

GOVERNMENT OF INDIA
MINISTRY OF COMMERCE & INDUSTRY
(DEPARTMENT OF COMMERCE)

LOK SABHA
UNSTARRED QUESTION NO. 4998
TO BE ANSWERED ON 26th MARCH, 2018

TEA IMPORT TARIFF

4998. SHRI SUMAN BALKA:

Will the Minister of **COMMERCE & INDUSTRY** (वाणिज्य एवं उद्योग मंत्री) be pleased to state:

- (a) whether there is a proposal to lower tariff on tea from 110 per cent to 50 per cent by 2019 as per the ASEAN free trade agreement which envisages reducing agriculture commodity import tariffs to 50 per cent;
- (b) if so, the details and the Status thereof;
- (c) whether cheap tea will flood the Indian market and Indian tea will be able to withstand the competition owing to high labour cost, low productivity of labourers and land, and ever increasing input cost due to reduction in the import tariffs; and
- (d) if so, the details thereof?

ANSWER

वाणिज्य एवं उद्योग मंत्रालय में राज्य मंत्री (श्री सी. आर. चौधरी)

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY
(SHRI C. R. CHAUDHARY)

(a) & (b): The tariff commitments of tea import as per the Free Trade Agreement (FTA) executed between India and the Members of Association of South-East Asian Nations (ASEAN) pertaining to Harmonised System (HS) Code 09024010 to 09024090 are given at Annexure-A. There are no tariff reduction commitments for tea imports covered under HS Code 09021010 to 09023090. Details are at Annexure- B.

(c) & (d): Vietnam and Indonesia are mainly orthodox and green tea producers respectively, the apprehensions in the Tea Industry on reduction in import tariffs for these types of teas is not correct. At present the imported tea from ASEAN countries is used in blending for re-export and the domestic market for green and orthodox tea is limited. As regards black tea, although the import duty under India-ASEAN FTA is lesser, but at current levels of import, it is not a major concern.

Annexure- A

Tariff commitment under ASEAN-India Trade in Goods Agreement (AITIGA) for Tea imports

| HS Code | Product Description | MFN 2016 | Category under AITIGA | 1 Jan-10 | 1 Jan-11 | 1Jan-12 | 1Jan-13 | 31 Dec-13 | 1 Jan 14 | 1 Jan-15 | 1 Jan-16 | 31 Dec-16 | 1 Jan-17 | 1 Jan-18 | 1 Jan 19 | 31 Dec-19 |
|----------------|--|-----------------|------------------------------|-----------------|-----------------|----------------|----------------|------------------|-----------------|-----------------|-----------------|------------------|-----------------|-----------------|-----------------|------------------|
| 09024010 | Content Exceeding 3 Kg. But Not Exceeding 20 Kg. | 100 | Special Product | 95 | 90 | 85 | 80 | 80 | 75 | 70 | 65 | 65 | 60 | 55 | 50 | 45 |
| 09024020 | Black Tea, Leaf in Bulk | 100 | Special Product | 95 | 90 | 85 | 80 | 80 | 75 | 70 | 65 | 65 | 60 | 55 | 50 | 45 |
| 09024030 | Black Tea, Dust in Bulk | 100 | Special Product | 95 | 90 | 85 | 80 | 80 | 75 | 70 | 65 | 65 | 60 | 55 | 50 | 45 |
| 09024040 | Tea Bags | 100 | Special Product | 95 | 90 | 85 | 80 | 80 | 75 | 70 | 65 | 65 | 60 | 55 | 50 | 45 |
| 09024050 | Black Tea, Agglomerated In Forms Such As Ball, Brick and Tablets | 100 | Special Product | 95 | 90 | 85 | 80 | 80 | 75 | 70 | 65 | 65 | 60 | 55 | 50 | 45 |
| 09024060 | Black Tea, Waste | 100 | Special Product | 95 | 90 | 85 | 80 | 80 | 75 | 70 | 65 | 65 | 60 | 55 | 50 | 45 |
| 09024090 | Other | 100 | Special Product | 95 | 90 | 85 | 80 | 80 | 75 | 70 | 65 | 65 | 60 | 55 | 50 | 45 |

Tariff commitment under ASEAN-India Trade in Goods Agreement (AITIGA) for Tea imports

| HS Code | Product Description | MFN 2016 | Category under AITIGA |
|----------------|---|-----------------|------------------------------|
| 09021010 | Content Not Exceeding 25 G | 100 | EL |
| 09021020 | Content Exceeding 25 G. But Not Exceeding 1 Kg. | 100 | EL |
| 09021030 | Content Exceeding 1 Kg. But Not Exceeding 3 Kg. | 100 | EL |
| 09021090 | Other | 100 | EL |
| 09022010 | Green Tea in Packets With Contents Exceeding 3 Kg. But Not Exceeding 20 Kg. Paise Per Kg. | 100 | EL |
| 09022020 | Green Tea in Bulk | 100 | EL |
| 09022030 | Green Tea Agglomerated In Forms Such As Ball, Brick And Tablets Paise Per Kg. | 100 | EL |
| 09022040 | Green Tea Waste | 100 | EL |
| 0902290 | Other | 100 | EL |
| 09023010 | Content Not Exceeding 25 G | 100 | EL |
| 09023020 | Content Exceeding 25 G. But Not Exceeding 1 Kg. | 100 | EL |
| 09023030 | Content Exceeding 1 Kg. But Not Exceeding 3 Kg. | 100 | EL |
| 09023090 | Other | 100 | EL |

EL: Exclusion List
