

Tea: A Common Man's Drink

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Tea is the world's most favored beverage due to its general acceptability, comparative cheapness and advantageous effects. It is the second most drunk beverage after water. The tea plant originated from South East China and slowly spread to Indo-Pak subcontinent, Sri Lanka and further into tropical and sub-tropical countries.

Tea contains fluoride which prevents dental decay. It also prevents the deposition of cholesterol on the artery wall, which can in turn help avoid heart disease. Tea is also useful in combating bacterial diseases of the intestines because it has been found to contain compounds which prevent multiplication of bacteria. Tea is also useful in the control of diseases caused by radiation.

Pakistan was a bulk producer and exporter of tea until 1970, but after the loss of its eastern wing (now known as Bangladesh) it turned into an importing country. Its full requirement of tea is now met from tea exporting countries and mostly from Kenya. It is spending an amount of Rs32 billion annually for the valued and hard earned foreign exchange earnings on the import of tea.

In the aftermath of high growth in population, the demand for tea is growing at an accelerating rate. The per capita consumption of tea in Pakistan is about one kilogram. Pakistan is perhaps one of the few countries where tea has attained the status of basic food among the poor masses. In the urban areas of Pakistan, tea has become an essential requirement at breakfast time. Among the top ten tea importing and consuming nations, Pakistan is third and fifth respectively.

Tea is consumed by a wide range of age groups in all levels of society. More than 3 billion cups of tea are consumed daily worldwide. Tea is considered to be a part of the huge beverage market. The active ingredients are of interest to functional foods markets. Africa, South America, the Near East and especially the Asian region produce a varied range of teas. This, together with a reputation in

the international markets for high quality, has resulted in Asia enjoying a share of every importing market in the world.

Tea is made from the tender leaves of the tea plant, a species of ever-green types. The introduction of tea is often attributed to the emperor Shen Nung about 2737 B.C. The Chinese tea plant, brought to Japan somewhere about 800 A.D. was regarded as a medicine for 500 years, until green tea was developed and became a popular Japanese beverage.

Tea was introduced into Europe in the early 17th century, with the beginning of trade between Europe and the Far East. By 1715 A.D. the British East India Company, with a monopoly on overseas trade held over other British companies that were operating in Asia, was firmly established in Canton. The cultivation of tea in India began in 1834 A.D. with the planting of wild tea found growing in Assam in 1823 A.D. The tea produced was sold in London in 1839 A.D. and, with its acceptance, the modern tea industry began. Ceylon followed by India, became a tea producer in 1867 A.D. after the leaf disease caused the failure, of its coffee plantations. Tea production began in Java in 1878.

Tea is mainly grown in Asia, Africa, around the Black and Caspian Seas and South America. The four biggest tea-producing countries are China, India, Kenya and Sri Lanka. Together they represent about 75% of the world production. Until the end of the 19th century, production was concentrated in Asia. However, the tea fever has now gripped other regions

Table 1: Top 10 Tea Production Countries

Rank	Country	Production (Tonnes)
1	China	127,5384
2	India	805,180
3	Kenya	345,800
4	Sri Lanka	318,700
5	Turkey	198,046
6	Vietnam	174,900
7	Indonesia	150,851
8	Japan	96,500
9	Afghanistan	76,000
10	Thailand	61,557

Source: FAO

such as Africa and South America, which started cultivating their own tea in the face of rising global demand. As a result, it is now grown in about 40 countries.

Numerous types of teas are produced in these countries. In China, for example, the country with the largest plantation of tea and second in output, green tea is around half of the total export, black tea around one third and other teas one fifth. Depending on the manufacturing technique it may be described as green, black, white, yellow and even compressed tea. Many other teas and tea products continue to be developed by those active tea producing and consuming countries.

A wide range of tea products continue to be developed, through product and process development for added-value, as market shares become more sophisticated and competitive. The tea industry must rise to these challenges, facing the future with confidence.

Table 2: Import of Tea

Year	Quantity (Tonnes)	Value (US \$ Million)	Value (Rs. Million)
2011-12	123,893	351	31,893
2010-11	118,657	334	28,807
2009-10	94,463	271	22,712
2008-09	85,350	193	17,417

Source: Federal Bureau of Statistics, Government of Pakistan.

The Asian region produces a varied range of teas and this, together with a reputation in the international markets for high quality, has resulted in Asia enjoying a share of every importing market in the world. Africa, South America and the Near East also produce quantities of tea. Huge populations of Asia, UK, EU, Middle East, Africa and countries of the CIS consume tea. Top 10 tea producing countries are given in Table-1

Import of Tea in Pakistan

Pakistan imported black tea worth Rs.30.35 billion from 45 countries. Around 113,994 tonnes of black tea was imported during 2011- 2012 and a major share of 55.1% was imported from Kenya followed by India at 17.13%.

The consumption of tea in Pakistan has been increasing at a faster rate and so have imports, after the establishment of Bangladesh. Imports increased from 85,350 tonnes worth US \$193 million in 2008-09 to 123,892 tonnes worth US \$351 million in 2011-12. Import of tea is given in Table-2 on the next page.

Imports by kinds: Three kinds of tea are imported in Pakistan: black, dust and green. Black tea and its dust form 95% of total tea imports and the rest is green tea as given in Table-3.

Green tea powders or soluble tea extracts have been used in Japan for many years. The tea industry is now developing and producing instant or powdered black teas. Instant teas offer greater convenience than ordinary leaf tea: they are easy and quick to infuse, leave no grouts for disposal and can be used in vending machines. Instant tea powder may be produced by evaporating an ordinary infusion to dryness, but a more satisfactory and economical method is to distort and ferment tea leaf and then extract it, unfired. The resulting extract is evaporated to dryness at a low temperature so that the resultant powder will produce an infusion with bright brisk liquor and the tea aroma.

Imports by countries: Pakistan imported tea from various countries. However, the principal exporting countries to Pakistan during 2011-12 were Kenya, Bangladesh, Rwanda, Indonesia Sri Lanka and Uganda. Country-wise

import of black tea is given in Table-4.

Leading Tea Brands in Pakistan

About 50% of the tea trade in Pakistan is controlled by large blender packers - selling under brand names, whilst the other 50% is in the hands of hundreds of importers, wholesalers, retailers, which gives the consumer a large variety at various prices to choose from. The top leading brands having an enormous range of products which are:

1. **Brooke Bond Supreme:** Supreme is Pakistan's largest brand of tea which is made primarily from the world's finest Kenyan tea. The success of Brooke Bond Supreme is based on this very insight, since tea is a part of the social fabric of Pakistanis. Brooke Bond Supreme was launched in Pakistan in 1984. Brooke Bond Supreme is the largest selling tea brand in Pakistan.
2. **Brook Bond A1 Karak Chai:** Launched in 1996, the brand has certainly come a long way to acquire national status. It has two variants catering to regional taste preferences, mixture for the South and leaf for Punjab. Their product ranges from:
 - ❖ Leaf tea
 - ❖ Mixture
3. **Tetley Tea:** Tata Tea has been ranked in the 20th position among 275 brands (195 consumer products and 80 service brands). Tetley tea has introduced by Tata tea in Pakistan predicting that this arrival is likely to give a tough competition to some of the old market players.
4. **Tapal Tea (Private) Limited:** Tapal's deep rooted culture and core values differentiate it from its competitors. In December 1997, Tapal Tea became the first Pakistani Tea Company to earn the ISO-9001 certification: a symbol of the highest international quality standards. Again in December



2000, Tapal acquired the ISO-9001: 2000 certification, making it one of the first few companies in the world to achieve this milestone. In addition to the standard requirements, the ISO-9001: 2000 certification system includes requirements for environmental improvement, concepts of TQM (continuous improvement) with major emphasis on consumer requirements and satisfaction. Tapal is also the 1st national tea company to export tea to the UAE, Canada and USA.

To enforce persistence in change and adaptability, Tapal Tea (Pvt.) Ltd. has chosen SAP ERP solutions to embark on a new journey towards progress and technological revolution. The ERP modules implemented by Siemens Pakistan, partners of SAP in Pakistan.

Table 3: Import of Tea (Bykinds)

Kind	Quantity: Tonnes Value: Rs. Million			
	2011-12		2010-11	
	Quantity	Value	Quantity	Value
Green Tea (pack 3 kg)	27	6	35	8
Other Green Tea	5,786	800	3,255	468
Black Tea and Party Ferment Tea	4,847	624	2,368	342
Tea Dust	514	114	120	26
Black Tea (paking 3 kg)	33	8	65	17
Other Black Tea	113,961	30,341	114,864	27,946
Total	--	31,893	--	28,807

Source: Federal Bureau of Statistics, Government of Pakistan.

5. **Lipton:** Lipton is the world's leading brand of tea by far. It's the global market leader in both leaf and ready-to-drink tea, giving a global share of all tea-based beverages that's nearly three times larger than its nearest rival. Their product ranges from:

- ❖ Caramel flavoured
- ❖ Cookies flavoured
- ❖ Vanilla flavoured
- ❖ Lipton Green Tea
- ❖ Lipton Yellow Label tea bags
- ❖ Lipton Yellow Label sachet market price of tea Lipton Yellow is given in Table-5.

Future Prospects

In Pakistan, a morning and evening cup of tea is an essential part of everyday culture. This tradition has existed for many years. Every guest in a home in Pakistan is most likely to ask for a cup of tea to relax after a strenuous journey. This trend has always created a strong demand for tea in Pakistan and made it the world's third largest importer of tea. In terms of tea consumption, it is the seventh largest country. Even in summer when the weather is extremely hot, tea is drunk twice a day.

Tea is expected to grow at a CAGR of 7% in total volume terms over the forecast period due to the increase in the tea-drinking population and continued centrality of tea as the hot drink of choice in Pakistan. The dynamics of tea consumption will shift, however, as black standard bagged tea, green tea and fruit/herbal tea gain prominence, especially among urban middle-class consumers. However, consumers in the rural

Table 4: Imports of Black Tea (Others)				
Country	2011-12		2010-11	
	Quantity (Tonnes)	Value	Quantity (Tonnes)	Value
Kenya	64,666	18,727	71,491	18,558
Burund	3,536	946	2,937	721
India	16,596	3,661	11,668	2,479
Bangladesh	719	198	382	90
China	196	50	1,078	232
Ethiopia	246	59	379	78
Indonesia	399	920	3,317	695
Madagascar	520	120	2,055	430
Rwanda	8,662	2,100	8,325	1,956
Sri Lanka	3,058	915	6,351	163
Tanzania	2,522	599	2,725	565
Uganda	3,815	855	5,315	1,078
Vietnam	4,018	847	3,987	773
All Others	5,008	344	5,146	128
Total	113,961	30,341	114,864	27,946

Source: Federal Bureau of Statistics, Government of Pakistan.

population are heavy drinkers of tea and will continue to be prominent consumers in the market.

Reference

1. Alastair Hicks - Review of Global tea production and the impact on industry of the Asian economic situation
2. Chen Liang - Global tea Branding Achievements and Prospective Zhejiang University Press.
3. Food and Agriculture organisation.
4. Federal Bureau of Statistics, Government of Pakistan.
5. Trade Development Authority of Pakistan. ◆

Table 5: Market Price of Tea Lipton yellow (Label 250 GM)							
(Rs. Per 6 PKT)							
Market	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
Karachi	340.00	345.80	361.30	355.00	481.50	591.50	630.50
Lahore	348.00	353.20	387.00	386.50	515.70	636.70	718.00
Rawalpindi	330.00	335.20	364.60	367.20	506.40	612.90	650.00
Hyderabad	341.35	350.20	382.30	379.10	501.40	605.50	611.50
Peshawar.	339.75	345.80	384.60	398.50	525.70	611.60	620.00
Quetta	342.58	341.70	370.60	380.50	478.50	536.70	580.00

Source: Federal Bureau of Statistics, Government of Pakistan.