

in Panama have registered an average growth of 4% since 2010 in line with the whole of the Central American region, but with lower growth than that of its direct competitors [3].

It should be noted that the domestic tourism in Panama has a serious and sustained lack of data, which in fact prevents knowledge of the volume, habits, tourist spending and evolution of this market, which is key for many destinations in Panama. The latest (and only) data on tourism by Panamanians within the country are those included in the calculations necessary for the construction of the Tourism Satellite Accounts<sup>3</sup>, and refer to the year 2013, although they do not allow valid conclusions to be made for planning or marketing, since they do not describe the traveler in detail.

In conclusion, it is observed that the Panamanian tourism sector is at a key strategic crossroads. If the classic tool of the life cycle curve is applied, it can be noticed that it is time for a reactivation of the sector, to prevent it from falling into decline or stagnation.

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## THE TRENDS AND SPECIFIC OF THE WORLD TEA MARKET

Tea is the most widespread beverage across the world, consumed by almost all age groups. Tea contains antioxidants which prevent diseases and promote good health. Lately, green tea has gained popularity due to its anti-aging properties for skin. In this article, we will consider the current state, trends and features of the development of the global tea market.

Tea market has been categorized into leaf tea and CTC tea (Crush, Tear, and Curl). While in the CTC method, the tea leaves are processed through machines and it is less

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<sup>3</sup> Are supplementary statistics that allow analysis of a particular aspect of the economy, such as spending on travel and tourism.

time consuming, leaf tea process comprises harvesting & processing by hand. As a result, leaf tea is more expensive and is of superior quality.

Among the trends of the global tea market, the following ones stand out:

- global tea consumption is growing (except for a slight decline in 2020 due to COVID-19), narrowing the gap between tea and coffee consumption outside the home;
- the growth of the tea market is driven by the healthy lifestyle trend followed by more and more consumers;
- the global development of coffee shop chains also has a positive effect on the increase in the number of tea shops around the world;
- in most countries of the world there is a shift in demand towards medium and more expensive varieties of tea.

Therefore, tea is produced in a lot of countries. China is one of the largest tea making countries that produces non-fermented tea (Green tea), semi-fermented tea (White, Yellow and Oolong tea) and fermented tea (Red Tea and Puer).

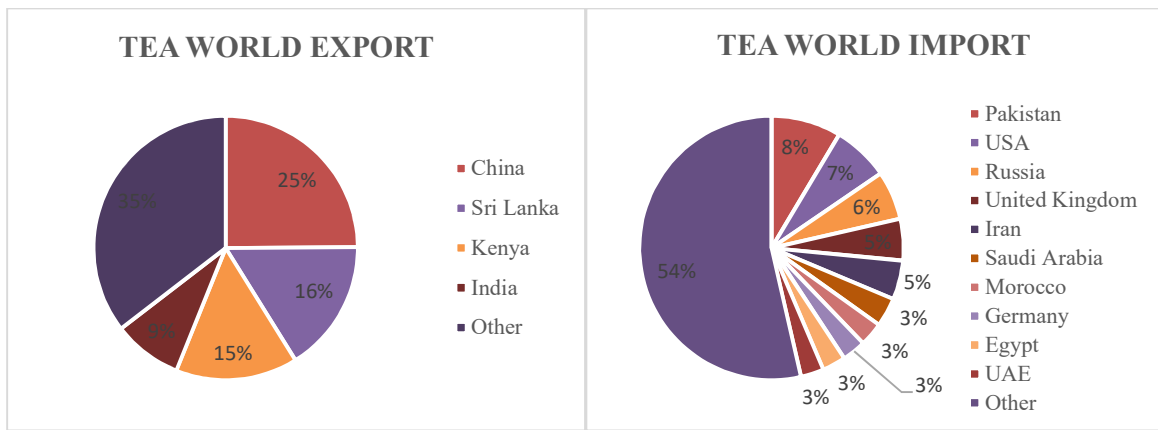
The annual production of tea in the world is about 6.1 million tons [1]. According to experts, tea production will grow and by 2025 will increase by 14.7% compared to 2021 up to 7.0 million tons. Most production of tea and the largest areas under tea planting belong to China and India respectively. In 2021 China and India produced 4.3 million tons (70,5%). China and India mainly consume tea domestically, while tea consumption in Kenya and Sri Lanka is limited, since most of it is exported.

A lot of tea is consumed in British countries such as Ireland and United Kingdom, and also in the countries where tea is produced. In USA and European countries, the consumption of tea is lower than that of coffee. In Japan, the consumption of tea is only 760 g per head a year (approximately one third of coffee).

Global tea imports totaled \$6.7 billion in 2020, having decreased by 2.1% in value terms compared to 2016 (an average annual decline rate of 0.5%). At the same time, in physical terms, world imports in 2020 increased by 0.4% compared to 2016 and amounted to 1,909.9 thousand tons (an average annual growth rate of 0.1%). In the structure of tea import, the leading positions belong to Pakistan (8,5%), USA (6,9%) and Russia (6%).

Global tea exports totaled \$7.9 billion or 2,086.6 thousand tons in 2020, having increased by USD 493.5 million or 22.5 thousand tons compared to 2016 [1]. During this period, tea exports increased by 6.7% in value terms (average annual growth rate – 1.6%) and by 1.1% in physical terms (average annual growth rate – 0.3%). In 2020, the Top 5 tea exporters included China (25.8%), Sri Lanka (16.9%), Kenya (15.5%), India (8.8%) and Poland (3.4%).

After the coronavirus outbreak in China, tea exports have become slower and costs have increased. The slowdown in market growth is attributed to disruptions in supply chains. Moreover, some countries have had to stop tea production and processing due to isolation and social distancing; during the pandemic, consumer demand has largely shifted towards healthier beverages such as green tea and flavonoid-rich teas. The epidemic has also complicated international logistics. Thus, Chinese tea export is much slower, and export costs have increased.



**Pic. 1 – Share of countries in world tea trade in value terms, 2020, %**

Note - Source: proprietary development.

In 2020, global tea consumption was estimated at 5.8 million tons, equivalent to \$48.2 billion. Throughout the period under review, except for 2020, the world tea market in value terms had a positive trend with an average annual growth rate of 2.7%. In 2025, the tea market is forecast to be \$63.2 billion, up 31.2% from 2020.

In the structure of the world tea market in 2020, the largest share (45.3%) was traditionally occupied by red tea; at the end of the year, the volume of red tea consumption amounted to 2.6 million tons. The volume of the green tea market amounted to 2.1 million tons with a share of 36.8%. The share of tea varieties such as oolong and fruit / herbal tea in 2020 was 4.6% and 4.5% respectively [2].

In recent years, tea tourism has become more and more popular. Visiting the tea plantations of the country, the guests of China have the opportunity to learn all the subtleties and secrets of making the famous Chinese tea, get to know and taste its most popular varieties [2].

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