

The German tea market in 2007

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.

Tea up – German tea business going strong in the world market

Expertise of tea traders in demand – 50% of German tea imports are exported to 94 countries after further processing

Hamburg, April 2008 The German tea market continues to develop steadily, with a growing trend – all in all, Germany imported 48,406 tonnes of tea in 2007, increasing imports by a further 3.4% on top of the record year 2006. Tea is brewing up a storm!

Tee specialities from Germany continue to be in demand worldwide, as the German tea business goes from strength to strength in the world market. A total of 24,033 tonnes of tea (about 50% of imports) were processed in Germany and exported to 94 different nations all over the world as high-quality tea. The importing countries, including the UK, Russia, the USA and China, are very fond of speciality teas made in Germany. They owe a great deal to the special know-how of the German tea experts, whose refined taste buds and appreciation of the latest trends in putting together the different tea blends and variations enables them to create the most refined tea varieties, tailor-made for their clients. The German tea trading houses have earned themselves an international reputation for consistently high quality.

The port city of Hamburg is a major hub of the European tea trade. About 60 to 70% of all tea traded throughout Europe goes through Hamburg. And Hamburg's position as an international tea trading centre is growing – thus Europe's leading tea business association, the European Tea Committee (ETC), has had its head office in Hamburg since 2004.

In 2007, as in the two previous years, the largest proportion of German tea imports comes from the People's Republic of China, that is 12,370 t (25.5% share of the total market). As in 2006, India takes second place in the ranking of major tea suppliers, with a total of 7,069 t (14.6% share of the total market), with its tea specialities, coming particularly from Assam and Darjeeling. Sri Lanka moved up one place versus 2006 and now takes 3rd position among the major tea suppliers with 6,152 t (12.7%

share of the market). African teas succeeded moved up two places in the ranking of German tea imports, and now account for 4,877 t (10.1% share of the total market), following Indonesia with 6,006 t (12.4% share of the total market), now taking 5th position in the import ranking for the first time.

Ranking – China and India lead the world

China is the world's top grower, with production of 1.094 million t in 2007. India took second place, with 944,912 t of tea. Kenya is next, taking the bronze medal with 369,606 t and thus overtaking Sri Lanka in 2007 – Sri Lanka produced just under 304,613 t of tea, thus taking 4th position among the tea growing countries.

Kenya is at the same time the “world export champion” with a total of 299,649 t, even ahead of China (289,431 t) in terms of total tea exports. China and India are traditionally major tea drinking nations, so that the major part of their tea production is consumed in the domestic market.

There is also a slight upward trend in the world market – in total, world tea production increased to 3,726,938 t, that is 5.77% up on 2006. Own consumption of the tea growing countries increased to 2.161.777 t, that is up 11.15%, while exports remained stable.

Tea is the trend, for refined enjoyment and wellness

“Tea stands for refined enjoyment and at the same time for wellness – thanks to its health promoting contents, which have a positive effect on wellbeing, and its wide range of taste nuances,” says Jochen Spethmann, Chairman of the German Tea Association. That is why tea is such a popular beverage, second only to water in terms of worldwide consumption. And tea is a trend product that enjoys increasing popularity with German consumers, too – all in all, Germans drank just under 17,573 t of tea in 2007 (that is a national average of more than 25 litres per head of population), a little up on 2006. “That is due above all to the infinite variety of black and green tea, and its important position in everyday life,” says Jochen Spethmann. “We can also see the trend for consumers, particularly young people, to drink tea more and more frequently, and with greater awareness, to enhance their wellbeing and to wind down from the stresses of everyday life.”

Tea consumption is also increasing in restaurants. Localities such as “Tea Lounges” and special offerings at top German hotels for “Afternoon Tea Time”, are very popular with consumers. But the top popularity ratings for tea are still in East Frisia, which continues to lead tea consumption in Germany. People know about tea there, and consume as much as 288 litres per capita, that is nearly 12 times the national average. The East Frisians take 4th position in worldwide comparison, even ahead of the British.

Tee specialists gaining ground

As in the previous year, food retailers and discount stores are the most important purchase source for consumers, accounting for nearly 57% of sales. But tea specialist shops are gaining ground – last year they caught up a further 1.6 percentage points to achieve a market share of 19.7%, which is significantly more than the discount stores (17%). Consumers are increasingly attracted to the specialists by their large selection and range of flavours, their expert advice, and the trend towards celebrating tea as a relaxing beverage. It looks like expert advice is an important factor in tea purchase.

Most like it black

All in all, domestic business remained at the same high level as the previous year – green tea minimally improved its position in the favour of consumers compared with 2006 (23.0%) to 23.2%, but in 2007 black tea remained the favourite, accounting for 76.8% of tea consumption in Germany.

Consumers are particularly attracted by black tea's great variety of flavours. This is reflected not only in the countless tea variations in the trade, but also in the large number of growing countries from which Germany imports tea – e.g. black tea from 24 different growing countries in 2007. The major supplier of black tea was India (China traditionally produces mainly green teas) in 2007, with a black tea market share of 19.1% (6,668 t). The classic specialities from Darjeeling and prestigious teas from Assam, which is mainly used for the quality East Frisian blends in Germany, remained very much in demand with German tea drinkers.

Loose tea continued to hold the number one position with consumers, both for black tea and green tea, accounting for more than 60% of sales. Organic teas increased slightly, achieving a market share of 3.9%.

Outlook – tea as a trend and wellness product

The German tea trade looks forward with confidence to the future, based on stable positive development in 2007 – “Tea remains the most versatile drink, meeting practically all consumer wishes, and making an important contribution to the body's liquid needs” says Jochen Spethmann, in his summary of the benefits. “The growing movement of young people towards tea consumption is a highly positive trend. Wellness and lifestyle will continue to play an important part in tea marketing in Germany.”