

# THE ECONOMIC TIMES

## **India asks Russia to cut duty on packet tea**

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**KOLKATA:** The commerce ministry has asked Russia to reduce the import duty on packet tea from 12.5% at present so as to boost exports of value-added teas from India.

“Russia is a traditional export market for Indian tea, and Indian tea producers are keen to beef up their presence in Russia,” Arun Ray, deputy chairman of the Tea Board of India told ET on Thursday.

“Keeping that in mind the commerce ministry has urged the Russian government to rationalise the duty structure on packet tea.”

Ray was speaking from Russia, where he was leading a delegation of Indian tea traders and commerce ministry officials.

India’s tea industry aims to increase its exports to Russia to 65 million kg by 2020 from 48 million at present.

Russia consumes about 170 million kg of tea annually and nearly 30% of its demand is met by India, followed by Sri Lanka, Kenya and China. Before the global economic meltdown, Russia was a market for orthodox teas, but subsequently it shifted to cheaper CTC teas. “Now they are again converting to orthodox tea drinking,” said Sujit Patra, secretary, Indian Tea Association (ITA).

Patra said that since duty is high on packet tea, almost the entire Indian tea is exported in bulk. Russian packet tea players blend this with inferior teas of other origins and sell them in the market as Indian tea. This has tarnished the image of Indian tea in Russia, he said.

India has now requested for a preferential trade agreement on tea, the ITA secretary said. “India has requested the Russian government to put a blending norm in place so that packet teas sold in Russia as Indian tea should have 75% of Indian tea by weight,” he said.

**Read more at: <https://economictimes.indiatimes.com/news/economy/agriculture/india-asks-russia-to-cut-duty-on-packet-tea/articleshow/65894101.cms>**