

## **Module -04: World trade in spices: present status**

### **4. Introduction**

Spices exports have registered substantial growth during the last five years, registering an annual average growth rate of 21% in value and 8% in quantity and India commands a formidable position in the World Spice Trade. The current annual global trade in spices is 6–7 lakh tones valued at US\$3–3.5 billion. The value of the spice trade is particularly dependent on pepper prices as pepper remains the main spice in international trade. The global spice trade is expected to increase with the growing consumer demand in importing countries for more exotic, ethnic tastes in food. In the UK, for example, spice imports have increased by 27% in the last five years, mainly through the growth in cinnamon, cloves, garlic and seed spices. About 85% of spices are traded internationally in whole form, with importing countries processing and packaging the final product for the food industry and the retail market.

The trade in processed and value-added spice ingredients is, however, growing rapidly as importers look for cheaper global sourcing of spice products and exporting businesses develop the appropriate technologies and quality systems. There is limited competition from synthetic products, with the exception of vanilla, particularly given consumer preferences for ‘natural’ ingredients in food products.

#### **4.1 World Trade Spices Scenario**

The USA is the biggest importer of spice products, followed by Germany and Japan. The European Union has the largest imports of spices in value terms, worth US\$2.2 billion and consisting of:

1. 44% retail sales to consumer
2. 41% sales to the food manufacturing sector
3. 15% to the catering sector

The total consumption of spices in 1993 was 16,545 tones (with a per capita consumption of 290 grams), of which more than 50% was black pepper. The main market is the retail sector with over 100 million consumer packs of spices sold in 1993, valued at US\$150 million. The catering market in 1993 was worth US\$20–25 million. Other major importing regions are the Middle East and North Africa, whilst there are growing markets in other countries. In South Africa, the annual spice trade is worth US\$94 million.

The total estimated export of Spices from the country during 2011-12 has crossed US\$ 2000 Million mark. During this period a total of 5, 75,270 tons of spices and spice products valued Rs.9783.42 crore (US\$2037.76 Million) has been exported as against 5, 25,750 tons valued Rs.6840.70 crore (US\$ 1502.85 Million) in 2010-11, registering an increase of 9% in quantity and 43% in rupee terms of value. The total export of spices during 2011-12 has also exceeded the target in terms of both quantity and value.

### SUGGESTED READINGS

- Green, C., *Export development of essential oils and spices by Cambodia*. 2002. The International Trade Centre, Geneva [SSA-2001-468] and The Ministry of Commerce, Kingdom of Cambodia. p. 100.
- [http://www.just.fgov.be/mopdf/2002/03/26\\_2.pdf](http://www.just.fgov.be/mopdf/2002/03/26_2.pdf)
- International Classification for Standards, 2005, Sixth edition, ISBN 92-67-10405
- UNCTAD/WTO, I.T.C., *Global Spice Markets: Imports 1996-2000*. 2002, ITC: Geneva. p.80.

