

Contents

Tea exporters losing out to Kenyan rivals 2

Tea exporters losing out to Kenyan rivals

Rutam Vora, Business Standard

Vadodara, 18 September 2013: Bumper Kenyan tea production, coupled with the quality issues faced by Indian tea, have hampered exports. According to trade estimates, tea exports from India during the first half of the current financial year dropped 15-20 per cent as compared to the same period last year.

Exporters have expressed concern over losing market share to Kenyan tea, while traders maintain that stricter compliance norms set by the Indian government for tea exports are also a factor. “Kenya is encroaching on India’s export market. It is time to boost our exports to fight competition from Kenya,” said Chetan Patel, Secretary of the Federation of All India Tea Traders Association (FAITTA).

However, with exports slowing, domestic tea prices have started showing signs of softening. “Prices may start falling as more tea will be available in the second half of the year,” said Patel. Experts see a silver lining as demand from overseas markets will help exports gain momentum in the second half. “The business is driven by demand-supply economics. We see more demand coming up over the next few months, so we are hopeful of exports rising,” said Azam Monem, Director, McLeod Russel India Ltd.

India exports 210-215 million kg every year. In 2011-12, the country exported 214.35 million kg, while in 2012-13 the figure was six million kg more at 220.5 million kg.

Traders and exporters have raised the issue of strict quality compliance for exports. “It is difficult for some of the finest tea gardens to pass all the 20 criteria set by the government. This has adversely affected exports, and it is visible from the data,” said a tea exporter from Mumbai. “Many companies are failing to meet the required quality norms. The 20-point quality compliance schedule is tough to meet,” said a member of the FAITTA.

Tea exporters find the exercise unnecessary as many countries are ready to accept Indian tea consignments without having been certified under the new norms. However, experts note that strict compliance is in the interest of the industry as it will ensure better quality.

According to Monem Indian tea’s image was suffering due to poor quality. “There are some cases of rejection. But that is in the interest of the industry as a whole,” he said.

[\[Back to top\]](#)