

## The strategic rise of India in global aroma chemicals

India's aroma chemicals industry is entering a defining phase of growth and transformation. Once recognised largely for its heritage in natural essential oils and traditional perfumery, the sector has evolved into a vital component of the country's speciality chemicals eco-system. Today, Indian manufacturers are playing an increasingly important role in supplying aroma molecules that power fragrances used across personal care products, home care solutions, fine fragrances and flavour applications worldwide.

Globally, the aroma chemicals market continues to expand steadily. Industry estimates suggest the market is expected to grow at a compound annual growth rate of around 5-6% over the coming decade, increasing from approximately US\$ 6.5-bn today to nearly US\$100-bn by 2034. The Asia-Pacific region accounts for a significant share of this growth, driven by rising consumer spending, growing demand for fragrances and flavours, and rapid expansion in personal care and home care markets.

Within this, India is steadily strengthening its position as a reliable manufacturing hub for aroma chemicals.

### India's expanding role in the global supply chain

Over the past few years, global supply chains have undergone significant structural shifts. Geo-political developments, tariff escalations and supply disruptions have prompted multinational companies to diversify sourcing strategies and reduce dependence on single-country manufacturing bases.

As global companies adopt "China-plus-one" sourcing strategies, India has



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neur's zeal and commitment. Global companies appreciate Indian companies which adhere to Intellectual Property Rights, which enables them to grow further. Many Indian manufacturers have developed strong capabilities in terpene chemistry and the synthesis of speciality aroma molecules used across the fragrance and flavour industries.

Integrated manufacturing models enable companies to optimise costs, enhance supply reliability and maintain consistent product quality. By exercising greater control across the value chain – from raw material sourcing to downstream processing – manufacturers can respond more effectively to global demand while ensuring operational efficiency.

### Consumer trends driving the next wave of aroma chemical demand

The growth of the aroma chemicals industry is closely linked to rising consumption across several downstream sectors. Increasing disposable incomes, urbanisation and evolving lifestyle preferences are driving demand for personal care and cosmetic products across emerging markets, including India.

Consumers are becoming more conscious about grooming, hygiene and wellness. As a result, consumption of products such as soaps, detergents, shampoos, skin care formulations and home cleaning solutions continues to grow steadily. Fragrance plays a critical role in enhancing product appeal and consumer experience, making aroma chemicals an essential ingredient for many consumer brands.

emerged as an increasingly important alternative manufacturing destination. Indian manufacturers today supply a wide range of aroma molecules to global fragrance houses and consumer goods companies.

This shift is supported by India's strong foundation in process chemistry, a skilled chemical engineering workforce and the capability to manufacture complex aroma molecules at competitive costs. As a result, Indian companies are increasingly becoming long-term strategic partners in the global fragrance and flavour value chain.

### Why India is emerging as a preferred manufacturing base

India's rise in the aroma chemicals sector and indeed the entire speciality chemical sector is despite challenges like high power and fuel cost, higher infrastructural costs like transportation, and the delays. Indian companies are becoming competitive by focussing on process improvement, operational excellence and integrated manufacturing strategies – from basic raw materials to end products. These strategies have worked because of availability of skilled manpower, intrepid entrepre-

The home care category is another strong demand driver. Fragrance has become a key differentiator in products such as detergents, surface cleaners and air care solutions. At the same time, premiumisation across personal care and fine fragrance categories is encouraging brands to incorporate more sophisticated fragrance profiles, increasing demand for high-quality aroma molecules.

### Sustainability and circular feedstocks reshaping aroma chemicals production

Sustainability is emerging as a defining priority across the global fragrance and flavour industry. Consumer brands and fragrance houses are increasingly seeking responsibly sourced ingredients, environmentally conscious production processes and reduced carbon footprints across their supply chains.

Green chemistry is therefore play-

ing a transformative role in the aroma chemicals sector. The focus is shifting towards manufacturing processes that minimise waste, reduce hazardous inputs and improve resource efficiency.

One notable example of circular manufacturing is the utilisation of Crude Sulphate Turpentine (CST), a by-product of the paper pulp industry, as a feedstock for producing high-value aroma chemicals. By converting industrial by-products into valuable fragrance ingredients, manufacturers are able to create more sustainable value chains while reducing environmental impact.

At Privi Speciality Chemicals, we follow a “waste-to-wealth” approach by processing CST and other renewable feedstocks to produce a range of aroma molecules used globally across fragrance applications. Such circular models demonstrate how innovation and sustainability can go hand in hand

in building resilient chemical manufacturing ecosystems.

### The road ahead

India has the potential to emerge as one of the most important global hubs for aroma chemical manufacturing. A strong speciality chemicals ecosystem, expanding R&D capabilities and deeper integration into global supply chains position the country favourably for long-term growth.

However, sustaining this momentum will require continued investment in advanced process technologies, innovation in new aroma molecules and responsible manufacturing practices.

As global demand for fragrance ingredients continues to expand, companies that combine integrated manufacturing, technological expertise and sustainable production models will play a pivotal role in shaping the future of the aroma chemicals industry.

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