The European market potential for teaware

Last updated:
30 August 2023

The European market for teaware is driven by consumers' love for tea. Europeans consume up to 2 kg of tea per year, per person. European importers often distribute products across the continent, so you should not see individual countries as markets. Instead, you should focus on buyers in a specific segment. 'On-the-go' tea drinking requires everyday basics in drinkware. 'Slow' tea drinking moments allow for more decorative teaware, in more elaborate sets. This fits in well with sector trends like 'home sweet home' and wellness.

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1. Product description

Home Decoration and Home Textiles (HDHT) includes several categories, consisting of various product groups. Teaware belongs to the sub-category 'drinkware'. It includes dishware for serving tea and small food items, such as cakes and sandwiches. These items can be sold individually or as a matching tea set.

The basic components of a tea set are:

- A teapot;
- Cups or mugs;
- Small plates and/or saucers.

Tea sets can also include items such as:

- A sugar bowl;
- A milk jug;
- A tealight holder;
- A tray.

See an example here: VIVA – tea set with hand-finished porcelain teapot, sugar bowl and milk jug.

Utensils such as teaspoons or sugar tongs are not part of the core tea set.

Producers in many developing countries have long traditions in the production of ceramic and glass teaware. They also have relatively easy access to raw materials. This study uses the following codes to indicate trade in teaware:

Table 1: Product codes for teaware

Harmonised System (HS)	Description
6911 10	Tableware and kitchenware made from porcelain or china (excluding ornamental articles, pots, jars, carboys, and similar receptacles for the conveyance or packing of goods, and coffee grinders and spice mills with receptacles made from ceramics and working parts made from metal)
6912 00	Tableware, kitchenware, other household articles and toilet articles made from ceramics other than porcelain or china (excluding statuettes and other ornamental articles, pots, jars, carboys, and similar receptacles for the conveyance or packing of goods, and coffee grinders and spice mills with receptacles made from ceramics and working parts made from metal)
7013 49	Glassware for table or kitchen purposes (excluding glass with a linear coefficient of expansion <= 5 x 10 -6 per kelvin within a temperature range of 0°C to 300°C, glassware made from glass ceramics or lead crystal, articles under header 7018, drinking glasses, glass preserving jars, sterilising jars, vacuum flasks, and other vacuum vessels)

Because no specific product codes are available for teaware, the codes and statistics cover examples of ceramic and glass tableware and kitchenware in general. The ‘ceramics other than porcelain or china’ category also includes other household articles and toilet articles.

Functionality

Teapots and cups are used to serve hot tea, so they must be able to withstand liquids close to boiling point. The pots should be designed so that they do not drip.

Other functionality is determined by the various tea-drinking moments (see trends section). Teapots vary in volume from single-cup and tea-for-2 to 1-litre versions. They may have strainers for loose tea, which can be part of the teapot or external and made from ceramics or metal.

See an example here: The Tea Makers – handblown 2-3-cup glass teapot with removable coil filter.

Cups can be used with or without matching saucers. Some have handles; others do not. Tea can also be drunk from mugs. Mugs are for the thirsty consumer. Cups and saucers are generally used by the more classic consumer type. Cups without handles are for the more intimate tea-drinking moments.

Milk and sugar containers are mainly used by the more classic tea drinkers and during prolonged tea-drinking sessions. In Europe, adding milk to tea is most common among the British and Irish. They often add milk to Earl Grey or English Breakfast Tea.

Material

Teaware is often made from ceramics or glass. It can also be made from metal. Teapots and cups must be able to contain hot liquids.

Design

Teaware comes in many different styles. Especially in the higher-end market segments, consumers like to mix and match pots, cups and saucers. Beautifully designed tea sets are often displayed on the table or in open cabinets, to add decorative value to the room.

Durability

For teaware that is used daily, durability is especially critical. It should not scratch or chip easily and it should not break easily when dropped. Often, these items are also dishwasher-proof. Fine teaware for special occasions can be more delicate and require washing by hand.

2. What makes Europe an interesting market for teaware?

Europe is an interesting market for teaware because of the high numbers of Europeans who drink tea. They consume up to 2kg of tea per year, per person. The European market for ceramic and glass tableware and kitchenware has grown in recent years. The European market for tea is also expected to grow, so this offers opportunities for teaware producers. About half of the import value comes directly from developing countries, making Europe an interesting market for you.

The COVID-19 pandemic led to an increased focus on the home and trends like ‘home sweet home’ and wellness. Teaware for slow, more intimate tea-drinking moments fits in well with this trend. For more drivers of demand, see the section ‘which trends offer opportunities on the European teaware market?’.

Because no specific product codes are available for teaware, the statistics below cover examples of ceramic and glass tableware and kitchenware in general. The ‘ceramics other than porcelain or china’ category also includes other household articles and toilet articles.

Source: UN Comtrade

The effects of the COVID-19 pandemic and the war in Ukraine have disrupted international trade. Despite that, European imports of ceramic and glass tableware and kitchenware grew from €2.7 billion in 2017 to €3.4 billion in 2021, at an average annual rate (CAGR) of 5.7%. This was mainly due to a strong performance in 2021, which may include delayed shipments carried over from 2020. In 2021, European imports of ceramic and glass tableware and kitchenware represented 43% of total worldwide imports.

About half of the total European ceramic and glass tableware and kitchenware import value was sourced directly from developing countries. These imports grew from €1.4 billion in 2017 to €1.7 billion in 2021.

Altogether, this makes Europe an interesting market for you, as an exporter from a developing country.

Tip:

- Be prepared for potential future trade disruptions. See our study on how to respond to COVID-19 for information on how to future-proof your business.

3. Which European countries offer most opportunities for teaware?

The larger Western European economies are the main importers of teaware. However, importers in these countries generally sell their products across Europe. This means that your best strategy is to focus on a particular segment, rather than a specific country.

Source: Statista

In Europe, the Irish and British drink the most tea per person – about 2kg per year. This is about twice as much as the Polish, who come third.

Source: Statista & Eurostat

In terms of total tea consumption per country, the United Kingdom leads with about 127 thousand tonnes per year. Germany follows with 57 thousand tonnes. Poland (38 thousand tonnes), the Netherlands and France (13 thousand tonnes each), and Ireland (10 thousand tonnes) complete the top 6. This means that these countries are large European markets for teaware.

Source: UN Comtrade

In 2021 Germany remained Europe’s leading importer of ceramic and glass table and kitchenware with 19% of imports, followed by France (11%), the United Kingdom (9.7%) and the Netherlands (8.9%). Together, they account for about half of the European import market. Poland and Ireland are responsible for 6.6% and 0.9% respectively. All these markets performed well in 2021, but some of the imports may be delayed shipments from 2020. It is not clear whether the new trade patterns from 2021 will continue.

Focus on segments

European countries have different roles in the market. Some are mainly importers and others are mainly manufacturers. Western European countries are mainly importers. Most Western European importers are re-exporters. They do not just sell their products in their own country, but they distribute them across the continent. This explains why in HDHT, small countries like the Netherlands often import much more than they consume.

You should be aware that countries are not markets. The HDHT market consists of different segments, ranging from low-end to high-end (see our study on market entry for teaware). Every European country has these segments, although their size may vary. Therefore, it makes much more sense for you to focus on a segment in your product group and to connect to importers in that segment. These importers will then sell your products in that segment across Europe.

Consumer spending is under pressure

Teaware sales are sensitive to economic cycles. When economic circumstances and prospects are poor, consumers postpone buying items that they do not urgently ’need’. When economic conditions are good, purchases of such non-essential products tend to rise.

European consumer confidence fell sharply in March 2022 due to the situation in Ukraine and the energy crisis that followed it. Households’ expectations about the general economic situation in their country and their own future financial situation were severely impacted. Consumers’ willingness to make major purchases also fell. This lower consumer confidence may well lead to lower spending, which is reflected in modest forecasts for 2023/2024.

Source: OECD

* 2023 and 2024 are forecasts

Before the COVID-19 pandemic, consumer spending ('private consumption expenditure') in the leading European markets grew by about 1 to 3% per year. Due to the pandemic, this trend stopped in 2020. In 2021, growth returned to positive figures. Forecasts for 2023/2024 are modest, in line with consumer confidence.

Germany is the largest European importer

Germany is Europe's leading importer of ceramic and glass tableware and kitchenware. Germany's large domestic market, its role as a trade hub, and its relatively high ceramic and glass tableware and kitchenware imports from developing countries make this an interesting market for you.

German imports grew from €491 million in 2017 to €636 million in 2021, with a CAGR of 8.7%. This included 0.3% growth in 2020 and a strong 22% in 2021. Germany's role as a key trade hub in Europe may have helped the country maintain a strong performance. More than half of the import value came directly from developing countries. This is slightly above the European average. These imports grew from €256 million in 2017 to €346 million in 2021, with a CAGR of 7.8%. China is Germany's main ceramic and glass tableware and kitchenware supplier. In 2021, China supplied 46% of Germany's ceramic and glass tableware and kitchenware.

Most Germans (87%) drink tea, in various flavours. Germany's love for tea is reflected in their East-Frisian tea culture being acknowledged as a UNESCO intangible cultural heritage. In this tradition, a strong black Assam tea mixture is drunk with rock sugar and cream. However, Germany's most popular teas are fruit, peppermint and herbal tea. Just 28% of German Earl Grey and English breakfast tea drinkers use milk in their tea, but 45% use sugar. 78% of Germans use teabags. 39% use loose tea, at least sometimes.

France is shifting its focus from developing countries to intra-European imports

France is Europe's second-largest importer of ceramic and glass tableware and kitchenware. Its imports grew steadily from €293 million in 2017 to €366 million in 2021, with a CAGR of 5.7%. However, the direct import market share of developing countries dropped from 56% in 2017 to 41% in 2021. This is relatively low.

It seems that France has substituted some of its direct imports from developing countries with supplies from European trade hubs like the Netherlands, Germany and Belgium. With a 9 to 13% share each, these countries have now become France's leading suppliers, after China (34%).

Most French (71%) drink tea, especially green and peppermint tea. Herbal tea ('tisane'), Earl Grey and fruit tea are also popular. Just 17% of French Earl Grey and English breakfast tea drinkers use milk in their tea, but 33% use sugar. Especially at breakfast, the French often drink their tea and coffee from a bowl – a cup without a handle.

Brexit may stimulate direct trade with the United Kingdom

The United Kingdom could well offer you opportunities because of its high imports from developing countries. The UK's withdrawal from the European Union (Brexit) has led to relatively low consumer confidence levels since 2016. On the positive side, Brexit may result in British buyers becoming more interested in importing directly from developing countries, rather than from European importers. This would allow them to avoid additional fees now that they are no longer part of the European Union's single market.

British imports of ceramic and glass tableware and kitchenware fluctuated between 2017 and 2021. A strong performance of €332 million in 2021 resulted in a modest CAGR of 1.0%. The United Kingdom sourced about 76% of these imports directly from developing countries, which is 1of the largest market shares in Europe. Most of them came from China.

Most Brits drink tea every day. About 40% of them drink several cups per day. English breakfast tea is by far their favourite tea, followed by Earl Grey and green tea. 85% of British Earl Grey and English breakfast tea drinkers use milk in their tea, and 26% use sugar. Tea drinkers in other European countries are more likely to use sugar than milk. This suggests that milk jugs (and tea sets that include a milk jug) are particularly suitable for the British market.

The Netherlands is an important European trade hub

The Netherlands is an important European trade hub, and it maintained a strong performance during the pandemic. This makes the country an interesting market for you.

Dutch imports of ceramic and glass tableware and kitchenware grew from €171 million in 2017 to €304 million in 2021, with a CAGR of 15% per year. This included strong growth rates of 1.9% in 2020 and 42% in 2021. The Netherlands sourced about half of its ceramic and glass tableware and kitchenware imports directly from developing countries, which is average for Europe. China (41%), Germany (14%) and the United Kingdom (10%) are the leading suppliers.

Most Dutch drink tea every week. About 40% drink tea daily. Those that drink tea drink 2.9 cups per day on average. Black and green teas are the most popular, followed by fruit, herbal and rooibos tea. Just 7% generally drink their tea with milk and 16% with sugar. Dutch tea drinkers usually make their tea using a teabag in a cup (81%). Nevertheless, teapots are also popular. 67% use a teapot with a bag, and 21% use a teapot with loose tea.

Since the Netherlands heavily depends on international trade, Brexit and international trade disputes may have a big impact on the country. This makes Dutch imports difficult to predict.

Poland is a strong emerging market

Poland’s growing imports have made the country the 6th largest European importer of ceramic and glass tableware and kitchenware. Poland’s imports increased from €124 million in 2017 to €225 million in 2021, with a CAGR of 16%. More than half of these imports came directly from developing countries, which is slightly above the European average. Poland’s leading suppliers are China (47%) and Germany, the country’s neighbour and an important European trade hub.

The Polish are the third largest tea drinkers in Europe. Black tea is the most popular type of tea in Poland, followed by Earl Grey and green tea. The Polish often drink their tea with lemon and sugar (or honey), served in tea glasses rather than ceramic cups or mugs.

Ireland is a relatively small market

Although Ireland is a smaller market, its growing imports from developing countries could offer you opportunities. Between 2017 and 2021, Irish imports of ceramic and glass tableware and kitchenware fluctuated around an average of €31 million. This represents about 1% of the European import market. Because the Irish drink the most tea in Europe per capita, a relatively large share of these imports may be teaware.

The direct import market share for developing countries grew from 40% in 2017 to 68% in 2021, which is well above the European average. These imports grew from €12 million in 2017 to €22 million in 2021. Ireland’s leading ceramic and glass tableware and kitchenware suppliers are China (58%) and the United Kingdom (20%).

Most Irish (71%) drink tea, consuming 2.2kg per person annually. This makes them the leading tea drinkers in Europe. Strong black tea is popular in Ireland, notably Irish breakfast tea. Like the British, the Irish often drink their tea with milk. Again, this suggests that milk jugs and tea sets that include a milk jug are particularly suitable for this market.

Tip:

Do not just focus on specific European countries. Instead, identify the appropriate segment and let your buyers distribute your products across Europe within this segment.

4. Which trends offer opportunities on the European teaware market?

The market for teaware is shaped by various trends, often related to the trends for HDHT at sector level. Key topics are tea-drinking moments, sustainability, identity and collectability.

Tea-drinking moments: slow or on the go

Trends in teaware are directly related to tea-drinking moments. Consumers use different teaware for their quick cup of tea in the morning than they do for slow, more intimate tea-drinking moments.

On the go

Drinking tea during the early morning rush before work or school needs to be quick and convenient. Teaware for these moments should be functional and basic. Affordable, simple teaware is generally used for these 'on-the-go' moments. Consumers often pour hot water straight from the kettle into the mug or glass, without using a teapot. The same applies to drinking tea at work. Although a lunch break may be less rushed, the teaware is still usually quite basic.

Slow

Slow tea drinking includes moments like afternoon tea with your best friend or children, or weekend breakfasts. These slow, more intimate moments are about the enjoyment of tea drinking. The idea is to drink your favourite tea, from your favourite pot, in your favourite cup or mug, with your favourite people. This also relates to the HDHT sector trend of 'home sweet home' and its underlying wellness trend. Both were boosted by the COVID-19 pandemic.

The 'home sweet home' trend includes enjoying each other's company, entertaining each other, cooking and dining, or just relaxing alone. Quality time spent alone or with friends and family can be good for consumers' wellbeing. Slow tea drinking fits in perfectly with this trend. Two-thirds of consumers have become more conscious of looking after their physical/mental health since before the pandemic. In a global Young Living survey, 48% of respondents reported that they are making wellness and self-care a top priority.

Tea pairing

An upcoming tea-drinking trend is to drink different teas during each course of a dinner. This is referred to as 'tea pairing' and involves matching specific teas and dishes based on flavours and aromas. This is an accepted practice with wine and is now also becoming a regular option for tea. It allows consumers to express their deep knowledge about tea and show their refined taste. As such, it has a certain status value. Each round of tea is served in an appropriate teapot and poured into special cups. This has the potential to grow into a broader trend that may boost the teaware market.

Tips:

In your communication, connect your products' main values to the consumer's various tea-drinking moments. Identifying these moments can help you reach different target groups. Remember, the 'slower' the tea moment, the less price-sensitive the teaware.

See our article on how the COVID-19 pandemic has boosted the importance of the wellness trend in HDHT for more information.

Sustainability: people and planet

Social and environmental sustainability are quickly becoming central consumer needs, also in HDHT. European consumers are increasingly adopting more sustainable lifestyles. The COVID-19 pandemic has boosted this trend. At the same time, the current cost of living crisis is driving the need for sustainable products to be affordable.

The pandemic has led consumers (especially young consumers) to put sustainability higher on their list of priorities. A remarkable 86% of European consumers consider sustainability to be important or very important. 29% deliberately and consciously buy sustainable products. In addition, most consumers say that they want significant changes that will make the world fairer and more sustainable after COVID-19. Millennials will soon be the dominant generation of consumers. They care about sustainability and express this by buying products from companies that contribute to a better world.

See here an example: Babù Antwerp – mouthblown tea glasses of recycled glass

In the case of teaware, sustainability issues are mainly related to production:

- Energy consumption: Can you reduce your energy use? Can you use clean energy sources? Can you recover heat and channel it back into the process?
- Pollution and waste: Can you prevent air and soil pollution? Can you reuse waste, either inside the production system or elsewhere?
- Organisational health and safety: Are your workplaces clean and safe? Are your workers using protective gear? Is there enough light and air?
- Worker happiness: Are your workers happy and committed? Does your company promote gender equality and social inclusion in general?
- Raw material sourcing and use: Are your materials renewable? What is the carbon footprint of your materials?
- Transport footprint: Do you use clean transport options? Do you pack containers effectively? Are your packing materials recyclable?

The higher segments of the teaware market value timeless design over trend. The longer consumers can enjoy (and add to) their teaware, the better it is for the environment. Finnish brand Iittala calls this design "against throwawayism".

See here an example: Iittala – recycled ceramic mug

Tips:

Use sustainable solutions for raw materials, production, transport and distribution, consumer use, and waste disposal.

If your products have a unique origin and/or story, communicate the special techniques, materials, producers, processes or meanings. This may add value to your concept and that of your importer.

If your importer is interested, consider certification options such as fair trade or BSCI compliance. For more information, see our studies about market entry for teaware and buyer requirements for HDHT.

See our special study on sustainability in HDHT and our webinar on sustainability in the European HDHT market for more information.

Identity: the independent new consumer

Millennials, and the Gen Z generation after them, have brought a new set of needs to the teaware market (and to HDHT in general). These consumers show a strong sense of independence in their buying process and the products they purchase.

Eclectic teaware

New consumers no longer follow the choice of their parents in teaware. They are either unaware of – or unaffected by – customs in tea drinking and the 'accepted' use of teaware. They mix and match styles, such as combining a casual mug with a more formal Japanese teapot or combining new items with flea-market finds. Choices are based on impulse and emotion, rather than on what is on offer and how it is grouped and presented by the brand.

Indifference to traditional marketing

For many years, teaware brands with a long history of making and marketing dominated the consumer buying journey. The traditional brands in teaware have always based their position in the market on aspects such as:

- Heritage – the long history of the company;
- Origin – the country, region or cultural context of the company;
- Awareness – being in the news, in cookery programs, in the magazines.

To a large extent, however, this type of traditional marketing does not influence the new consumer. Many millennials do not trust corporate messaging. Instead, they ask their friends for advice. They are influenced by different messaging, which needs to be online, brief and visual. As discussed, it increasingly needs to relate to social or environmental issues that they care about. Some heritage brands are starting to understand this. For example, Le Creuset now offers tableware in bold colours with plenty of options to mix and match.

See here an example: Le Creuset UK – dinnerware and cookware set with a consistent concept

The fact that the traditional brands are trying to adopt new positionings that Millennials find attractive may create some space for new entrants into the teaware market. That might be you, either directly or through a new or existing brand.

Tips:

Have a story. Stories about craftsmanship, design and sustainable impact are relevant to the new consumer.

Show that you have a cause worth supporting, such as women's empowerment, social inclusion, and environmental values. Make sure you practise what you preach, as the new consumer is very suspicious of 'greenwashing'.

Communicate your making process, especially the hand-made aspects. For example, use short videos that suit consumers' short attention spans.

Collecting and gifting

A possible countertrend to the unpredictable behaviour of the Millennial consumer is the desire many people have to collect teaware. The urge to collect and create a 'complete' collection with 1 theme is strong. In teaware, such collections are usually based on specific decorations in 1 theme or style, generally from 1 brand. Blond Amsterdam is a strong example of collectable teaware, with cartoon-style drawings in various themes.

The trend is strengthened by the fact that such teaware is often presented in gift wrapping. This makes it easy for collectors to put it on their birthday wish lists.

Tips:

Be 'collectible'. Add new items to your existing lines, based on a shared design element, such as shape, decor or style. You can also offer a variety of decors related to 1 theme. Mugs are especially suitable for this, as they are also stand-alone items.

Add gifting components to your offer in the form of consumer packaging, tags and stories.

Example

Quality Ceramic is a Thai manufacturer of porcelain tableware. They produce in 2 plants, using modern technology. Teaware is part of their broad offer in tableware. They meet all quality norms expected of functional ceramics and have succeeded in building a global customer base for private label buyers of teaware and tableware, both in consumer and hospitality markets. The base colour of the products is white. Decoration, including colours, is added through decals.

The company can compete in the mid-mid to mid-high segments of the international teaware market in terms of quality, capacity and logistics. Their social philosophy is based on values that include promises to their 500 employees about self-improvement and training, as well as promises to the customer. Quality Ceramic works according to ISO 9001 quality norms. They have adopted sustainable practices in relation to health and safety, fair payment, and their effect on the environment.

Globally Cool B.V. carried out this study on behalf of CBI in collaboration with GO! Good Opportunity.