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Tea Trade Scenario in the Pre and Post Liberalization Period in India

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Abstract

Indian tea, which has maintained its supremacy both in production and export for more than a century, has started to lose its pre-eminence. Other tea producing countries like China, Kenya, Sri Lanka and Kenya are strongly competing for Market share. The increase in production in China has pushed India to second position in production and the country lost its domination of the export market to Kenya, China and Sri Lanka. Given this backdrop, the present study attempts to analyse the export growth, instability in export earnings, export quantity and unit value and concentration of export destinations evaluate India's tea export performance. The growth of export quantity, value and unit value from India (1988-2022) was worked out using compound growth rate and the results indicated an increased growth in the post–WTO period which could be attributed to the expansion in trade to the Near East, with their growth and strength of the economies in the region (Hicks, 2009). Instability in export can affect the economic growth of the country as it has adverse effect on the countries export earnings, trade balance, and confidence of international trading partners. The export instability calculated using Coppock's instability index showed an increasing trend in the post-WTO period. In 1990's about 6 countries viz., U.S.S.R, U.K, Iran, Iraq, Egypt and Poland accounted for about 90 per cent of total tea exports from India. But over a period of time the demand in these countries weakened. The Indian exports continue to lose volume in countries like Russia Europe, USA and some middle east countries (Dutt, 2007). The share in Iraq, Netherland and Poland was maintained and it improved in UAE, Germany, Pakistan and china. Overall in the past 3 decades, India's world ranking as an exporter has dropped to fourthowing to competition from China, Kenya and Sri Lanka. (Majumder et al., 2010). The reduction in values of the Hirschmann index indicated increased geographic diversification of tea exports thereby reducing the possibility of market risk due to dependence on few markets. The commodity diversification in the form of various tea products exported is very limited, the major share of exports being in the form of black tea especially in bulk form.

Keywords: Trade liberalisation, Indian Tea Export, Coppock instability, Geographic concentration

1. Introduction

Tea is produced by a few countries of the world. China, India, Kenya, and Sri Lanka, account for more than 80 per cent of the world tea. It can be called as oligopoly market. World tea production reached 6.4 million tonnes in 2022 and China, with 48 per cent share of the total world tea production, dominates the market (Tea Board, 2022). Until 2005, India held the top position globally in both tea production and consumption (Talukdar, 2016). The intake of tea in India has shown a steady growth over years, with almost 64% of total households in the country consuming tea (Tea board, 2007; Tea board,2019). At present, India is the second largest producer of tea in the world, and produces around 1.36 million tonnes of tea, accounting for about 21 per cent of tea produced worldwide (Tea Board, 2022). India is also an important tea exporter, accounting for around 10-12% of world tea exports. Tea is an important foreign exchange earner for the country and the value of US\$ 750.63 million (Anonymous,2022). In terms of employment tea industry employs around 1 million people at tea plantation and 2 million people indirectly of which 50 per cent are women (FAO,2022).

China, India, and Sri Lanka stand out as the top exporting countries with the most trade partners, primarily due to their unique natural conditions conducive to tea production. This concentration of export connectivity is expected to persist, as only a handful of nations possess a comparative advantage in tea production. However, there has been an overall increase in the number of countries engaged in tea trade from 2005 to 2020, as noted by the FAO (2024). Canada and the United States lead in import connectivity. Moreover, new trade relationships have emerged or strengthened, particularly among countries importing tea and adding value to it for re-export. For instance, the European Union, the United Arab Emirates, and the United Kingdom together re-exported 138,540 tonnes of tea in 2020 as value-added products, commanding high export prices, as per the FAO (2024).

The declining share of Indian tea in the global export market is evident, dropping from 20.86 percent in 1986 to 12.34 percent in 2020. Kumareswaran et al., (2018) highlighted a negative growth rate in tea export quantity from 1986 to 2000, indicating a continuous decrease over time. Notably, Iran, Russia, UAE, USA, UK, Germany, are among the major importers of Indian tea, according to Parte et al. (2022). Between 2022 and 2023, exports to Germany, the USA, UAE, and UK experienced increases of 4%, 6%, 17%, and 5%, respectively (Anonymous, 2022). Additionally, India exports tea to various other destinations including Poland, Canada, Saudi Arabia, Egypt, Afghanistan, Bangladesh, China, Singapore, Sri Lanka, Kenya, Japan, Pakistan, and Australia, among others. In recent years, the United Arab Emirates (UAE) has emerged as the second-largest importer of Indian tea, following the Commonwealth of Independent States (CIS) as a bloc (PTI, 2022). Although the domestic demand for tea in the UAE is limited by its small population, the market serves as a significant hub for the re-export of tea. Approximately 70% of global tea re-exports are facilitated through the UAE. Notably, around 86% of the UAE's re-exports are directed towards three countries: Iraq (42%), Iran (21%), and Russia (23%), (Tea board , 2018). Given this backdrop, the present study attempts to evaluate India's tea export performance, examines the underlying factors and discusses the prospects of India's tea exports.

2. Methodology

The study mainly relies on secondary data collected from World integrated trade solutions (WITS) database of world bank. trade data pertaining to tea was collected for past 33 years and analysis were carried out. Other data sources which were of help during the study was the official sites of FAOSTAT, Teaboard, and International tea committee bulletin. The total period of 25 years from 1986 to 2012 was split into two different sub-periods *viz*., the pre-WTO (1985-1994) and post-WTO (1995-2022). For analysis data was collected based on harmonised system (1988/92) nomenclature. data was collected on 6 digit classification based on HS codes including 090210 (green tea-non fermented in packings not exceeding 3 Kg), 090220 (green tea- non fermented in packings in bulk

exceeding 3 Kg), 090230 (Black tea -fermented in packings not exceeding 3 Kg), and 090240 (Black tea -fermented in bulk exceeding 3 Kg). To analyse the performance of tea trade, various analysis were carried out. Compound Annual Growth Rates (CAGRs) were used to assess the growth performance of major tea exports from India. The growth in export quantity, export value and unit value (in rupee and dollar terms) realized from exports were analyzed by using the exponential growth function. Instability in exports is expected to hamper the process of economic development. To study the export instability, Coppock's instability index was used to estimate and compare the variability in exports during the pre and post- WTO periods. The Coppock's instability index also called as the Log-Variance Index is expressed algebraically in the following estimable form:

$$V\log = \frac{1}{N-1}\left\{\log\left[\frac{X_{t+1}}{X_t}\right] - m\right\}^2 \quad (1)$$

The instability index is = (antilog $\sqrt{V\log - 1}$) x 100 (2)

Where, Xt = Value / Quantity/ UV of exports in year t

N = total no of years in consideration for analysis

m =The arithmetic mean of the difference between the logs of Xt and Xt+1 etc

Increased geographic concentration increases the instability and thereby the risks in export earnings. The Hirschman Index was used to measure the geographic concentration in the export of tea.

Hirschman Index, HI $= 100\sqrt{\sum_{i=1}^{n}(x_{it}/x_t)^2}$ .... (8)

Where,

Xit is the value of export of the tea from India to the ith market in year t

Xt it the total value of export of the tea from India in year t

n is the number of countries importing the tea from India

3. Results and Discussion

The world production and export of tea has been continuously increasing over years creating a situation of over supply in the world market. To dispose off the surplus tea countries compete among themselves by cutting prices. These supply side factors seem to affect tea export of major exporting countries. When we come to the Indian scenario ,the total production of tea in India shows an increasing trend and though the trend fluctuates from year to year ,production has moved positively upward reaching an average of 1343.06 M. Kg in 2021. But unfortunately the increase in production is not reflected in the export surplus resulting in stagnant export surplus. Currently, Indian tea production is shifting from being export-oriented to being more reliant on the domestic market (Langford, 2021), with approximately 85–90 percent of tea produced in the North Eastern Region consumed domestically, while in the southern regions, around 50 percent is exported and the rest is consumed domestically (Indian Institute of Foreign Trade, 2019). Thus the share of production exported and the share of Indian tea in world exports has been continuously falling and as a whole share of tea exports in total trade of India has come down drastically. The extent to which an exporter can exercise market power may depend, inter alia, on the world market shares of the exporter in the commodity under consideration (Veeeramani, 2021). From Fig 1 we can see that over years India's world market share had been declining and is in the range of 10-12% the recent past.
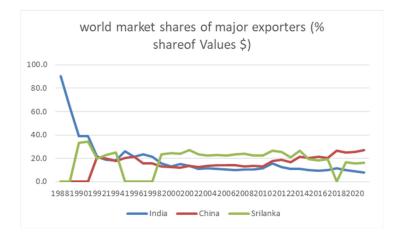
Fig 1. World market shares of major exporters (% share of Values $)
Source : Authors estimation using WITS data (1988-2022)

Table 1. Share of different tea in Indian tea exports

Period	Commodity				
	Green tea in packing ≤ 3 kg (90210)	Other green tea (90220)	Black tea in packing ≤ 3 kg (90230)	other black tea (90240)	Total
1988-1994	0.84	1.00	31.20	66.97	100.00
1995-2001	0.78	1.53	45.21	52.48	100.00
2002-2008	0.94	1.85	24.33	72.88	100.00
2009-2015	1.28	1.61	11.92	85.19	100.00
2016-2022	0.98	2.02	10.50	86.49	100.00
1995-2022	1.00	1.74	23.45	73.81	100.00

Among the different type of tea, black tea holds the highest export share in India. Its export reached 1.40 million tons in 2017, accounting for 78% of the total tea exports (Tea board, 2022). It is consumed primarily in U.S , England and other western countries (Zohora, 2022). Over years India has been majorly exporting black tea in bulk. Black tea in packings of ≤ 3 Kg stand second.it is consumed preferentially in Asian and north African countries. China is the major producer and exporter of green tea and our share in these grades are very low.

Table 2. Growth in export of tea from India - Compound annual growth rate (CAGR)   per cent per annum

Commodity	Factor	Period					
		1988-1994	1995-2001	2002-2008	2009-2015	2016-2022	1995-2022
902	Trade value	-8.24	3.15	8.85	1.55	-0.17	3.61
	Qty	-5.31	4.21	1.92	0.79	-4.04	1.66
	Unit value	-3.10	-1.01	6.80	0.75	4.04	1.92
90210	Trade value	29.50	-15.03	50.16	-13.13	34.38	5.95
	Qty	25.29	-17.98	57.29	-12.38	18.57	-0.07
	Unit value	3.36	3.60	-4.53	-0.86	13.33	6.03
90220	Trade value	-15.04	6.82	66.40	-3.31	2.87	9.40
	Qty	-18.74	-1.57	64.29	-0.07	0.21	6.95
	Unit value	4.55	8.52	1.28	-3.24	2.65	2.29

Commodity	Factor	Period					
		1988-1994	1995-2001	2002-2008	2009-2015	2016-2022	1995-2022
90230	Trade value	5.24	2.29	0.58	-10.25	6.73	-3.90
	Qty	9.65	3.37	-4.58	-9.99	2.30	-7.80
	Unit value	-4.02	-1.04	5.41	-0.30	4.33	4.23
90240	Trade value	-12.79	4.25	10.19	4.25	-1.45	6.13
	Qty	-9.43	5.39	2.55	2.80	-4.67	4.38
	Unit value	-3.72	-1.08	7.45	1.41	3.39	1.68

Export growth is mainly attained through increase in production, exports to non traditional markets, higher export to traditional markets or because of the fall in production or export by competitors. The results of compound annual growth rate indicates an growth in the post WTO period.

Value of exports increase either through increase in quantity of export or price of export (Nagoor, 2009). In case of export it is good for the economy if the export value is more than quantity of export. We have calculated the export growth rate in terms of both quantity and Trade value. In the pre WTO period decline is mainly due to decline in quantity and in post WTO period growth is due to increase in quantity. The emergence of small tea growers and bought leaf factories during the post WTO period created a new paradigm in the industry. Small holders in India increased from just 7 percent in 1991 to over 48 Per cent in 2019, with an estimated 180,448 small tea growers cultivating tea on 161648 hectares (Langford, 2021). The increase in export was due to expansion in trade to the near east. Emerging demand from the middle eastern countries is yet another factor for increased exports. Price and quality of Indian tea also boosted our export growth. The hike in exports can also be attributed to opening up of new market in Iraq, Pakistan, and other Gulf countries. The covid pandemic has moderately affected the tea Industry just like other sectors resulting in reduction in production and falling exports which resulted in the negative CAGR during the period. Exports slightly recovered in 2021 when compared to 2020. Russian federation is one of the largest consumers of Indian black tea. The Russia Ukraine conflict is also likely to have an effect on tea export value, and export quantity. (FAO, 2022)

Table 3. Instability of area, export value, export quantity, and unit value of Indian tea (1988 to 2022)

Commodity	Factor	Period					
		1988-1994	1995-2001	2002-2008	2009-2015	2016-2022	1995-2022
902	Value	20.5	31.1	10.9	17.2	10.7	20.9
	Quantity	12.1	17.6	6.4	21.6	11.3	17
	Unit Value	16.2	12.2	5.6	9.1	3.0	9.9
90210	Value	121.5	195.5	98.9	166.3	25.4	185.6
	Quantity	167.8	219.8	100.6	95.2	22.1	168.9
	Unit Value	36.5	28.1	27.3	101.6	29.0	62.0
90220	Value	43.7	303.2	55.8	16.4	3.3	114.3
	Quantity	21.3	283.7	84.9	29.0	5.3	119.4
	Unit Value	20.2	20.1	29.6	17.4	5.1	21.5
90230	Value	70.7	31.5	15.6	37.9	13.5	36.0
	Quantity	62.1	22.2	22.7	92.4	8.2	55.7
	Unit Value	9.7	13.3	11.4	58.2	9.0	34.2
90240	Value	18.6	32.2	13.8	18.2	12.9	21.4
	Quantity	15.9	21.9	17.6	21.6	12.6	18.8
	Unit Value	17.9	13.7	7.3	7.0	2.5	9.8

Even though between pre and post WTO period instability is increasing, while comparing the first and second half of post WTO period instability of export is decreasing. the I-I index of tea trade

value, qty and unit value showed high uncertainty barring a few exceptions when I-I index was below 10% in 2002-2008 period.in post WTO period instability is majorly contributed by trade value except for 2016-2022 period. Variance of export quantity can be attributed to domestic supply variations and world export competition (Sivarajah, 2017).The increased instability in 2016-2021 period can be attributed to uncertainty created due to covid pandemic and Russia-Ukraine War. The instability behaviour of tea is diverse. In case of black tea in bulk where India is a major exporter except for the period of 2002-2008 and 2009-2015 is contributed mainly due to trade value. According to Sivarajahah (2017) geographical concentration of exports and exchange rate can significantly affect Tea export earnings. The instability due to trade value is showing a decreasing trend over years. The results of Hirschmann index also show a positive trend in geographical diversification post WTO. The instability in the unit value. The instability in the unit value of export earnings was due mainly to diversified destinations of tea exports, and fluctuations in the exchange rate (Sivarajah, 2017). Hence, unit value of tea exports showed a more stable trend since the Indian exports were concentrated to a few countries.

Table 4. Changing export share of Indian Tea

Countries	Period									
	1988	1994	1995	2001	2002	2008	2009	2015	2016	2022
United Arab Emirates	2.4	10.9	10.8	12.4	14.3	11.8	11.6	6.8	7.0	9.1
Germany	0.0	7.3	6.2	5.3	5.7	5.5	4.0	5.7	6.0	6.5
United Kingdom	12.0	16.3	10.4	9.0	11.7	12.9	11.1	9.5	7.5	6.2
Iran	8.5	1.5	0.4	4.1	0.8	8.9	6.5	15.9	15.1	14.1
Iraq	2.7	0.0	0.0	5.5	15.4	1.3	4.8	0.0	0.1	2.9
Kazakhstan	0.0	1.4	1.8	6.6	3.9	4.9	4.5	5.1	4.5	2.5
Netherlands	1.2	2.1	1.7	2.0	2.4	2.8	2.2	2.0	2.5	2.7
Pakistan	0.3	0.6	0.1	0.9	1.2	2.9	2.8	4.4	2.8	0.0
Poland	3.6	9.4	6.7	7.0	2.1	1.7	1.8	1.8	2.0	2.3
Russian Federation	51.8	27.3	39.2	24.5	17.0	13.7	16.7	14.8	15.6	12.3
U.S.A	2.4	10.9	10.8	12.4	14.3	11.8	11.6	6.8	7.0	9.1
Egypt	5.7	2.4	2.6	0.1	0.3	3.0	2.0	0.7	0.9	0.2
China	0.0	0.0	0.0	0.1	0.1	0.1	0.2	2.1	2.3	2.4
Others	9.5	10.0	9.2	10.2	10.9	18.7	20.1	24.5	26.6	29.7

During 1988 six countries viz., U.K, Iran, Iraq, Egypt, U.S.S.R, and Poland accounted for about 90 per cent of total tea exports from India with U.S.S.R alone accounting for 51 per cent followed by U.K with 12 per cent. But over years we have lost our markets in these countries. Studies shows that India held a leadership position in the countries with bilateral trade agreements, such as Russian federation and Poland and as these agreements expired, India's leadership in these market weakened (Asopa, 2007). In the 90's disintegration of the erstwhile USSR which was solidly a loyal market for the Indian teas was a major blow to Indian tea industry (Nagoor, 2009). Another factor that can be mentioned is the imposition of non-tariff barriers by significant import market around the same time. Estimations by Duyzheva, et al (2021) show that the identified technical barriers on Russian tea import market equals to 2.5% ad valorem tariff equivalent rate, compared with Pakistan tea market, where tea import is not regulated by non-tariff barriers. But we have also explored new markets, with improving trade ties Pakistan is fast emerging as major destination for Indian tea industry. The U.A.E demonstrated significant growth in export and import connections and is growing as a key trading center (FAO,2024). Indian share in U.A.E tea market is also showing a stable growth.

4. Geographic Diversification

Commodity and geographic concentration were considered to be the major contributing factor in the instability of export earnings. The concentration of exports on only a few commodities is often thought to be an important cause of export fluctuations because as mac Bean point out " it is always risky to pull all one's eggs in single basket" (Mac Bean,1966). Concentration on a few products reduces a countries chances of having fluctuations in one direction if some of its export offset or is ameliorated by counter fluctuation or stability in others. The value of HI revealed that value of geographic concentration has decreased in the post WTO period. Now India is exporting to increased number of markets which could be considered as an indication of better performance of tea exports. The inference is that there is increased geographic diversification in terms of geographic concentration of tea exports .The market of Indian tea are widely distributed and possibility of risk and variability in price of export in one particular market in limited in case of them. New policies and opening up of route through the border areas of Pakistan led to high increase in export. Exports from south India are expected to go up, following the opening up of non-traditional markets like Libya.

Table 5: Geographic concentration of tea from India

Period	Commodity									
	902		90210		90220		90230		90240	
1988	57.6	56.0	75.9	75.6	59.0	56.6	38.0	39.4	60.4	58.7
1989	70.7	67.0	52.5	55.1	78.0	68.2	74.3	72.3	67.8	64.3
1990	68.7	67.7	54.4	54.0	74.6	68.3	64.1	64.4	68.5	67.7
1991	59.5	60.6	54.6	54.4	59.8	57.4	56.7	57.7	56.9	59.1
1992	40.7	42.4	85.1	83.2	56.0	48.7	42.7	44.9	40.8	42.2
1993	42.1	41.8	63.9	69.8	76.6	65.1	47.5	47.5	37.3	38.8
1994	40.5	40.0	80.8	80.9	59.7	53.2	50.2	49.9	37.5	38.1
1995	48.0	48.3	48.5	57.2	197.2	152.7	58.2	59.4	38.9	40.3
1996	40.5	40.7	37.7	38.7	45.8	46.3	46.8	47.9	35.0	35.7
1997	46.4	47.7	66.9	66.9	50.4	47.9	57.2	58.4	37.7	39.4
1998	43.1	45.0	40.4	45.3	62.5	61.7	56.4	58.0	32.4	33.8
1999	46.0	51.2	47.2	52.0	71.7	72.3	58.5	62.9	34.3	37.9
2000	43.3	45.9	44.1	48.8	42.0	39.8	54.6	59.5	31.9	35.0
2001	37.8	41.1	42.3	58.2	65.7	88.6	43.5	49.1	30.5	33.2
2002	38.4	40.0	42.0	46.5	53.4	44.6	46.4	46.7	33.3	37.0
2003	37.8	37.9	36.0	37.9	51.1	59.7	45.2	44.7	32.1	34.8
2004	36.7	37.5	48.9	50.3	59.2	48.0	46.4	48.3	29.8	30.7
2005	35.6	36.8	41.5	40.1	57.6	69.3	49.0	52.8	30.0	31.3
2006	33.8	33.9	45.9	57.3	39.1	41.0	36.3	38.2	30.3	32.1
2007	36.7	38.1	40.8	56.3	47.5	42.8	34.6	34.8	31.4	32.6
2008	32.5	33.8	40.3	41.3	41.5	42.9	34.3	34.9	29.2	31.1
2009	32.0	32.7	35.2	34.9	38.6	39.8	35.1	35.7	30.1	31.6
2010	33.1	32.4	45.3	45.3	40.1	43.1	38.9	38.9	29.3	29.3
2011	31.5	33.6	49.6	50.4	38.7	39.4	37.6	38.3	28.2	33.4
2012	33.2	33.6	44.9	38.4	48.9	54.4	35.1	33.6	29.3	30.7
2013	28.2	30.5	36.2	39.6	44.0	48.3	36.6	36.8	30.8	31.1
2014	27.6	29.7	37.1	43.7	45.3	48.2	33.4	32.6	30.0	30.6
2015	28.8	31.6	41.0	46.9	42.3	45.4	36.9	35.2	31.9	32.6
2016	28.4	32.0	34.8	42.0	43.9	46.9	37.2	38.1	31.9	33.0
2017	28.3	30.5	46.3	42.1	42.8	45.4	36.9	37.8	31.5	31.4
2018	28.0	31.0	47.2	52.6	41.2	45.6	40.0	41.2	31.2	31.6
2019	34.8	34.8	51.0	50.3	42.3	47.6	39.7	39.5	39.0	36.0
2020	29.9	32.6	52.1	46.2	40.8	47.3	39.5	38.2	34.1	33.9
2021	27.7	31.5	50.7	46.2	40.3	44.3	41.3	39.2	31.8	32.5
Average										
1988-1994	54.2	53.6	66.7	67.6	66.3	59.6	53.3	53.7	52.8	52.7
1995-2001	43.6	45.7	46.7	52.4	76.5	72.7	53.6	56.4	34.4	36.5
2002-2008	35.9	36.9	39.6	35.3	49.9	49.8	41.7	42.9	30.9	32.8
2009-2015	30.6	32.0	53.3	30.3	42.5	45.5	36.2	35.9	29.9	31.3
2016-2021	29.5	32.1	47.0	46.5	41.9	46.2	39.1	39.0	33.3	33.1
1995-2021	39.0	40.3	48.9	51.4	55.8	55.0	45.0	45.8	36.3	37.4

Table 6: Commodity concentration of tea exports from India

Period	Commodity risk			
	90210	90220	90230	90240
1988-1994	0.0	1.0	31.2	67.0
1995-2001	0.0	1.5	45.2	52.5
2002-2008	0.0	1.9	24.3	72.9
2009-2015	0.0	1.6	11.9	85.2
2016-2021	0.0	2.0	10.5	86.5
1995-2021	0.0	1.7	23.5	73.8

The values of commodity concentration are not very significant. The commodity diversification in form of various tea products exported is very limited. The major share of exports is in form of black tea especially in bulk form. In the last decade, there has been only a marginal 0.1 per cent increase in black tea exports suggesting that our future prospects are not particularly bleak (FAO,2022). Innovation, Value addition and expanding product variety are crucial for future market growth. One notable instance is substantial growth of ready to drink tea market (FAO,2022). The growing awareness on health and wellness in the market opens new avenue for non-alcoholic beverage sector to expand and progress in coming years (Dubey et al., 2020). Coco cola India has already ventured into the ready to drink tea segment by introducing "Honest Tea".

5. Conclusion

The tea industry experienced ups and downs in its growth of exports and value of export during the period of 30 years (1988-2022). Since trade liberalisation in India starting 1990-91, there has been an exponential rise in the country's foreign trade exposure wherein the exports have increased more than 16 times and imports more than 19 times till 2022 (Anonymous, 2022). Since pre-independence and throughout the pre-WTO era, India's tea sector heavily relied on exports both in volume and value (Misra, 1987). Until 1967, tea was India's largest export earner (Nayyar, 2007). The rupee–rouble trading agreement with the Soviet Union, led to India being the primary tea source for the Eastern bloc from the 1960s to the 1990s (Neilson and Pritchard, 2011). However, after the collapse of the Soviet Union, India lost significant global market share to competitors.With the commencement of WTO, tariffs have been considerably reduced and trade barriers were eliminated. Since most of the international trading partners were party to WTO, transparency in trade also improved. During early 2000 India has also replaced quantitative restrictions owing to WTO commitments. India's world market share had been declining and is in the range of 10-12% the recent past. The industry has been facing problems of fall in exports due to various reasons including stiff competition from China, Kenya, Sri Lanka; non tariff barriers imposed by major importing countries, disintegration of USSR in 1991, Covid pandemic and Ukraine-Russia War. It can be concluded from the results that Russian federation and USA, were the stable export markets for Indian tea during pre-WTO period. But, during post-WTO period, we diversified ourself to more destinations including Iran, UAE, UK, and Germany. The results of Hi index also suggest diversification. Surging competition from countries like Kenya, Indonesia, Vietnam and Turkey has further weakened Indian exports without affecting the world tea market, or missing out on India as a leading source for quality tea (Dutt, 2007). Value addition and diversification for a wide range of tea products need to be developed for balancing the supply demand chain. (Majumder *et al.,* 2010). The Indian tea industry now stands at a cross road, where improving the marketing performance both in the export market and in domestic market have become crucial for its survival and growth. Promotion is needed in the international market through quality improvement, value addition, consumer orientation, export transparency and reliability.

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