

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

UNSTARRED QUESTION NO:719
ANSWERED ON:22.11.2002
MEDIUM TERM EXPORT STRATEGY FOR TEA
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Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

:

- (a) whether the Tea Board has prepared a medium term export strategy with focus on country specific issues;
- (b) if so, the details thereof;
- (c) the names of the countries to whom the tea is exported by the Tea Board;
- (d) whether the export of tea is declining day by day;
- (e) if so, the reasons therefor; and
- (f) the steps taken by the Government to boost the tea export?

Answer

MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI RAJIV PRATAP RUDY)

(a) & (b) : Tea Board has formulated a medium term export strategy for the period 2002-07 in consultation with a global management consulting firm. While preparing the strategy a thorough study of India`s competitiveness in each market vis-À-vis its competitors was carried out. The recommended strategy includes, diversification of market portfolio, focusing on value addition and niche segments like organic and flavoured teas, increasing proportion of orthodox tea production to cater to international demand, quality improvement and benchmarking and promotion of the India brand in teas.

(c) :Tea is exported to more than 80 countries of the world. The major importers of Indian tea include the Russian Federation, United Kingdom (UK), United Arab Emirates (UAE), Iraq, Poland, Kazakhstan, USA , Germany, and Japan.

(d) & (e): Export of tea from India has shown a decline from 203.55 million kgs in 2000-01 to 190 million kgs in 2001-02. During 2002-03 (April-Sept.) there has been a decline of 5.54 million kgs as compared to the exports of 95.54 million kgs in the same period in the last financial year. The major factors responsible for the decline are lower offtake by Russia, stiff competition from other tea producing countries like Sri Lanka, China, Indonesia Vietnam and Kenya and tariff and non-tariff measures imposed by some important tea importing countries like Russia, Egypt and Iran.

(f): The Govt./Tea Board has taken various steps to promote tea in the country as well as in overseas markets. In line with the recommendations contained in the medium term export strategy, Government/Tea Board has taken the following steps to increase exports of tea :

- A factory upgradation Scheme has been implemented to encourage production of orthodox and non-reconditioned CTC teas to cater to international demand
- Financial assistance is provided to tea exporters towards meeting the handling, packaging and transport/freight charges
- A promotional campaign for Indian tea and its logo has been launched in Russia to sustain and improve India`s market share
- A quality upgradation programme is being implemented in the country to improve the quality of tea
- Promotional support is lent to Indian exporters in their promotion and marketing of Indian brands
- Participation in international fairs and specialized exhibitions, field samplings at specialty stores and markets, buyer seller meets, exchange of tea delegations between India and tea importing countries are some of the other activities undertaken by Tea Board.