

EAC tea consumption to increase in the next decade

By <u>Maryanne Gicobi</u> 6 Jun 2018

East African countries could lead the world in growth in consumption of tea during the next decade, even as they occupy top positions in exports of the commodity.

Estimates by the Food and Agricultural Organisation show that Rwanda will lead in growth at 9% followed by Uganda at 5% and Kenya at 4.4%. Libya lying at 4.4%, Morocco at 4.2% and Malawi at 4.2% are the next top three countries.



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Western countries are expected to witness lower consumption of tea with markets such as the UK projecting negative intake as black tea struggles to maintain consumers' interest amid growing competition from other drinks like coffee and bottled water.

"While world tea consumption has increased over the past decade, traditional importing European countries, with the exception of Germany, have seen a decline in consumption levels. Overall, the European tea market is largely saturated. Per capita consumption has been declining for more than a decade, facing competition from other beverages, particularly bottled water," an FAO report shows.

Major exporter countries are expected to remain the same, with Kenya being the largest followed by India, Sri Lanka, Argentina, Vietnam, Uganda, Tanzania, Rwanda, Malawi and China.

China responsible for accelerated growth

Data from the FAO's Intergovernmental Group on tea shows that world tea production increased by 4.4% in the past decade, with China responsible for the accelerated growth. China's production more than doubled from 1.2 million tonnes in 2007 to 2.4 million tonnes in 2016.



What is driving the rise in global tea consumption and production?



"The expansion in China will be significant as output will approach that of Kenya, the largest black tea exporter, underpinned by strong growth in domestic demand for black teas such as Pu'er," states the FAO report.
"World tea exports increased annually by 1.4% over the past decade to reach 1.75 million tonnes in 2016 underpinned by larger shipments from Kenya, with exports reaching a record level of 436,924 tonnes in 2016, a 16% increase from 2015 as well as strong annual growth of 3.4% in green tea exports."
World production of black tea is projected to rise annually by 2.2% over the next decade to reach 4.4 million tonnes in 2027, reflecting major output increases in China, Kenya and Sri Lanka.
"With this, China will reach the output levels of Kenya," states the FAO.
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