

INDIAN TEA ASSOCIATION



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TO: ALL MEMBER COMPANIES

Issues Regarding Tea Exports to China

This refers to the video conferencing on “Customs Clearance Process and Documentation Required for Tea Exports to China” arranged by the Ministry of Commerce (MoC) with the Embassy of India, Beijing, Tea Board and the exporters. Subsequent to the video conference, ITA submitted certain queries which were studied by the Embassy in regard to the Laws & Regulations related to the tea import into China and requirement of the General Administration of Chinese Customs (GACC).

The Embassy has very kindly responded to the queries as follows:

(I) THE FOLLOWING CUSTOMS CLEARANCE PROCEDURE FOR TEA IMPORTS IS FOLLOWED BY CHINESE AUTHORITIES:

Step 1: China Custom undertakes random inspection for imported tea consignments. These are, then, sent to the labs which have been approved by China Customs.

Step 2: For random inspection, China Custom will check the heavy metal, pesticide residue etc.

Step 3: Although inspection is done on the random sampling basis, however, if Chinese customs finds frequent issues in the products shipped from any specific country, a notice is sent by Chinese customs to all the local Chinese custom authorities alerting them to increase the proportion of random inspection of products from the same country.

Note: With regard to specific requirement in Step 3, we had enquired with GACC authorities if India is covered under the list of countries where Chinese authorities have found frequent issues and hence have increased the scope of random sampling, GACC informed that GACC has not heard of any issues/problems tested from tea exported from India to China. So India is not covered under the list of countries with frequent quality issues and hence the frequency of sampling test is random test as usual.

(II) REASONS AND SPECIFIC QUERIES RECEIVED FROM THE TEA EXPORTERS ARE AS FOLLOWS:

Issue 1: System of sample testing – CIQ, regulatory authority, collects tea samples from Port and tests as per its standards in its own laboratories. CIQ does not accept any other testing report even from NABL accredited laboratories. This makes delay and uncertainty. Sometimes, it is learnt, consignments are returned due to failure in CIQ reports though the same consignment has been passed in all quality norms by NABL accredited laboratory in India. Many countries either accept any NABL accredited testing reports or specify certain laboratory in India whose reports are accepted by those countries. Because of time consuming process adopted by CIQ, uncertainty and risk involvement, Indian exporters are apprehensive of exporting tea to China though there is huge demand for Indian tea.

Response: After discussion with GACC, we have been given to understand that Phytosanitation Certificate is required for tea imports. This is currently recorded in GACC system in specific format. In case, there is any change in the format, Indian side is requested to inform GACC in advance. Further, there is no specific classification of labs for sample testing according to countries. Hence, the labs where the samples would be sent for testing can not be informed in advance.

GACC officials further informed that the test certificate issued by third party labs of India is sufficient for customs clearance. The laboratory approved by the Indian government is sufficient, and GACC does not have any restrictions on the same.

"It is also pertinent to highlight that Embassy has received more than 500 requests for consignments that got stuck at the Chinese customs in past year, none of which pertained to such issues. Hence, we would request Tea Board to keep Embassy in loop in case Indian tea exporters encounter such issues."

Just few years back India used to export around 12/15 mkg of tea to China, which has come down to 6/8 mkg.

There has been a decline in tea exports from India to China in recent years (*a decline of approx 26% between 2019-21 as per GACC data*), the same could be attributed to various reasons such as lack of aggressive marketing in China, high competitiveness of products from Sri Lanka and Africa as well as high value of Indian tea.

In this regard, Tea Board may design an aggressive plan to conduct tea promotional activities in China to tap full Chinese market potential for Indian tea exports and to create awareness about Indian tea brands in China.

Issue 2: Different set of quality norms – China has different set of limits for own tea vis-à-vis imported teas. Stringent limits on pesticides, heavy metals act as non-tariff barriers. Different areas of China have different standards/specifications for polyphenols, chromium, lead, etc. This acts as a NTB. Initiative may be done for acceptance of either EU or CODEX norms.

Response: GACC informed Embassy that GB/T 5009.57-2003: *Method for analysis of hygienic standard of tea* is being followed by China customs to test the tea quality (**ATTACHED**). The same may be shared with Indian tea exporters. Further, Tea Board may like to compare GB/T 5009.57-2003 with EU/ CODEX norms to understand if there is any differential treatment. Embassy can accordingly raise the matter with the respective Chinese authorities.

Issue 3: Shipment documents: Reportedly, there are frequent changes in the requirements of shipment documents like No. of copies, Originals/duplicates, etc. It is understood that this happens as the Port Inspectors often change. Some ask for one original copy of documents and some ask for two original sets. Some say one original and one photocopy would suffice, some say two originals are required etc. Customs or required Agencies may specify the actual requirements.

Response: We would like to reiterate that Embassy has not been informed of any issues where the tea consignment was stuck at China Customs in past two years. It would be useful if the cases where shipment was delayed due to the different requirement of shipping documents at different ports could be shared with Embassy. We would accordingly raise the issue with Chinese authorities after analyzing the reasons for these delays.

Further, the following list of documents required for customs clearance of imported tea from India may be noted:

1. Certificate of Origin
2. Plant Inspection Certificate
3. Production date&warranty period certificate (any document with this information will be enough)
4. Photos and translations of foreign labels
5. If it is a wooden pallet, the wooden pallet shall have IPPC logo
6. Invoice
7. Packing List
8. Purchase Contract
9. Registration record number of imported tea overseas producer

(III) IT IS REQUESTED THAT TEA BOARD MAY LIKE TO CARRY OUT MORE DETAILED ANALYSIS OF THE ISSUES ENCOUNTERED IN TEA EXPORTS FROM INDIA TO CHINA AND KEEP MISSION IN LOOP. EMBASSY OF INDIA WOULD BE HAPPY TO SHARE ANY FURTHER DETAILS AS REQUIRED BY TEA BOARD.

Members are advised to follow the above suggestions as advised by the Embassy as per the requirement of GACC and inform Tea Board and the Association if they encounter any problem in regard to tea exports to China.

**S Patra
Secretary (E & MP)**

Encl: As stated.

Copy: Export Promotion & Marketing Sub Committee