
German tea market on a stable course with slight growth

High-quality enjoyment has become established

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Tea is popular – Germany was able to maintain its key position in the international tea trade again in 2012, with growth in volume. In total, German consumers bought 18,960 t of tea last year, that is 2.5% up on 2011. 76.5% of this was black tea and 23.5% green tea. Germany increased its import volume by more than 5% year-on-year, to 56,431 t. Exports were down slightly at 26,556 t, dropping by nearly 2.4%, but remain stable.

Tea drinking in Germany

Tea has become firmly established as a popular beverage and luxury product in Germany. Total German tea consumption was 18,960 t last year, that is 2.5% up on 2011 (18,490 t), with black tea accounting for 76.5% and green tea 23.5%. That corresponds to per capita consumption of about 27 litres. Tea consumption has been growing steadily in Germany since 2006. The split between black tea and green tea has remained constant.

The good position of tea in the popularity scale of German consumers is due to a change in their awareness – “Indulgence and quality is coming more and more into focus. The preparation and consumption rituals are making tea a lifestyle beverage across generations and genders,” says Jochen Spethmann, Chairman of the German Tea Association, based in Hamburg. “Tea and its enjoyment give people time to relax, and that is becoming more and more important in our fast-moving society.”

More and more young consumers appreciate this quality beverage. Current market research figures show that 47% of tea drinkers are less than 50 years old. Tea drinkers are typically female, but more and more men are also coming to recognise the beneficial effects of making time for a good cup of tea.

German companies are recognised among the best in the world for processing teas, producing a wide variety of flavours in more and more new creations. That appeals to consumers and helps to develop new target groups. Black tea remains the favourite among German tea drinkers – it has been well established in many households for generations, not only in the tea capital East Frisia. The traditional East-Frisian teatime ritual, known in the local dialect as “Teetied”, has given pleasure and relaxation for more than three centuries – people drink an average of three cups of tea or more per person at each of these sociable get-togethers, giving total annual consumption of 300 litres per capita. That makes East Frisia the world’s top tea drinking “nation”, ahead of Kuwait and Ireland.

Stable tea trade – distribution channels practically unchanged

The distribution channels for tea in Germany have not changed significantly versus 2011. The share of food retailers and discount stores increased slightly, now 53.9% (versus 52.8% in 2011). Tea speciality shops have a market share of 18.5% (versus 20.3% in 2011), that is a slight drop.

Catering and bulk consumers were stable at 5% (versus 4.9% in 2011). “Other distribution channels”, such as Turkish retail stores, account for 14.4% of the market, that is a slight increase (versus 13.7% in 2011). Sales to industry for manufacture of tea extracts was unchanged at 4.3%, and direct shipment was stable at 3.9%. Out of the total of 18,960 t 60% was consumed as loose tea and 40% in teabags.

A total of 1,630 t of organic tea were consumed, with roughly balanced shares of black tea (45%) and green tea (55%).

Strengthened transit hub position in international tea trade – record imports

Tea imports were up by more than 5% to 56,431 t in 2012 (versus 53,768 t in 2011), setting a new record, partly because the Port of Hamburg has now lost its status as a customs-free Foreign Trade Zone. Germany has thus reinforced its position as a hub of the international tea trade. 29,875 t out of a total of 56,431 t of tea imported in 2012 remained in Germany. 18,960 t were consumed in Germany, and the rest went into inventories.

German know-how in the processing of high-quality teas is very much in demand worldwide. Exports (26,556 t) of tea to all parts of the world were stable, with a slight drop of 2.4% (versus 27,196 t in 2011). 59% of total German tea exports remained in the EU, with 19% going to France, 13% to the UK, 13% to Poland, and 12% to the Netherlands. The biggest German export market after the EU was again the USA with 20%, followed by Russia with 5%.

More than 70% of tea imports are handled in the port city of Hamburg, which is the location of the German Tea Association and numerous service providers for tea. Another major important centre is Bremen, together with its seaport Bremerhaven.

Worldwide tea production continues to grow, with increasing inland consumption

Global tea production was up again in 2012, with total production of 4,681,979 t of tea, up by more than 460,000 t (11%) versus 2011 (4,217,143 t). Own consumption by the growing countries in 2012 was up by 20% to nearly 3 million t tea (versus 2.5 million t in 2011), their

export share dropped to 37% (40.7% in 2011), that is below the export share of the previous year.

China and India were the biggest tea producers

The world's biggest tea producer is still the People's Republic of China, with 1,915,000 t, an increase of nearly 18% year-on-year. India followed in second place, with stable production of 1,111,760 t. They were followed by Kenya (369,562 t), and Sri Lanka (326,278 t). Another important producer is Indonesia (130,500 t).

Global exports remain constant – Kenya world's top tea exporter

Kenya is the world's biggest tea exporter with 346,776 t, increasing its export volume minimally by just under 1,500 t year-on-year. Second place was taken by the People's Republic of China with stable exports of 321,790 t (versus 322,581 t in 2011). Sri Lanka increased its exports by 18,676 t to 319,947 t in 2012 (up 6.2%), thus taking third place for global exports. India's exports were up 10,000 t, that is 6% up on 2011. Indonesia's exports were down on the previous year at 71,000 t (75,000 t in 2011).

Tea for Germany – China remains Germany's main supplier

The People's Republic of China remains Germany's largest supplier, at 11,021 t. India takes second place with 9,974 t of tea, followed by Sri Lanka with 8,221 t.

The future lies in quality – premium teas for Germany and abroad

“The change in lifestyle of consumers gives the German tea industry every reason to be optimistic for the future,” says Jochen Spethmann. “High quality is a part of the new lifestyle, and that is what German tea gives you. Tea is trendy, and tea enjoyment is celebrated more and more – not only at home, but also at hotels, bars and tea lounges. High-quality tea specialities and new product compositions are the recipe for success of the German tea industry, and other countries also take a lively interest in this, so we can expect ongoing positive export development.”

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Further information is available from the German Tea Association:

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