

Minutes of 3rd Video Conference Meeting of CHEMEXCIL, Panel-III (Cosmetics, Soaps, Toiletries & Essential Oils) organized by Council on 26th March, 2021 at 11:30 AM under the Chairmanship of Dr.Uday S. Kharote (Chairman – Panel-III)

Dr. Uday S. Kharote, Chairman Cosmetics Panel & Mr. Prafulla Wahle Deputy Director, welcomed the participants and requested them to share their views and suggestions as per the Agenda Points.

Gist of discussions is as under:

Current status of the following Issues which were discussed in the 2nd Meeting of Panel-III held on 27th October 2020.

1). Delayed FDA approval for Skin Care formulation. Expected that it should get approval with 10 – 15 days.

It was informed by Mr. Prafulla Wahle that the CHEMEXCIL has already sent the representation of Fast Approval to the Ministry. Mr. Deepak Gupta, AED has informed members that CHEMEXCIL will once again take up the issue with Concerned Ministry. In the last meeting as mentioned CHEMEXCIL cannot take any specific company's names. Dr. Uday S. Kharote has advised CHEMEXCIL to take this issue with FDA.

Mrs. Preeti Bedi from Sonarome Pvt Ltd has asked because of the delay getting approvals in India and they have already clients who are ready to buy globally is it ok if they can send the raw material to another country and they make the finished products. Mr. Suresh Sarada from M/s. Bio Sols has informed that is Possible in Thailand and many people from India are sending the Raw material to another country and making the finished product.

Mrs. Preeti Bedi from Sonarome Pvt Ltd has also asked regarding if they can export their finished products from Dubai to rest of the world and what would be tax implication and will they get any benefit. Mr. Milan Mehta has informed that if its is in Indian Stake then Indian Tax Law will come into the Picture and informed that for registration a company in Dubai that need to be checked by Unites Arab Emirates. Dr. Uday S. Kharote has informed to Mr. Deepak Gupta, AED to write to the FDA that Exporters in India are thinking of getting the finished products abroad because of late approval in

FDA and give copy to DoC Govt should immediately intervene this problem and give some solutions.

Mr. Milan Mehta also informed that Hemp seed oil products are imported in India but Hempseed oil cannot be used in Cosmetics in India. FDA Maharashtra is not allowing to use Hempseed oil in Cosmetics purpose whereas Uttarakhand or UP is allowing to use Hemp seed oil. So we have to have uniform rules in all states in India.

Mr. Suresh Sarada from M/s. Bio Sols has also informed that this Hemp seed is still in Grey Area, can Govt of India Clarify that Hemp seed products can be restored or can process or can extract oil from Hemp seed because hemp Leaf comes under Narcotics and it depend on THC Content if it less than 0.3 or .3% is available in many countries. So FDA should come out with clear guide lines and then the Industry will grow very fast. Lots of Manufactures in India wants hemp Seed oil and it's available in India the Problem is usage restriction and clarity is not given by FDA. Mr. Deepak Gupta has informed Member to send mail to CHEMEXCIL regarding the hemp Seed so that Chemexcil will take the issue with the concerned department

Members also requested to have Webinar with FDA authority with Mumbai and Dr.Uday S. Kharote has informed CHEMEXCIL to check with FDA authority for Guiding Exporters with new rules and regulations and will discuss the other issues with related to FDA in the webinar. Mr. Deepak Gupta, AED has informed that he will check with FDA Authority in Mumbai and will try to contact with FDA and will give feedback on the same.

2. The Emergency Credit Line Guarantee Scheme (ECLGS).

Mr Deepak Gupta informed ECLGS which was launched during the COVID – 19 as a part of Atmanirbhar program. Dr.Uday S. Kharote has pointed that as ministry was not including instead of does not include cooperative Banks and CHEMEXCIL has written to the concerned department and now the Govt has taken note of it and its applicable to cooperatives banks also

3. M/s. Encee Aromatics did not received the ECHA reimbursement of REACH Registration

Mr. Prafulla Wahle has informed that we had contacted M/s. Encee Aromatics and Reimbursement of REACH to Encee Aromatic is already done.

4. Non-availability of containers / shipping lines issues being faced by exporters.

Mr Deepak Gupta informed that the issues related to shipping lines (availability of containers / increase in freight rates etc) were taken up number of times with the DG Shipping / Ministry of Commerce. DG Shipping had issued some advisory in this regard, however, it was informed that these are foreign shipping lines which are not coming under the control of Ministry and so it depends on the shipping lines. We understand that to sort out this problem to some extent, FIEO has created some help desk for consolidation of the container requirement of exporters to support them in this regard.

Mr. Nitin Nabar has also informed that Ministry can control the shipping lines for not charging the undue charges that there are many charges in freight which exporter cannot understand and shipping lines put those charges and don't negotiate. Govt of India can have some kind of rule on that. Mr. Deepak Gupta has informed that this is very old issues High Transaction cost & hidden charges these are inter related which is totally unreasonable and will discuss with Mr. SudhakarKasture and get the feedback

5. To Review of Export performance of Panel-III items

Mr. PrafulaWahle has informed that our exports of the products covered under Panel-III have shown a decline of 6.94 % for the period April 2020-January 2021, as compared to same period of previous year. Exports of Cosmetics & Toiletries have declined by 9.33 % and however, the exports of Essential oil have grown by 13.25%

Dr.Uday S. Kharote has informed the decline in exports is due to delay in FDA Approvals and even raw material cost gone high which is making exporter uncompetitive to the world market. Mr. Deepak Gupta also informed the main reason for decline in growth is due to logistics also.

Mr. Deepak Gupta informed that as per the information the MEIS release is blocked due to non-availability of allocation of funds. This issue was taken up by CHEMEXCIL number of times with the Ministries and will take it up repeatedly until it is resolved.

6. To discuss the likely Impact on trade of Budget for 2020-21

Mr. Deepak Gupta mentioned that in Cosmetics and Toiletries Oleo Chemicals is mostly imported from Indonesia and Malaysia and there is no Substitute for this raw material. Oleo chemicals are also imported from Indonesia and Malaysia only. And Govt. of India is checking the import data where they find huge import of these Products. Then there is a duty version issue due FTA Signed Finished Products are coming at ZERO Duty and Raw Material are coming at higher duty.

7. Suggestions for Increasing our Exports

Members Exporters informed to solve their issue related to FDA, MEIS Release, Clarity on Hemp Seed Products, Logistic problems, increase in container freights, unavailability of containers in time, increasing prizes of raw and packing material etc. Unless these issues are sorted out it is difficult to grow any exports.

Mr. Milan Mheta suggested CHEMEXCIL to contact Indian Embassy Commercial attaché for business opportunities in Cosmetics sector. Mr. Deepak Gupta has informed members in that last 6 months we had meetings with Japan, Munich and Mozambique. There has been contacts with Indian Embassy and from CHEMEXCIL side and suggested that let us know the countries where to target so CHEMEXCIL will write up and speak with Indian High Commission and have a meeting.

Mr. Himanshu Jani has informed that they are seeing very slow phase of DGFT for advance authorization. Mr. Deepak Gupta, AED has informed member that to send us (CHEMEXCIL) with related to your issues. CHEMEXCIL will send the representation to the concerned department.

Dr.Uday S. Kharote stated that by sending email Chemexcil invited suggestions from members regarding which are the exhibitions and events CHEMEXCIL should participate for Cosmetics Sector, however Members did not respond to the email. Members are again requested to send emails showing their interests in particular exhibitions and events which will boost the export..

Meeting ended with the vote of thanks to the chair.
