

What is the demand for tea in Europe?

West European countries and Poland are the largest European tea markets, with a strong tea tradition. The main market for tea is the United Kingdom. Opportunities for exporters mainly lie in the premiumisation trend of the market. Consumers are more and more interested in speciality teas with special flavours and a higher quality. Additionally, due to their perceived health benefits, green tea and herbal/fruit teas are gaining popularity in the European markets.

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The Harmonized System (HS) codes are used to classify tea. The HS codes used for tea are given below:

HS Code	Description
090210	Green tea (not fermented) in packages not exceeding 3 kg
090220	Green tea (not fermented) in packages exceeding 3 kg
090230	Black tea (fermented) & partly fermented tea in packages not exceeding 3 kg
090240	Black tea (fermented) & partly fermented tea in packages exceeding 3 kg

1. How much tea is consumed in Europe?

Increasing value of consumed tea

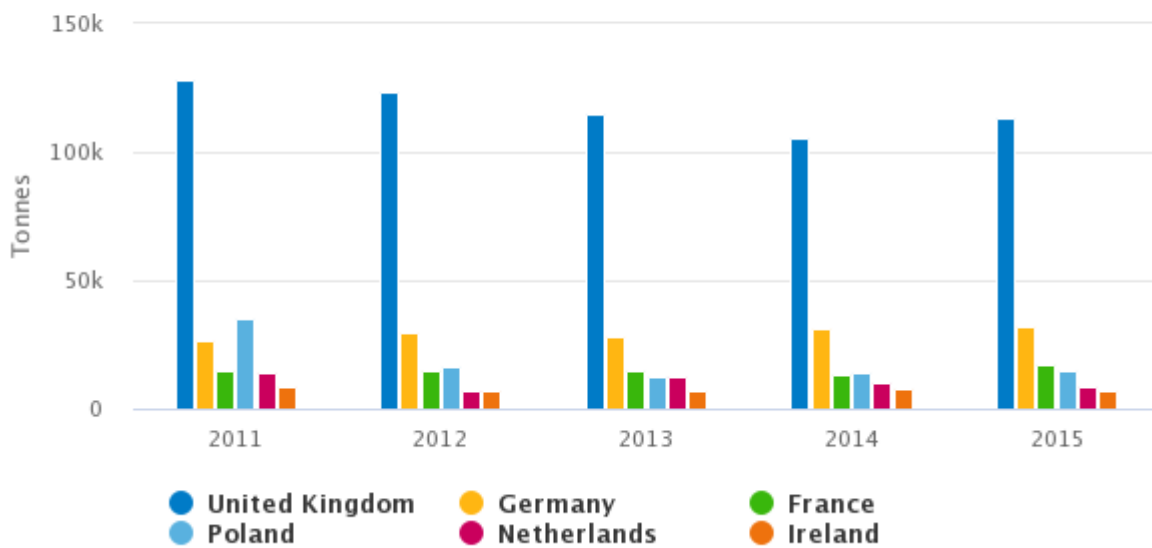
The apparent tea consumption in Europe amounted to 229 thousand tonnes in 2015 (based on import and export data). This represents about 4.6% of the global tea consumption of [5 million tonnes](#). Although the apparent tea consumption in Europe slightly decreased in terms of volume since 2011 (-3.0%), the value of consumed tea increased in that same period (+5.1%).

Within Europe, there are large differences in tea consumption. The largest European tea markets are located in Northern and Western Europe (figure 1). In terms of total volume, the United Kingdom is the largest consumer by far, with consumption amounting to 113 thousand tonnes in 2015. This is due to a traditionally strong tea culture. Poland is the largest East European market.

Per capita tea consumption in Europe showed different figures ([Statista](#), 2016). In 2015, countries with the highest per capita tea consumption included:

- Ireland with 2.2 kilograms (kg);
- The United Kingdom (1.9 kg per capita);
- Poland (1 kg per capita);
- The Netherlands (0.8 kg per capita).

Figure 1: Leading tea consuming countries in Europe in tonnes
2011-2015



Source: Eurostat, 2016

Specialty tea segment is growing in Europe



"We see that more and more European tea companies are interested in buying speciality tea whereas the crush, tear, curl (CTC) market is stabilising. There is no universal definition of speciality tea in the industry, but we define it as whole leaf orthodox tea, often organic and single origin".

Jesse Bloemendaal, ProFound – Advisers In Development

As discussed in our study on [trends in the European tea market](#), there is an ongoing premiumisation trend in the European tea market. Consumers are increasingly looking for high(er) quality and unique tea experiences. This provides opportunities for suppliers offering high quality and specialty tea. The European market size of these specialty teas is still relatively small. European buyers estimate this market to be around 5% of the total European market.

In the German, French and Belgian markets, black specialty teas have already acquired a strong market position. In Germany, black specialty tea accounted for 23% of all tea retail sales in 2015. The market share of black specialty tea amounted to 25% in France and 18% in Belgium.

Tips:

Please read our study on [trends in the European tea market](#) for more information about tea consumption trends.

Check the website of the [International Tea Committee \(ITC\)](#) for worldwide statistical information.

Check the website of the [British tea association](#) and the [German tea association](#) for more information about these countries' specific tea consumption.

Want to know more about the British or German market? Read our study on exporting tea to the [United Kingdom](#) or [Germany](#).

Increasing popularity of green and fruit/herbal teas

In all European markets, green teas and herbal/fruit teas are becoming increasingly popular among consumers. As a result, the consumption of black tea is decreasing.

This increasing popularity is the result of a growing consumer awareness of the health benefits of these teas. Green tea is the most-consumed tea in Belgium, Denmark and France. However, most European tea markets are traditionally dominated by black tea. Market shares of black tea range from about 53% (in the Netherlands) to 97% in the United Kingdom.

Tips:

Due to the perceived health benefits of green tea and herbal/fruit teas, future opportunities can be found in these market segments, mainly in Northern and Western Europe.

2. Production

Europe depends on imports from producing countries

There is almost no production of tea leaves in Europe. Therefore, Europe depends on imports from tea-producing countries for its tea consumption. However, South European countries do produce very small amounts. For example, Portugal produced 140 tonnes in 2013 ([FAOSTAT, 2016](#)).

Most orthodox and speciality tea is produced in Asia. The main producer of orthodox tea is China. In 2013, Chinese production of orthodox tea reached 1,924 thousand tonnes. Other large producers include:

- India
- Sri Lanka
- Vietnam

There are also other smaller initiatives for speciality tea in the African region. For example, the Kenyan government is [promoting the production of speciality tea](#) to increase the income of farmers.

Sustainability concerns

Sustainability in tea production is increasingly relevant across European tea markets. Major tea importers/packers (such as [Unilever](#), [Tata Global Beverages](#) and [Jacobs Douwe Egberts](#)) have made sustainable sourcing commitments. Therefore, sustainable certification schemes are becoming more important, especially in

the mainstream market segments.

In the specialty tea segment, the origin and story of the tea are more important. Only certifications that support the quality of the product (such as organic) are relevant in this market segment.

Tips:

Read our study on [certified tea](#) for more information about sustainability in the European tea market.

See our study on [orthodox tea from Kenya](#) and [Kenyan tea packed at origin](#) for more information about the opportunities for Kenyan exporters.

3. How much tea is imported into Europe?

European tea imports are increasing in value

As almost all tea is produced in developing countries, the European Union relies on imports for its tea consumption. In 2015, tea imports in the European Union amounted to 342 thousand tonnes, showing an average annual decrease of 2% since 2011. However, the value of imported tea showed an average annual increase of 3.5% over the same period. This shows that the value of tea has increased overall.

Interesting European markets

The largest European black and green tea importers are presented in figure 2. The United Kingdom is by far the largest importer of tea in Europe, with imports amounting to about 133 thousand tonnes in 2015. The country accounts for 39% of all European imports, which is the result of an annual decrease of 3.6% since 2011. This decrease can be linked to the [growing popularity of coffee consumption](#) in the country. The younger generation especially is shifting from tea to coffee.

Other leading importers include:

- Germany (16.8% of market share in 2015);
- Poland (10.2%).

Although total European tea imports are decreasing in volume, many European countries are in fact showing (slight) increase(s) in tea imports since 2011:

- Germany: +1.1% annually;
- the Netherlands: +1.6%;
- France: +4.2%;
- Belgium: +1.9%.

Tips:

Conduct additional market research to get an insight into the differences between the various European markets mentioned above. For example, create a free account for statistical databases such as [Eurostat](#) or [ITC Trademap](#).

Want to know more about the Dutch or Polish market? Read our study about exporting tea to [the Netherlands](#) or [Poland](#).

Large tea suppliers to the European market

The largest tea suppliers to the European tea market are:

- Kenya (21.3% of total imports in 2015);
- India (11.8%);
- China (8.4%);
- Sri Lanka (6.1%) (Figure 3).

Europe mainly imports black tea. This is primarily sourced in Kenya, India and Sri Lanka. China is the largest supplier of green tea to the European market.

European tea imports from these major supplying countries have been decreasing since 2011:

- Kenya: -3.1% annually;
- India: -0.4% annually;
- China: -5.7% annually;
- Sri Lanka: -2.1% annually.

Germany and Poland are also large tea suppliers to the European market (figure 3). In 2015, they supplied 20 thousand tonnes and 19 thousand tonnes, respectively. These countries are important trade hubs. They also import large amounts of tea. Their main suppliers include:

- China
- Kenya
- Sri Lanka
- India
- Malawi
- Indonesia

Germany and Poland process and pack tea before selling it domestically or re-exporting it.

Speciality tea is sourced from various regions across the world. In general, many of the large regular tea suppliers also supply speciality tea at higher quality and lower quantities than regular tea. For example, China is a large supplier of regular, low quality teas, but also supplies green pearl tea. Industry sources gave several examples of specialty tea suppliers:

- Colombia
- New Zealand
- Laos
- Vietnam
- Java
- Sri Lanka

Tips:

Read our study on [trends on the European tea market](#) for more information.

Read our study on [market channels and segments](#) for more information about tea trade in Europe.

4. How much tea is exported from Europe?

Increasing tea exports from Europe

Between 2011 and 2015, the volume of European tea exports increased slightly (0.4% annually), amounting to about 113 thousand tonnes in 2015. During the same period, the value of European tea exports has increased by 2.4% annually, amounting to €775 million in 2015.

Europe's largest tea exporters are presented in figure 4. Germany and the United Kingdom remain the largest exporters of tea, despite substantial decreases in their tea exports since 2011 (respectively -2.9% and -6.7% annually). In the same period, Poland and the Netherlands increased their exports with 8.5% and 13.7% annually.

As there is no tea production in Europe, tea exports are the same as re-exports of tea imported from developing countries. The largest tea exporting countries are therefore the largest trade hubs for tea in Europe. With the exception of Poland, most tea is traded in West European countries. Over 80% of European tea exports are traded to other European countries.


Tips:


Search for national tea associations on the [European tea association website](#). These associations often have country-specific market information.


Use the West European tea markets as a hub to market your tea in other (West) European tea markets.

Please review our [market information disclaimer](#).

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