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## Re-exports of coffee by Germany

### Background

In the context of its programme of activities, the Organization pays particular attention to international trade in all forms of coffee with a view to enhancing transparency in the coffee sector. For this purpose it has carried out an analysis of re-exports of coffee by Germany, the world's largest coffee re-exporter.

### Action

The Council is requested to take note of this document.

## RE-EXPORTS OF COFFEE BY GERMANY

### INTRODUCTION

1. This report, which is based on the previous study of re-exports of coffee by importing countries (document ICC-109-2 Rev. 1), provides a more detailed study of Germany's performance in the coffee trade. An analysis of the flow of imports and exports of coffee will also permit a better understanding of the dynamics of the German coffee industry. The following points will be covered:

- I. Volume, structure and origins of imports by Germany
- II. Volume, structure and destinations of re-exports by Germany
- III. Value of re-exports by Germany

2. The analysis will use observations for the period 1990 to 2011, which is divided into two sub-periods: the first ten years of the free market period (1990 to 1999) and the last twelve years (2000 to 2011). The latter period reflects recent developments in the coffee trade. It should be noted that all data on imports, re-exports and exports are expressed in green bean equivalent (GBE).

### I. VOLUME, STRUCTURE AND ORIGINS OF IMPORTS BY GERMANY

3. During the period 1990 to 2011, the average annual volume of imports of all forms of coffee was 15.9 million bags, making Germany the world's second-largest importer of coffee after the USA. There was also a substantial increase in the country's annual average imports from 13.7 million bags between 1990 and 1999 to 17.7 million bags in the period from 2000 to 2011 (Table 1).

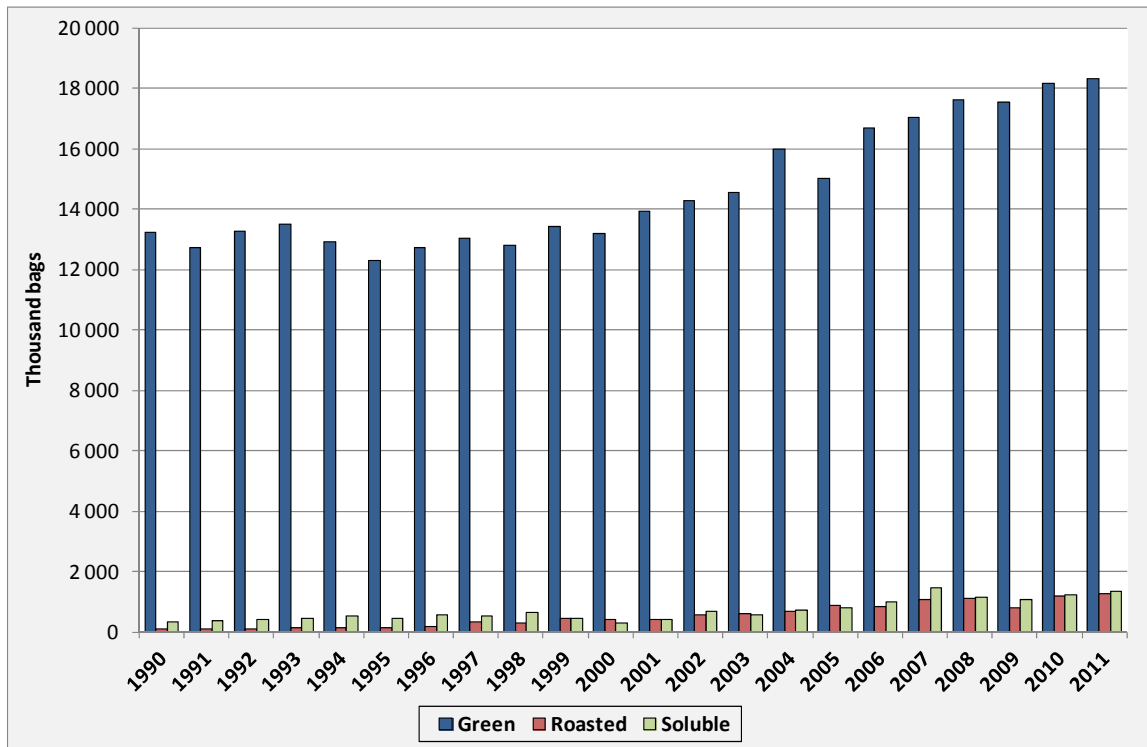
**Table 1: Imports of green, roasted and soluble coffee by Germany  
(In thousand bags)**

	Averages			% shares			Average annual growth rates		
	1990-2011	1990-1999	2000-2011	1990-2011	1990-1999	2000-2011	1990-2011	1990-1999	2000-2011
<b>Green</b>	14 646	12 991	16 026	92.2%	95.0%	90.3%	1.6%	0.2%	3.0%
<b>Roasted</b>	541	202	823	3.4%	1.5%	4.6%	12.4%	17.0%	10.7%
<b>Soluble</b>	703	477	892	4.4%	3.5%	5.0%	6.8%	3.6%	15.3%
<b>All forms</b>	15 891	13 670	17 741	100.0%	100.0%	100.0%	2.0%	0.5%	3.8%

4. Imports are mainly in the form of green coffee, which accounted for an average of 92.2% of the total between 1990 and 2011. Since the beginning of the decade 2000 the share of imports of green coffee in total coffee imports by Germany has averaged 90.3% a year. Imports of other forms of coffee are relatively less significant, as the average volume

of imports of roasted coffee during the period 1990 to 2011 was 541,000 bags, accounting for 3.4% of the total. In the case of soluble coffee, imports averaged 703,000 bags during the period covered by the study, accounting for 4.4% of the country's coffee imports (Graph 1).

**Graph 1: Imports by Germany by form of coffee  
(1990 to 2011)**



5. Table 2 shows the ten most important origins for these imports over the study period, which were all exporting countries. The most notable development during this time was the emergence of Vietnam to become Germany's second-largest origin, as well as a decline in supplies from Colombia. Brazil strengthened its position on the German market with its average share increasing from 12.9% during the period 1990 to 1999 to 27.6% in 2000 to 2011.

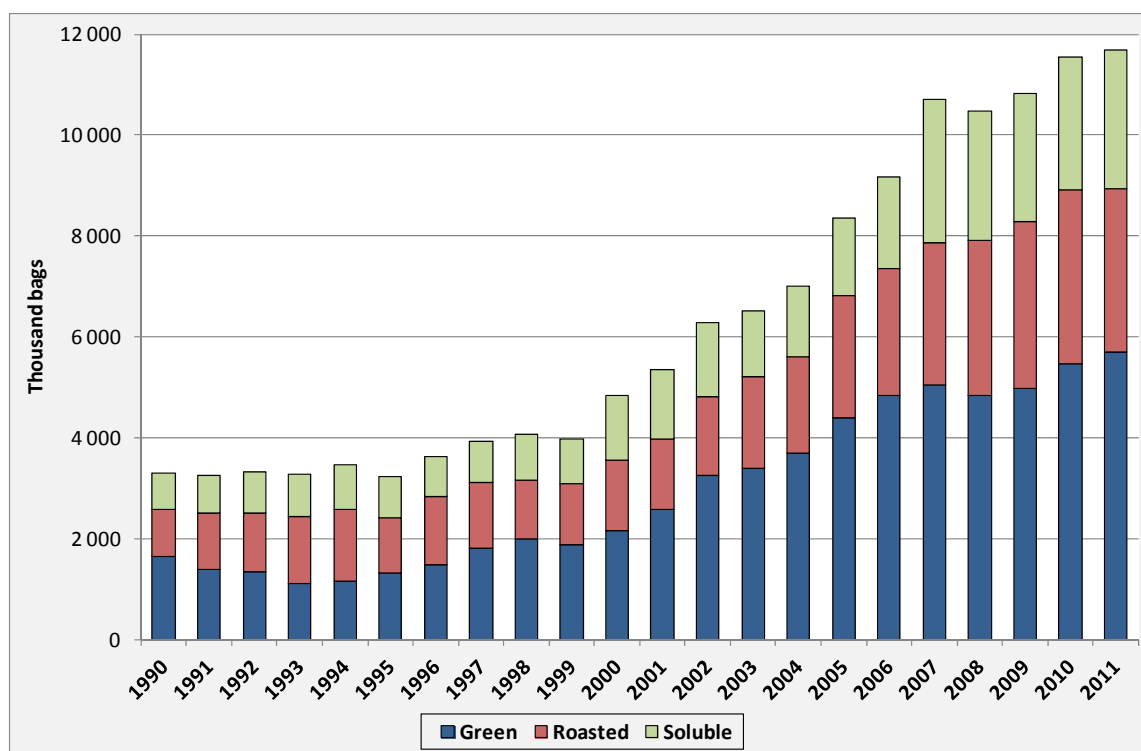
**Table 2: Top 10 origins for Germany  
(In thousand bags)**

	Averages			% shares		
	1990 - 2011	1990 - 1999	2000 - 2011	1990 - 2011	1990 - 1999	2000 - 2011
<b>Brazil</b>	3 477	1 764	4 905	21.9%	12.9%	27.6%
<b>Colombia</b>	2 257	3 437	1 272	14.2%	25.1%	7.2%
<b>Vietnam</b>	1 687	506	2 671	10.6%	3.7%	15.1%
<b>Indonesia</b>	953	826	1 060	6.0%	6.0%	6.0%
<b>Peru</b>	710	361	1 000	4.5%	2.6%	5.6%
<b>El Salvador</b>	672	894	487	4.2%	6.5%	2.7%
<b>Honduras</b>	631	367	852	4.0%	2.7%	4.8%
<b>Ethiopia</b>	561	442	659	3.5%	3.2%	3.7%
<b>Papua New Guinea</b>	518	564	480	3.3%	4.1%	2.7%
<b>Guatemala</b>	387	451	333	2.4%	3.3%	1.9%

## II. VOLUME, STRUCTURE AND DESTINATIONS OF RE-EXPORTS BY GERMANY

6. Germany is the largest re-exporter of coffee in the world. Total re-exports reached an average annual level of 8.6 million bags between 2000 and 2011, accounting for 28.1% of the world total (Graph 2). In terms of form of coffee, Germany was responsible for 46.2% of world re-exports of green coffee, 21.9% of roasted coffee and 18.8% of soluble coffee during the period 2000 to 2011.

**Graph 2: Volume of re-exports by Germany by form of coffee  
(1990 to 2011)**



## A – Volume and structure of re-exports

7. In terms of structure, the average annual volume of Germany's green coffee re-exports was 3 million bags (Table 3), representing 47.4% of its total re-exports. During the most recent period from 2000 to 2011, this average increased to 4.2 million bags.

**Table 3: Re-exports of green, roasted and soluble coffee by Germany  
(In thousand bags)**

	1990-2011	1990-1999	2000-2011
Green	2 974	1 512	4 191
Roasted	1 864	1 205	2 413
Soluble	1 442	824	1 957
<b>All forms</b>	<b>6 280</b>	<b>3 542</b>	<b>8 561</b>
<b>% shares</b>			
Green	47.4%	42.7%	49.0%
Roasted	29.7%	34.0%	28.2%
Soluble	23.0%	23.3%	22.9%
<b>Average annual growth rates</b>			
Green	6.1%	1.5%	9.3%
Roasted	6.2%	3.1%	7.8%
Soluble	6.6%	2.1%	7.4%
<b>All forms</b>	<b>6.2%</b>	<b>3.9%</b>	<b>8.4%</b>

8. Germany re-exported an average of 1.9 million bags of roasted coffee annually during the period 1990 to 2011, representing 29.7% of its coffee re-exports. Although the average volume of roasted coffee re-exports doubled from 1.2 million in the first period to 2.4 million since 2000, its share in Germany's total re-exports fell from 34% to 28.2%.

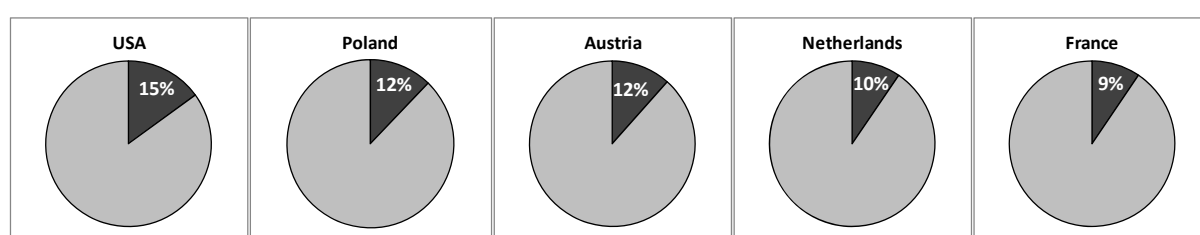
9. In the case of soluble coffee, Germany's re-exports between 1990 and 2011 averaged 1.4 million bags per annum, accounting for 23% of its total re-exports. The share of soluble coffee in Germany's total re-exports has remained relatively unchanged at 22.9% between 2000 and 2011 compared with 23.3% from 1990 to 1999.

10. The growth rate for re-exports of all forms of coffee by Germany increased to 8.4% during the period 2000 to 2011, rising from 3.9% during the period 1990 to 1999. During the same more recent period, the growth rates for re-exports of green, roasted and soluble coffee were 9.3%, 7.8% and 7.4%, respectively. The growth rate for re-exports of green coffee continues to be the highest, confirming the importance of Germany's transport network that receives coffee from exporting countries and re-exports it to other destinations.

## B – Destinations of re-exports by Germany

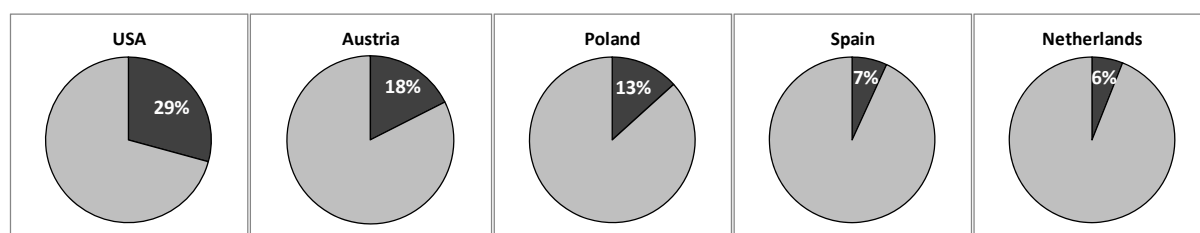
11. Germany re-exports coffee to over 150 countries in the world. The Annex table shows the principal destinations on the basis of averages for the period from 2000 to 2011. The United States, Poland, Austria, the Netherlands and France are the main destinations for re-exports of all forms of coffee by Germany (Graph 3).

**Graph 3: Main destinations of Germany's re-exports of all forms of coffee  
(Average 2000 to 2011)**



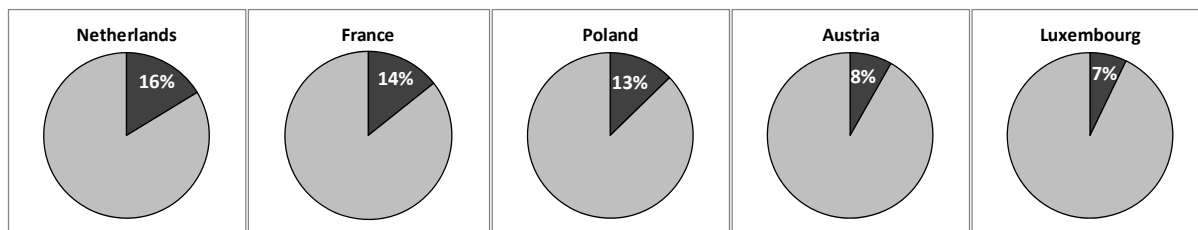
12. In terms of green coffee, the five leading destinations are shown in Graph 4. By far the largest destination is the USA, accounting for an average of 1.2 million bags a year since 2000. The vast majority of these re-exports are composed of green decaffeinated coffee. As Germany imports a negligible volume of green decaffeinated coffee, it can be assumed that there is a vibrant decaffeination processing industry in Germany.

**Graph 4: Main destinations of Germany's re-exports of green coffee  
(Average 2000 to 2011)**



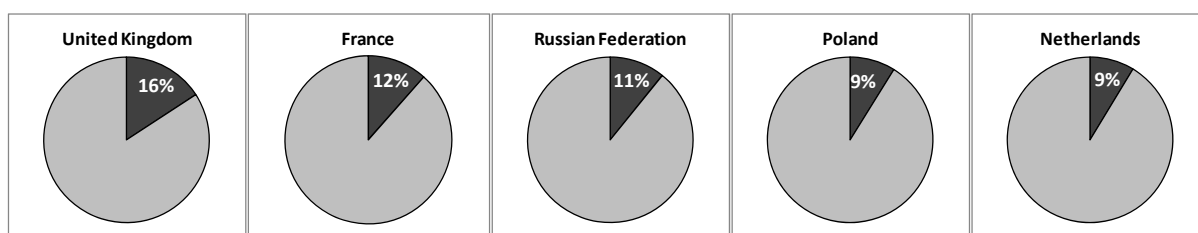
13. Re-exports of roasted coffee are predominantly destined for countries immediately bordering Germany, as shown in Graph 5. There has also been strong growth recorded in recent years in Poland, Slovakia and the Czech Republic, suggesting increased demand for roasted coffee in Eastern Europe.

**Graph 5: Main destinations of Germany's re-exports of roasted coffee  
(Average 2000 to 2011)**



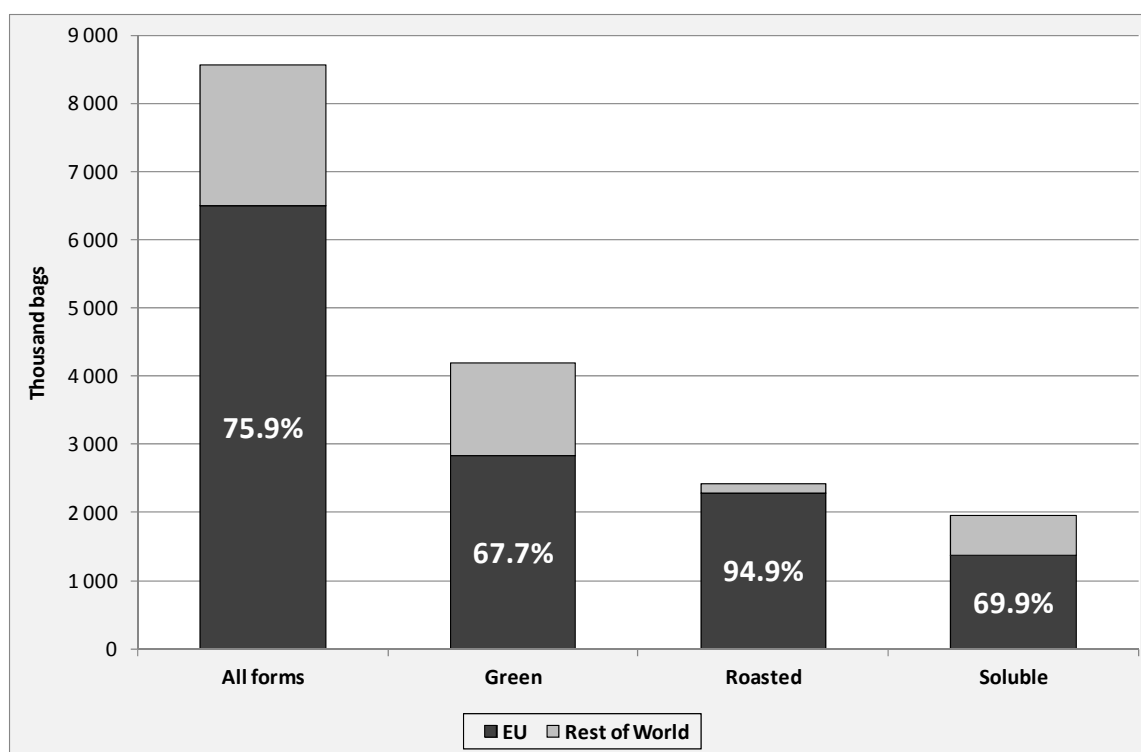
14. Finally, regarding soluble coffee, the United Kingdom has been consistently the most important destination for Germany since 1990. Furthermore, the major destinations are notably more geographically disparate than in the case of roasted coffee, including France, the Russian Federation, Poland and the Netherlands (Graph 6).

**Graph 6: Main destinations of Germany's re-exports of soluble coffee  
(Average 2000 to 2011)**



15. By and large, Germany's main re-exports of coffee are conducted within the framework of intra-European Union trade, which accounts for over 75% of re-exports of all forms of coffee. The share of intra-EU trade transactions in Germany's total re-exports of coffee varies from nearly 68% to 95%, according to whether transactions relate to green, roasted or soluble coffee (Graph 7).

**Graph 7: Destinations of re-exports by Germany  
(Average 2000 to 2011)**



### III. VALUE OF RE-EXPORTS BY GERMANY

#### A – Period from 1990 to 2011

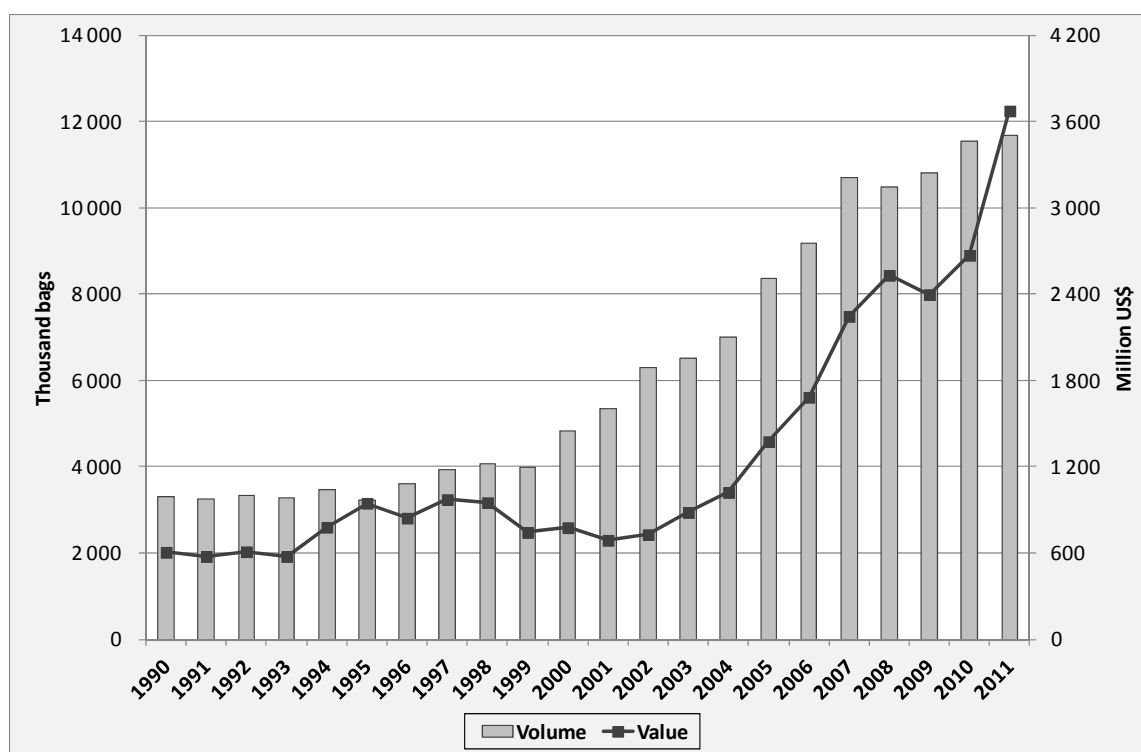
16. Germany earned an annual average of US\$1.3 billion for re-exports of 6.3 million bags between 1990 and 2011. Average re-exports of around 3 million bags of green coffee earned Germany US\$468 million annually (Table 4 and Graph 8).

**Table 4: Average volume and value of re-exports by Germany**

	Volume (thousand bags)				Value (million US\$)			
	Green	Roasted	Soluble	All forms	Green	Roasted	Soluble	All forms
1990 - 2011	2 974	1 864	1 442	6 280	468	423	394	1 285
1990 - 1999	1 512	1 205	824	3 542	246	269	245	760
2000 - 2011	4 191	2 413	1 957	8 561	653	552	518	1 722



**Graph 8: Volume and value of re-exports of all forms of coffee by Germany (1990 to 2011)**



17. In the case of re-exports of roasted coffee, Germany earned an average US\$423 million annually for a volume of 1.9 million bags. For soluble coffee, Germany earned almost US\$394 million annually for an average 1.4 million bags during the overall period from 1990 to 2011.

#### **B – Period from 1990 to 1999**

18. During this first free market period, the average value of Germany's re-exports of all forms of coffee was US\$760 million for a volume of 3.5 million bags. The total value of Germany's re-exports of green coffee averaged US\$246 million for a volume of around 1.5 million bags.

19. Germany's re-exports of roasted coffee earned US\$269 million for an average volume of 1.2 million bags, whereas re-exports of soluble coffee earned US\$245 million for an average volume of 824,000 bags.

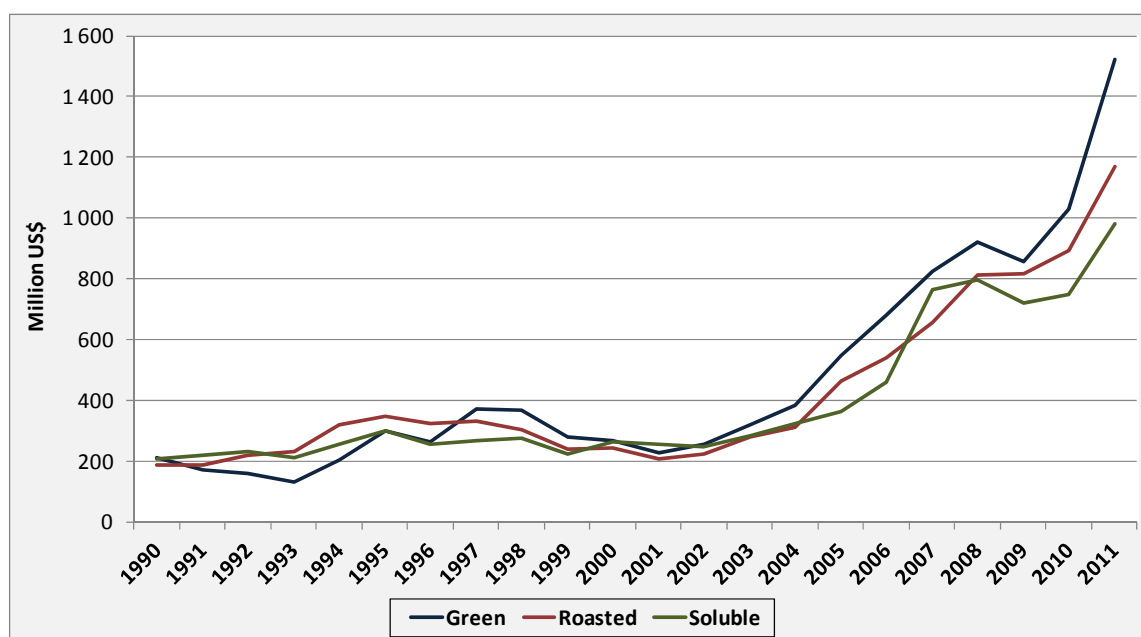
### C – Period from 2000 to 2011

20. Significant increases in the volume and value of re-exports were recorded during this period. For re-exports of all forms of coffee Germany earned US\$1.7 billion for a volume of 8.6 million bags.

21. Germany earned US\$653 million for an average volume of re-exports of green coffee of 4.2 million bags. The average annual value of Germany's re-exports of roasted coffee during the period 2000 to 2011 was around US\$552 million for a volume of 2.4 million bags. For re-exports of soluble coffee Germany earned US\$518 million for an average volume of 2 million bags.

22. It should be noted that Germany's earnings for re-exports during the period as a whole were highest for green coffee (36.4%), followed by roasted coffee (32.9%). Soluble coffee re-exports accounted for 30.7% of total earnings. The importance of green coffee in Germany's re-exports was confirmed by developments since 2000, with the share of green coffee in the value of re-exports at 37.9% compared with 32% for roasted coffee and 30.1% for soluble coffee. The value of re-exports of green coffee thus recorded a considerable increase in relation to other forms of coffee (Graph 9). More recently, the share of green coffee in the value of re-exports has increased considerably: from 38.5% in calendar year 2010 to 41.5% in 2011. In fact, between 2010 and 2011 the value of re-exports of green coffee increased by 48.2% from US\$1 billion to US\$1.5 billion while the volume of re-exports increased by only 4% from 5.5 million bags in 2010 to 5.7 million bags in 2011.

**Graph 9: Value of re-exports by Germany by form of coffee  
(1990 to 2011)**



## CONCLUSION

23. In conclusion, this study highlights the dynamic growth of the coffee industry in Germany, particularly during the period from 2000 to 2011. Re-exports account for 48.3% of average annual imports of 17.7 million bags (Graph 10). The increase in re-exports, particularly those of green coffee, is largely attributable to Germany's extensive transport network, which handles coffee imported from producing countries and re-exports it to other destinations.

**Graph 10: Average annual imports and re-exports by Germany**



24. It should be noted that there have been significant falls in Germany's imports of green coffee from some origins while others have gained in importance. This is particularly notable in the case of imports from Colombia and, to a lesser extent, Guatemala, which have lost market shares mainly to Brazil and Vietnam.

25. The European Union continues to be the main destination for re-exports of all forms of coffee by Germany, although the United States is still a leading destination, particularly for green decaffeinated coffee.

## MAIN DESTINATIONS OF GERMANY'S RE-EXPORTS

All forms	Averages			% share of origin		
	1990 - 2011	1990 - 1999	2000 - 2011	1990 - 2011	1990 - 1999	2000 - 2011
USA	1 016	696	1 282	16.2%	19.7%	15.0%
Poland	630	140	1 038	10.0%	4.0%	12.1%
Austria	706	366	989	11.2%	10.3%	11.6%
Netherlands	630	409	815	10.0%	11.5%	9.5%
France	608	365	811	9.7%	10.3%	9.5%
United Kingdom	449	411	481	7.2%	11.6%	5.6%
Belgium	431	459	408	6.9%	13.0%	4.8%
Spain	261	90	403	4.2%	2.5%	4.7%
Russian Federation	152	54	233	2.4%	1.5%	2.7%
Czech Republic	137	34	224	2.2%	1.0%	2.6%

Green	Averages			% share of origin		
	1990 - 2011	1990 - 1999	2000 - 2011	1990 - 2011	1990 - 1999	2000 - 2011
USA	979	682	1 226	32.9%	45.1%	29.2%
Austria	535	296	735	18.0%	19.6%	17.5%
Poland	309	10	558	10.4%	0.6%	13.3%
Spain	177	47	287	6.0%	3.1%	6.8%
Netherlands	161	51	252	5.4%	3.4%	6.0%
France	183	113	241	6.1%	7.5%	5.7%
Belgium	133	88	171	4.5%	5.8%	4.1%
Italy	90	22	146	3.0%	1.5%	3.5%
United Kingdom	96	90	102	3.2%	5.9%	2.4%
Denmark	51	5	89	1.7%	0.3%	2.1%

Roasted	Averages			% share of origin		
	1990 - 2011	1990 - 1999	2000 - 2011	1990 - 2011	1990 - 1999	2000 - 2011
Netherlands	355	309	393	19.1%	25.7%	16.3%
France	238	110	345	12.8%	9.2%	14.3%
Poland	214	102	307	11.5%	8.5%	12.7%
Austria	128	45	198	6.9%	3.7%	8.2%
Luxembourg	99	11	173	5.3%	0.9%	7.2%
Belgium	246	342	166	13.2%	28.4%	6.9%
Spain	52	17	82	2.8%	1.4%	3.4%
Slovakia	45	1	81	2.4%	0.1%	3.4%
Czech Republic	53	18	81	2.8%	1.5%	3.4%
Romania	49	12	80	2.6%	1.0%	3.3%

Soluble	Averages			% share of origin		
	1990 - 2011	1990 - 1999	2000 - 2011	1990 - 2011	1990 - 1999	2000 - 2011
United Kingdom	296	280	309	20.5%	34.0%	15.8%
France	187	142	225	13.0%	17.2%	11.5%
Russian Federation	136	44	212	9.4%	5.4%	10.8%
Poland	107	28	173	7.4%	3.5%	8.8%
Netherlands	115	49	170	8.0%	5.9%	8.7%
Ukraine	83	10	145	5.8%	1.2%	7.4%
Czech Republic	57	12	94	3.9%	1.4%	4.8%
Hungary	45	5	79	3.1%	0.7%	4.0%
Belgium	52	29	71	3.6%	3.5%	3.6%
Austria	43	26	56	3.0%	3.2%	2.9%

In thousand bags