

Rise in India's tea import continues in current fiscal

P S SUNDAR | Updated on July 22, 2021

Whopping 823% increase in import in April

The rising trend witnessed in tea import in fiscal 2020-21 over the previous year continues with greater accent in the current fiscal.

An analysis of the latest data available with the Tea Board reveals that India imported 2.03 million kg (mkg) in April compared to a mere 0.22 mkg in April 2020 which marked an increase of 1.81 mkg or a whopping 822.73 per cent.

More tea was imported because of a marked reduction in the price. Each kg of imported tea cost, on an average, ₹172.27 against ₹190.91 in April 2020.

In dollar terms, the price of imported tea declined to \$2.29 a kg from \$2.50 in April 2020.

However, because of the sharp increase in volume, India paid as much as ₹34.97 crore to import tea against ₹4.20 crore in April 2020. This marked a whopping increase of ₹30.77 crore or 736.62 per cent in just the opening month compared to April 2020.

In dollar terms, India's outgo on tea import in April was \$4.69 million against just \$0.55 million in April 2020. This posted an increase of \$4.14 million or a massive 752.73 per cent.

If this trend were to continue, India's import volume and bill this fiscal would be several times higher than last year, importers contend.

In 2020-21, India imported 27.27 mkg (2019-20: 15.54 mkg) at an average price of ₹166.93 a kg (₹149.14) entailing an outgo of ₹455.21 crore (₹231.76 crore).

This was the all-time high value spent on tea import but the current trend raises a possibility to exceed this in the present fiscal.

Re-exports

Importers contended that majority of the imported tea was re-exported after value-addition by mixing with Indian teas.

In the post-WTO era, India is unable to stop import despite being a net exporter. Traders are importing tea from many sources including some non-producing but trading ones.

The policy adopted by the Centre aims to check unbridled import is to levy deterring import duties for teas from different origins but producers have been insisting on more deterrent duty tariff to prevent flooding of domestic market with imported teas.

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