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Tahini and Halawa are not just random Lebanese products, they are symbols of the Lebanese culinary culture. These products are in the pantry of every Lebanese home and every Lebanese restaurant. Locals even rate a restaurant based on the quality of its hummus, which is a traditional Lebanese mezze whose main components are Tahini and chickpeas.

Tahini is basically a paste made from ground sesame seeds while Halawa is around a 50/50 combination of Tahini and sugar. Also added to the Halawa is the imported root extract of a plant called "Saponaria", more commonly known as "shirsh el halawa" in Arabic. The Saponaria root is boiled in water to get the extract and then sugar and citric acid are added to get the consistency of a fluffy meringue. The process of making Halawa is a craftsmanship in its own right and that's why its making is not left in the hands of machines but rather in the hands of a Halawa connoisseur. In Lebanon, several varieties of Halawa are offered: Halawa with chocolate, with pistachios and a sugar-free Halawa.

For the manufacturers of Tahini and Halawa, Halawa represents only 10% of their total production, in terms of volume. In fact, Halawa is a by-product of Tahini and it is a final good as opposed to Tahini which is an intermediary good and which enters in the making of many other dishes, sauces and dressings, both sweet and savory.

Tahini and Halawa however go beyond being just culinary symbols, they represent the Lebanese's business acumen and success. The Lebanese manufacturers of Tahini and its byproducts offer the ideal bright spot in a dark economic picture with their achievements so far and their potential going forward.

The local Tahini and Halawa market is home to well-established factories going back many decades and successfully passing on the legacy from one generation to the next. The industry houses big names, it's simply brand awareness that varies from one region to another. Consumers in the Metn area are more familiar with the brand of Al-Kanater, in Saida the Bsati brand is the most reputed, in Jbeil, Chahine is the strongest, while in the Bekaa consumers tend to pick up the Yaman products off the shelves.

There are also Tahini and Halawa manufacturers that produce for big brand names. Al-Nakhil Co. is actually the producer of Tahini and Halawa for other big brands such as Mechaalany, Spinneys and Gardenia etc.

As these big industry names grew, some held on to the traditional manufacturing process while others opted for automation. However, regardless of the adopted technique, all the market players were keen on the fact that they do not compromise on quality. The Lebanese Tahini is free of titanium oxide which is used as a bleacher, it is 100% made of premium sesame and it is not mixed with cheaper oils such as peanut or vegetable oil. 100 tons of sesame yield around 80 tons of Tahini.

The traditional tahini-making process entails the weeding out of dark or imperfect sesame seeds, the soaking of the sesame seeds in salt water and that helps achieve two things: pushing the impurities and the dirt to the bottom and making the peeling process easier. The seeds that are floating on the surface of the water are then collected, peeled and washed in sweet water. The next step is the roasting of the seeds after which comes the stone-grinding which brings out the oil in the sesame and turns it into a paste.

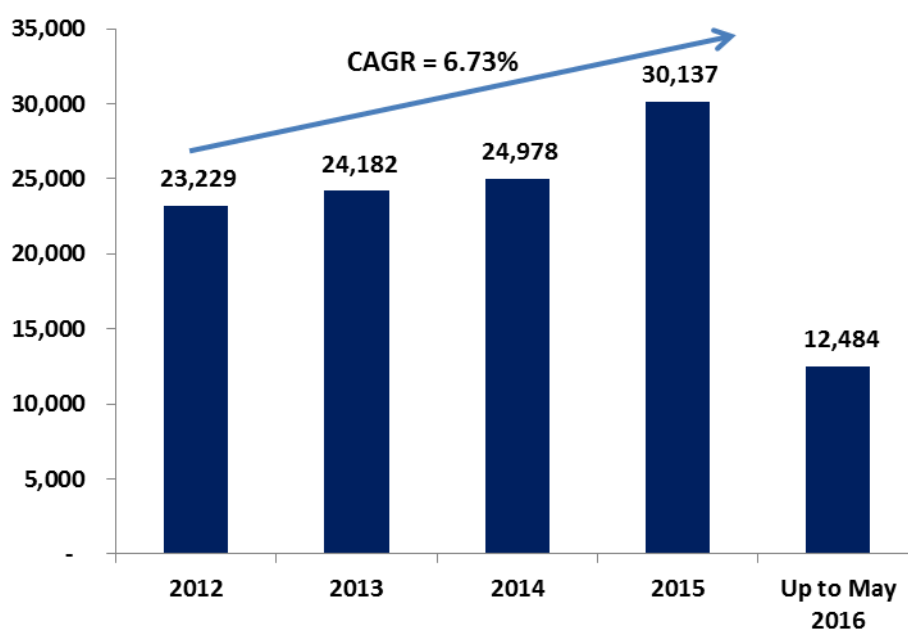
The fully automated process in its essence relies on the same steps followed in the traditional way. However, all of the tasks are handled by machines and that greatly reduces the need for labor. The full automation can represent an investment of around 2 million dollars. The machines handle the mingling and de-stoning. Instead of the salt water process, the automated process relies on a gravity separation which is an industrial technique to separate the sesame seeds from any impurities. The sesame then enters a washing machine, then a drying machine then a roaster. The roasted sesame is cleaned once again before being put under a color sorter. The color sorter is programmed to the tone of one specific seed-color, the sesame seed passes under a camera lens and rejects the sesame seed that doesn't fit the programmed color. The accepted seeds then go under the stone-grinders, the homogenizers and are finally pasteurized at a high temperature for several hours in order for any potential bacteria to be killed off.

The stone-grinding process is a crucial step in the making of tahini and while there are other faster grinding options, they are not effective since they destroy the sesame seed. A modern grinding technique can reap higher yields per minute which means more quantities in a lesser time-span. However, this process burns off the fat in the sesame seed and leaves it with a bitter taste. Lebanese Tahini manufacturers opt for the slow original technique as they value quality over quantity.

Parameters	Traditional Stone Grinding	Automated Grinding
Rounds Per Minute (RPM)	30	3,600
Electricity Consumption in Ampere	14	80
Yield per Hour	25 kg on average	400-500 kg

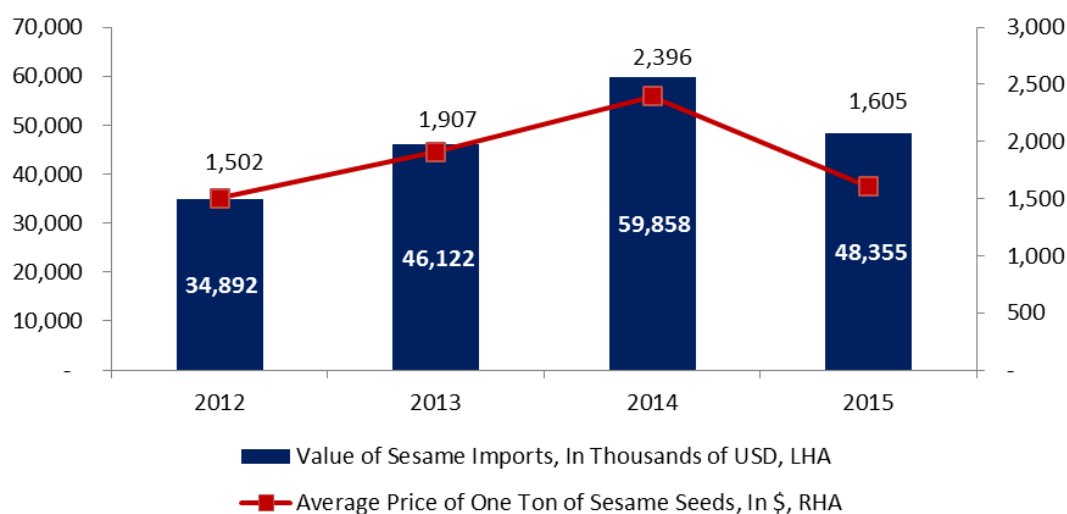
Demand for tahini and its byproducts has clearly been on an upward trend. The quantities of imported sesame seeds have consistently increased over the past four years at a compounded annual growth rate (CAGR) of 6.73% over the period 2012-2015. In 2015, Lebanon imported 30,137 tons of sesame seeds at a value of \$48.36M.

Volume of Imported Sesame Seeds, In Net Tons



Source: Lebanese Customs

Value of Imported Sesame Seeds



Source: Lebanese Customs

The international price of sesame fluctuates quite a lot, depending on the harvesting conditions. Unlike other commodities such as cacao, it is not traded on major stock exchanges. This price-factor is what explains that the value of imported sesame seeds rose in 2013 and 2014 but dropped in 2015. However, the quantities of imported sesame have consistently increased over the past four years.

Quality and consistency keep clients hooked on the Lebanese Tahini and its byproducts. Restaurants and caterers, which are reported to settle their dues in a shorter span of time than retailers and supermarkets, usually order a sample of the tahini to test whether it has any bitterness, whether its consistency is smooth rather than lumpy and whether its color is bright enough. The premium quality of the Lebanese product reaped loyal clients and repeat orders. The biggest proof that demand is solid is shown by the fact that some tahini manufacturers have such strong demand that they need to resort to fellow market players for extra orders.

However, the reach and solid reputation of these Lebanese factories go beyond the Lebanese borders. Al-Kanater, which makes 19 tons of Tahini per day and around 2 tons of Halawa per day, exports 70% of its production while Al-Nakhil Co, which makes 10 tons of Tahini per day and 1 ton of Halawa per day, exports 90% of its production. Al-Kanater exports to markets such as USA, Canada, France, England, Germany, Australia, the U.A.E, Qatar, Saudi Arabia, Bahrain and Brazil. Al-Nakhil also has a global presence, exporting to many countries amongst which London, Germany, the US and Canada.

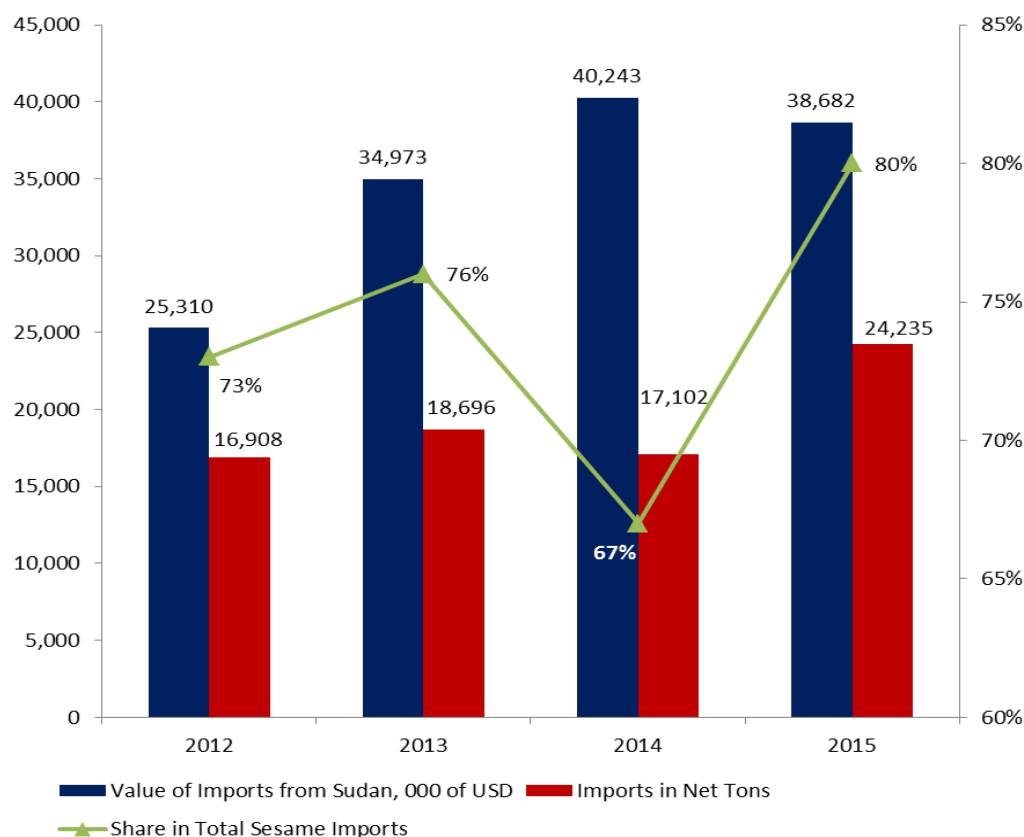
The competition is fierce on foreign markets. The gulf countries are home to large food companies that bear lower energy costs, that are bigger in size and that can offer lower prices. Due to their large size, they can especially realize economies of scale in terms of packaging which Lebanese manufacturers find very costly. Moreover, the healthy trend boosted the popularity of tahini and hummus, especially due to the sesame's high protein content, and that attracted many new entrants (and therefore more competition) to the business.

According to market sources, the quality of the Lebanese product is their biggest competitive advantage. Restaurants and catering chains cannot compromise of the quality of the tahini as the consistency, color and taste of the product are crucial for the quality of the hummus, Halawa or any other food the tahini is used for. Therefore, they are willing to pay an extra premium on the price of the Lebanese tahini granted they lock-in a consistent supply of good quality products.

Most importantly, Lebanese Tahini and Halawa manufacturers have built long-lasting, solid relationships with their clients. In the case where the client-supplier relationship is a long solid one, the suppliers can go as far as drawing contracts in which the price of sesame is locked-in for a given period of time. In this way, the supplier ensures the retention of his client and the client can rest assured that he is shielded from price-fluctuations and that the quality of the purchased product is superior.

The key to the high-quality tahini made in Lebanon lies in the quality of the sesame seeds. Lebanese manufacturers import the top-notch sesame from Sudan, particularly from a region called Gadaref. There, the sesame is organic and of premium quality. As seen in the graph below, 60% to 80% of the sesame imports are from Sudan. When looking at other import sources, we notice that every year since 2012, 12% of Lebanon's sesame imports come from India. However, market players in the Tahini and Halawa business clarified that the Indian sesame is imported by bakeries for uses such as to be sprinkled over burger buns not for the manufacturing of Tahini. There are three main reasons why the Indian sesame is not suitable to make Tahini. First, it is of lower quality than the Sudanese sesame, second, this type of sesame is peeled with chemicals and third it is has a bitter taste.

Sesame Imports from Sudan



Source: Lebanese Customs

Quality is what earned the Lebanese manufacturers of Tahini and Halawa their local and foreign success, and they are surely not sleeping on their laurels. The market players are constantly looking to move-up, some are already ISO 22 000 certified while others are working towards it. In practical terms, an ISO certification means that the manufacturers are endowed with their own laboratories where they can test the quality of their production. This testing is very accurate since they collect a sample from every step of the process. If any anomaly is detected, it can immediately be traced back to the source. An ISO certificate cements the fact that these factories implement food safety standards and therefore allows them to widen their presence on foreign markets, especially ones where quality and safety standards are elevated.

Date	Time	Location	Activity	Remarks



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