

price, DG S&D is negotiating with them to bring down the rate. But I do concede the point made by the hon. Member. Information with me shows that Himachal Pradesh, M.P., U.P., Gujarat, Delhi, Arunachal Pradesh, Orissa all made purchases. M.P. in fact has purchased at prices somewhat lower than the last purchase price.

#### Export of Sandalwood and Oil

\*737. SHRI C.P. MUDALAGIRIYAPPA: Will the Minister of COMMERCE be pleased

to state:

(a) the quantity and value of Sandalwood and oil exported during each of the last three years; and

(b) the steps taken or proposed to be taken by the Government to boost the export of these items?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI P. CHIDAMBARAM): (a) and (b). A statement is laid on the Table of the House.

#### STATEMENT

1. The export of sandalwood oil had been as under:-

(Rs. in crores)

1988-89	2.13
1989-90	5.71
1990-91	13.27
1991-92	10.39
(April-February, 1992)	

2. Export of sandalwood chips, powder and flakes etc. have been as under:

(Rs. in crores)

1988-89	3.83
1989-90	7.51
1990-91	10.55
1991-92	9.32
(April-February, 1992)	

3. As per the current Import Export Policy, effective from 1st April, 1992 (a) sandalwood oil is freely allowed for export.

(i) Handicrafts made of sandalwood.

(ii) Machine finished sandalwood products namely:-

(b) There is a complete ban on export of sandalwood in all forms except in the following categories:-

(a) visiting cards.

(b) blades for ladies hand fans.

(c) outer case and dials of watches.

(d) any other products of similar nature meeting the above specification and value addition norms.

4. The ban on export has been imposed to ensure export of only value added items.

5. Normal incentives available to all exporters are available for export of sandalwood oil and sandalwood products as indicated above.

SHRI C.P. MUDALA GIRIYAPPA: May I know from the hon. Minister as to why there is a decline in the export of sandalwood oil and other allied sandalwood products from 1991-92? What is the total demand from outside the country? I would like to know whether the Government of India is able to fulfil the present demand from outside the country.

SHRI P. CHIDAMBARAM: There is no decline in the export value of sandalwood oil. In 1990-91 for the full year the export was about Rs. 13.27 crores. In 1991-92, in the first eleven months -April-February 1992- Provisional figures show an export of sandalwood oil of Rs. 10.39 crores. We would have to wait for the full year before we come to any conclusion. I think it is approximately the same this year, as last year.

As far as the demand is concerned, there is no assessment of demand as such. This depends upon price. India is the major exporter of sandalwood oil and sandalwood value added items. In fact there is only one other country, Indonesia, which has a very small market. Whatever demand is there is the world, whatever prices are there, we would be able to meet it subject to our export policy. From 1st of April we do not allow anything except sandalwood oil and value added handicraft products. We do not allow exports of either chips or flakes or power because we think that there should be kept

here for making value added handicraft products.

SHRI C.P. MUDALA GIRIYAPPA: Is it a fact that there is a heavy demand for sandalwood agarbattis from outside the country?

Is it also a fact that because of the export policy and not properly encouraging the working conditions of the workers, they are not able to produce so much of agarbattis as against the demand from the outside countries?

SHRI P. CHIDAMBARAM: Sir, there is a demand for agarbattis, I would not call it a heavy demand for agarbattis. The total exports are themselves limited. But in order to encourage agarbatti manufacture, we have said that after extracting the oil from sandalwood, the residue will not be exported. It will be available because it is used by agarbatti manufacturers. In fact, what we have done from 1st April encourages agarbatti manufacture.

SHRI A. PRATAP SAI: Sir, sandalwood is available in bulk in Rayalaseema region of Tallamala forest area of Andhra Pradesh which is being smuggled since a long time to the other countries.

I would like to know through you whether the Government has taken any steps to stop this illegal transportation of the red sandalwood.

I would also like to know whether the Government has caveried the area. Have they estimated the value of the sandalwood available in the Rayalaseema region?

SHRI P. CHIDAMBARAM: Smuggling is not Commerce subject. Smuggling is opposed to Commerce. This is to be dealt with by the Ministry of Environment and Forests, and the Department of Customs. We are aware that there is some smuggling of red sandalwood. I will convey the hon. Member's apprehensions and concerns to the Minister of Environment and Forests, and Department of Customs.