

The German tea market in 2004

Preliminary remark:

The facts and figures were determined by the German Tea Association, Hamburg, from its own surveys. Further numerical information has been taken from data of the Federal Statistics Office and the International Tea Committee (Annual Bulletin of Statistics), London. The figures indicated refer, unless otherwise indicated, to tea in the strict sense of the word (*Camellia sinensis*). That includes black tea and green tea.

Germany: Major hub for international tea trade Tea export volume rising continuously

Hamburg, June 2005 Tea specialities from Germany enjoy tremendous popularity worldwide. That is demonstrated by the continuous rise in export figures of the German tea traders, who have made a name for themselves internationally in processing of high-quality teas. The German Tea Council reports that, alongside products from the traditionally prominent selling markets such as the United Kingdom and France, there is increased demand for quality German products in Russia and in the United States, which is the number one consumer of ice tea. Thus nearly half of the 43,400 tons of tea imported into Germany were for re-export after processing. The other half was consumed by German customers - who drank an average of 25 litres of tea per capita. Despite the slight drop in consumption by 4% compared with the previous year, to a total of 17,912 tons, tea continues to enjoy a strong position as a versatile and popular hot beverage. That is also shown by the latest trend in high-class catering - rather than organising a "Happy Hour", more and more of the top hotels are introducing a cultivated Teatime or High Tea, for the special enjoyment of their guests. And what is more, tea harmonises perfectly with the three key consumer trends of the present time, that is health, wellness and convenience.

German tea companies have international renown

As current market figures show, the tea export quantities were up again in 2004, reaching a total of 21,637 t, that is an increase of 2,885 t. Nearly half of the tea imported here is given further treatment and then exported again.

One of the major reasons for export growth, according to the German Tea Council, is the leading role of the traditional tea companies here. The German tea tasters, who are key players in tea processing, have a tremendous reputation worldwide for their expert taste buds, and consumers throughout the world can be confident that the teas from their companies maintain consistently high quality and aroma.



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The treatment process includes the addition of aromas to black tea and green tea. That is an area where the German tea traders are likewise at the forefront of the international market. The worldwide increase in demand is due to the outstanding expertise of the tea companies in production of different blends and flavour directions, together with a good feeling for new trends.

USA as a major sales market

Tea is becoming more and more popular even in the homeland of coffee shops. "The US is increasingly becoming a key sales market for the German tea trade," says Jochen Spethmann, Chairman of the German Tea Council. Quality is the prime requirement. That is why many of the US companies purchase from traditional German companies, which are well known for their quality." The increased demand for first-class green and black teas shows that even the Americans, the ultimate fans of smart shopping at the supermarket, attach importance to expert advice when buying tea. The number of tea specialist outlets is growing all the time - making shopping for tea an experience for the senses.

Apart from the USA, the tea drinkers in other countries also hold the specialities from German tea traders in high regard. Other important selling markets for the tea traders here are Russia, France and that classic tea drinking nation the UK.

World production of tea will continue to grow

Tea remains the most popular drink in the world, second only to water. Production in the growing countries was up 53,873 t to a total of 3,150,580 t in the past year. The main growing countries are India, China, Sri Lanka, Kenya and Indonesia. The German tea trade imported 43,403 t of tea in 2004, which is a slight drop (down 2,400 t) compared with 2003. Apart from Indonesia and China, India and Sri Lanka are the main suppliers to the German market. The major handling centre is the Port of Hamburg. Hamburg is Europe's second-largest seaport, and it not only handles 70% of the German tea imports, but also 50-60% of the tea traded in the whole of Europe. That makes Hamburg the tea capital of Europe.

The importance of Hamburg for the tea trade is also demonstrated by the International Tea Conference held in Hamburg for the first time in February of this year. The invitation by the German Tea Council was taken up by some 90 delegates from the international tea business. The purpose of the event was to inform the growing countries on current developments in European legislation, and to provide support in implementing it. "One of the most important elements in cooperation between the German tea trade and the growing countries will continue to be the provision of comprehensive information to all producers," said Jochen Spethmann, Chairman of the German Tea Council.

Tea follows the general trend in the hot beverage market

In line with the general decline in consumption, tea also has a slight drop in sales by about 4% to 17,912 t, thus following the general trend in the somewhat difficult market environment for hot beverages. According to the figures of the German Tea Council, average tea consumption in Germany was 25 litres per capita in 2004, that is about 1 litre less than in the previous year.

The favourite with German tea drinkers is black tea (as in the previous year), with a market share of 81%. Green tea maintains a share of 19%. Organic tea showed slight growth from 2.1% to 2.6%. In general terms, tea showed the same demand trend as with convenience products - alongside loose tea, consumers buy about 40% of black tea and green tea in teabags.

The main point of sale is still the food retailer business. As in 2003, German consumers purchased some 60% of tea via this distribution channel. Consumers continue to attach great importance to specialities and expert advice, as demonstrated by the fact that specialist outlets maintained their market share virtually unchanged at 16%. In the catering sector, too, tea has a firmly established position. This distribution channel accounts for a market share of 4.9%. A new trend in top-level hotels is worth noting - alongside New York and Paris, the 5- star hotels in Berlin, Hamburg and Munich are also discovering the classic "Teatime" to appeal to discerning clients, and provide for enjoyment of fine tea at the very highest level.

Trends in 2005: Health, Wellness and Convenience

In view of the continuing difficulties in the consumer climate, the German Tea Council expects a slight drop in sales in the short-term future. "However, a clear benefit for our product is that it serves the three major current trends - consumers are looking for healthy nutrition, respond readily to wellness issues, and want easy preparation of the product," says Jochen Spethmann. That means tea is well placed in competition and gives the ideal conditions to gain new supporters, particularly in the younger age groups.