

MSMEs can explore export opportunities in essential oils and cosmetics

MSMEs and women entrepreneurs in India can explore the growing business opportunities in cosmetics, toiletries and essential oils sectors in India. According to export promotion body Chemexcil, the Indian cosmetics industry is expected to grow at a CAGR of 25% till 2025 compared to the global growth of just 4.3%. Increasing disposable income, changing lifestyle patterns are the key drivers of demand for cosmetics, toiletries and essential oils. Consumption of essential oil is growing as health conscious consumers prefer natural alternatives to synthetic chemicals used for adding texture and fragrances in food products.

With adoption of global quality standards, MSMEs can also explore the growing export market for these products. In fact, export of essential oils has grown a whopping 11% even during the initial months of the pandemic (April-July 2020) from the year ago period. In 2019-20, exports of essential oil grew 19% from the previous year. India exported USD 204 million worth of essential oils such as aromatic chemicals, geranium, flavouring essences used in food, solutions for essential oils, lemongrass oil, eucalyptus oil etc in 2019-20. India also exports sandalwood oil, camphor oil, tuberose concentrates, ambrette seed oil etc. USA, France, Indonesia, Iran, UAE are the major destinations of our export of essential oils. Major competitors of India in essential oils are Ireland, Canada, Singapore, Thailand, China, France, UK, USA, Switzerland, Germany etc.

India's exports of cosmetics, soaps and toiletries have expanded 1.98% to USD 1.71 billion in 2019-20. Major export items under these categories are: alkyl sulphates, industrial fatty acids, synthetic perfumery compounds, perfumes, beauty products, tooth paste, hair dyes, cream face etc. Prominent export markets for these products are USA, UAE, Bangladesh, Nepal, Saudi Arabia, Singapore and Sri Lanka. India competes with Canada, China, Mexico, Saudi Arabia, Malaysia, Thailand, Germany and other countries in these markets.

Small enterprises can expand their scale of operation and explore export opportunities in the above countries. Aspiring exporters can avail pre-shipment and post-shipment credit offered by scheduled commercial banks to meet working capital requirements.

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Harmonization of Table 2 of Appendix 3B

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Extension of date of implementation of track and trace system for pharmaceuticals

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