

# Market Development

## MARKET BRIEF ON CARDAMON

Overview of the world market  
1995

# ITC



INTERNATIONAL TRADE CENTRE UNCTAD/WTO

## Cardamom - Overview of the world market

This market brief provides a brief description of the market for cardamom with special emphasis on the Saudi Arabian and Jordanian markets.

### Product description

SITC(3)	075.25	Nutmeg, mace and cardamom.
HS	0908.30	Cardamoms, whether or not crushed or ground.

### Major suppliers

Guatemala and India are the world largest producers of cardamom. Guatemala produces between 13,000 to 15,000 tons of cardamom per annum for exports and dominates the world market. India, with a production level of about 5,000 to 7,000 tons, is not a major exporter because of its strong domestic demand. Honduras, Papua New Guinea, Sri Lanka and Tanzania also supply the world market, albeit in small quantities.

### World demand

Accurate figures of total world imports are difficult to obtain as official trade statistics usually classify cardamom with other spices such as nutmeg and mace. However, based on recent import trends of major markets, world demand is estimated to be between 10,000 and 12,000 tons per annum.

### Market characteristics

The Middle East is the major market for cardamom in the world. The main importer is Saudi Arabia which takes in approximately 85% of Guatemalan cardamom exports, followed by Kuwait and Jordan, each with an annual consumption of an estimated 400-500 tons.

There is an overwhelming preference for green cardamom and quality requirements as to size, uniformity of colour, and percentage of broken capsules are carefully analysed from samples by importers before placing an order.

Cardamom is used to spice coffee to make gahwa, a traditional beverage in the Middle East. It is also used as a spice in various cuisines, to spice bread and pastries, as well as confectionery.

There is no production of cardamom in Saudi Arabia which is a net importer of the spice. An estimated 70% of imports are consumed as cardamom coffee; the balance is used in the preparation of sweets and confectionery mainly by the indigenous population and immigrants of South Asian origin who form a significant population subgroup.

Consumer demand for cardamom peaks during the Hajj period, in addition, hundreds of pilgrims purchase large quantities of cardamom to take back to their home countries.

Official import statistics for cardamom into Saudi Arabia for the period 1990-1994 are given below. Imports in 1993 and 1994 declined partly due to the stocks accumulated

in the previous years not only by Saudi Arabian importers but also by other importing countries in the region, such as Jordan and Kuwait, as well as to the increase in unit price.

Saudi Arabia: imports of cardamom, 1990-1994		
Year	Metric tons	Saudi Riyals '000
1990	6,091	121,758
1991	6,639	111,948
1992	6,000	137,306
1993	3,853	89,845
1994	2,709	62,555

Source: Saudi Chambers Council.

Jordan does not produce cardamom and demand is met through imports from its principal suppliers: Guatemala and Honduras. According to the trade, a major share of cardamom imports is re-exported to Saudi Arabia through the "Transit Area" at Aqaba port; this is not entirely reflected in national trade statistics, however. Based on available data for imports and re-exports, the apparent annual domestic consumption of cardamom in Jordan is estimated at 400 to 500 tons. This level has more or less been maintained over the past few years (see table below).

Jordanian trade in cardamoms, 1988 - 1993				
Q: Kg V: Dinars	Imports		Re-exports	
	Q	V	Q	V
1988	563,320	597,991	n.a.	n.a.
1989	291,335	328,109	41,940	40,826
1990	55,995	127,555	41,790	122,381
1991	426,117	747,109	45,800	74,700
1992	180,500	460,369	43,700	58,400
1993	419,980	1,134,228	23,200	60,760

Source: External Trade Statistics Bulletin, Department of Statistics, Amman.

Based on estimates of 1993 data, other markets include Singapore, the Netherlands, Germany, USA, Japan, the United Kingdom, Hong Kong, Pakistan and India.

### Prices

World market prices for cardamom are stable and largely a function of market conditions in the Middle East. ITC's Market News Service (MNS) provides weekly price information on spices, including cardamoms. Prices for selected Middle Eastern markets available at the time of publication (20 April 1995) are given below.

### Market access

Imports of cardamom are exempt from duty in the Saudi Arabian market; there are no quantitative or sanitary regulations applied to this product.

Cardamom has been classified under item No. 9/8/B of the customs tariff schedule of Jordan at a rate of 150 fils net per kg. The product should comply with the Jordanian standard specifications, details of which are available from the Ministry of Industry and Trade of Jordan.

Cardamom is imported duty free into Kuwait. There are no quantitative or other restrictions.

## **Distribution channels**

In Saudi Arabia, specialised importers of spices, tea and coffee handle 90% of imports and trade in cardamom. The largest among those importers are located in the main cities of Jeddah, Riyadh, Dammam, and Mecca where they carry out distribution, wholesaling and in many occasions, even retailing. In rural areas, the wholesaler is the main link buying from those importers and transporting by road to smaller towns, villages and oases. Jeddah is the main port, commercial capital and distribution centre for the western and part of the central regions. Dammam is the distribution centre for the eastern and part of central regions.

The main port of entry is Jeddah. Importers buy on a CIF basis. Purchases are always made on the basis of samples with the importers carefully evaluating the intensity and uniformity of the green colour, size, freedom from blemishes and the percentage of immature and broken capsules. Prices increase on average by 2-3% from the port to importers' warehouses, and then a 20% margin is reserved for wholesalers and another 20% for the retail trade.

In Jordan, cardamom is imported through specialized importers of spices who are also wholesalers and distributors. Retailers buy in bulk and sell to consumers in loose quantities. The port of entry is Aqaba.

In Kuwait there are a small number of specialized importers of spices, tea, and coffee who control the market for cardamom, handling importing and distributing to wholesalers, who in turn supply the traditional retail outlets - the small souk stores which account for approximately 80% of sales at the retail level. Some cardamom is now sold in consumer packs of 50 g, 100 g and 250 g through department stores and supermarkets. Cardamom is usually measured sold at the retail level in loose form. Quotations are on a CIF basis and payment is through a letter of credit. Delivery of cardamom to importers' warehouse adds 2-3% to the CIF price. Other trade margins are: importer (5-10%); wholesaler (5-10%), and retailer (10-15%).

Exporters are recommended to contact trade organizations in Saudi Arabia, Jordan and Kuwait listed under Useful addresses for information on importers.

## **Packaging and commercial practices**

Cardamom is imported in cartons and is retailed in packs of 250 gm or in loose quantities in kg. Importers rely on their own experience to analyze samples and assess quality. Imports normally come through the ports of Jeddah (Saudi Arabia) and Aqaba (Jordan) on a freight, CIF or FOB basis. Payments are usually through an irrevocable confirmed L/C, D/A/P or D/A.

Cardamom prices - 20 April 1995

Market	Origin	CIF Price
United Arab Emirates	Guatemala	Jumbo 11.20
	"	Large green 8.50
	"	Medium green 7.00
	"	Small 5.25
	"	Open pod 4.00
Saudi Arabia	Guatemala	Trope x1 8.50
	"	Trope x2 7.00
	"	Trope x3 6.00
	"	Taicun 7.00
	"	Ruxun 6.50
	"	Akil 5.50
	"	Cabil 4.70
	"	Maxe II 4.50
	Sri Lanka	Jumbo extra green 16.55
Qatar	Guatemala	Jumbo 9.25
	"	Medium 8.00
	"	Small open pod 6.75
Bahrain	Guatemala	Jumbo green 8.65
	"	Royal green 8.30
	"	Large green 7.15
	"	Medium green 6.15
	"	Small green pod 5.00
	"	Green open pod 4.50
	"	Yellow open pod 4.20
Kuwait	Guatemala	Jumbo green 8.00
	"	Medium green 5.00
	"	Small peeled 3.50

Source: ITC Market News Service, Geneva.

## Useful addresses

### Saudi Arabia

Riyadh Chamber of Commerce &  
Industry  
PO Box 596  
Riyadh 11421  
Tel: (966 1) 404 0044  
Fax: (966 1) 402 1103

Eastern Province Chamber of  
Commerce & Industry  
PO Box 719  
Dammam 31421  
Tel: (966 3) 857 111  
Fax: (966 3) 857 0607

Jeddah Chamber of Commerce and  
Industry  
PO Box 1264  
Jeddah 21431  
Tel: (966 2) 651 5111  
Fax: (966 2) 651 7373

### Jordan

Federation of Jordanian  
Chambers of Commerce  
Al Shemsani Street  
PO Box 7029  
Amman 11118

Tel: (962 6) 665 492  
Fax: (962 6) 68 5997

Amman Chamber of Commerce  
Abdelhamid Sharaf Street  
PO Box 287  
Amman 11118  
Tel: (962 6) 666 151  
Fax: (962 6) 666 155

### Kuwait

Kuwait Chamber of Commerce &  
& Industry (KCCI)  
Foreign Relations Department  
Ali Salem Street  
PO Box 775 Safat  
13008 Kuwait  
Tel: (965) 2433 854  
Fax: (965) 243 3858

Ministry of Commerce and Industry  
Foreign Trade Relations Department  
Mergap  
PO Box 2944 Safat  
13030 Kuwait  
Tel: (965) 246 3600  
Fax: (965) 246 2798

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*This market brief has not been formally edited by ITC.*