Pure Ceylon Tea: A Vintage Brand



In a market place with ever changing needs and tastes, Ceylon Tea has maintained its position as a choice brew by capitalising on unique opportunities. Lushantha De Silva, Managing Director, Empire Teas comments on the industry from an exporter’s angle.

By Keshini de Silva | **Photography** Menaka Aravinda

Tell us about Sri Lanka’s Tea Exporters?
In the past Sri Lanka’s tea exporters were mainly multinational companies. However, in the 70s there was a shift and today the export market is primarily handled by Sri Lankan owned companies. There are a few multinationals involved.

Shaikh Hebtulabhoy, in 1864 established the first Sri Lankan origin company, which later separated into several other companies. That was probably the start.

For tea exporters, our role in the industry commences once the tea brokers send across the samples of the produce to be auctioned at the Colombo Tea Auction. These are usually sent across three weeks prior to auction. We then value the tea according to the requirements of clients and our quality standards. It's based on foreign preferences as 99 per cent of Ceylon Tea is exported.

As exporters it is also our responsibility to add value to the product. For example, we undertake the packaging of consumer packs and tea bags, and other means through which we can connect with the consumer. This is mainly done by the major export players, which is why you would find that we have our own factories to process packaging. Ensuring we have the right certifications and working according to quality standards is also an important aspect.

Your comments on Sri Lanka's tea export market?
Ceylon Tea relies mainly on Russia and the Middle East, this includes Iran, Iraq, Turkey and Syria. These markets make up 70 per cent of our exports. We must now look into expanding our reach into new markets such as China, US, Japan and Germany. Considering the current climate, it would benefit us. However, that is not an easy task as before entering a new market we need to undertake extensive research, study market preferences, visit potential export markets to get a feel of the consumer and also communicate at the B2B level.

As Exporters It Is Also Our Responsibility To Add Value To The Product… Ensuring We Have The Right Certifications And Working According To Quality Standards Is Also An Important Aspect.

Understanding the characteristics of the market is important because, for example in Turkey the water is quite different to Sri Lanka, therefore the tea brews in quite a different way. To ensure the liquid is the dark reddish brown that they prefer you need a very strong type of tea such as an Orange Pekoe or a Pekoe. Middle Eastern countries also do not add milk to their tea. As a result, teas grown in Sri Lanka's

lower elevations are popular. However, in the UK while the water is unique to both Sri Lanka and Turkey, they also add milk to tea. Therefore, they prefer a brew that produces a dark cup colour and a strong aroma.

To cater to these unique requirements, we blend teas to match flavour profiles. In a country you would find that different communities have their various preferences. Maintaining quality is also a responsibility that falls on us, as we deal with the end product. Usually, we would conduct a blind taste test with teas originating from other countries to check how our teas compare.

Identifying Potential In Africa Due To Their Increased Population, Last Year The Exporters Travelled There To Seek Out Opportunities. We Are Looking At China And India Too.

Sri Lanka produces both orthodox and CTC teas. In terms of CTC we compete with Kenya, which produces a large quantity each year. We are currently the number one producer of orthodox teas. Yet, there is fast-emerging competition from Vietnam in this area. We need to increase our quantity so that there will be economies of scale that will reduce the cost of production per kilogramme. This would be especially beneficial in the labour intensive orthodox production process. With increased quantities, exporters too would be able to get a better price.

Therefore, the government should assist growers and factories to increase production. Sri Lankan companies must also be encouraged to develop their own brands rather than depending on packing for private labels.

What are the opportunities that Sri Lanka’s tea industry should capitalise on?

We need to expand and in order to do that we need to make contact and identify opportunities. Contact is usually made through participating in trade fairs, either with support from the Tea Board or on our own. With the Tea Board there is more pre-planning with the clientele being informed through our embassies. It’s important that we make contact with the correct people. Identifying potential in Africa due to their increased population, last year the exporters travelled their to seek out opportunities. We are looking at China and India too.

During these visits we gather information. The internet has helped today, however we cannot understand everything. We need to go get samples and understand the market's taste profile. Preferences keep changing, therefore research, even with our current markets is essential.

In addition to certifications such as ISO and BRC, we need to look into the standards we need to meet before approaching a new market. Most companies in Sri Lanka, especially the main exporters usually have the certifications and machinery in place.

How do you cater to the Sri Lankan market?
Sri Lanka consumes 20 million kilogrammes. Out of the population 10 per cent are directly or indirectly linked to the Tea Industry and therefore would usually buy tea at a subsidised price. For example, our 150 employees receive a monthly quota of tea as is the case with many factories and plantations. The Sri Lankan market is a completely different market. We add a lot of milk and sugar, which means the tea needs to be quite strong. This is the reason why Dust grade teas are popular as it can produce the deep colour that the market wants. There is a considerable amount of tea bags consumed, mainly in the cities and corporate sector.

We as exporters have varieties of tea some fast selling products and others niche products. In Sri Lanka we have identified that ginger flavoured tea is quite popular.

In addition, tourism is a major component of the Sri Lankan market. Sri Lanka's annual tourist influx is increasing. Exporters must then focus on adding value to the tourist market through the introduction of niche items and memorabilia such as metal tea caddies, tea sets and replicas. You would need to connect to department stores that tourists regularly visit. Another avenue I myself have been pursuing is a supermarket concept for tea, where you display all the varieties and brands of Ceylon Tea under one roof. Therefore, as exporters to cater to grow with the tourism sector we need to evaluate new ideas.

Certain International Companies Have Moved Away Due To The Lack Of Consensus On The Matter And We Need To Address That.

Moreover, for the past five to ten years Sri Lanka has been debating over the Blending Hub concept. This is something undertaken in Dubai, where teas from different origin are blended, packeted and exported. This also addresses the issue of shortages. Obviously, there are minuses too that need to be considered, such as skills migration between processes. However, certain international companies have moved away due to the lack of consensus on the matter and we need to address that.

There has been a surge of Tea Cafes in and around Colombo, what is your opinion on this?

Three or four years ago it was difficult to find a place that made a good cup of tea, especially in Colombo. Tea cafés were mostly concentrated in tourist spots such as the hill country. Therefore, there is a tea culture coming about in Colombo and it seems to have become a trend. A few years ago we too opened a café and with that experience I would say the concept is quite popular. Within the first three months there was a sizeable increase in turnover, therefore there seems to be quite a demand for a good cup of tea. This also provides the opportunity of franchising out, in following the Starbucks concept, and there is a market for this overseas.

It’s also educational and builds interest. Similar to pairing wine with food, these cafes are introducing combinations of how certain teas complement different meals. Although tea after a meal is not very popular in Sri Lanka, countries like Japan and China would rarely have a meal that is not followed by a cup of black or green tea.

How can we create an appreciation for tea amongst the youth?

To create awareness amongst the youth, reinventing tea to suit them is important. The youth do not like hot tea or even coffee. That is a habit that usually immerges after the mid twenties. Therefore, you need to introduce beverages, especially cold beverages such as cold tea blends, ice tea and tea with ice cream.

Making it an educational experience creates interest. Many cafes are demonstrating to youth the art of brewing a cup of tea. That’s important. For example, the ‘Yara Thei’ (pulled tea) has become popular amongst the youth because of the theatrical aspect before it is served. Although it was popular in the past and maybe so still in the outskirts, it was a dying art, which these cafes have revived.

In terms of formally promoting tea due to its health benefits, to ensure credibility that should come from an authority like the Tea Board or Tea Research Institute, with studies to prove. Companies should not privately do so as consumers would assume it is brand propaganda.

How can our market reach be expanded?
Promoting Ceylon Tea is the main aspect that needs to be focused on. Currently there is an issue with connecting the brand Ceylon Tea with Sri Lanka. The name 'Ceylon' was removed map several years ago and replaced with 'Sri Lanka'. However, many clients would look for Ceylon on the map and get confused. Of course, clients know where Sri Lanka is, but there needs to be a connection between the Ceylon Tea brand and its origins. For example, we launched a promotional campaign linking Ceylon Tea and Sri Lanka Cricket, it made an impact, however this was only in countries that play cricket. We need to communicate that message to other countries through strategic advertising.

There needs to be collaboration between the Tea Board and Tourist Board. They could work together to present tourists a packet of tea when they enter the country.

Can you tell us about yourself?
I started my career at Finlays in 1986 immediately after I left school. We were given the chance to explore and learn the art of tea. I come from a background of tea, with both by grandfather and father being planters. However, I did not want to pursue that avenue. Eventually I started Empire Teas in the year 2000, which has grown from six employees to 150 employees. As an avid sportsman, I always tell my staff to balance work and play.

150 years on, what does the future look like for Ceylon Tea?
Ceylon Tea is a popular brand, but we must expand without merely keeping with the traditional. Although we should maintain our identity for quality and handmade teas, thinking out of the box is essential as markets are constantly evolving.

Ceylon Tea Is A Popular Brand, But We Must Expand Without Merely Keeping With The Traditional.

Many international companies innovate using Ceylon Tea. Therefore, we too could create tea wines or use tea essence in soaps, confectionary and perfumes. As there is an opportunity and with technology being available producers should be encouraged to create new products.

We must work to increase the consumption of tea in Sri Lanka. For example, in Russia, Middle East, China and Japan, they would have a cup of tea after a meal and serve a cup when welcoming a guest. In Sri Lanka the older generation may still do that, however it is less popular amongst the young.

The introduction of tea cafes, flavoured teas and tourism has created an opportunity for the industry and awareness at home. However, we need to continue to add novelty to Ceylon Tea.

