

The German tea market in 2011

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.

German tea market remains stable

German consumers attach importance to quality and enjoyment

Hamburg, August 2012 Pleasing results for the German tea market – in 2011 Germany was able to increase imports by nearly 6% (3,000 t) to 53,768 t (versus 50,838 t in 2010). Exports were likewise up, with processing and export to 96 countries around the world of about 27,196 t of tea (versus 25,940 t in 2010), that is 4.8% up year-on-year. That is a further improvement in Germany's strong position in the international tea trade.

Tea is one of the favourite beverages in Germany – per capita consumption stayed at the same level as the previous years, that is approximately 26 litres. Overall German tea consumption was 18,490 t, of which about 76.5% were black tea and 23.5% green tea.

Black is beautiful

Black tea remains the undisputed favourite of German tea drinkers. East Frisia is known to be Germany's top tea drinking region, with a "teatime" tradition maintained over many generations with genuine East Frisian black tea blend. East Frisians drink nearly 300 litres of black tea per capita, that is almost 12 times the national average; that puts them top of the tea drinking league table not only in Germany, but around the world, ahead of Kuwait (2nd place at 290 litres per capita), Ireland (3rd place at 257 litres) and Turkey (4th place at 225 litres).

"Consumers show great interest in tea," says Jochen Spethmann, Chairman of the German Tea Association, based in Hamburg. "Tea is not only a tasty, easy-to-prepare beverage, but is at the same time a quality product that appeals to many different target groups of all ages, thanks to its tremendous range of flavours." And he adds that "tea production in Germany gives outstanding, world quality products."

A stable tea market – consumers attach great importance to tea specialities

The German tea trade remained stable in 2011. Tea speciality stores account for 20.3% of the market (versus 21.5% in 2010), while retailers and discount stores account for 52.8% (versus 52.7% in 2010). Restaurants and institutional users are satisfied with their slight increase in market share to 4.9% (versus 4.6% in 2010). “Other distribution channels”, including outlets such as Turkish retailers, accounted for 13.7% of the market, industry remained stable at 4.2% and direct mail order was also stable at 4.0%. Overall, black tea accounted for 76.5% of the retail market, and green tea 23.5%; 60% was sold as loose tea, and 40% in teabags. Organic tea was slightly up on the previous year at 4.6% (versus 4.2% in 2010).

“People in Germany look for something contemporary and high quality, and they want something special – young people in particular are open-minded and willing to try out new trends in tea, at home and at interesting locations that serve tea,” explains Jochen Spethmann. “At the same time, tea is regularly on the shopping list as an item of everyday consumption in many households, and that brings stability to the distribution channels.”

A hub of the international tea trade – quality German tea is unique and very much in demand worldwide

Germany continued to reinforce its important function as a hub of the international tea trade in 2011, maintaining or even slightly increasing the level of previous years. German tea professionals are well known for their expertise and experience in processing high-quality teas that are increasingly in demand throughout the world. So tea from Germany has an important position in the international market – out of a total of 53,768 t of tea imports in 2011, 26,572 t remained in Germany. 18.490 t were consumed in Germany, and the remaining tonnage went into increased inventories.

More than 70% of German tea imports were handled in Hamburg, which is Germany’s “tea capital”. For many years now, Hamburg has been the home of the German Tea Association and of numerous service providers to the tea sector in Germany, such as laboratories, logistics companies, and suppliers of related products. Bremen also maintains its tradition as a major tea import centre.

Positive mood in the international tea market – upward trend in global tea production

Global tea production was up again in 2011, reaching a total of 4,217,143 t – nearly 150,500 t (3.7%) up on 2010 (4,066,596 t). Domestic consumption by the growing countries was about 2.5 million t in 2011, up 6.8% versus 2010 (2.3 million t); exports dropped to 1.72 million t, that is an export share of 40.7% (versus 42.5% in

2010), more than 10,000 t below the 2010 level.

59.5% of total German tea exports went to the 26 EU neighbours, and 40.5% to another 70 countries. The biggest German export market after the EU was the US again, with an export volume of 6,517 t. Russia was able to establish itself as a major market for German tea exports.

China and India remained the leading tea producers, followed by Kenya

The People's Republic of China remains the world's largest tea producer with 1,550,000 t, increasing its output by nearly 200,000 t versus 2010 (1,370,000 t). India follows in second place with 988,328 of tea, versus 966,403 t in 2010, that is an increase of 22,000 t. The biggest growing region in India is Assam.

As in previous years, Kenya takes third place in the world rankings, though its output did not quite reach the record level of 2010 (399,006 t), due to unfavourable weather conditions in 2011. Sri Lanka followed in fourth place with 328,370 t (versus 329,382 t in 2010) and Indonesia in fifth place with 123,700 t (versus 129,200 t in 2010).

Stable world exports – Kenya remains the world's biggest tea exporter

A total of 1,718,839 t tea was exported by the growing countries. Kenya remained the undisputed leader at 345,298 t. Kenya has now been Africa's top tea producer for more than 50 years. In 2011 Kenya produced more than 2/3 of all African tea, and nearly 9% of the world's tea. Kenya's share of the world's tea exports is over 20%.

The People's Republic of China raised its exports to 322,581 t (versus 302,419 t in 2010), that is an increase of some 20,000 t. Sri Lanka likewise increased its exports in 2011, up 2,684 t to 301,271 t (versus 298,587 t in 2010). By contrast, India's export figures were down 10% in 2011, to 170,000 t (versus 189,000 t in 2010). Indonesia's exports were likewise down year-on-year, to 75,000 t (versus 87,101 t in 2010).

China leads in green tea; India and Sri Lanka remain Germany's top suppliers of black tea

In terms of total imports, the People's Republic of China remained the largest supplier to Germany, with nearly 14,900 t, mainly green tea (74.4 %) plus a substantially smaller quantity of black tea (25.6%). The main suppliers of black tea, as in the previous years, were India (8,360 t) and Sri Lanka (7,560 t), followed by Indonesia (4,739 t) and Africa (4,519 t).



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Outlook – innovation, creativity and high-end specialities are the best recipe for future success

“The German tea industry looks to the future with optimism,” says Jochen Spethmann. “Innovation, creativity and consistent high quality are key elements in our German tea culture, and the recipe for positive development going forward. German consumers appreciate high-quality tea specialities and new product innovations. And export development is also pleasing, because demand for German quality products remains high.”

Many consumers in Germany attach great importance to relaxed enjoyment – “they want to take a short break from the stress of everyday life, and drink tea to relax and recharge their batteries,” says Jochen Spethmann. “That is why tea has its own very individual significance for every tea drinker, young or old.”