

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

UNSTARRED QUESTION NO:2026
ANSWERED ON:04.08.2000
EXPORT OF TEA
A. VENKATESH NAIK

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

- (a) whether subsequent fall in the prices, rise in wages and slump in export have worsened the tea industry of the country during the last few years;
- (b) if so, the facts in this regard;
- (c) the steps being taken by the Government to save the Indian tea industry and boost the export of tea;
- (d) whether the United Planters Association of South India has requested the Government to exempt the tea from duty;
- (e) if so, the details thereof; and
- (f) the reaction of the Union Government thereto ?

Answer

MINISTER OF COMMERCE AND INDUSTRY (SHRI MURASOLI MARAN)

(a) & (b) The wages of tea plantation workers have been increasing over the years. Though there is fall in average auction prices since Nov. 1999, exports have shown remarkable recovery during the first six months of the current year as compared to the corresponding period of the previous year. Export of tea and average auction price during the last three years and the current year are as follows:-

Year	Exports(m.kgs)	Average Auction Price (Rs/kg)
1997	203.00	66.89
1998	210.34	76.43
1999	192.92	72.80
2000 (Jan to June)	77.46	59.74

(c) The Government and Tea Board have taken various steps to increase production and export of tea. These steps include implementation of various developmental schemes under which financial assistance is provided by the Tea Board for encouraging extension planting, re-planting, rejuvenation pruning, infilling, creation of irrigation facilities and drainage etc.

With a view to increase export of tea, the Government/Tea Board have been analysing country-wise exports of tea giving special attention to areas offering potential. Tea Board also acts to remove bottlenecks in exports to individual markets whenever these are noticed. Other steps taken to increase exports of India tea include

- (i) participation in major trade fairs/exhibitions abroad;
- (ii) field sampling at speciality stores and in principal markets;
- (iii) media campaign to increase consumer awareness of speciality Indian teas and to popularise the Tea Board marketing symbol;
- (iv) exchange of tea delegations etc.

(d) to (f) United Planters Association of South India (UPASI) made a representation to Government requesting for among other things exemption of Tea from the levy of excise duty of Rs. 2 per kg and increase in import duty from 15% to 35% in order to protect the domestic tea industry.

Government has exempted co-operatives and Bought leaf factories from the levy of excise duty and increased basic customs duty on tea from 15% to 35%.