

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

UNSTARRED QUESTION NO:1789

ANSWERED ON:07.03.2006

PRICE OF TEA IN INTERNATIONAL MARKET

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

- (a) whether the price of tea has been declining in the international market during the last two years and thereafter;
- (b) if so, the details thereof alongwith the loss suffered by the tea industry; and
- (c) the steps taken by the Government to ensure that the Indian tea industry maintain their position in the International Market?

**Answer**

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY ( SHRI JAIRAM RAMESH)

(a) & (b): The average prices of tea sold internationally at some auction centers registered a decline in 2005 over 2004 but registered an increase at some other auction centers. The average tea auction prices in India have shown improvement towards end of 2005 and early 2006.

(c): A number of steps have been taken by the Government to ensure that the Indian tea industry maintains its position in the international market. These include sanctioning of a new scheme for providing incentives for production of orthodox teas for ensuring the availability of export quality orthodox teas, implementation of scheme for grant of subsidy @ Rs.1.50 per kg for export of tea through ICD (Inland Container Depot) Amingaon, securing statutory recognition of Darjeeling tea in various important jurisdictions as certification or collective marks, declaring Darjeeling tea as a Geographical Indication (GI) with effect from October 2004, reducing the import duty on tea bagging & packaging machinery to a rate of 5%, etc. Government have also issued a new Tea (Distribution and Export) Control Order, 2005 on 01.04.2005 prescribing strict norms for tea with a view to maintaining quality and retaining the brand equity of Indian teas. Besides, Tea Board is also conducting promotional activities in foreign markets and lending promotional support to Indian tea exporters in their marketing efforts.