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# Geographical Indication "Ceylon Tea": A Collective Response to the Crises Faced by Sri Lanka's Tea Sector?

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## Résumé

In April 2022, the Central Bank of Sri Lanka announced a suspension of external debt repayments, marking the country's first-ever default and exposing an economic crisis that had been brewing for months. Following this event, Sri Lanka plunged into a severe economic crisis characterized by currency depreciation, heightened inflation, and dwindling foreign reserves, leading to shortages of essential goods like fuel, medicine, gas, chemical inputs, and foodstuffs. This economic downturn heavily impacted the agricultural sector and the Ceylon tea industry was not spared. Contributing 11% of merchandise export earnings in 2023-equivalent to \$1.3 billion annually - tea is a critical component of Sri Lanka's economy. The sector faced additional strain as it is a major source of foreign exchange in a context of rupee instability. Despite measures introduced by public authorities, every segment of the industry was affected, highlighting structural linked to a dual dependency: on imported chemical fertilizers for production on the one hand, and on the configuration of international markets for exports on the other hand.

In this context, the project to establish a geographical indication (GI) for Ceylon tea, spearheaded by the Sri Lanka Tea Board and involving all stakeholders in the sector, emerged as a potential tool for collective solutions. Defining the specific quality of Ceylon tea based on its origin presented two practical challenges: reconnecting production with its territory (in its environmental, social, and economic dimensions) and protecting the product's name in export markets, particularly regarding long-standing debates over bulk exports versus value addition. This presentation aims to clarify the GI's difficulties in aligning these two dimensions as organizing principles for a collective response to the structural challenges of the Ceylon tea sector.

First, we will outline the challenges faced by the Ceylon tea sector, which the negotiations surrounding the GI specifications sought to address. In terms of production, tea cultivation is heavily reliant on external inputs to combat declining soil fertility, directly affecting annual production levels and intensifying competition among processing factories for adequate supplies.

Next, we will present the participatory process of GI development: the actors involved, the

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methods employed, the various phases of the project, and the outcomes from a territorial and value-creation perspective. In a context of significant supply shocks, the negotiations over the GI specifications served, if not as an industry-wide planning opportunity, then at least as a framework for addressing structural challenges. We will focus on export and packaging issues as well as production practices, which have resulted in rules with varying levels of ambition.

Finally, we will critically examine this process through three theoretical concepts. First, **territorialization/deterritorialization**, particularly concerning domestic packaging and soil fertility. Second, **commodification/de-commodification**, in terms of differentiation strategies, premiumization, and market segmentation promoted by export actors. Third, **embedding/disembedding** to better understand the disconnect between productive activities, the territory, and the distribution of added value.

**Mots-Clés:** Ceylon tea, collective action, specifications