

EXPORT OF HERBS AND HERBAL PRODUCTS

Relevant for: Indian Economy | Topic: Issues relating to Growth & Development - Foreign Capital, Foreign Trade & BOP

Ministry of Commerce & Industry

Export of Herbs and Herbal Products

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The total world herbal trade is currently assessed at USD 120 billion. India's share in the global export of herbs and herbal products is low due to the following reasons:

- i. Inadequate Agricultural practices.
- ii. Inadequate Quality Control procedure.
- iii. Lack of large scale Organic Cultivation.
- iv. Lack of Processing and R&D.
- v. Lack of Standardization in Products, Processes and Services.
- vi. Lack of regulatory framework in trade of Medicinal Plants.

The export of herbs and value-added extracts of medicinal herbs are gradually increasing over the years. India exported USD 330.18 Million worth of Herbs during 2017-18 with a growth rate of 14.22% over the previous year. Also, the export of value-added extracts of medicinal herbs / herbal products during 2017-18 stood at USD 456.12 Million recording a growth rate of 12.23% over the previous year.

Export of Herbs and Herbal Products for last three years and the current year in value:

Value in USD Million

Commodity	2015-16	2016-17	2017-18	April – November, 2019 (Provisional)
Plant and Plant Portion (Herbs)	274.14	289.07	330.18	205.45
AYUSH and Herbal Products	364.00	401.68	456.12	290.96

The demand for herbal/value added extracts of medicinal herbs is gradually increasing in foreign countries, especially in European and other developed countries.

In order to promote India's exports, the Government has taken several measures:

- i. Department of Commerce has set up Export Promotion Councils for promoting exports of various product groups / sectors. The mandate of export promotion of Herbs and Medicinal

Plants has been assigned to Shellac & Forest Products Export Promotion Council (SHEFEXIL), headquartered at Kolkata. The export promotion of several Herbal Products has been assigned to Pharmaceuticals Export Promotion Council (PHARMEXCIL), besides others. These EPCs facilitate the exporting community and undertake various export promotional measures for promotion of export of their products.

- ii. Under Market Access Initiative (MAI) Scheme of the Department of Commerce, the EPCs / Trade Bodies are provided financial assistance for participation and organizing Trade Fairs, Buyer Seller Meets (BSMs), Reverse Buyer Seller Meets (RBSMs), Research & Product Development, Market Studies, etc.
- iii. Merchandise Exports from India Scheme (MEIS) provides incentives to the exporting community for specified goods so as to offset infrastructural inefficiencies and the associated costs of exporting products produced in India, giving special emphasis to those which are of India's export interest and have the capability to generate employment and enhance India's competitiveness in the world market.
- iv. 'Niryat Bandhu Scheme' has been galvanised and repositioned to achieve the objectives of 'Skill India' and trade promotion/awareness.
- v. International Cooperation Scheme of Ayush Ministry provides financial assistance to the exporters for the participation in Trade Fairs, organising International Business Meets & Conferences and product registration reimbursements.
- vi. The National Medicinal Plants Board (NMPB), Ministry of AYUSH, Government of India has launched a "Voluntary Certification Scheme for Medicinal Plants Produce (VCSMPP)" on 22nd November, 2017 in order to encourage the Good Agricultural Practices (GAPs) and Good Field Collection Practices (GFCPs) in medicinal plants. The VCSMPP will enhance the availability of the certified quality medicinal plants raw material in the country and also boost their export and increase India's share in the global export of herbs.
- vii. Ministry of Ayush through its Quality Certification programme like Ayush mark and Premium mark is also assisting industry in setting up of quality standards.
- viii. Ministry of Ayush has entered into MoUs with few countries for promotion of traditional medicine which will help exports in long run.

This information was given by the Minister of State of Commerce and Industry, C. R. Chaudhary, in a written reply in the Lok Sabha today.

MM/SB

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