

**FACTORS AFFECTING ON CEYLON TEA
EXPORTATION TO MIDDLE EAST AND NORTH
AFRICAN REGIONAL COUNTRIES**

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“FACTORS AFFECTING ON CEYLON TEA EXPORTATION TO MIDDLE EAST AND NORTH AFRICAN REGIONAL COUNTRIES”

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Sri Lanka may be a small island but it is a major player in the global tea industry. The country is the largest producer and exporter of the orthodox black tea in the world. In 2013 Sri Lanka produced 340 Million kg of tea accounting for approximately 8.5% of the global tea production. The traditional markets in Middle East and North Africa absorb over 50% of Ceylon tea exports volume annually. Middle East and North Africa Region Countries such as Iran, Turkey, Iraq, Syria, Kuwait, UAE, Jordan, Libya, Saudi Arabiya, Lebanon, and Egypt have maintained its position as the largest market for Ceylon tea especially for Low grown leafy grade. “Middle East and North Africa Tea Import Markets are moving away from Ceylon tea export markets to other tea exporting markets so the research was aimed to study of the factors that affect on Ceylon tea exportation to Middle East and North African regional countries and to find out the solution strategies to overcome the problems. Data collection for the purpose of this study was done through a questionnaire survey. 40 exporting companies to Middle East and North Africa regional countries were selected using simple random sampling technique. Respondents were interviewed using pre tested structured questionnaire. Multiple linear regression was used to find out the relationship between Ceylon tea export volume to Middle East and North Africa region and other explanatory variables. According to the multiple linear regression test, concern on quality of tea, availability of finance and competitors’ activity were significant at $p = 0.01$ and promotional activity, trade agreement and concern on price of tea were significant at $p=0.05$. Every companies have to pay attention on the significantly affecting factors such as promotional activity, trade agreement, concern on quality of tea, concern on price of tea, competitors’ activities, and availability of finance also they have to try to increase the export quantity.

Keywords: Tea Exportation, Ceylon Tea, Middle East and North Africa Region