

2023



VALUE ADDED TEA  
INDUSTRY

# INDUSTRY DATA BOOK



MINISTRY OF INDUSTRIES

# **VALUE ADDED TEA INDUSTRY**

**MINISTRY OF INDUSTRIES**

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# 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. Nirosh 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*  
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# 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	-	-
<b>Grand Total</b>	<b>10,178,810</b>	<b>10,634,010,256</b>	<b>8,455,504</b>	<b>10,384,593,109</b>	<b>6,706,647</b>	<b>20,950,386,098</b>

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.)
Filter Paper and paperboard: filter paper	39,795	41,639,125	107,775	125,739,066	156,539	342,375,319
Filter Paper and paperboard: filter paperboard	-	-	1,664	19,626,808	4,908	59,532,462
Other: Preparation of a kind use as raw materials in food or beverage industry: Flavors	4,007	3,394,277	25,434	8,905,723	57,223	29,180,934
Cotton, sewing thread, whether or not put up for retail sale.	2,061	2,498,245	2,714	4,804,667	1,409	1,538,667
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	26,462	110,921,478	36,868	162,630,479	52,312	511,635,098
Other: Preparations for making beverages: Herbal preparations for use as " Herbal teas"	855,165	3,649,227,565	859,688	4,530,979,436	765,111	7,528,338,034
Ginseng roots	-	-	51	31,593	24	86,940
Coca Leaf	-	-	15	21,825	1	691
Ephedra	-	-	550	76,602	-	-
Other: Dried Cinnamon leaves, without any parts of branches	327,662	39,452,513	313,522	37,232,341	302,089	66,543,555
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	779,095	1,095,925,306	1,011,127	1,838,997,981	1,775,660	4,582,780,140
<b>Total</b>	<b>1,994,453</b>	<b>4,901,419,384</b>	<b>2,359,408</b>	<b>6,729,046,521</b>	<b>3,115,276</b>	<b>13,122,011,840</b>

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
<b>Grand Total</b>	<b>1,073</b>	<b>877,837</b>

*Source: Sri Lanka Customs*