

## The German tea market in 2009

### 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 world (*Camellia sinensis*). That includes black tea and green tea.

### Germans enjoy their tea even at times of crisis National tea market defies the economic crisis

**Hamburg, June 2010:** Regardless of the global financial and economic crisis, German tea drinkers are sticking to their favourite beverage – last year German consumers drank 18,000 t of tea. “Tea is simply a part of life,” says Jochen Spethmann, “and we find increased interest in tea as a trend product, especially among young people. It is a lifestyle drink which stands for enjoyment, socialising and well-being – for the ultimate feel-good factor.” And on top of that it has so much variety of flavour – with new tea blends and trendy tea creations constantly enriching the market, so that tea is gaining ever new fans.”

Worldwide, a total of 3,860,000 t of tea were produced in 2009, that is 110,000 t more than in 2008 (approx. 3,750,000 t). Nearly 60% of global tea production was consumed locally, in the tea growing countries themselves. Only 40.6% of the world's tea production were exported. That meant that the import markets had significantly less tea available to them than in 2008, with the total export quantity around 1,570,000 t. That affected the black tea segment in particular, where the import markets found that the quantities available to them were substantially down on 2008.

Russia is the world's biggest tea importer, at nearly 170,000 t. A total of 44,266 t were imported into Germany in 2009.

### **China and India remain the top tea growers, followed by Kenya and Sri Lanka**

The world's largest tea producer in 2009 was China, with 1.31 million t, that is 150,000 t up on 2008 (1.16 million t), followed by India with about 979,000 t, keeping production stable compared with 2008 (980,000 t). Kenya took third place with production of 314,000 t, somewhat down on the previous year (345,817 t) due to weather conditions. Fourth and fifth places were taken by Sri Lanka with just under 290,000 t (nearly 318,000 t in 2008), and Indonesia with 136,481 t (over 148,000 t in 2008).

The world's greatest exporter of black tea is Kenya, which mainly grows black tea and exported 279,849 t in 2009, just marginally ahead of Sri Lanka with 279,839 t.

### **The top black tea suppliers to Germany are still India and Sri Lanka**

The list of tea suppliers to the German market is still headed by China. With some 8,500 t and an import share of 19.8%, imports from China to Germany were down slightly compared with 2008 (10,877 t and 21.4%). 75% of this (6,375 t) was green tea. Indonesia successfully defended second place with some 7,300 t, that is 16.5% of the total German import market, a good 3.6% up on 2008. India maintained third place, with almost constant quantity of 6,262 t (compared with just under 6,600 t in 2008).

For black tea, India (5,793 t) and Sri Lanka (5,363 t) remained the leading suppliers, as in the previous years. India was in fact able to increase its share of German imports from 13% in 2008, thanks to the popularity in Germany of tea specialities from Assam, Darjeeling, Dooars and Nilgiri.

### **Hamburg is main hub of European tea trade**

Hamburg is the "tea capital" of Europe. It has Europe's second largest port, and is not only one of the leading tea handling centres worldwide, but also the most important hub of the European tea trade. About 70% of all teas traded in Europe are handled in Hamburg.

Tea specialities from Germany are well known all around the world, and are very much in demand. Teas processed in Germany are exported to more than 100 countries in all parts of the world. Teas "made in Germany" have a fine reputation even in England, the land of the "five o'clock tea". Thus export of tea blends processed and refined in Germany has gained in importance. The export quantity was 25,371 t in 2009, that is about the same level as the previous year (26,898 t), but exports continued to increase in relation to domestic consumption, taking a 57.3% share. So once again in 2009, Germany exported more tea than it consumed in the domestic market.

"German tea experts are known worldwide for their special expertise," says Jochen Spethmann. "They have established a reputation for their sense of trends and new product variants, and they use that with skill and success. That is why tea specialities from Germany are in such high demand throughout the world."

### **Consumers really know how to enjoy tea**

The tea speciality shops were pleased to gain new customers, establishing a 20% market share – an improvement on 2008. The main factors in that were the selection available, and individual advice.

The food retailers remained the most important purchasing source for tea consumers in 2009, with a market share of 54.9%. Restaurants kept their market share stable at 5.2% and found greater interest on the part of consumers in a wide range of teas and stylish atmosphere of the kind they find in Tea Lounges and Tea Bars, and in special events such as traditional “tea-time”.

### **Black tea still the clear favourite of German tea consumers**

Black tea remained the favourite for German tea drinkers, with a market share of 77% in 2009. It has an almost infinite variety of flavours thanks to its origin from different growing areas around the globe, and that also makes it the basis for ever new blends. In 2009 a total of 18,000 5 of tea were consumed in Germany, corresponding to per capita consumption of more than 25.5 litres per annum.

East Frisia is still way ahead of all other regions throughout the world on a per capita basis – at 290 litres per annum, that is 12 times the German national average, East Frisia is even well ahead of the UK and Ireland. That is down to the traditional East Frisian tea culture, which plays a major part in the daily life of the East Frisian population. The characteristic East Frisian blend is a black tea, traditionally made up of 50% of the best strong Assam tea. In 2009 the ratio of loose tea to teabags remained constant for green tea and black tea. 60% of tea purchases were loose tea, and 40% tea bags, for convenience. There are various types of teabag – from the classic twin-chamber teabag to the triangular tea-bag. And for loose tea, the number of accessories available for preparation is increasing all the time. The market share of organically grown teas was 4.1%, the same as in 2008.

### **Tea-time is „in” – with tea drinking on the increase at offices, too**

The German Tea Association is confident that 2010 will be another good year for this popular beverage – tea remains the world’s most widely consumed drink, following water,” says Jochen Spethmann, Chairman of the Tea Association. “While the domestic market has coped well with the economic crisis, tea is a globally traded product. Pleasingly, the export quantities of tea from Germany have remained stable overall, despite some shifts in individual markets.”

“Tea will continue to play an important part in the lifestyle sector in future, and that will have an impact on all everyday situations. A cup of tea contains so many valuable contents, which have a positive impact on wellbeing. Tea not only tastes good at work, but also gives extra elan and energy. Tea is a growing trend, for meetings and customer visits, too,” said Spethmann. “That is helping tea to gain new markets in everyday life, even if that is currently not reflected in the overall domestic consumption figures.”