

**GOVERNMENT OF INDIA  
COMMERCE AND INDUSTRY  
LOK SABHA**

UNSTARRED QUESTION NO:2728  
ANSWERED ON:08.08.2003  
EXPORT OF SANDAL PRODUCTS  
PUTTASWAMY GOWDA

**Will the Minister of COMMERCE AND INDUSTRY be pleased to state:**

- (a) the total quantity of sandal soaps, sandalwood oil and sandal agarbattis exported during the last three years;
- (b) whether there is decrease in the demand in international market for these commodities;
- (c) if so, the reasons therefor;
- (d) whether Centre has taken/propose to take measure to boost export of sandalwood items; and
- (e) if so, the details thereof?

**Answer**

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI S.B. MOOKHERJEE)

(a) Export data in respect of Sandal soaps and sandal agarbattis are not available as there is no separate ITC (HS) classification for these items. However, the details of export of sandalwood oil and total exports of agarbattis during the last three years are as follows:-

ITC (HS) Code	Name of Product (April - Feb)	2000 - 01 Qty. (Kg) Value (Rs. lakhs)	2001 - 02 Qty. (Kg) Value (Rs. lakhs)	2002 - 03 Qty. (Kg) Value (Rs. lakhs)
33074100	`Agarbatti` & other Odoriferous Preparation	13264835 16685.44	15536409 1291.37	20198.14 520.07
33012927	Sandalwood Oil	10308	3972	5791
				1049.50

Source DGCI&S, Kolkata

(b) & c) As per the above data there is no decline in the quantity of exports of the above products. However, there has been a sort of revolution in perfumery in the World Market in the last 10 years. Gone are the days when at least 10% of absolutes was a must in the formulation of any French Perfumes. Natural civet and musk have disappeared, and so has Sandalwood Oil. The prices of these products have reached such a high level that the Perfumer finds it impossible to use them in formulations. Natural essential oils absolute and resin oils are slowly being replaced by Aroma Chemicals which are stronger, uniform in quality, and comparatively cheaper, and which can be produced in large quantities.

(d) & e) Under EXIM Policy, Finished Handicraft products of sandalwood, machine finished sandalwood products are freely exportable without any licensing requirement. Export of sandalwood oil is also freely allowed but subject to ceiling released by DGFT from time to time on the advice of Ministry of Environment & Forest (MOEF). To facilitate export of sandalwood in the form of chips/flakes etc., of specified size and varieties, sandalwood powder and sandalwood dust, the ceiling is also released by DGFT on the advice of MOEF from time to time and applications are invited from the exporters who are in possession of legal procurement certificate inter-alia issued by the State Forest Department. The applications for export of sandalwood de-oiled spent dust are also considered on merits for issue of export license.

Normal incentives applicable to all exporters are also available for exporters of sandalwood oil and sandalwood products. Moreover, through Chemexcil an autonomous Export Promotion Council setup under the Department of Commerce, financial assistance is being extended through Marketing Development Assistance, to exporters, for competing in foreign markets through participation in

overseas fairs, exhibitions and for mounting trade delegations.