

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

UNSTARRED QUESTION NO:1765  
ANSWERED ON:01.08.2003  
CRISIS IN ASSAM TEA INDUSTRY  
MONI KUMAR SUBBA

**Will the Minister of COMMERCE AND INDUSTRY be pleased to state:**

- (a) whether tea industry in Assam is facing crisis;
- (b) if so, the precise situation faced by the Assam tea industry;
- (c) whether the Assam Government have sought Central aid to meet the situation;
- (d) if so, the details thereof; and
- (e) the grant-in-aid provided by Union Government to Assam to meet the situation?

**Answer**

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI CH. VIDYASAGAR RAO)

(a) & (b): Yes Sir. The Indian tea industry, including Assam, has been facing a crisis due to the continuous fall in prices over the last few years coupled with high cost of production and fall in demand.

(c) & (d): The suggestions received from the Government of Assam to deal with the situation, include routing of 100% of tea production through the auctions system, meeting the food requirements of the labour employed in the tea gardens under the Below Poverty Line Scheme of the Central Government at subsidized rates, compensation from Central Government to the State Government for reducing or waiving the cess on green tea leaves, exemption for tea industry from levy of excise duty and making available bank loans to the tea gardens on prime lending rate of interest.

(e): No separate grant-in-aid is provided to the Assam tea industry. However, financial assistance is being provided by the Tea Board, under the various developmental schemes during the 10th Five Year Plan for enhancing productivity, quality and marketability of tea produced in the country, which is extended to the Assam tea industry also.