock \$30-35 billion in incremental chemical demand by 2030.

"India's trade deficit highlights a substantial import substitution opportunity, particularly in inorganics and polymers: India's chemicals trade deficit currently stands at approximately \$31 billion (2025), concentrated in inorganics (\$12 billion) and polymers (\$13 billion) wherein there is an opportunity to build world-scale capacities in select value chains e.g., styrene, acetic acid, polyols," it said.

To capture this growth, companies need strategic levers for value creation. It called for creating global operating capabilities in priority markets, institutionalising programmatic partnerships, turning innovation into a growth engine, strengthening balance sheets and building resilient supply chains.

Despite strong export growth over the past decade, India's share of global trade in chemicals remains limited at 3 per cent, compared to China's over 20 per cent, the European Union's more than 15 per cent, and the United States' over 10 per cent.

M&A intensity in Indian chemicals stands at just 0.9 per cent, compared with the national average of 2.5 per cent. With portfolio rationalization underway globally and asset valuations resetting in Europe, Indian firms have a window to pursue inorganic growth and technology access, the report said.

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India's chemical industry invests only 0.5 per cent of its revenue into R&D, significantly less than global peers such as Japan, the US, and the EU - presenting a critical area for enhancement.

McKinsey estimates that AI and advanced analytics could deliver 8-12 per cent EBITDA improvements across procurement, manufacturing, and supply chain functions, without heavy capital expenditure.

"Recent disruptions, including pandemic-related shutdowns and logistics bottlenecks, underscore the need for more resilient supply chains such as distributed warehousing, regional inventory positioning, and vertical and horizontal integration or partnership arrangements," it said.

Nitika Nathani, Partner, McKinsey & Company, said the domestic demand base and geopolitical tailwinds create a meaningful opportunity to build global-scale platforms.

"However, the next phase of growth will depend on disciplined capital allocation, sharper portfolio choices, and sustained investment in innovation and operating excellence. Companies that prioritize structurally advantaged sectors and build global operating capabilities, can position the country not just as a fast-growing domestic market, but as a competitive global manufacturing hub."

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