MIDDLE EAST

SHIFT TO MODERN COFFEE TIMES

ONE OF THE OLDEST COFFEE CULTURES IN THE WORLD IS EXPERIENCING A REVIVAL, AND INCREASED CONSUMPTION AS A RESULT.

Clean Conveying

- Dust-Free Enclosed System – No Filters!
- Gentle Handling – Less Breakage!
- Energy-efficient
- Low Decibels – Quiet!
- Minimal Footprint
- Clean-in-Place Options

(641) 673-8451
www.cablevey.com

Gentle Handling – Less Breakage!
Energy-efficient
Low Decibels – Quiet!
Minimal Footprint
Clean-in-Place Options

Ground Coffee
Green Coffee
Roasted Coffee

Cablevey is a registered trademark of Intraco, Inc. 06/2013
Coffee-drinking culture originates in the Middle East, dating back 800 years.

At the recent GulFood trade fair – one of the largest food and hospitality shows in the world with around 4000 exhibitors – long queues formed whenever a stand put on a coffee brewing session. The crowd of Middle Eastern consumers that dominated the GulFood audience drew in record 87,000 visitors.

“I really am impressed by the level of knowledge of coffee found in these countries. The Middle East, and Dubai in particular, really is an amazing market and a very competitive market. Even if you stay in the office without doing anything at all, you’ll still have at least 10 per cent growth a year,” says Remi Rouchon of French roasters Malongo Café. “If you do something and work on your business you should see growth rates of at least 30 per cent a year.”

That growth is spread throughout the region. Thanks to Dubai, the UAE is rapidly becoming one of the top countries that imports green coffee and re-exports it as roasted. “Dubai is the biggest hub for connecting the East and West. It has one of the best ports in the world and it’s the financial centre of the Middle East,” says Al Mulla. Local industry figures put the UAE as the 46th biggest country for re-exporting coffee.

Since the end of the Cold War, importing countries have earned a combined average of US$5.5 billion a year from re-exporting 24.2 million 60-kilogram bags of coffee, according to the International Coffee Organizations (ICO). This compares to an average of US$80 million from 1965 to 1989. The world’s largest re-exporter is Germany, followed by Belgium, the United States and Italy.

In a 2013 report, the ICO said that both the value and volume of re-exports increased significantly during the free market period, and considerably over the last few years. For 2012, total value was estimated at around US$147 billion, compared to $2.4 billion in 2000. In general, the ICO said that: “re-exporting activities in importing countries have shown consistent growth over the last 30 years.”

The UAE, and most other countries in the Middle East region, are not included in ICO figures as non-member countries, making it challenging to source comparable data. Countries that are covered, however, leave little doubt that a coffee boom is widespread in the Middle East.

“There are so many coffee shops and coffee chains in Turkey today, even Turkish coffee shop chains,” says Aysem Aydogdu, a coffee roaster based in Turkey. She got into coffee straight out of college, and today works with eight micro roasteries to help them improve the quality of coffee, and introduce Western espresso-based coffee into the market. She says that while many Turks still drink Turkish coffee, the local market has been quick to embrace lattes and cappuccinos.

“In the last three years we have seen a really big change in the local market. We have always been drinking coffee in Turkey, but for many years we forgot about our traditions, and it wasn’t until Starbucks came that people even knew about these different styles,” she says. The first Starbucks opened in the UAE in 1999, and both local and foreign-owned coffee shops have followed, including Café Nero, Caribou, Costa Coffee and Australia’s Jones Coffee Bar, among others.

In the last four years, Turkey has doubled its green coffee imports to 500,000 bags in the 2013-14 crop cycle, from just 275,000 bags in 2009-10, according to the US Department of Agriculture (USDA). The group pegs total consumption for the core Middle East region of Iran, Jordan, Yemen and Turkey at 1.32 million bags. Comparative figures were not available.
“At this point, most of the coffee we import is from neighbouring countries and it’s already roasted. But we have a lot of potential for industrial roasting and we have a lot of interest from roasters to come and set up business,” says one coffee trader from Tehran, who distributes coffee and machinery to coffee shops across Iran and Iraq. Total consumption in Iran today is around 250,000 bags. No figures are available from Iraq.

“Jordan is one of the biggest markets here. You see a lot of different styles in coffee shops set-ups, with some offering customers up to 16 different blends to choose from. In Lebanon, you have coffee shops generally offering a standard 6 – 8 different blends on the shops and the level of choice is what is driving volumes up,” says one official from Swiss grinder manufacturer Ditting.

Coffee markets are reportedly growing across the region, although it’s challenging to obtain figures to confirm this growth. The fact that the USDA today has added figures from Jordan, Yemen, Morocco and Algeria is a good measure of the market potential.

Smaller markets are Syria and Yemen, which consume each around 150,000 bags. Jordan consumes a healthy 450,000 bags. Key markets are Morocco at around 700,000 bags, and Algeria which, according to the ICO, has seen demand rise to almost 2.4 million bags from around 1.7 million less than a decade.

“Algeria has a very large demand which mostly is being supplied through France, and new countries are starting to come along like Qatar and Bahrain,” says the official from Ditting.

“Now the market is starting to pick up in Bahrain, and it’s a market of quality here in the Gulf region, even if we are only a market of about 1 million people,” says Abdul Khaliq Milad, of Bahrain’s Tasneem Trading company, which primarily imports coffee and food products.

Bahrain, he says, has “no good official statistics”, but local industry officials estimate the per capita consumption in 2010 was around 2 kilograms a year, compared to around 4.6 kilograms for Dubai.

“We are planning to establish a coffee club where normal people and specialists alike can visit and get knowledge about coffee culture, training in preparing coffee and can enjoy an excellent final cup,” says Khaliq Milad. He is also looking to hold the first Barista championships in Bahrain, another strong indication that specialty coffee culture is starting to take hold of this region showing ample potential.

Consumption is on the rise, with the USDA starting to keep track of figures in Jordan, Yemen, Morocco and Algeria.