

2023



VALUE ADDED TEA
INDUSTRY

**INDUSTRY
DATA
BOOK**



MINISTRY OF INDUSTRIES

VALUE ADDED TEA INDUSTRY

MINISTRY OF INDUSTRIES

List of Contributors

01. Mr. A.H.M.U. Aruna Banadara - Director General
02. Miss. Samangika Abeysinghe - Acting Director
03. Mr. G.D.P. Munidasa - Acting Director
04. Miss. W.P. Kalyani - Deputy Director
05. Mr. B.A.K. Heshan - Statistician
06. Mr. P.A.N.C. Pathiraja - Development Officer
07. Mr. W.A.S.R. Jayawardhane - Development Officer

Statistics Unit

Planning Division

Ministry of Industries

P.O.Box 570,73/1, Galle road, Colombo 03

Telephone : +94 11 2431342
E-mail : plan_unit@yahoo.com
Website : www.industry.gov.lk

Foreword

The 2023 Industrial Data Book represents our commitment to supporting industrialists as they face current economic challenges and strive for sustainable development through improved decision-making. This data book primarily concentrates on the statistical factors that impact economic growth, particularly focusing on export expansion.

The statistical analyses presented in this data book are based on comprehensive statistical data sourced from various institutions, including the Department of Census and Statistics (DCS), the Department of Customs (DoC), the Export Development Board (EDB) and the Central Bank of Sri Lanka (CBSL).

Within this publication, you will find statistical references related to both exports and imports. This includes tables featuring productivity indicators derived from manufacturing establishments and the number of individuals employed in each sector, as well as statistics on key indicators of industrial activity spanning from 2016 to 2020. The data also covers the value of outputs and output components, intermediate consumption values, employment breakdowns by nature, economic indicators categorized by industry class, and import and export statistics.

I extend my gratitude to Mr. Aruna Bandara, Director General of the Planning Division at the Ministry of Industries, and his dedicated team for their unwavering support throughout this project. I would also like to express my sincere appreciation to Mr. Kavishka Heshan, Statistician at the Ministry of Industries, and his team members, Mr. Nirosch Chathuranga Pathiraja and Mr. Shamith Rashmika Jayawardane, for their remarkable dedication and collaborative efforts with the DCS, which helped make this data book a reality.

I firmly believe that the 2023 Industrial Data Book will play a crucial role in shedding light on current and future productivity and economic growth trends within the industrial sectors. It has the potential to significantly influence policymaking in the industry sectors and will be valuable to a wide range of data consumers, including policymakers, economic planners, academics, researchers and other interested parties in the future.

J.M. Thilaka Jayasundara
Secretary
Ministry of Industries

Content

	Page No :
Overview	01
Tables of Data and Graphs of Data	02 - 04

List of Tables

Table 1.	Value added Tea Import (2020-2022)	02
Table 2.	Value added Tea Export - (2020-2022)	03
Table 3.	Value added Tea Re-Export (2022)	04

Overview

In 2022, the value-added tea industry in Sri Lanka played a significant role in the country's economy, contributing substantially to its export revenues. Sri Lanka, known for its high-quality Ceylon tea, has been focusing on increasing the value addition to its tea products to enhance profitability and competitiveness in the global market.

Production and Export Volume: Sri Lanka produced approximately 300 million kilograms of tea in 2022. Out of this, around 85% was exported, with a significant portion being value-added products such as flavored teas, tea bags, ready-to-drink teas, and specialty blends.

Export Revenue: The total tea export revenue in 2022 was approximately USD 1.3 billion. Value-added tea products accounted for around 40% of this revenue, highlighting their importance in the tea export sector.

Major Markets: The primary markets for Sri Lanka's value-added tea products included countries in the Middle East, Europe, and North America. Notably, Russia, the United Arab Emirates, and Iran were among the top importers of Sri Lankan value-added tea.

Growth Trends: The value-added tea segment saw a growth rate of about 5-7% annually, driven by increasing global demand for premium and specialty teas. There was a notable shift towards organic and sustainably produced tea products, aligning with global consumer trends.

Challenges: The industry faced challenges such as rising production costs, fluctuating global tea prices, and competition from other tea-producing countries. Adapting to changing consumer preferences and maintaining consistent quality were also critical challenges for the industry.

Government and Industry Initiatives: The Sri Lankan government, in collaboration with the Sri Lanka Tea Board and other stakeholders, implemented various initiatives to promote value addition. These initiatives included branding and marketing campaigns, support for organic and fair-trade certifications, and investments in research and development to innovate new tea products.

Sustainability Efforts: There was a strong focus on sustainability, with efforts to reduce the environmental impact of tea production and promote fair labor practices. Many tea estates and companies pursued certifications such as Rainforest Alliance and Fair Trade to meet international standards and appeal to conscientious consumers.

In 2022, the value-added tea industry in Sri Lanka showed promising growth and potential, significantly contributing to the country's export earnings. By focusing on innovation, sustainability, and market diversification, Sri Lanka aimed to enhance its position in the global tea market and ensure the long-term viability of its tea industry.

Table 1: Value added Tea Import (2020-2022)

Description	2020		2021		2022	
	Qty (Kg)	Value (Rs.)	Qty (Kg)	Value (Rs.)	Qty (Kg)	Value (Rs.)
Filter Paper and paperboard: filter paper	2,144,132	2,135,999,295	-	-	1,917,644	3,821,711,270
Filter Paper and paperboard: filter paperboard	44,621	46,609,595	-	-	121,074	216,293,773
Other: Preparation of a kind use as raw materials in food or beverage industry: Flavours	1,106,187	3,051,975,599	1,109,864	3,348,283,797	1,272,142	5,796,830,310
Cotton, sewing thread, whether or not put up for retail sale.	-	-	24,189	67,374,704	11,043	53,605,336
Of a kind used in the food or drink industries: Mixture of odoriferous substances and mixtures (including alcoholic solutions) with a basis of one or more of these substances, of a kind used as raw materials in industry	728,590	2,874,833,842	761,190	3,649,749,387	776,484	6,914,689,547
Other: Preparations for making beverages: Herbal preparations for use as " Herbal teas"	-	-	33,202	44,874,477	16,175	39,235,608
Ginseng roots	651	742,045	-	-	-	-
Other: Dried Cinnamon leaves, without any parts of branches	107	171,743	-	-	0	883
Other: Other	-	-	-	-	2,592,085	4,108,019,371
Other green tea (not fermented): Other: Other	2,073,181	951,158,321	2,023,266	1,117,113,722	-	-
Other black tea (fermented) and other partly fermented tea: Other: Other, flavored	4,081,340	1,572,519,816	4,503,793	2,157,197,022	-	-
Grand Total	10,178,810	10,634,010,256	8,455,504	10,384,593,109	6,706,647	20,950,386,098

Source: Sri Lanka Customs

Table 2: Value added Tea Export - (2020-2022)

Description	2020		2021		2022	
	Qty (Kg)	Value (Rs.)	Qty (Kg)	Value (Rs.)	Qty (Kg)	Value (Rs.)
Other: Preparation of a kind use as raw materials in food or beverage industry: Flavours	9,503,371	9,430,817,245	18,493,862	23,054,745,272	11,712,371	23,902,479,575
Cotton, sewing thread, whether or not put up for retail sale.	624	25,726,958	1,432	30,459,577	853	49,016,302
Of a kind used in the food or drink industries: Mixture of odoriferous substances and mixtures (including alcoholic solutions) with a basis of one or more of these substances, of a kind used as raw materials in industry	18,721,832	38,218,806,221	18,813,519	45,879,168,502	18,298,194	71,716,168,633
Other: Preparations for making beverages: Herbal preparations for use as " Herbal teas"	2,579,388	2,235,343,109	6,478,676	6,888,136,089	2,325,133	6,563,803,597
Other: Dried Cinnamon leaves, without any parts of branches	2,047,549	3,046,324,689	1,992,982	3,578,891,529	2,286,554	6,157,633,413
Plants and parts of plants (including seeds and fruit), of a kind used primarily in perfumery, in pharmacy or for insecticidal, fungicidal or similar purposes, fresh or dried, whether or not cut, crushed or powdered	84,262	29,313,139	37,921	26,700,936	23,286	27,834,489
Other: Preparation of a kind use as raw materials in food or beverage industry: Flavors	1,278,102	1,047,490,164	1,403,137	1,386,706,968	1,116,819	1,710,619,756
Grand Total	34,215,128	54,033,821,525	47,221,530	80,844,808,873	35,763,210	110,127,555,765

Source: Sri Lanka Customs

Table 3: Value added Tea Re-Export (2022)

Description	2022	
	Qty (Kg)	Value (Rs.)
Other: Preparation of a kind use as raw materials in food or beverage industry: Flavors	2	646
Cotton, sewing thread, whether or not put up for retail sale.	776	521,015
Of a kind used in the food or drink industries: Mixture of odoriferous substances and mixtures (including alcoholic solutions) with a basis of one or more of these substances, of a kind used as raw materials in industry	-	-
Other: Preparations for making beverages: Herbal preparations for use as " Herbal teas"	-	-
Other: Dried Cinnamon leaves, without any parts of branches	-	-
Plants and parts of plants (including seeds and fruit), of a kind used primarily in perfumery, in pharmacy or for insecticidal, fungicidal or similar purposes, fresh or dried, whether or not cut, crushed or powdered	295	356,176
Grand Total	1,073	877,837

Source: Sri Lanka Customs