

Analysis on the Problems and Countermeasures of China's Tea Export Trade

Lei Yang

School of Economics, Guangzhou College of Commerce, Guangzhou 511363, China

Abstract

The continuous expansion of the global tea market has had a certain impact on China's tea exports. By analyzing the current state of China's tea exports, it is evident that there are several issues: the export varieties are singular and overly concentrated; the technical standard system lags behind that of developed countries, leading to a decline in competitiveness as quality inspection standards for various teas continue to rise; and there is a limited number of large companies, with a lack of independent brands. Given these circumstances, it is essential to enhance the production quality of tea exports, strengthen brand building to increase the international visibility of tea products, adapt to the international market, and improve the legal system to boost the competitiveness of China's tea exports.

Keywords

Tea; Export; Brand Building.

1. Introduction

Currently, China's tea export industry is experiencing rapid growth. However, with changes in the global economic environment and trade policies, as well as intensifying competition in the domestic tea market, China's tea exports are facing several challenges. Wang, D. M. (2024) analyzed five-year data to reveal structural deficiencies in China's tea exports, particularly highlighting issues of product homogeneity and excessive geographical concentration in export markets[1]. Li, J. R. (2024) identifies cross-border e-commerce as an emerging transformative trend in foreign trade, injecting new vitality into tea export practices[2]. Huo, Z. H. et al. (2024) exposed the increasingly stringent pesticide residue standards imposed by developed economies like the EU and Japan, with export barriers emerging from improper pesticide usage in some Chinese production regions[3]. Qin, K. (2024) explored innovative pathways for China's tea exports[4]. Wang, R. S. (2023) employed the Revealed Comparative Advantage (RCA) index to assess the international competitiveness of Chinese tea products[5].

Synthesizing these research findings reveals that investigating the current status of China's tea exports and formulating corresponding strategies carries both significant practical and strategic importance. By conducting an in-depth analysis of the scale, market demand, and product structure of tea exports, we can gain a comprehensive understanding of the tea export industry, providing a scientific basis for developing effective strategies. Meanwhile, developed countries, aiming to protect their resources and environment, have implemented a series of green trade barriers, significantly reducing our competitiveness in the international market and increasing the cost of our product exports. This has put considerable pressure on China's tea exports and affected the country's overall tea export performance.

2. Current State and Issues in China's Tea Exports

2.1. Single Product Structure and Concentrated Export Markets

China primarily exports black and green tea, with other types of tea having much lower export volumes. Recent export statistics show that green tea dominates, accounting for 75.59% of exports in 2024 (Figure 1). This singular product structure has led to a fixed international market, as tea consumption habits in some regions remain stable. Consequently, China's tea export destinations are concentrated, making it difficult to expand into new international markets. The main export countries are Morocco and Ghana, with tea exports to Morocco totaling \$120 million from January to July 2024. If these stable export destinations were to halt trade with China, it would have a catastrophic impact on China's tea exports. Additionally, the economic added value of tea is very low, with most products being raw tea leaves, and tea derivatives are largely absent, often being used as primary raw materials for tea product processing in some regions.

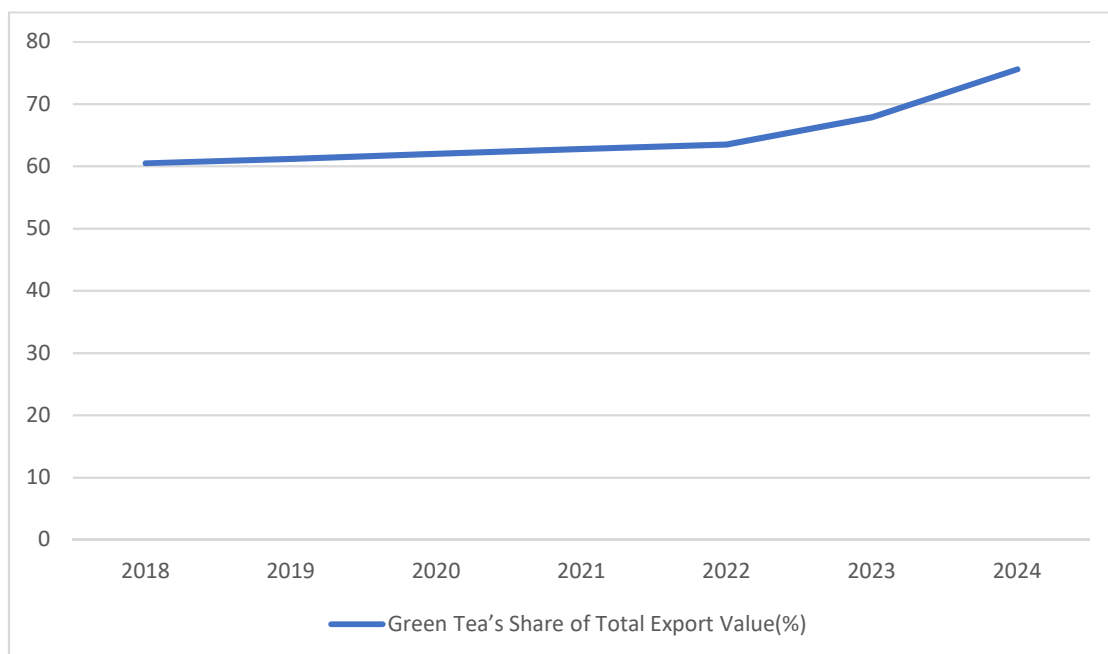


Figure 1. Green Tea's Share of Total Export Value
Data Source: General Administration of Customs

2.2. Lagging Technical Standard System

In recent years, China has made significant efforts and commitments in the field of food safety. The number of Maximum Residue Limits (MRLs) for pesticides in tea has increased from 9 in 2005 to 110, more than three times the Codex Alimentarius Commission (CAC) standard of 33. In setting specific MRLs, China has shown great determination to align with international standards. However, compared to developed countries, there is still a gap. Developed countries typically set stricter food safety standards due to their advanced technology and agricultural management, high regard for consumer health and food safety, and market demand for high-quality products. Advanced research and risk assessment ensure more scientific and reasonable standards. Intense market competition and comprehensive regulatory environments also drive companies to voluntarily adopt higher standards to maintain market competitiveness. These factors collectively enable developed countries to maintain higher standards in agricultural products. South Korea, Japan, and Australia, as members of the Regional Comprehensive Economic Partnership (RCEP), have particularly strict and frequently

updated pesticide MRLs standards. From January 2010 to May 2023, Japan, Australia, and South Korea revised their maximum pesticide residue limits for tea 60, 46, and 23 times, respectively.

Table 1. Common Pesticide MRLs in Tea (mg/kg)

Pesticide	MRL
Bifenthrin	5.0
Cypermethrin	20.0
Imidacloprid	0.5
Acetamiprid	10.0
Carbendazim	5.0
Glyphosate	1.0
Thiamethoxam	10.0
Fipronil	0.02
Chlorpyrifos	0.1
Fenpropathrin	5.0

Date Source: GB 2763-2021 National Food Safety Standard

2.3. Weak Brand Awareness among Small and Medium-Sized Tea Enterprises

Most tea enterprises focus more on price competition rather than brand building, resulting in weak brand awareness among Chinese tea companies. Many Chinese tea companies emphasize traditional tea production processes and product heritage but neglect brand building. As a major tea-producing country, most tea in China is sold directly by tea farmers, which may lead to lagging brand building, market promotion, and brand shaping. Currently, tea companies have not innovated their products or varieties, sticking to traditional types that wear down customer patience. Moreover, China's tea exports are predominantly low-end green tea, with little product improvement or innovation, resulting in a lack of high-end tea exports. There is hardly any tea brand that can compete with global giants like Lipton and Suntory, indicating weak brand effects. Chinese tea companies have overlooked brand dissemination and popularization, significantly diminishing the product value of their brands.

2.4. Declining Competitiveness of Tea

Export costs will continue to rise as destination countries implement green trade barriers. To meet the green food standards required for export, strict regulations and management are necessary not only in the planting and manufacturing processes but also in the purchase of advanced equipment and the hiring of skilled technicians for quality testing. Additionally, many export products affected by green trade barriers require specialized green international certifications, which often come with substantial costs. This indicates that overcoming green trade barriers necessitates increased production and testing costs, which is unfavorable for China's tea exports. As the cost of tea production rises, the value of exported tea will also increase. If China's tea exports lose their price advantage, they will no longer be competitive in the international market.

3. Policy Recommendations

3.1. Improving Tea Production Quality

Given the severe issue of pesticide residues, companies must enhance environmental awareness, ensuring pollution-free and environmentally friendly practices in development, cultivation, and sales. Tea companies should fully recognize the necessity of producing tea that meets green certification standards. Increasing the production and export of organic tea can minimize the impact of environmental barriers on China's tea industry. Given the generally

small scale of tea companies and their lack of technical conditions and innovation capabilities, it is essential to increase the supply of research from universities and tea research institutions, studying the latest technologies in organic tea cultivation to improve the level and technology of organic tea cultivation, thereby enhancing the efficiency and quality of exported tea.

The development of production must transition from traditional agriculture to modern agriculture. First, the government must improve transportation infrastructure in tea gardens to address transportation deficiencies and promote cooperation among small and medium-sized enterprises to accelerate the integration and scaling of tea gardens, improving the efficiency of transporting essential production factors like fertilizers. Second, the modernization of tea garden infrastructure should be enhanced. In the short term, advanced detection systems such as non-chemical pest control technologies should be adopted to improve the modernization of tea garden infrastructure. Third, digital management of tea gardens should be gradually promoted, integrating agricultural remote sensing, sensor technology, and agricultural machinery to enhance tea cultivation levels and increase output efficiency.

3.2. Strengthening Brand Building

Brand value reflects the comprehensive strength of a company or regional industry, representing the direction of supply and demand structure upgrades. It is recommended to adopt a dual development strategy for regional public brands and corporate brand value. In terms of public brand building, the management system for regional public brands should be improved, including defining the management entity, brand users, and authorized entities as the main bodies of brand use management, standardizing management objects, and establishing management system norms. In terms of corporate brand building, local government departments should provide financial subsidies, tax incentives, and other policy support, as well as establish media communication, exchange platforms, and trade information networks to guide and support local enterprises in independent brand innovation.

3.3. Establishing Green Marketing Concepts

Green marketing refers to companies adopting environmental protection as a philosophy and healthy, green social development as a value concept, focusing on the health and green consumption pursuits of modern consumer groups. Green marketing is a systematic project, so tea companies should focus on training employees and tea farmers, conveying and instilling green marketing ideas and green production skills. First, a green quality standard system should be established and aligned with international trade. The formulated tea quality standards should not only meet international levels but also conform to national and provincial conditions. In recent years, the government has emphasized the construction of agricultural product quality monitoring and inspection systems, with national, provincial, and regional product quality monitoring systems gradually forming, and tea routine inspection systems becoming more robust. This not only improves the level of tea product quality monitoring but also enhances the quality awareness of local governments and enterprises. Second, green product technology development and manufacturing should be prioritized. Since the main goal of green marketing is to expand the global market, production should strictly adhere to foreign technical standards, and research on tea deep-processing technology should be increased to expand the development space for green tea marketing. Third, tea packaging materials should be improved. In line with green environmental requirements, traditional Chinese green packaging materials such as ceramics, paper boxes, and bamboo tubes can be chosen. Brand design should highlight environmental characteristics, reflecting the lifestyle and social customs of importing countries while also showcasing Chinese cultural heritage.

3.4. Adapting to the International Market and Improving the Legal System

3.4.1. Optimizing Tea Export Structure and Promoting Export Market Diversification

From the perspective of export structure, tea export markets generally have niche quality and low added value. From a market composition perspective, there is a high dependence on the African market, leading to market imbalance issues. Therefore, it is necessary to optimize the composition of tea categories, enhance the market's expected price for tea, reform the industrial chain, and develop potential star tea products to further enrich the market composition, stabilize current export markets, and open up new markets.

3.4.2. Improving the Legal System

Excessive pesticide content has long been a problem in tea export inspections. Relevant inspection and supervision should focus on controlling the amount of pesticides used by tea farmers during tea production, establishing unified technical standards for pesticide use, and building a comprehensive international pesticide inspection system to ensure that tea meets international standards when exported, thereby improving the quality of exported tea and enabling it to enter other markets. Currently, the biggest issue with green barriers for tea is excessive pesticide residues, requiring tea companies to meticulously inspect the pesticide residue levels in exported tea to obtain international agricultural product certification. These measures significantly increase costs and reduce price advantages. Therefore, the government should establish a more comprehensive pesticide residue inspection system, providing tea companies with tea product inspection services to reduce their production costs. Additionally, obtaining environmental certification marks can significantly enhance the competitiveness of Chinese tea in the global market, reducing the negative impact of green barriers. Meanwhile, the country should gradually improve regulations related to tea quality standards, compelling tea companies to take measures to improve tea quality.

4. Conclusion

Based on an analysis of China's current tea export status, this study conducts an in-depth investigation into existing challenges and draws the following conclusions: China's tea exports primarily consist of green tea (nearly 80% of total exports). This reflects an over-concentration in both product variety and geographical distribution; compared with the EU's advanced technical standardization system, China's quality inspection criteria for various tea categories require continuous enhancement. The rising costs associated with meeting international standards have reduced the price competitiveness of Chinese tea products; the export portfolio remains dominated by low-end tea products lacking proprietary branding. This structural weakness exacerbates vulnerability to green trade barriers and limits market penetration in premium markets.

To address these challenges, the study proposes a multi-dimensional strategy: implement standardized production protocols to ensure consistent quality; establish internationally recognized tea brands through geographical indication protection; develop differentiated products tailored to global market preferences; optimize regulatory frameworks governing agricultural exports; promote sustainable cultivation practices aligned with ecological certification requirements. These measures aim to enhance the value-added potential of China's tea exports while improving compliance with evolving international trade standards.

References

- [1] Wang, D. M.. Current status of global tea trade and development strategies for China's tea exports. *China Tea*, 2024,46(12), 7-12. (in Chinese).

- [2] Li, J. R. . Impact of the digital economy on the competitiveness of China's tea exports and policy support. *Fujian Tea*, 2024,46(10), 50–52. (in Chinese).
- [3] Huo, Z. H., Liu, C., Zhang, M., et al. . The impact of differences in pesticide maximum residue limit standards on trade efficiency of China's tea exports to RCEP member countries: A study based on the stochastic frontier gravity model. *Journal of Tea Science*, 2024,44(3), 526–542. (in Chinese).
- [4] Qin K ,Zhou L . Analysis of the high-quality development path of China's tea export. [J]. *PloS one*, 2024, 19 (11): e0311629.
- [5] Wang, R. S. (2023). Current situation, issues, and strategies of China's tea exports. *Guangdong Tea Industry*,2023, (05), 46–51. (in Chinese).