

2Q 2018 U.S. Ceramic Tile Industry Update

by Andrew Whitmire

U.S. Tile Consumption Overview:

U.S. ceramic tile consumption through 2Q 2018 was 1.56 billion sq. ft., up 0.7% vs. 2Q 2017 YTD (1.55 billion sq. ft.).¹

The following table shows U.S. tile shipments, imports, exports, and total consumption in thousands of sq. ft.

<u>Year</u>	<u>U.S. Shipments (incl. Exports)</u>	<u>Imports</u>	<u>Exports</u>	<u>Total Consumption*</u>	<u>% Change in Consumption from Previous Year</u>
2Q 2018 YTD	486,446	1,084,918	14,673	1,556,691	0.7**
2017***	990,972	2,099,307	28,492	3,061,787	5.7
2016	945,245	1,987,929	36,198	2,896,977	5.8
2015	897,943	1,881,051	40,718	2,738,276	9.9
2014	816,050	1,711,571	36,996	2,490,624	0.5

*Note: U.S. Shipments + Imports – Exports

**Note: Change from 2Q 2017 YTD

***Note: 2017 domestic shipments and total consumption have been revised.

Imports:

Through 2Q 2018, 1.08 billion sq. ft. of ceramic tile arrived in the U.S., up 3.4% from 2Q 2017 YTD (1.05 billion sq. ft.)

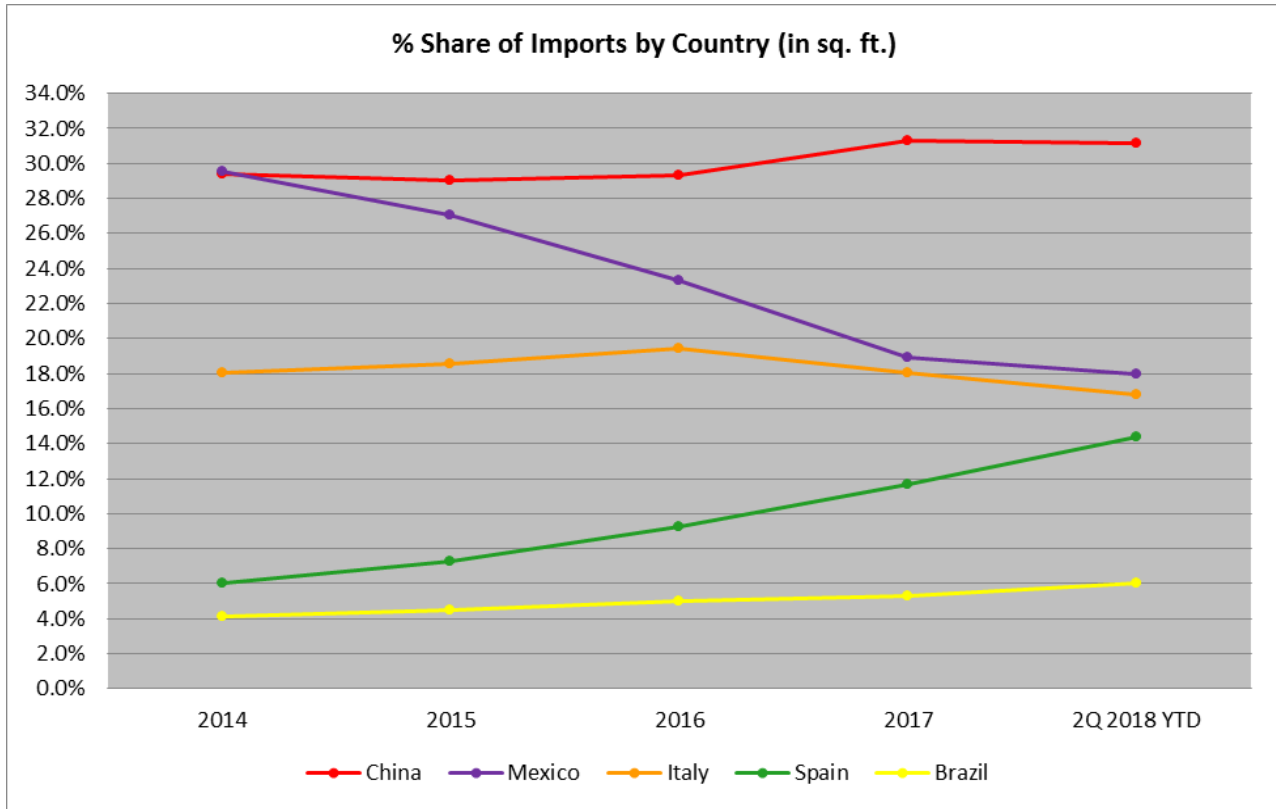
Imports through 2Q 2018 made up 69.7% of U.S. tile consumption (in sq. ft.), up from 68.6% in the previous year.

China was the largest exporter to the U.S. through 2Q 2018 with a 31.1% share of U.S. imports (in sq. ft.), followed by Mexico (18.0%), Italy (16.8%), Spain (14.4%), and Brazil (6.1%).²

¹ U.S. Dept. of Commerce & Tile Council of North America

² U.S. Dept. of Commerce





The five countries from which the most tiles were imported through 2Q 2018 based on sq. ft. were:

Country	Sq. Ft. 2Q 2018 YTD	Sq. Ft. 2Q 2017 YTD	2018/2017 % Change	2017/2016 % Change
China	337,873,368	324,534,332	4.1%	17.0%
Mexico	194,760,236	211,542,206	-7.9%	-14.4%
Italy	182,261,345	196,822,246	-7.4%	4.2%
Spain	155,808,723	110,801,638	40.6%	23.9%
Brazil	65,639,876	50,661,518	29.6%	5.8%

Italy remained the largest exporter to the U.S. on a dollar basis (2Q 2018 YTD), comprising 31.8% of U.S. imports. China was second with a 25.9% share, and Spain was third with a 15.9% share.





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The five countries from which the most tiles were imported through 2Q 2018 based on total U.S. \$ value (including duty, freight, and insurance) were:

Country	Total Val 2Q 2018 YTD (in \$)	Total Val 2Q 2017 YTD (in \$)	2018/2017 % Change	2017/2016 % Change
Italy	359,857,340	386,345,247	-6.9%	5.2%
China	292,902,530	295,239,029	-0.8%	18.5%
Spain	179,996,917	146,008,851	23.3%	21.5%
Mexico	120,206,348	116,590,397	3.1%	-17.1%
Turkey	55,990,243	60,865,401	-8.0%	12.5%
All Countries	1,131,283,403	1,118,204,321	1.2%	7.7%

The average values of tile³ (including duty, freight, and insurance) from the five countries (based on sq. ft.) from which the most tiles were imported through 2Q 2018 were:

Country	Sq. Ft. 2Q 2018 YTD	Tot Val 2Q 2018 YTD (in \$)	Value per Sq. Ft. 2Q 2018 YTD	Value per Sq. Ft. 2Q 2017 YTD	Value per Sq. Ft. 2Q 2016 YTD
China	337,873,368	292,902,530	\$0.87	\$0.91	\$0.90
Mexico	194,760,236	120,206,348	\$0.62	\$0.55	\$0.57
Italy	182,261,345	359,857,340	\$1.97	\$1.96	\$1.94
Spain	155,808,723	179,996,917	\$1.16	\$1.32	\$1.34
Brazil	65,639,876	42,043,063	\$0.64	\$0.68	\$0.64
All Countries	1,084,918,050	1,131,283,403	\$1.04	\$1.07	\$1.05

U.S. Shipments:

2Q 2018 YTD U.S. shipments (less exports) were 471.8 million sq. ft., down 4.9% vs. 2Q 2017 YTD.

The \$ value/sq. ft. of U.S. shipments (less exports) through 2Q 2018 was \$1.52, up from \$1.51 for 2Q 2017 YTD.

U.S. produced tile comprised 30.3% of the U.S. ceramic tile market (in sq. ft.) through 2Q 2018 and 38.8% by \$ value.⁴

³ The average value is significantly affected by the mix of tiles imported, with different types of tiles impacting the average value, in addition to differences in pricing for the same types of tile.

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Exports:

U.S. ceramic tile exports through 2Q 2018 were 14.7 million sq. ft., up 14.6% (in sq. ft.) from 2Q 2017 YTD. The vast majority of U.S. exports (in sq. ft.) were to Canada (77.9%).⁵

Economic Highlights:

- The government's 3Q 2018 estimate of the change in real GDP was 3.5%, a decrease of 0.7 percentage point from the change seen in the previous quarter.⁶
- Oct. 2018 new home starts were at a seasonally-adjusted annual rate of 1,228,000 units, down 2.9% from Oct. 2017.⁷
- Oct. 2018 new one-family home sales were at a seasonally-adjusted annual rate of 544,000 units, a 12.0% decrease from Oct. 2017.⁸
- Oct. 2018 existing single family home sales were at a seasonally-adjusted annual rate of 4.62 million units, down 5.3% from Oct. 2017.⁹
- The 30-year fixed mortgage rate in Sept. 2018 was 4.83%, up from 4.63% the previous month, and the highest monthly rate since April 2011.¹⁰
- The U.S. unemployment rate was 3.7% in Oct. 2018, down from 4.1% in Oct. 2017.¹¹

⁴ U.S. Dept. of Commerce & Tile Council of North America

⁵ U.S. Dept. of Commerce

⁶ Bureau of Economic Analysis

⁷ U.S. Census Bureau

⁸ U.S. Census Bureau

⁹ National Association of Realtors

¹⁰ Freddie Mac

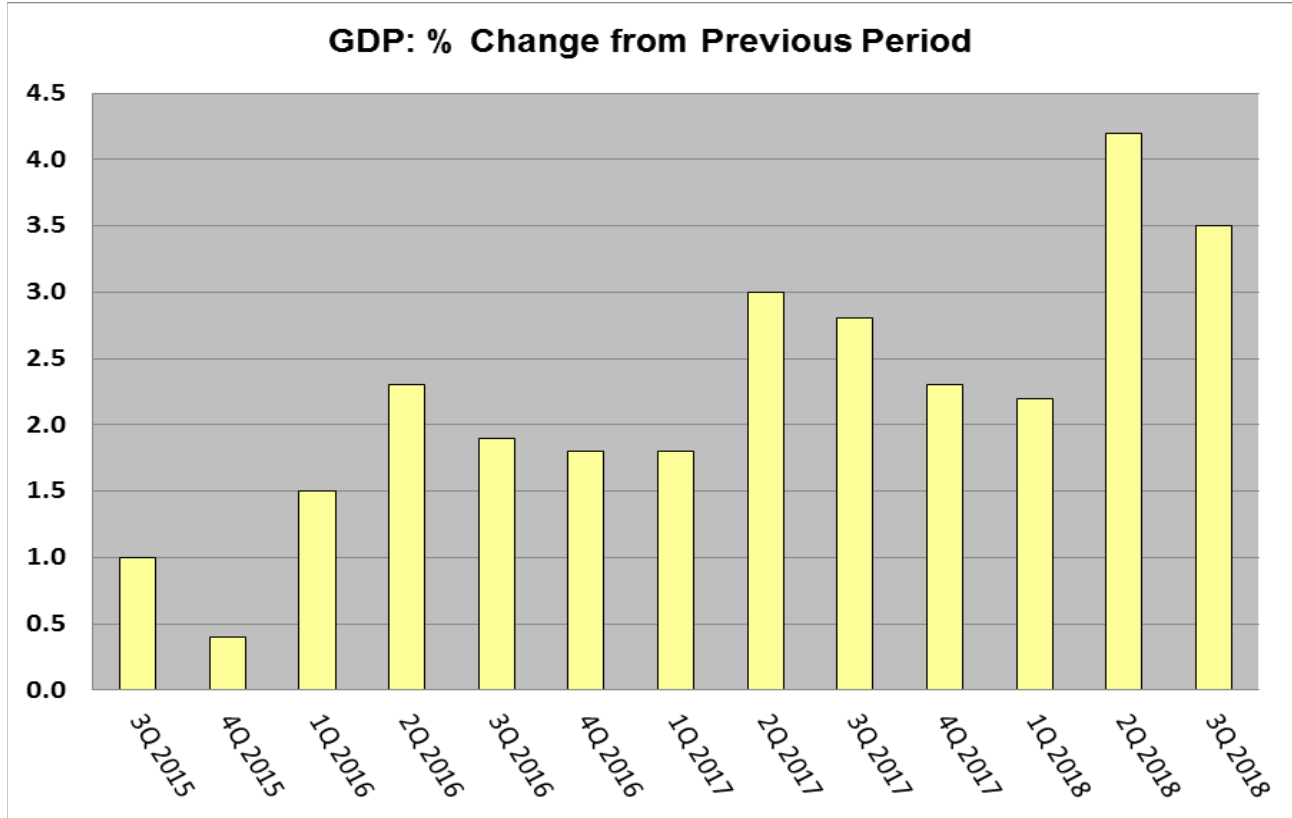
¹¹ Bureau of Labor Statistics

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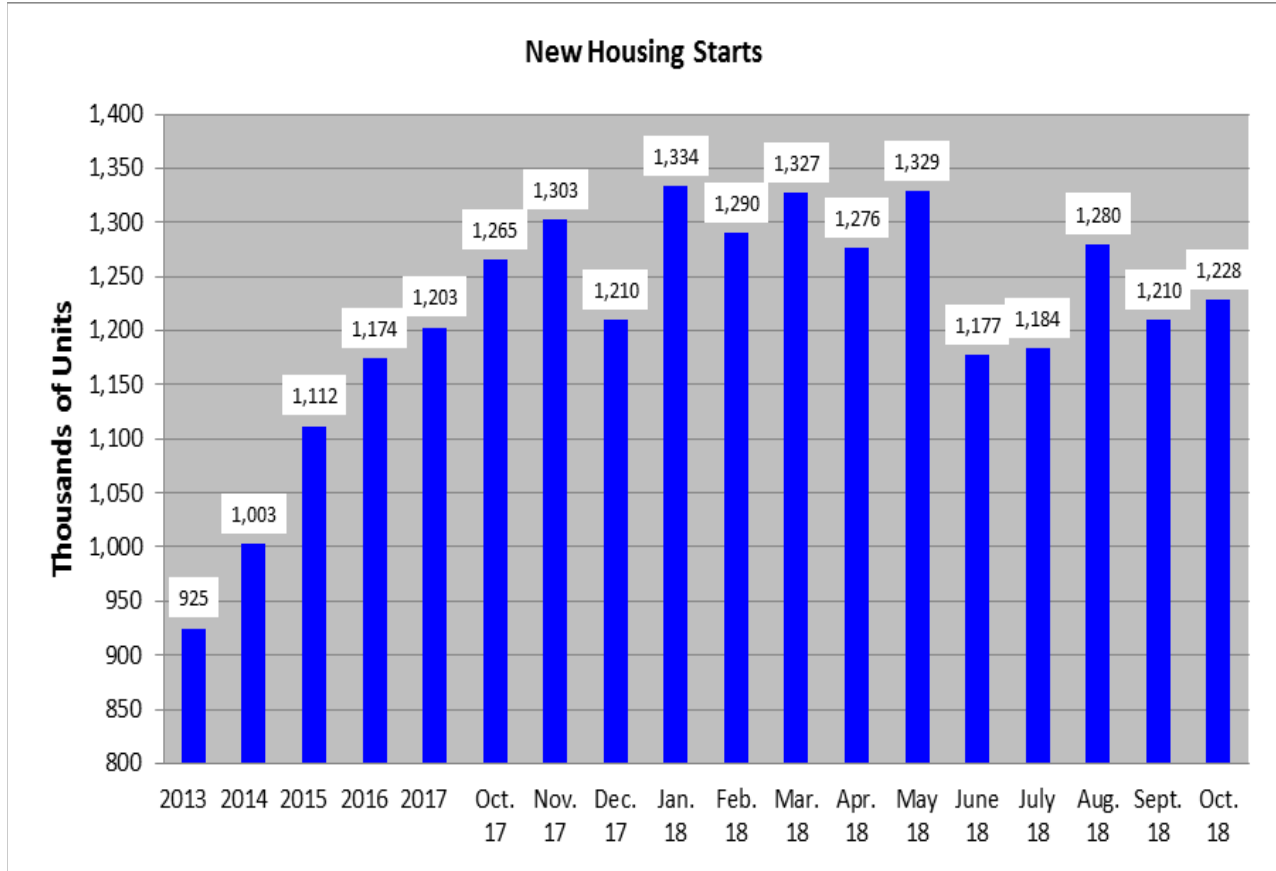


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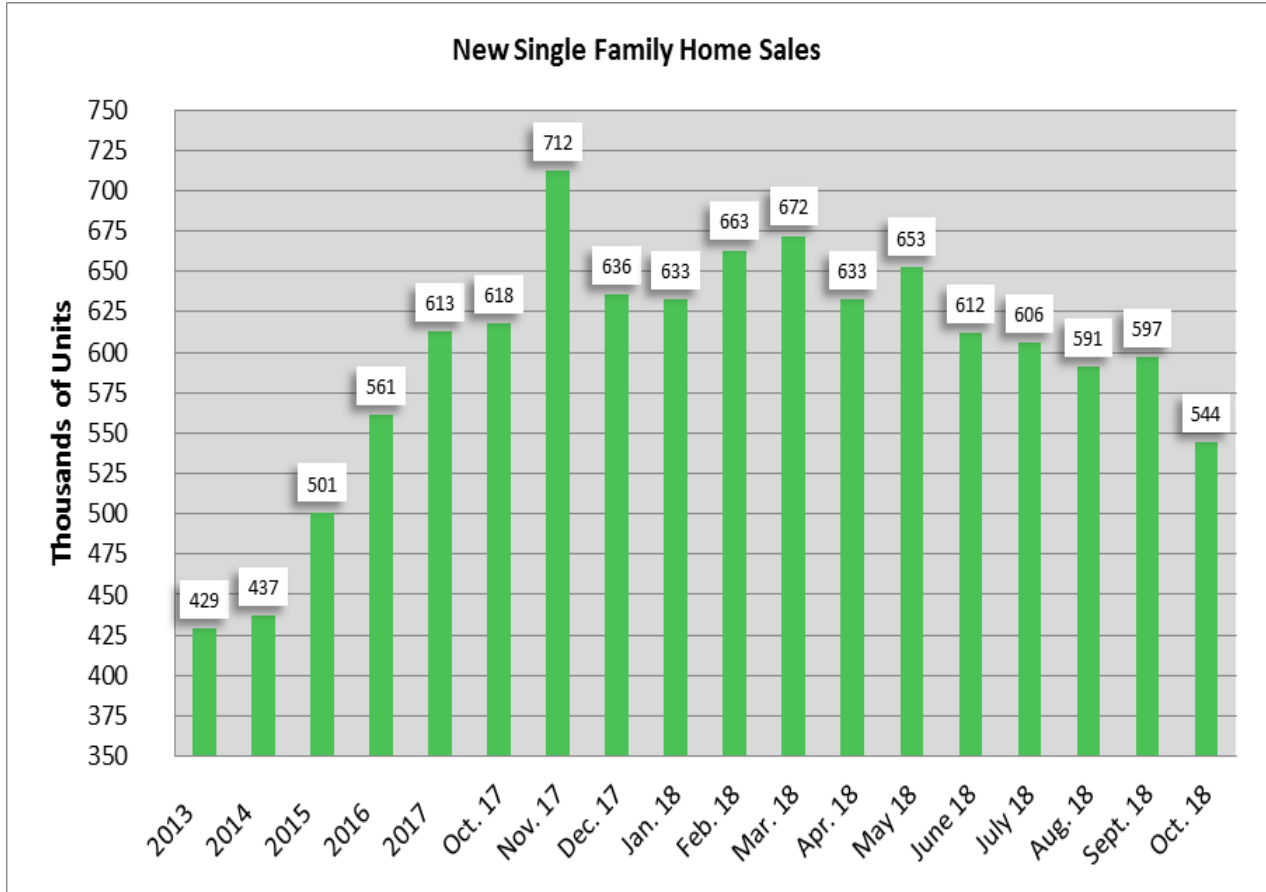
(Source: Bureau of Economic Analysis)





(Source: U.S. Census Bureau)





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