

**THE ROLE AND PERFORMANCE OF EXPORT OF TEA FROM INDIAN
INSTABILITY AND DEVELOPMENT PERSPECTIVES**

Sindhura Kannappan

Research Scholar, Department of Management Studies, University of Madras, Chennai

Dr.P.Shanmugha Priya

Associate Professor, Sri Krishna College of Technology, Coimbatore

G.Subramanyam

Assistant Professor of Commerce, Dept. of B S & H, Sree Vidyaniketan Engineering College,
Tirupati

Dr.Satish M Dhoke

Assistant Professor & Head, Commerce, Moreshwar Arts Science and Commerce College,
Tal. Bhoakardan, Dist. Jalna, Maharashtra

Dr. Uma Shankar

Professor, Accounting Department, College Economics and International Relations,
Catholic University in Erbil, Kurdistan, Iraq

Mr. Cihan Özer.

Department of Business Management, Faculty of Management and Economics, Tshik
International University-Erbil, Kurdistan Region, Iraq

Abstract

The expansion and volatility of India's tea exports was examined in this study. Tea exports grew rapidly throughout the whole study period. Low instability in the tea export indicated large inter-year changes during the whole study period. Secondary data on India's tea exports have been collected from Monthly Statistics of Foreign Trade of India, Economics Survey. The collected data were analyzed with the help of econometrical tools such as Linear Trend Model, Semi-log Model, Compound Growth Rate Model and Cuddy Della Valle Index Model. Due to the proportional decrease in planting area, the gradual increase in yield, and increases in domestic demand, the Indian tea business has recently experienced many highs and lows. But even so, India was able to maintain its place in the world's tea export market. Additionally, India can improve and maintain its position by offering a variety of grades and flavours to the global market.

Key Words: Performance, Development, Role, Exports, Instability, Price, Tea, Growth.

Introduction

The British are credited with creating India's enormous tea empire. Between the early 1800s until India's independence from Great Britain in 1947, the British discovered tea in India, grew it, and ate enormous amounts of it. India is the world's second-largest producer of tea and third-largest exporter of it. The largest tea-growing region in the world is in the Indian state of Assam, which also accounts for 40% of all tea exports from India and is also the largest producer of the beverage worldwide. West Bengal, known for its Darjeeling tea, and the southern states of Tamil Nadu and Kerala are among the top tea-exporting states in India (Chaudhary, 2019; Saravanakumar and Chinnasamy, 2013).

The Tea Board, which functions as a legal entity of the Central Government under the Ministry of Commerce, was established on April 1, 1954. The board has a wide range of responsibilities and powers, including providing financial and technical assistance for the production, assembly, and marketing of tea, promoting exports, supporting R&D initiatives for increasing tea production and raising tea quality, and gathering and maintaining statistical data for publication (Mathanraj and Jaya Prapakaran, 2020; Maria Sophiya and Satheesh Kumar, 2019; Satheeshkumar, 2014).

Review of Literature

Dil Pazir & Mushtaq (2021) examined the patterns of Indian tea exports. In light of geological indications and significant investment in tea preparation facilities, Indian tea is regarded as the most astounding on the planet. Due to the concomitant decline in development region, slow expansion in yield, and expansion in indigenous utilisation, the Indian tea business has recently experienced multiple highs and lows. However, India has managed to maintain its position in the global tea industry. Additionally, India can improve and maintain its position by introducing unique traits and flavours to the global market.

Kumareswaran et al. (2022) focused on the dynamics of Indian tea exports. The plantation sector contributes significantly to rural poverty reduction, employment creation, and export to meet domestic need. India is both the world's second-largest producer of tea and its biggest consumer. India's tea-producing region and industry were developing. Due to the growing domestic consumption, India's export volume and value of tea are declining annually. Indian tea is steadily losing market share on the global stage.

Sivanesan (2013) used 90 samples from a population of 360 merchant market dealers at the Sungguminasa principal market in the Gowa district. At order to determine which aspects are most important, this study studied and evaluated the variables that affect traders' and masyarakat's entrepreneurial enthusiasm in the Central Market Sungguminasa Gowa. The study's findings revealed that the dependent variable (endogenous) the public interest in entrepreneurship is significantly influenced by the exogenous variables capital (X1), family (X2), social environment (X3), and the spirit of entrepreneurship and personal (X4). Additionally, there is a significant relationship between the exogenous variables capital (X1), family (X2), social environment (X3), and the spirit of entrepreneurship and personal (X4).

Methodology

The aim of this paper is to examine the growth and instability of India's tea exports during the period from 2010-11 to 2019-2020. For this purpose, the secondary data on India's tea exports have been collected from Monthly Statistics of Foreign Trade of India, Economics Survey. The collected data were analyzed with the help of econometrical tools such as Linear Trend Model, Semi-log Model, Compound Growth Rate Model and Cuddy Della Valle Index Model. By using SPSS 23 software, the analysis has been done.

Results and Discussions

Table-1. Tea Exports in India

Year	Tea Exports (In Lakhs)	AGR	Total Agriculture Exports	Total Exports
2009-10	2944	9.48	3.45	0.35
2010-11	3354	13.93	3.01	0.29
2011-12	4079	21.62	2.26	0.28
2012-13	4719	15.69	2.11	0.29
2013-14	4873	3.26	1.87	0.26
2014-15	4171	-14.41	1.73	0.22
2015-16	4719	13.14	2.18	0.27
2016-17	4926	4.39	2.16	0.27
2017-18	5397	9.56	2.17	0.28
2018-19	5828	7.99	2.15	0.24
2019-20	5851	0.39	2.36	0.26

Source: MSFT

It was found the well their share in total agriculture export has the value of tea export has massively increased from Rs.3354 crores in 2010-11 but it shares in the total agriculture exports has decelerated from 3.29 per cent to 3.01 per cent during the corresponding years.

The tea export has slightly accelerated from Rs.4719 crores in 2012-13 to Rs.4873 in 2013-14 however it shares in total agriculture exports has decreased from 2.11 per cent to 1.87 per cent during corresponding years. The tea export has increased from Rs.4171 crores in the year 2014-15 to the level of Rs.4719 crores in 2015-16. After that tea export has slightly accelerated from Rs. 5828 crores in 2018-19 to the level of Rs.5851 crores in 2019-2020. 2019-2020 the tea exports has registered negative annual growth rate in India in the year 2019-2020 the growth rate has registered lowest level of 0.39 per cent. in the year 2014-15 the share has registered lowest level of 1.73 per cent. in the year 2014-15 the share has registered lowest level of 0.22 per cent.

Table-2. Trend and Growth Rate of Tea Exports in India

Variables	Linear Model					
	a	b	F	t	R ²	
Tea Exports	750.389	252.239	193.676	13.917 **	0.915	
Variables	Semi-log Model					CGR
	a	b	F	t	R ²	
Tea Exports	7.199	0.078	173..704	13.180 **	0.906	0.082

Source: computed

Table 2 explains that the R² and F values of tea export were found to be satisfactory and 't' values were also found to be statistically significant at one per cent level. On an average the value of tea export has augmented by Rs.252.239 crores per annum during the study period. The annual average growth rate of tea export has risen by 7.8 per cent per year. Similarly, the compound growth rate of tea export was found to be 8.2 per cent per annum.

Table-3. Tea Exports in India

Variable	CV	Adjusted R ²	CDVI	Decision
Tea Exports	45.899	0.915	13.356	Low Instability

Source: computed

It depicts the tea exports in India during 2011-12 to 2019-2020 are showing high growth rate. The tea export registered low instability which recommended significant inter-year fluctuations during the whole study period.

Conclusion

Tea exports grew rapidly overall over the analysis. Throughout the whole study period, tea exports expanded quickly. Large inter-year fluctuations across the whole study period were indicated by the low level of instability in the tea export. The region that grows tea should use cutting-edge technologies and gardening methods to do this. There has been no change in tea exports over the whole study period because there have been more international exporters. The Indian tea industry has recently seen many highs and lows as a result of the proportional decline in planting area, the gradual increase in output, and the rise in domestic demand. Nevertheless, India was able to keep its position in the global tea export market. India can also maintain and strengthen its status.

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