The African Coffee Industry and the Chinese Tariff Exemption

This working paper examines how China's coffee market has evolved and the role that Africa has played in it. Chinese coffee consumption, which was almost non-existent at the start of the 2000s, has increased more than forty-fold over the last two decades, driven by freshly ground coffee and a young, predominantly female, urban clientele. Faced with stagnant domestic production concentrated in Yunnan, which was weakened by falling prices and thin producer margins left, China moved from a position of net exporter to that of net importer between 2004 and 2024. Its trade deficit widened sharply after 2017. Analysis of trade flows by product categories (green, roasted and soluble coffee) and by trading partners reveals a sourcing geography dominated by Asia and South America. Brazil and Vietnam supply cheap beans, while Colombia and Ethiopia supply higher-quality beans. The strategies of the Western and Chinese multinationals that structure these flows remain largely opaque. Within this context, the share of African coffee in Chinese imports remains modest (7.4% in 2024), concentrated among five exporting countries, including Ethiopia and Uganda. For both of these countries, China remains a secondary market. The tariff exemption granted to the least developed countries since 2005, which was recently extended to include Kenya, whose global output remains marginal, has not significantly altered roasters' choices. The working paper concludes that this tariff advantage carries little weight against the commercial strategies of the Chinese and Western importer-processors who actually structure the market.

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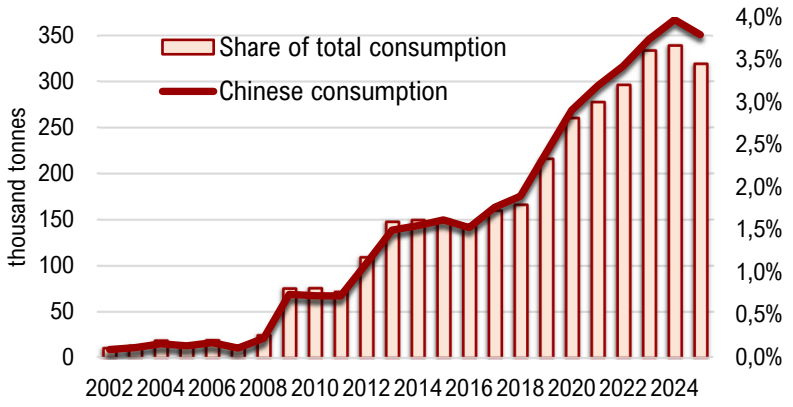
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China has long been on the margins of global coffee consumption, but has seen continuous growth in domestic demand since the mid-2000s. Its coffee consumption thus rose from 7,900 tonnes in 2002 to 351,000 tonnes in 2025, driven by the rising popularity of freshly ground coffee and by a young, mainly female urban clientele. This dynamic has, however, been accompanied by a structural reversal: Chinese production, concentrated in Yunnan, has stagnated since the turn of the 2010s under the combined effect of falling world prices and shrinking cultivated areas, to the point that China now imports more coffee than it exports. Against this backdrop, this working paper examines the role of African coffee in Chinese imports, and considers how significant the tariff exemption is for the African "least developed countries" (LDC) and, from 1 May 2026, Kenya, that have benefited from it for their green-coffee sales to China since 2005.

1. The State of the China's Coffee Market

According to the United States Department of Agriculture (USDA), Chinese coffee consumption rose from 7,900 tonnes in 2002 to 351,000 tonnes in 2025, a forty-fourfold increase over the period[1]. With a share of 3.5% of world consumption, China nonetheless remains a minor consumer, ranking 6th behind the European Union (25%), the United States (16%), Brazil (13%), and the Philippines and Japan (4% each). Consumption began to rise in 2008, maintaining an average annual growth rate of 22% through to 2025 (see figure 1)[2]. Chen Haozhi *et al.* suggest that Chinese coffee consumption could reach 550,000 tonnes by 2030, representing 5% of world consumption[3].

Figure 1– Chinese coffee consumption (2002–2024)



Chinese consumption habits are changing. Since 2015, freshly ground coffee (**现磨咖啡**) has become the driver of growth in coffee consumption accounting for 68.2% of consumption in 2024.

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1 These figures were obtained by converting USDA data, which is expressed in thousands of 60 kg bags of green coffee. This is the net national consumption (production plus the net trade balance) in green-bean equivalent. Conversion rates for processed products are given in the bulletin *Coffee: World Markets and Trade* (see page 3 of the December 2025 edition).

2 This chart is based on USDA data, which covers only the period 2002-2025.

3 Chen Haozhi [**陈浩智**] *et al.*, **咖啡市场发展现状及挑战研究** [Study on the current situation and challenges of the coffee market], **山西农经** [Shanxi Agricultural Economics Review], 2026, no. 5, pp. 216-217. Interestingly, throughout their research, the authors essentially relied on statistics produced by the United States Department of Agriculture and, secondarily, by the International Coffee Organization (ICO). Given that the study was funded by Chinese customs authorities, one might have expected the authors to have had access to Chinese statistics; this suggests that such statistics may simply not exist.

Meanwhile, soluble coffee (**速溶咖啡**) and ready-to-drink coffee (**即饮咖啡**) have steadily lost market shares. The majority of consumers are white-collar workers (**上班族**) under 35 (around 75%), mostly women (62%), working in the large coastal provinces such as Guangdong, Zhejiang and Jiangsu, as well as in tier-one cities such as Shanghai, which reportedly has more than 10,000 physical outlets (**门店**)[4] where coffee can be bought. However, it should be noted that the share of these major centres would decline as consumption grows in tier-two and tier-three cities[5]. According to the two journalists Yuan Xiaokang (**袁小康**) and Liang Qian (**梁倩**) [6], the number of cups[7] consumed per capita is said to have risen from 9 in 2020 to 22 in 2024, and the retail coffee market could grow from 90 billion dollars in 2023 to 140 billion dollars in 2025. This is likely to be an all-encompassing estimate that takes into account not only coffee itself but a wider ecosystem of related activities[8]. A report by the investment fund Black Valley Capital (**黑峪投资**), estimates that retail sales of coffee *stricto sensu* grew, between 2023 and 2025, from 21 billion dollars to 31 billion dollars[9].

China now produces a shrinking share of the coffee beans it needs for its own consumption. This turning point occurred between 2009 and 2011, when China 'consumption began to exceed its production (see figure 2). Whilst production has stagnated while consumption has soared, and coverage of consumption by production has now fallen below 50%.

This levelling-off in production may be linked to a decline in the area under cultivation. According to the FAO's online database, coffee-growing area is said to have shrunk by a third, from 46,900 hectares in 2013 (the peak year) to 32,220 hectares in 2023. 2024 is said to have seen a slight recovery, with an increase of close to 3%. This crisis has, of course, affected Yunnan Province, where close to 98% of the coffee-growing area is located, producing close to 99% of Chinese coffee output. The Pu'er region (**普洱**), traditionally known for its teas, is said to account on its own for 55% of Yunnan's coffee bean output[10]. According to the Chinese authors we consulted, the crisis may stem from the fall in coffee prices between 2011 and 2023, a crisis compounded by the highly unequal distribution of profits between processors (93%) and producers (7%). These producers

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4 These outlets may be traditional cafés (*coffee shops*), specialist shops, or counters in bookshops, as well as large Chinese or international chains (Starbucks, Luckin Coffee, etc.) or fast-food chains (McDonald's (McCafé), KFC, etc.), which explains the size of the figure quoted.

5 **世界中餐业联合会** [World Federation of Chinese Catering Industry (WFCCI)] and **黑峪投资** [Black Valley Capital], **中国咖啡产业报告**-2025 [China Coffee Industry Report - 2025], January 2026, pp. 31, 35. Chen Haozhi *et al., op. cit.,* p. 216-217.

6 Yuan Xiaokang [**袁小康**] and Liang Qian [**梁倩**], **我国咖啡市场需求持续增长** [Demand in the China's coffee market continues to grow], **农村新技术** [Rural New Technology], 2025, no. 9, p. 53 (article reprinted from **经济参考报** [Economic Information Daily]).

7 Cup size and the amount of coffee used can vary considerably between an "American" coffee and an espresso. A footnote (p. 35) in the *China Coffee Industry Report – 2025* (see note 5) assumes that a cup of coffee contains 18 grams of ground coffee (**假设每杯咖啡含** 18g **咖啡粉**). This convention, however, is specific to the report and does not correspond to any established international standard. A well-known French roaster recommends 6 grams for a small cup and 12 to 15 grams for a large cup. Extrapolating, we might say that consumption in 2024 amounted to 66 espressos per person per year, or one espresso every five to six days.

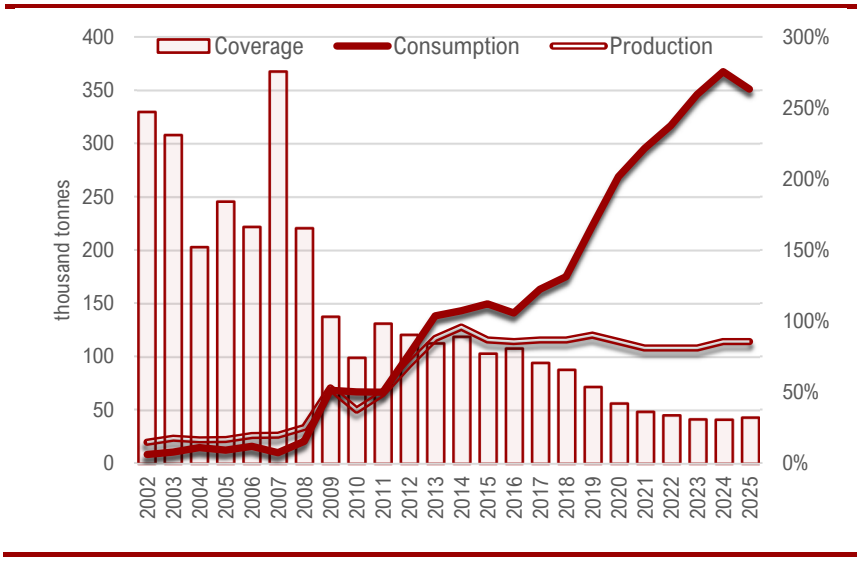
8 In its Blue Book on the coffee industry in China (**中国咖啡行业蓝皮书**) published in 2023, the consultancy CIC (**灼识咨询**) states this clearly: **中国现磨咖啡馆和其通过交叉销售可拓展到的业态市场规模在** 2025 **年可达到约** 1.6 **万亿元人民币**。

9 WFCCI and Black Valley Capital, *op. cit.*, p. 31.

10 Chen Haozhi *et al.*, *op. cit.*, p. 215; Zhou Juan [**周娟**] *et al.,* **价值链视角下云南省咖啡产业嵌入度研究** [A study of the degree of integration of Yunnan's coffee industry from a value-chain perspective], **普洱学院学报** [Journal of Pu'er University], 42(1), 2026, pp. 59-60.

are said to be seeking to switch to more profitable crops, such as premium coffee (豆) whose output rose from 8% in 2021 to 32% in 2024 of total Yunnan beans output[11].

Figure 2– Chinese coffee consumption and production
(thousand tonnes, 2002–2024)



2. COVERING THE SHORTFALL THROUGH EXPORTS

To meet the growing demand while production remains virtually stagnant, imports can only rise. However, imports are not directly correlated with domestic demand, since imports of green, roasted and soluble coffee are matched by exports of the same products following strategies that do not appear to be coordinated, making them difficult to interpret.

table 1 illustrates the evolution of China's coffee trade balance from 2004 to 2024. As in our previous working papers on African cocoa and sesame, we have kept to these dates, which are dictated by the timetable of China's tariff exemptions, and taken 2004 as the reference year since it is the last year preceding the application of the zero tariff on certain products for the benefit of least developed countries (LDCs). As in previous sections of this working paper, we have also converted all coffee products into green-bean equivalent (see note 1). We have excluded residual by-products of pulping and hulling, as well as caffeinated coffee substitutes (HS 090190), as these are of negligible weight and not central to the concerns of the coffee industry. During a first ten-year period from 2004 to 2013, China was a net exporter in terms of both volume and value, and it even benefited from rising prices. The following three years (2014-2016) were transitional, during which time the volume and value positions could diverge[12]. During the third period (2017-2024), China consolidated its position as a net importer, with its deficit multiplying sevenfold in tonnes and sixty-fourfold in dollars.

[11] Huang Jiaxiong [黄家雄] *et al.,* 2024 **年中国咖啡产业发展报告** [2024 Report on the Development of China's Coffee Industry], **热带农业科技** [Tropical Agricultural Science and Technology], 2025, 48(4), p. 47; Ouyang Yu [**欧阳宇**], **中国咖啡产业高质量发展建议** [Recommendations for high-quality development of China's coffee industry], **中国外资** [Foreign Investment in China], June 2023 (Part 1), no. 11, p. 66; Chen Haozhi *et al., op. cit.,* p. 216.

[12] We have identified a statistical anomaly mainly relating to 2016. It seems to be an error in the reported volume or quantity, rather than in the unit value; we may hypothesise a mirror-image estimate was used to calculate the total value based on a normal unit price and a misestimated quantity.

Table 1– China's coffee imports and exports (2004–2024)

Year	By volume (1,000 tonnes, green-bean equivalent)				By value (millions of dollars)			
	Imports	Exports	Balance	Position	Imports	Exports	Balance	Position
2004	17	52	35	+	20	42	22	+
2005	19	48	29	+	27	49	21	+
2006	23	63	40	+	43	72	29	+
2007	25	66	41	+	58	78	21	+
2008	30	72	42	+	83	104	21	+
2009	30	79	50	+	69	114	46	+
2010	43	81	38	+	100	134	34	+
2011	60	91	30	+	173	221	48	+
2012	86	121	35	+	230	284	54	+
2013	86	142	56	+	224	269	46	+
2014	125	158	33	+	351	341	-10	-
2015	135	134	-1	-	455	445	-11	-
2016	277	315	38	+	904	944	41	+
2017	156	125	-31	-	448	432	-16	-
2018	163	128	-35	-	483	334	-149	-
2019	167	92	-74	-	450	213	-237	-
2020	176	70	-106	-	543	190	-353	-
2021	238	49	-189	-	836	157	-679	-
2022	259	71	-189	-	1,100	296	-804	-
2023	268	44	-223	-	1,106	143	-963	-
2024	304	83	-221	-	1,312	281	-1,031	-

The breakdown of Chinese imports and exports of green, roasted and soluble coffee (in green-bean equivalent) enables us to track the evolution of China's positioning within the coffee value chain (see table 2). Despite temporary fluctuations, the average structure of imports shows that soluble-coffee imports (48%) outrank green-coffee imports (43%) and roasted-coffee imports (9%). The average structure of exports, representing close to 80% of imports by volume, is fairly similar, since soluble-coffee exports (52%) outrank green-coffee exports (43%) and roasted-coffee exports (2%). How can this be explained?

table 3 shows the share of the four leading suppliers and customers for each product category for the five most recent years for which we have data. The first notable point is the geographical spread of suppliers and customers: of the 24 country entries, fifteen refer to Asian countries (Russia included), six to Western countries, two to South American countries and one to an African country. We further observe a high degree of concentration around a limited number of suppliers for all three coffee categories, both by volume (around 80%) and by value (around 75%). By contrast, customer countries are more dispersed (around 50%), except for roasted coffee (92%). Examining prices provides further insight into the type of market involved in each case. Thus, Brazil and Vietnam supply green coffee beans (Robusta?) of markedly lower quality than those from Colombia and Ethiopia (Arabica). China sells coffee grown in Yunnan to mature markets at prices intermediate between those of its two supplier categories. For roasted coffee, China imports products from major brands (Italian, North American or Japanese) and exports lower-quality products, particularly to Vietnam. The situation is less clear for soluble coffee, except that China appears to purchase very high-quality soluble coffee from Japan and sell lower-quality soluble coffee to Malaysia.

Table 2– Imports and exports by coffee categories
(shares by tonnage, green-coffee equivalent)

Year	Coffee imports			Coffee exports		
	Green	Roasted	Soluble	Green	Roasted	Soluble
2004	79%	6%	15%	29%	0%	71%
2005	78%	8%	15%	23%	1%	76%
2006	73%	10%	17%	26%	2%	72%
2007	71%	12%	17%	28%	2%	70%
2008	62%	12%	26%	29%	2%	68%
2009	66%	8%	26%	40%	1%	59%
2010	64%	7%	29%	39%	2%	59%
2011	66%	6%	28%	40%	2%	58%
2012	63%	5%	32%	49%	2%	49%
2013	51%	6%	43%	51%	3%	46%
2014	49%	5%	46%	43%	3%	54%
2015	37%	9%	55%	46%	4%	50%
2016	13%	20%	67%	20%	14%	66%
2017	31%	13%	56%	49%	10%	41%
2018	31%	11%	58%	70%	4%	26%
2019	31%	9%	59%	72%	2%	25%
2020	32%	9%	59%	70%	2%	28%
2021	45%	8%	47%	51%	5%	44%
2022	42%	8%	51%	62%	5%	33%
2023	52%	6%	42%	37%	3%	59%
2024	60%	4%	37%	49%	11%	40%

Table 3– China's four leading trading partners for imports and exports (2020–2024)

Imports	Country	Volume	Value	Price $/kg	Exports	Country	Volume	Value	Price $/kg
	Green coffee					Green coffee			
1st supplier	Brazil	31%	28%	3.7	1st customer	Germany	20%	19%	3.6
2nd supplier	Vietnam	20%	11%	2.3	2nd customer	Netherlands	11%	11%	4.0
3rd supplier	Colombia	15%	18%	5.2	3rd customer	Russia	10%	10%	3.9
4th supplier	Ethiopia	15%	21%	6.0	4th customer	United States	8%	9%	4.3
	Top 4	80%	78%			Top 4	48%	50%	
	Roasted coffee					Roasted coffee			
1st supplier	Malaysia	38%	30%	8.3	1st customer	Vietnam	64%	20%	1.1
2nd supplier	Italy	21%	21%	10.4	2nd customer	Hong Kong	22%	40%	6.7
3rd supplier	United States	13%	12%	9.8	3rd customer	United States	5%	10%	7.8
4th supplier	Japan	6%	9%	14.9	4th customer	Singapore	2%	3%	7.7
	Top 4	78%	72%			Top 4	92%	73%	
	Soluble coffee					Soluble coffee			
1st supplier	Malaysia	35%	27%	2.1	1st customer	Hong Kong	18%	15%	2.4
2nd supplier	Vietnam	34%	27%	2.2	2nd customer	Malaysia	17%	24%	3.9
3rd supplier	Japan	8%	16%	5.2	3rd customer	Vietnam	15%	13%	2.5
4th supplier	South Korea	6%	5%	2.4	4th customer	Philippines	8%	7%	2.3
	Top 4	83%	76%			Top 4	58%	60%	

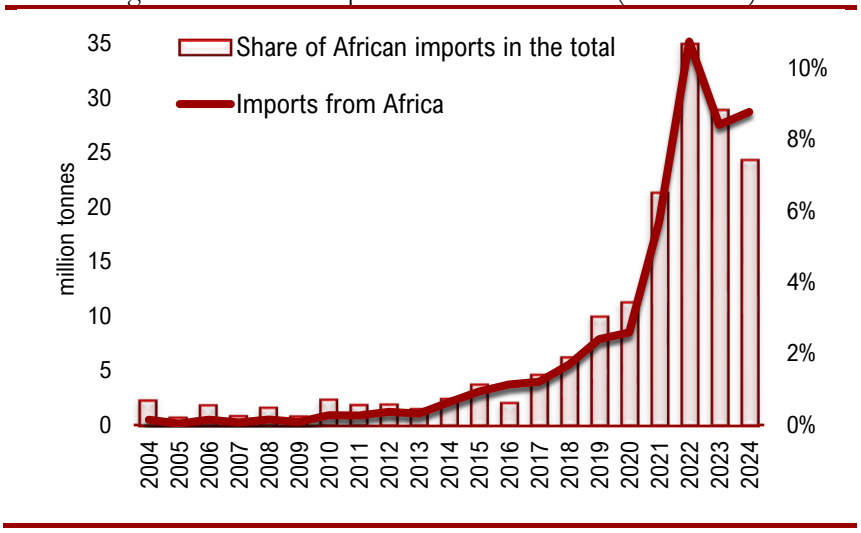
As a matter of fact, the commercial logic of the many foreign companies (Nestlé, Kraft, Starbucks, to name but a few) and Chinese companies (Luckin, Cotti, Manner, etc.) operating in this industry in China, through *ad hoc* platforms such as those of Dongguan, Kunshan or Jiangmen, are fairly opaque for lack of accessible information. However, it is far from certain that the future of African coffee will rely on tariff exemptions granted by China rather than in the strategies of multinationals, which are guided by their perception of the market rather than by any "South-South cooperation".

3. AFRICAN COFFEE AND THE TARIFF EXEMPTION

Before analysing China's imports of coffee from Africa, it is worth briefly noting that China exports an extremely modest quantity of coffee to Africa (0.12% of its total coffee exports). Two thirds of these exports are soluble coffee whilst the remaining third is green coffee. Green coffee is bought by five countries (Algeria, Djibouti, Egypt, Libya and Morocco), all of which have traditions of coffee prepared from a finely roasted, locally ground beans (so-called Turkish coffee, or *qahwa*) or boiled (*buna*) in Djibouti's case. Conversely, soluble coffee often dominates mass urban consumption across much of the rest of sub-Saharan Africa. It would be a serious matter for African coffee producers if China's coffee imports were to compete with their own supply. Indeed, if this were to happen, the tariff exemption they currently enjoy for their sales to China would be no more than an illusion.

In 2024, Chinese imports of African coffee (green, roasted and soluble coffee in green-coffee equivalent) accounted for 7.4% of total Chinese imports of this product. This is the result of a recent trend, as shown in figure 3. Initially, from 2004 to 2013, imports were very low in terms of both volume and share of total imports. Then, in a second phase, from 2013 to 2020, there was an acceleration accompanied by an increasing market share. The third phase, from 2020 to 2024, is characterised by fairly sharp growth, peaking in 2022 at 11%, despite sharply rising prices. Over the following two years, import volumes fell as prices held steady.

Figure 3– Chinese imports of African coffee (2004–2024)

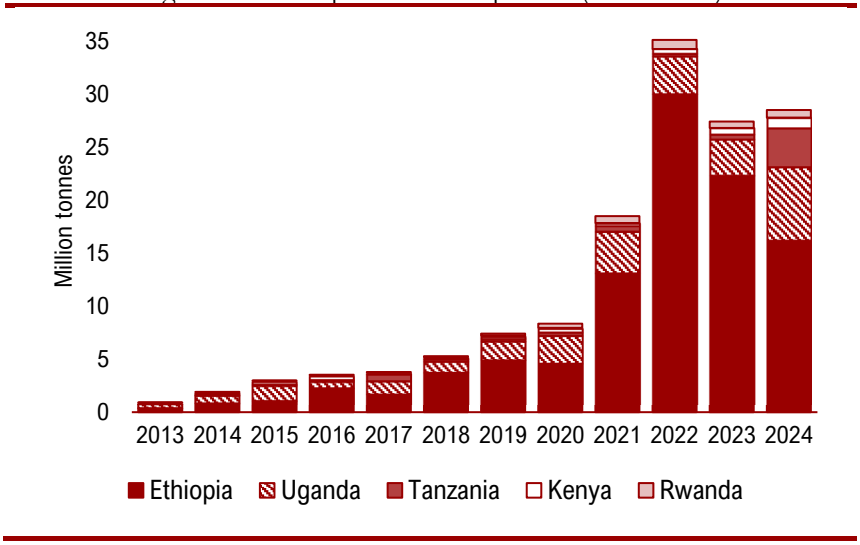


Five African countries (Ethiopia, Uganda, Tanzania, Kenya and Rwanda) export coffee to China (see table 4). Almost all of this is green coffee beans (99.9%), that is, unprocessed coffee. Since Africa increased the volume of its coffee sales to China in 2013, the importance of these five countries has remained largely unchanged, as shown in figure 4. The question, then, is what proportion of their total coffee exports their sales to China represent.

Table 4– Shares of African exporters (2004–2024)

Exporter	Share
Ethiopia	69.9%
Uganda	20.2%
Tanzania	4.6%
Kenya	2.7%
Rwanda	2.6%
Overall total	100.0%

Figure 4– The top 5 African exporters (2013–2024)



China is a very secondary, if not a minor, customer for the five African coffee-producing countries (see table 5). Their main customers are large roasters operating in well-established markets. There is little reason to expect this to change significantly in the short term. Four of these African green-coffee-exporting countries have least-developed-country (LDC) status and had therefore enjoyed a tariff exemption on their green-coffee exports to China since 2005. Available data show that this has not had any significant impact on the cost price of coffee, leading neither Chinese nor foreign roasters based in China, to significantly favour their purchases from Africa. Kenya, which does not hold LDC status, has now benefited from a tariff exemption since 1 May 2026. Will it be able to take advantage of this? According to the FAO's online database, in 2024, Kenya was the world's 24th largest coffee producer, with output representing 0.44% of world production. It is therefore doubtful that any gains could be more than marginal.

Table 5– China and the top 4 customers of African producers (2013–2024)

Producer	1st customer	2nd customer	3rd customer	4th customer	Top 4 customers	China	
						rank	share
Ethiopia	Germany (19%)	Saudi Arabia (18%)	Japan (10%)	United States (10%)	58%	8	3.7%
Uganda	Italy (29%)	Germany (18%)	United States (7%)	Spain (6%)	61%	17	1.0%
Tanzania	Japan (21%)	Italy (20%)	Germany (16%)	United States (8%)	65%	18	0.9%
Kenya	Germany (16%)	United States (15%)	India (15%)	Sweden (8%)	54%	22	0.6%
Rwanda	United States (27%)	Germany (12%)	Sweden (9%)	Belgium (6%)	54%	13	1.8%

The tariff exemption granted by China is, of course, a positive factor that can benefit African countries. However, as with cocoa and sesame, African producers are confronted with importer-processors, whether Chinese or not, and whether based in China or not, who set the conditions of the market. For these players, China's tariff exemption matters very little in terms of shaping of their industrial and commercial strategies given that it affects only minimal quantities.