



TEA MARKET UPDATE

Second Quarter 2026

Middle East Disruptions and Ceylon Tea Trade

Tea production reached **72.13 MKg**, down **1.48 MKg (2.01%)** year-on-year, with declines in April and May followed by a recovery in June. **Low-grown tea** recorded the main decline (-**5.01%**), while high-grown production increased and medium-grown fell marginally. **Orthodox tea** remained dominant at **64.63 MKg**, declining 2.70%; CTC increased 3.39% and green tea

Private-sector production accounted for **63.71%** but declined 2.01%, while plantation companies increased output and their share to **35.40%**.

District performance was mixed, with increases in Nuwara Eliya and Badulla, while Kandy, Galle, Kalutara and Ratnapura recorded notable declines.

Auction sales fell to **59.00 MKg**, down 9.93 MKg, while the average price increased to **US\$ 3.61/kg**.

Tea exports declined slightly to **62.74 MKg**, but the average FOB price increased to **Rs. 1,807.10/kg**, partly offsetting the lower volume.

Turkey recorded the largest export increase (**+8.06 MKg**), while **Iraq** experienced the largest decline (**-52.54%**)

The escalation of conflict in the Middle East and disruptions to key maritime routes, particularly the Strait of Hormuz and the Bab el-Mandeb route, have created significant challenges for Sri Lanka's tea industry. The Middle East remains an important destination for Ceylon Tea, with countries such as Iraq, the United Arab Emirates (UAE), Turkey, Saudi Arabia and grew 14.41%. Iran representing key export markets. Consequently, disruptions to these shipping routes have increased uncertainty and risks associated with the transportation of tea to these markets.

The crisis has affected the tea industry through higher freight and marine insurance costs, shipment delays, reduced shipping availability and difficulties in accessing certain markets. Disruptions to maritime routes have also contributed to higher fuel and logistics costs, increasing operating expenses throughout the tea supply chain. The International Monetary Fund (IMF) has identified tea among Sri Lanka's key exports that are vulnerable to disruptions in Middle Eastern maritime routes.

The impact has been particularly evident in several traditional export Markets. Tea shipments to Iraq and the UAE recorded substantial declines during the conflict, reflecting the effects of both logistical disruptions and weaker market access.

These developments highlight the vulnerability of Sri Lanka's tea industry to geopolitical tensions and disruptions along major international shipping routes.



Continued instability in the region could place further pressure on export volumes, freight and insurance costs, delivery times and overall export earnings. At the same time, the situation underscores the importance of diversifying export destinations, strengthening alternative markets and improving supply-chain resilience to reduce the industry's exposure to geopolitical and logistical risks.

General Overview

Sri Lanka's tea industry faced a challenging operating environment during the second quarter of 2026, as production constraints, rising input and labor costs, adverse weather conditions and external disruptions affected the sector. Although tea prices remained relatively resilient in rupee terms, declining crop volumes and increasing production costs continued to place pressure on producers.

Production and supply-side constraints remained among the key concerns during the quarter. Tea production in Q2 2026 declined compared with the corresponding period of 2025, with the Low Grown sector recording the largest decline. Production was particularly weak in April, reflecting the combined effects of adverse weather conditions and reduced fertilizer

application by producers during the preceding period. Although production improved in June, supported by stronger High and Medium Grown crops, the recovery was insufficient to offset the losses recorded earlier in the quarter.

The pressure on production was further linked to fertilizer availability and rising input costs. Higher fertilizer prices and concerns over supply disruptions were associated with escalating geopolitical tensions in the Middle East and disruptions to international shipping routes. The Planters' Association of Ceylon warned in April that these disruptions could affect fertilizer supplies, while industry stakeholders highlighted the potential impact of inadequate fertilizer application on tea yields. In response to rising

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Tea Production

Sri Lankan Tea production in the second quarter of 2026 declined by 2.01%, compared with the corresponding period of 2025. Production recorded its sharpest decline in April, falling by 2.17 million kg compared with April 2025. Production in May remained broadly stable, recording a marginal decline of 0.17 million kg. In contrast, June recorded a recovery, with production increasing by 0.85 million kg year-on-year. However, the improvement recorded in June was insufficient to offset the production losses experienced during April and May.

Table 1 – Total and Monthly Tea Production: April–June 2025–2026 (MKg)

	Q2 2026	Q2 2025	Difference	Change %
April	24.30	26.47	-2.17	-8.18
May	25.27	25.44	-0.17	-0.67
June	22.56	21.71	0.85	3.94
Total	72.13	73.61	-1.48	-2.01

High-grown tea was the only elevation category to record year-on-year growth, increasing by 4.79% during Q2 2026. In contrast, Low-grown tea, which accounted for approximately 56.2% of total Q2 production, declined by 5.01%, making it the primary contributor to the overall reduction in national tea production. Medium-grown tea remained relatively stable compared with the corresponding period of the previous year. However, on a quarter-on-quarter basis, all three elevation categories recorded growth, with Medium-grown tea registering the highest increase of 40.32% compared with Q1 2026.

In terms of processing methods, orthodox tea remained the dominant category, accounting for approximately 89.6% of total production during the quarter. Nevertheless, orthodox tea production declined by 2.70% year-on-year, contributing significantly to the overall contraction in tea output. CTC tea production increased by 3.39%, while green tea recorded the highest growth rate of 14.41%. Despite this notable growth, green tea continued to represent a relatively small share of total tea production.

Table 2 – Cumulative Tea Production by Elevation and Processing Method (MKg)

Category	Q2 2026	Q2 2025	YoY Δ	YoY %	Q1 2026	Q2 vs Q1 Δ	Q2 vs Q1 %
Elevation							
High	17.37	16.58	0.79	4.79	13.53	3.85	28.43
Medium	14.19	14.33	-0.14	-0.95	10.12	4.08	40.32
Low	40.56	42.70	-2.14	-5.01	36.11	4.45	12.32
Total	72.13	73.61	-1.48	-2.01	59.76	12.37	20.71
Processing Method							
Orthodox	64.63	66.42	-1.79	-2.70	52.54	12.09	23.01
CTC	6.79	6.57	0.22	3.39	6.61	0.18	2.74
Green Tea	0.71	0.62	0.09	14.41	0.61	0.10	17.15
Total	72.13	73.61	-1.48	-2.01	59.76	12.37	20.71

The private sector remained the largest contributor to national tea production; however, its share declined from 65.72% in Q2 2025 to 63.71% in Q2 2026. In contrast, plantation companies increased their contribution from 33.41% to 35.40%, reflecting both an increase in their production and a decline in private-sector output. The public

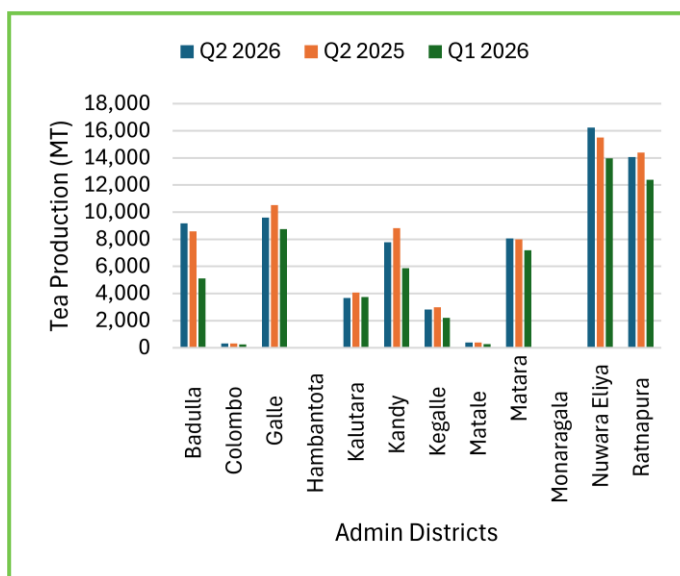
sector continued to account for less than 1% of total national tea production during the quarter.

Table 3 – Distribution of Tea Production by Sector (MKg)

Sector	Q2 2026	Share	Q2 2025	Share	YoY %	Q1 2026	Share	Q/Q %
Private	45.96	63.71	48.38	65.72	-2.01	39.55	66.18	-2.47
Plantation Co.	25.54	35.40	24.59	33.41	2.00	19.74	33.04	2.36
Public	0.64	0.88	0.64	0.87	0.01	0.46	0.78	0.11
Total	72.13	100	73.61	100		59.76	100	

Nuwara Eliya remained the largest producing district during Q2 2026, followed by Ratnapura, Galle, Badulla, Matara and Kandy. Production increased notably in Nuwara Eliya and Badulla, by 734.79 MT and 584.12 MT, respectively, compared with the corresponding quarter of 2025. In contrast, the largest declines among the major tea-producing districts were recorded in Kandy, Galle, Kalutara and Ratnapura.

Figure 1 – District-wise Tea Production Comparison (MT)



Tea Marketing

During the second quarter of 2026, the total quantity of tea sold declined to 59.00 MKg, compared with 68.92 MKg in the corresponding quarter of 2025. Despite the reduction in sales volume, the average Sri Lankan tea price increased by 2.82% year-on-year. High Grown tea recorded a 13.82% decline in sales volume, while its average price increased by 6.00%, representing the strongest price appreciation among the three elevation categories. Medium Grown tea recorded a 19.15% decline in sales volume, accompanied by a 2.28% decrease in average price. Low Grown tea sales volume declined by 12.97%, while its average price increased by 2.86%. Overall, the quarter was characterized by lower sales volumes across all elevation categories, while price performance remained comparatively favorable, particularly for High Grown tea.

Table 4 – Sold Quantity and Prices by Elevation (MKg)

Elevation	Q2 26 Qty	Q2 26 Rs/kg	Q2 26 US\$	Q2 25 Qty	Q2 25 Rs/kg	Q2 25 US\$	Q1 26 Qty	Q1 26 Rs/kg	Q1 26 US\$
High	13.34	1108.36	3.41	15.48	1045.57	3.49	14.08	1150.95	3.71
Medium	11.19	999.55	3.07	13.84	1022.83	3.42	10.59	985.29	3.18
Low	34.46	1253.73	3.85	39.60	1218.91	4.07	40.21	1199.39	3.87
Other	0.00	387.67	1.19	0.00	710.62	2.37	0.02	551.41	1.78
Total	59.00	1172.58	3.61	68.92	1140.45	3.81	64.89	1153.63	3.72

Auction prices recorded a mixed performance across tea-growing regions during the second quarter of 2026. On a year-on-year basis, prices increased in Nuwara Eliya (6.29%), Westerns (8.46%), and Low Grownns (2.89%), while Mediums, Uda Pussellawa, and Uvas recorded modest declines. Compared with the first quarter of 2026, prices increased declined in all regions. Despite these regional variations, the overall average auction price decreased by 3.05% compared with Q1 2026, indicating a decline in overall price realization during the quarter.

Table 5 – Colombo Tea Auction Sales Comparison

Sub District	Q2 2026 US\$/kg	Q2 2025 US\$/kg	YoY Δ	YoY %	Q1 2026 US\$/kg	Q/Q Δ	Q/Q %
Nuwara Eliya	3.32	3.12	0.20	6.29	3.61	-0.30	-8.19
Westerns (8 areas)	3.48	3.21	0.27	8.46	3.80	-0.32	-8.49
Mediums (9 areas)	3.11	3.19	-0.08	-2.39	3.28	-0.17	-5.07
Uda Pussellawa (2 areas)	2.95	2.98	-0.03	-1.01	3.17	-0.21	-6.75
Uvas(8 areas)	3.30	3.34	-0.03	-0.98	3.32	-0.02	-0.48
Low Grownns (10 areas)	3.91	3.80	0.11	2.89	3.91	-0.00	-0.03
Average price	3.62	3.53	0.10	2.74	3.74	-0.11	-3.05

Public auctions remained the dominant marketing channel, accounting for 93.89% of total tea sales volume during Q2 2026. Although the volume traded through public auctions declined by 15.54% year-on-year, the average price increased by 2.79%. In contrast, private sales recorded a 6.76% increase in volume, accompanied by a 1.11% rise in average price. Direct sales continued to account for only a small proportion of total sales volume; however, they achieved the highest average price among the three channels, at US\$ 4.68 per kg.

Table 6 – Sold Quantity and Prices by Trading Channel (MKg)

Channel	Q2 26 Qty	Q2 26 Price (US\$)	Q2 25 Qty	Q2 25 Price (US\$)	Q1 26 Qty	Q1 26 Price (US\$)
Public Auction	55.39	3.63	65.59	3.52	60.89	3.72
Private Sales	3.47	3.29	3.25	3.25	3.87	3.71
Direct Sales	0.13	4.68	0.08	4.44	0.13	5.09
Total	59.00	3.61	68.92	3.51	64.89	3.72

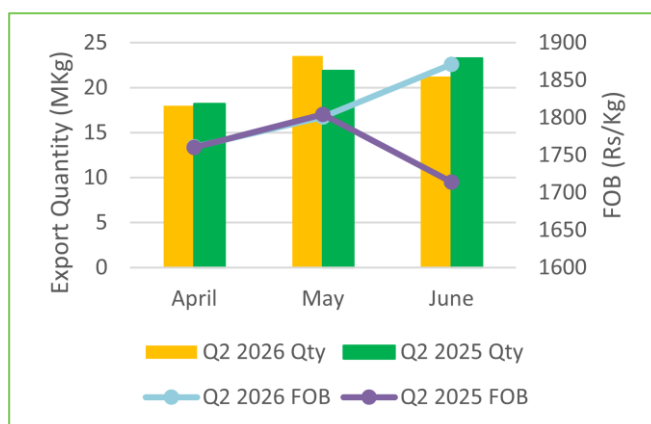
Most major tea grades recorded lower volumes during Q2 2026 compared with the corresponding quarter of 2025. The most significant absolute declines were observed in ORTH-OPA, ORTH-FBOP1/FBOP, ORTH-FOP/OP1/OP, ORTH-BP/BM, and CTC-PF1. In contrast, ORTH-BOPF remained broadly unchanged from the previous year. Compared with Q1 2026, volumes declined across most major grades, indicating that the contraction in overall auction sales was broad-based across grades rather than concentrated in any particular category.

Table 7 – Grade-wise Quantity Sold (MKg)

Grades	Q2 2026	Q2 2025	Q1 2026
ORTH-FBOPF1/FBOPF	5.63	6.51	6.42
ORTH-FOP/OP1/OP	5.86	6.55	6.34
ORTH-BOPF	4.68	4.69	4.92
ORTH-OPA	4.93	6.06	4.67
ORTH-FBOP1/FBOP	3.42	4.70	3.59
ORTH-BP/BM	4.61	5.36	5.16
ORTH-FP/PEK	3.57	4.43	4.04
ORTH-PEK1	3.48	3.72	3.98
ORTH-DUST1	2.56	2.92	2.75
ORTH-BOP	2.26	2.40	2.60
ORTH-BOP1A	2.13	2.78	2.33
CTC-PF1	2.94	3.51	3.25
ORTH-BOP1	1.30	1.62	1.40
ORTH-BOPA	1.62	1.60	1.71
CTC-PD	0.96	1.04	1.00
CTC-BP1/BPS	0.72	1.08	1.47
OTHERS	8.33	9.94	9.26
Total	59.00	68.92	64.89

Tea Export

Tea export performance varied across the three months of the second quarter.

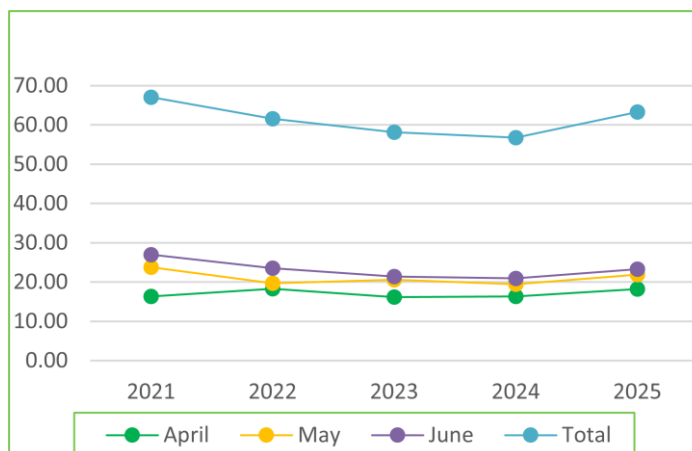
Figure 2 – Monthly Tea Export Statistics (MKg)

In April, export volume declined by 1.26%, while the FOB price remained broadly stable. May recorded a 7.50% increase in export volume, despite a marginal 0.20% decline in the FOB price. In June, export volume decreased by 8.66%, while the FOB price increased significantly by 9.16%, representing the strongest monthly price growth during the quarter. Overall, tea exports in Q2 2026 amounted to 62.74 million kg, reflecting a relatively modest 0.95% decline compared with the corresponding quarter of 2025.

Q2 2026 tea exports, at 62.74 million kg, were lower than the levels recorded in 2025 and 2021, but remained higher than the corresponding export volumes recorded in 2024, 2023 and 2022.

Table 8 - Historical comparison of second-quarter export volume (Mkg)

Month	2025	2024	2023	2022	2021
April	18.20	16.38	16.17	18.30	16.31
May	21.87	19.45	20.55	19.72	23.79
June	23.27	20.96	21.41	23.56	26.99
Total	63.34	56.78	58.13	61.58	67.10



Bulk tea exports recorded a 7.22% increase in volume, generating an additional Rs. 268.03 million in export value. In contrast, packet tea recorded the largest decline, with export volume decreasing by 2.34 Mkg and export value falling by Rs. 5,325.38 million. Tea bags, instant tea and green tea recorded improvements in their respective FOB prices.

Figure 3.1 - Tea Exports quantity by Product Category

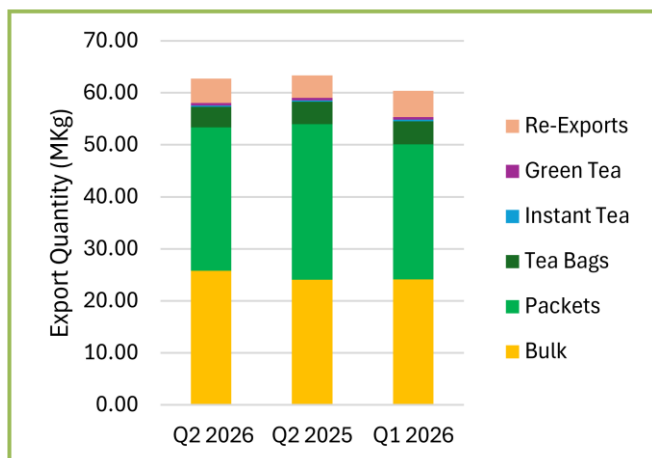
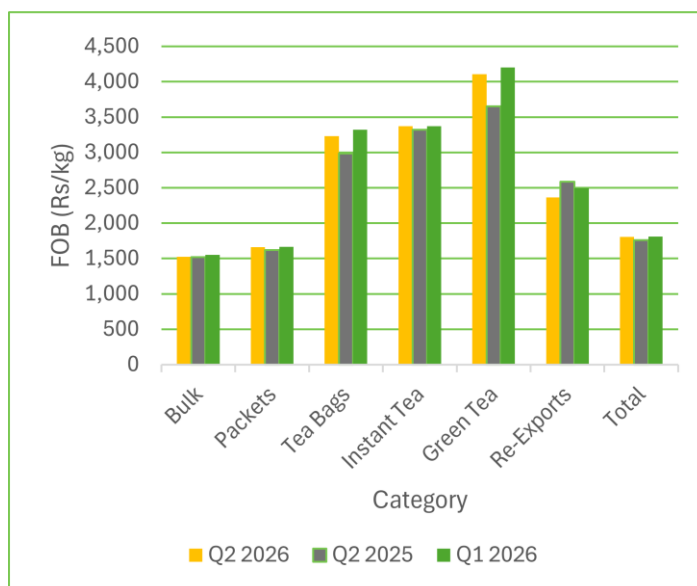
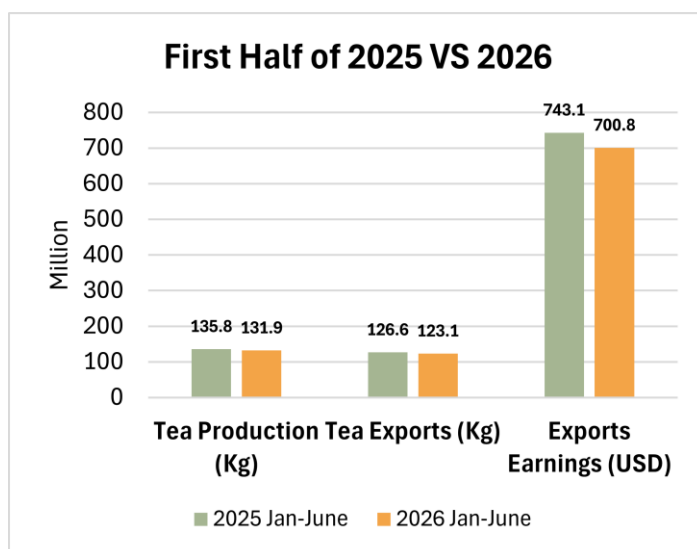


Figure 3.2 - Tea FOB prices comparison by tea category



Despite the increase in the overall average FOB price, total tea export value fell by Rs. 2,301.66 million, mainly because both the volume and value of packet tea exports fell sharply. Meanwhile, re-exports increased by 0.38 MT, adding Rs. 1,041.79 million to export earnings.

Figure 4 - Tea Sector Performance Comparison - First Half of 2025 VS 2026



The chart compares Sri Lanka's tea production, export volume, and export earnings during Jan-June 2025 and Jan-June 2026. Tea production decreased slightly from 135.8 million kg in 2025 to 131.9 million kg in 2026, while tea export volume declined from 126.6 million kg to 123.1 million kg during the same period.

Export earnings also showed a decline from USD 743.1 million in 2025 to USD 700.8 million in 2026. Overall, the first half of 2026 recorded a marginal reduction in tea production, export volume, and export earnings compared to the corresponding period in 2025.

The Colombo tea auction sales average registered as Rs. 1,169.46 for the first six months of 2026. Green tea leaf suppliers received an average price of Rs.171 per Kg.

Table 12 – Top Ten Destinations of Ceylon Tea (MKg)

Country	Q2 2026	Q2 2025	YoY Δ	YoY %	Share 2026	Share 2025	Q1 2026	Q/Q Δ	Q/Q %
TURKEY	12.64	4.58	8.06	175.74	21.78	7.77	6.93	5.72	82.53
RUSSIA	6.12	4.70	1.41	30.06	10.53	7.96	5.09	1.02	20.04
IRAQ	4.55	9.58	-5.03	-52.54	7.83	16.23	8.75	-4.20	-48.02
AZERBAIJAN	3.51	1.61	1.90	117.65	6.05	2.73	3.04	0.47	15.55
JORDAN	2.85	1.46	1.39	94.80	4.91	2.48	1.43	1.42	99.05
CHINA	2.30	2.63	-0.32	-12.36	3.97	4.45	2.53	-0.23	-8.90
SYRIA	1.99	2.10	-0.11	-5.26	3.43	3.56	2.00	-0.01	-0.45
USA	1.71	1.46	0.25	16.78	2.94	2.48	1.55	0.16	10.02
JAPAN	1.62	1.40	0.23	16.32	2.80	2.36	1.42	0.20	14.07
TAIWAN	1.03	0.86	0.18	20.57	1.78	1.45	0.82	0.21	25.45
Total Exports	58.05	59.04	-0.99	-1.67			55.32	2.74	4.94

Except Re-export Volume

General Overview From Page 01

input costs and production pressures, the Government announced an additional Rs. 2.5 billion fertilizer support package for tea smallholders and growers in May. Reduced or delayed fertilizer application remains a concern as it can affect green-leaf availability and subsequently constrain made-tea production.

At the same time, labor availability and rising labor costs continued to affect the sector. The industry faced difficulties in retaining sufficient workers for plucking and other field operations, while the increase in plantation wages from January 2026 further increased production costs. Labor shortages can directly affect productivity, particularly in labor-intensive activities such as plucking, fertilizer application and field maintenance. For tea smallholders, the combined impact of higher fertilizer and labor costs, together with weaker returns, created additional financial pressure and could constrain investment in fertilizer application, field maintenance and replanting.

These production challenges were further compounded by weather

variability during the quarter. Dry conditions contributed to weaker production at the beginning of Q2, while periods of heavy rainfall subsequently affected several tea-growing regions. The combination of dry conditions, heavy rainfall and strong winds created difficulties for plucking, harvesting and other field operations. Such weather variability also has implications for tea yields and quality. In addition, the effects of Cyclone Ditwa from the previous year continued to influence production conditions during the first half of 2026.

The broader economic environment during the quarter was mixed. Sri Lanka's economic recovery continued, with real GDP growing by 5.1% year-on-year in Q1 2026. However, inflationary pressures increased during Q2, with Colombo Consumer Price Index-based inflation rising from 2.8% in April to 6.8% in June. Meanwhile, the merchandise trade deficit widened to US\$5.5 billion during January–June 2026, compared with US\$3.3 billion in the corresponding period of 2025. These conditions contributed to higher operating and input costs and added pressure on the tea sector, particularly at the production and export levels.

Global Tea Scenario

Global tea production showed a mixed performance during the second quarter of 2026, with most major producing countries recording growth compared with the corresponding period in 2025. North-East India remained the largest producer among the listed origins, with production increasing by 25,240 MT to 331,370 MT, while Kenya recorded a stronger absolute increase of 28,758 MT, reaching 155,832 MT. Bangladesh registered the highest percentage growth, with production rising by 32.2%. Rwanda also recorded a positive growth, while South India experienced a decline of 5,330 MT to 64,940 MT.

Similarly, Sri Lanka's tea production decreased by 1,963 MT (-2.7%), from 73,658 MT in Q2 2025 to 71,695 MT in Q2 2026, indicating a relatively moderate contraction compared with South India. Malawi recorded a marginal decline of 3.5%. Overall, the global tea supply environment during Q2 2026 was characterized by increased production in major origins such as North-East India, Kenya and Bangladesh, partly offset by declines in South India,

Sri Lanka and Malawi, suggesting relatively stronger supply conditions in several key producing regions compared with the previous year.

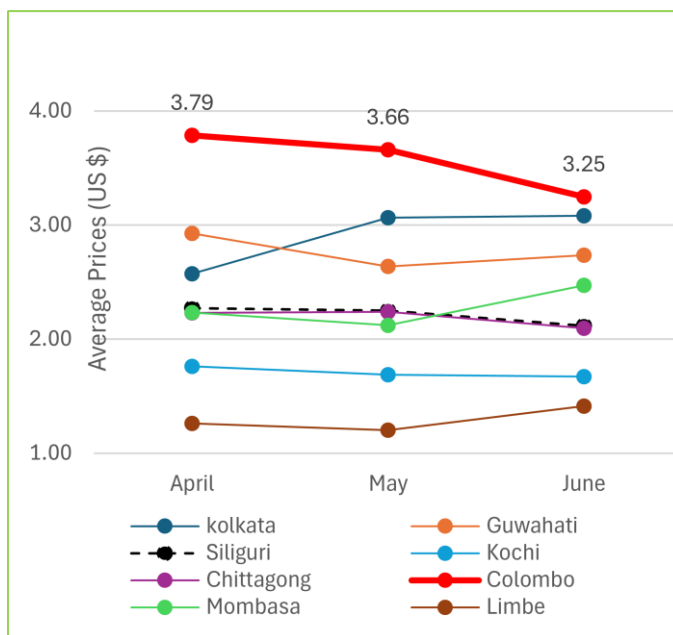
Table 13: Global Tea Production from April - June 2026/2025 (Units: Qty – MT)

Country	Q2 2026	Q2 2025	YoY Δ	YoY %
N E India	331370	306130	25240	8.2
Kenya*	155832	127074	28758	22.6
Sri Lanka	71695	73658	-1963	-2.7
South India	64940	70270	-5330	-7.6
Bangladesh	27398	20730	6668	32.2
Malawi	12899	13360	-461	-3.5
Rwanda	11778	10668	1110	10.4

* This represents the cumulative value for February, March, and April.

Figure 5 shows mixed movements in average tea prices across major international auction centers during April–June 2026. Colombo recorded the highest prices but declined from US\$3.79/kg in April to US\$3.25/kg in June. In contrast, Kolkata and Mombasa recorded strengthening trends, reaching US\$3.08/kg and US\$2.47/kg, respectively, in June. Guwahati showed a slight recovery after an initial decline, while Chittagong and Kochi recorded gradual decreases. Limbe remained the lowest-priced market despite a modest recovery to US\$1.43/kg in June. Overall, the quarter was marked by weakening Colombo prices, stronger prices in Kolkata and Mombasa, and stable-to-declining trends in most other auction centers.

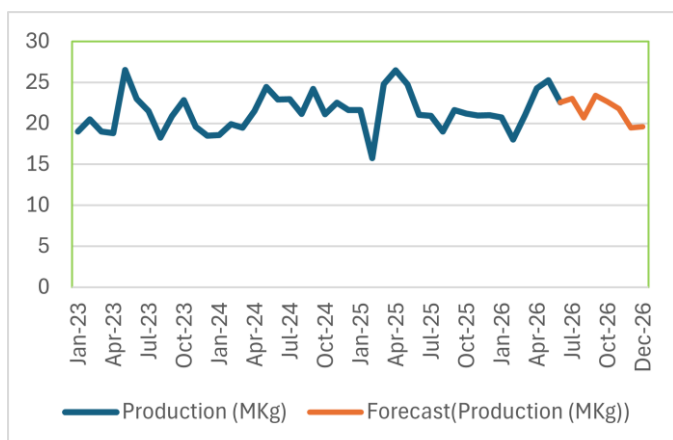
Figure 5: Average Auction Prices in Major Auction Centers during Second Quarter 2026



(Source: ITC)

Outlook for the next 6 Months

Based on the historical monthly production pattern from 2022 to 2025 and the production recorded during the first six months of 2026, the forecast indicates that Sri Lanka's tea production is expected to remain relatively stable during the second half of 2026, with monthly production estimated at approximately 19–24 MKg.



Production is projected to be comparatively higher during July–October, before moderating towards the latter part of the year. The forecast suggests that production may remain below the higher levels observed in some of the stronger production months in previous years. However, actual production will continue to depend on weather conditions, rainfall patterns, labor availability, fertilizer and other input availability, and field management practices. Therefore, the forecast should be considered an indicative estimate based on historical production patterns rather than a definitive production outcome.

Marketing Outlook:

The projected production pattern is likely to influence the availability of tea for auction and export during the second half of 2026. A relatively stable production level could support a steady flow of teas to the market; however, any significant reduction in production could tighten availability and place pressure on prices, particularly for sought-after grades and quality teas. At the same time, the marketing environment will continue to be influenced by international tea prices, demand in major export markets, freight and shipping costs, exchange-rate movements, geopolitical developments, and competition from other major tea-producing countries. In particular, disruptions to major maritime routes and higher logistics costs may continue to affect the competitiveness and delivery of Ceylon Tea in key markets. Exporters may therefore need to closely monitor market demand, destination-specific opportunities, product preferences, and value-added tea segments during the remainder of 2026.

Trade Fair Participation

HOTELEX Shanghai – China | 30 March–02 April

A leading hospitality and foodservice exhibition offering opportunities to connect with hotels, restaurants and industry buyers. Tea Tang (Pvt) Ltd, Millenium Teas (Pvt) Ltd and Shakyan Tea Valley (Pvt) Ltd (Small Scale) participated with SLTB.

SIAL Montreal – Canada | 29 April–01 May

An international food trade fair connecting exporters with buyers, importers and distributors in Canada and the wider North American market. Landster Lanka (Pvt) Ltd and Millenium Teas (Pvt) Ltd participated with SLTB.



Canton Fair, Guangzhou – China | 01–05 May

A major international trade fair providing opportunities to establish business contacts and explore new export markets. Millennium Teas (Pvt.) Ltd., Venture Teas (Pvt.) Ltd and Silk Route Ceylon Merchants (Pvt) Ltd (Small Scale) participated with SLTB.

Interfood Food Azerbaijan – Azerbaijan | 05–08 May

A major food and beverage exhibition providing opportunities to connect with buyers, importers and distributors in Azerbaijan and the wider region. Ceylon Tea Land (Pvt) Ltd and Basilur Tea (Pvt) Ltd participated with the support of SLTB.

SIAL Shanghai – China | 18–20 May

An international food and beverage exhibition providing a platform to promote Ceylon Tea and connect with potential buyers and business partners. TDK Trade Links (Pvt.) Ltd., Meezan & Co. (Pvt.) Ltd., Hedleys Tea (Pvt.) Ltd and Moragaha Ella Estates (Pvt) Ltd (Small Scale) participated with SLTB.

FAB West Africa – Lagos, Nigeria | 09–11 June

A regional food and beverage exhibition providing opportunities to establish trade contacts and expand the presence of Ceylon Tea in the West African market. Akbar Brothers (Pvt) Ltd participated to this event.

Food Taipei – Taiwan | 24–27 June

A major food and beverage exhibition offering opportunities to promote Ceylon Tea and develop business partnerships in the Taiwanese market. Basilur Tea Export (Pvt) Ltd, Tea Tang (Pvt) Ltd, Shan Teas (Pvt) Ltd, Alfa Exports (Pvt) Ltd, Stassen Exports (Pvt) Ltd and Saya International Tea & Food Exports (Pvt) Ltd participated with the support of SLTB.

Summer Fancy Food Show – New York, USA | 28–30 June

A leading specialty food exhibition providing opportunities to showcase premium and value-added Ceylon Tea products in the US market. Millenium Teas (Pvt) Ltd and Sindbad (Pvt) Ltd participated with SLTB.



News in Brief

INTERNATIONAL TEA DAY 2026 CELEBRATION

International Tea Day was celebrated on 21 May 2026 under the theme “Sustaining Tea – Supporting Communities,” highlighting the significant economic, social and cultural contribution of the tea industry and its importance to tea-growing communities worldwide.

In Sri Lanka, the Sri Lanka Tea Board, together with industry stakeholders, commemorated the occasion through the “Ceylon Tea Walk 2026.” Held on 21 May, the walk commenced at the Sri Lanka Tea Board Head Office in Kollupitiya and concluded at Galle Face Green. More than 1,000 participants representing different segments of the tea industry, including tea pluckers, plantation companies, factory owners, exporters, tea brokers, government representatives and industry partners, took part in the event.

The initiative brought together stakeholders across the tea value chain to recognize their contribution to the production, promotion and export of Pure Ceylon Tea. The celebrations also included an interactive tea experience and a special Ceylon Iced Tea promotion, highlighting the versatility, quality and global appeal of Ceylon Tea. The event served as a platform to raise awareness of the importance of sustaining the tea industry while recognizing the communities and stakeholders who contribute to its continued development.

CEYLON TEA MARKET OUTLOOK AMID MIDDLE EAST CONFLICT

Ceylon Tea has long been an important component of Sri Lanka’s trading relationship with the Middle East, with strong consumer preference for its bold flavor, particularly low-grown teas. In 2025, Iraq, Türkiye, the UAE and Libya were among Sri Lanka’s top five tea export markets by value. Although tea exports began strongly in January 2026, recording 8.11% year-on-year growth to US\$121.84 million, the outbreak of conflict in the Middle East has created significant uncertainty. Disruptions to major transit hubs and trade routes, including Dubai and Doha, have affected shipments, while Sri Lanka’s tea-for-oil arrangement with Iran has also become increasingly difficult to implement. Industry stakeholders estimate revenue losses from the prevailing instability at around US\$10–15 million per week, with some shipments reportedly delayed or stranded at interim ports.

The crisis has highlighted the vulnerability arising from Sri Lanka’s reliance on export markets exposed to political and economic instability, including Russia, Iran, Türkiye and Ukraine. Against this backdrop, diversifying Ceylon Tea’s market base towards politically and economically stable economies has become increasingly important. A comprehensive market study and targeted marketing strategy could support the expansion of Ceylon Tea into non-traditional markets, while growing global health consciousness could be leveraged by promoting tea’s health-related attributes. The situation underscores the need for policymakers and industry stakeholders to adopt pragmatic, market-oriented and forward-looking strategies to strengthen the long-term sustainability and competitiveness of the Ceylon Tea industry.

(Source: Daily ft)

Research Updates

Tea Consumption and Cardiovascular Health

Tea is one of the most widely consumed beverages worldwide and is increasingly being studied for its potential role in maintaining cardiovascular health. Unlike many popular hot beverages, tea contains naturally occurring compounds such as polyphenols, flavonoids and other antioxidants that may contribute to its beneficial effects on the cardiovascular system. Recent research has provided further evidence of an association between regular tea consumption and a lower risk of cardiovascular disease (CVD).

A study published in 2024 examined the long-term consumption of six commonly consumed beverages, including tea, coffee, sugar-sweetened beverages, artificially sweetened beverages, fruit juice and alcohol, in relation to cardiovascular mortality. Based on 20 prospective studies, the researchers found that higher long-term tea consumption was associated with a lower risk of death from cardiovascular disease, with a pooled hazard ratio of 0.81 compared with lower tea consumption. This indicates an approximately 19% lower relative risk of cardiovascular mortality among people in the higher tea-consumption categories. The study also found that the relationship varied among different types of beverages, highlighting the importance of beverage choice in long-term cardiovascular health.

Further evidence comes from a review of 38 prospective cohort datasets involving approximately 1.96 million participants. The study found that people with higher tea consumption had a lower risk of cardiovascular-disease mortality compared with those in the lowest consumption categories. The researchers reported a pooled effect estimate of 0.86 for cardiovascular mortality and observed that moderate tea consumption, around 1.5–2 cups per day, was associated with favorable outcomes. However, the researchers emphasized that these findings demonstrate an association rather than proving that tea directly prevents cardiovascular disease.

The potential cardiovascular benefits of tea may be related to its high content of polyphenolic compounds. These compounds have been investigated for their possible effects on oxidative stress, inflammation and vascular function. Tea also generally provides fewer calories than many sweetened beverages when consumed without added sugar. Recent evidence further suggests that the way tea is consumed may be important. A large 2025 UK Biobank study involving 177,810 participants found that unsweetened tea consumption was associated with a lower incidence of cardiovascular disease, including coronary artery disease, stroke and heart failure, whereas similar protective associations were not observed for sugar-sweetened or artificially sweetened tea.

Overall, recent research suggests that regular, particularly unsweetened, tea consumption may form part of a dietary pattern associated with better cardiovascular health. Tea should not, however, be considered a treatment or a substitute for medical care, medication, physical activity or a balanced diet. The available evidence is largely based on observational studies, meaning that other lifestyle and dietary factors may also contribute to the observed associations. Nevertheless, the growing body of research provides a scientific basis for considering tea as a potentially favorable beverage choice in the context of cardiovascular health.



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