

2010 State of the Ceramic Tile Industry and news from TCNA



The Tile Council of North America (TCNA) made a number of announcements at the Coverings show. Here are the highlights. Visit www.tileusa.com/speechindex.htm for details on the following announcements.

2010 Ceramic tile industry update

Based on data available to date – actual 1Q-3Q 2010 U.S. shipment data and estimation of 4Q shipments – U.S. tile consumption for 2010 was 1.97 billion square feet.

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

| <u>Year</u> | <u>U.S.</u> | | <u>Exports</u> | <u>Total Consumption</u> | <u>% Change in Consumption from Previous</u> |
|-------------|------------------|----------------|----------------|--------------------------|--|
| | <u>Shipments</u> | <u>Imports</u> | | | <u>Year</u> |
| 2010 | 617,631* | 1,394,779 | 42,044 | 1,970,366* | 6.0 * |
| 2009 | 571,255 | 1,333,252 | 45,555 | 1,858,952 | -18.1 |
| 2008 | 634,374 | 1,685,532 | 50,512 | 2,269,394 | -15.2 |
| 2007 | 544,988 | 2,178,258 | 47,478 | 2,675,768 | -19.3 |
| 2006 | 629,672 | 2,732,199 | 45,107 | 3,316,764 | 1.8 |

*Note: Based on actual 1Q-3Q 2010 U.S. shipment data + an estimation of 4Q U.S. shipments.

- The U.S. imported 1.3 billion square feet of ceramic tile in 2010, up 4.6% from 2009 (1.33 billion square feet).
- Import penetration has fallen in each of the last four years; in 2010 it was estimated at 70.8%, the lowest level

since 1998.

- Top volume exporters to the U.S. in 2010 were: Mexico with a 27.8% share; China at 24.6% and Italy with a 17.9% share.
- In dollar value, Italy again held the top 2010 exporter position comprising 35.6% of U.S. imports; China accounted for 20.3% and Mexico 16.7%.

The top five exporting countries in 2010 based on square feet volume were:

| COUNTRY | SQ FT 2010 | SQ FT 2009 | 2010/2009 % Change | 2009/2008 % Change |
|---------|-------------|-------------|-----------------------|-----------------------|
| Mexico | 387,678,293 | 374,298,957 | 3.6% | -10.8% |
| China | 343,091,529 | 292,339,691 | 17.4% | -5.5% |
| Italy | 250,092,602 | 234,771,586 | 6.5% | -39.2% |
| Brazil | 89,550,633 | 107,466,268 | -16.7% | -34.3% |
| Spain | 70,701,917 | 76,637,815 | -7.7% | -37.6% |

The top five exporting countries in 2010 based on total U.S. dollar value (including duty, freight, and insurance) were:

| COUNTRY | \$ VAL 2010 | \$ VAL 2009 | 2010/2009 % Change | 2009/2008 % Change |
|---------|-------------|-------------|-----------------------|-----------------------|
| Italy | 454,447,747 | 429,686,411 | 5.8% | -39.7% |
| China | 258,682,812 | 216,275,919 | 19.6% | -7.5% |
| Mexico | 213,044,823 | 205,035,537 | 3.9% | -24.4% |
| Spain | 98,410,437 | 103,952,505 | -5.3% | -37.6% |
| Brazil | 61,410,415 | 71,287,697 | -13.9% | -38.5% |

Domestic shipments were estimated at 617.6 million square feet in 2010, up 8.1% from 2009. 2010 U.S. exports were at 42.0 million square feet, down 7.7% from 2009. Canada (55.3%) and Mexico (23.2%) made up the bulk of these volume exports. (Source: U.S. Commerce Dept.)

“Despite the difficulty of the past three years, our industry has a history of growth and success, and we fully expect that to continue, but at a lower level in the near future,” noted Eric Astrachan, TCNA executive director. “Prior to 2007, U.S. tile consumption increased eleven years in a row. That is a very good track record and demonstrates consumer desire for the value, durability, and quality ceramic tile provides.”

In addition, TCNA made the following announcements:

- The 2011 *TCNA Handbook for Ceramic*,

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Glass and Stone Tile Installation is completely updated and expanded from 84 to 296 pages, with more than 70 methods for glass tile and 57 adapted to stone, ANSI and ISO criteria, and a system of environmental classifica-



tion. Included is *Tile Is the Natural Choice*, updated to address installation materials, and a new directory of Certified Tile Installers (CTIs). For more information, visit: www.tileusa.com/publication_main.htm or phone 864-646-8453.

- Work is continuing in the ANSI A108 Committee for the creation of a glass tile standard, *ANSI A137.2 American National Standard Specifications for Glass Tile*.
- *Green SquaredSM*, the first draft of ANSI 138.1 North American standard specification for sustainable ceramic tiles, glass tiles and tile installation materials is currently under review by the ANSI A108 committee.
- A protocol is under development to any allergic reactions to tile and installation via inhalation or contact. The goal is a standard for certification that would allow a product to be marketed as hypoallergenic.
- The Porcelain Tile Certification Agency (PTCA) now claims 25 manufacturers and 225 lines qualifying for certification. PTCA certifies tile is true porcelain with .5% water absorption or less. Products that are certified can

display a unique PTCA logo on boxes and in corresponding literature.

- New Product Performance Testing Laboratory services include full ISO 13007 cementitious grout and mortar testing capabilities for international customers as well as modified ASTM C666: “Automated High Cycle Freeze/Thaw” stone testing, and ASTM C1721: “Petrographic Analysis of Dimension Stone.” Testing is offered for a number of “green” criteria as well.
- TCNA membership has grown in the U.S. and Mexico, now at an all-time high of 210 members which produce over 99% of the tile made in the U.S. and Canada and approximately 98% of the tile made in Mexico. All major U.S. setting material manufacturers are TCNA members.
- TCNA-Mexico membership has grown from five founding members in 2005 to more than 30 today. Recent developments include work in government relations towards eliminating illegal tile imports, installer training & certification including a new training center in Mexico City, a new instructional tile installation video, hosting the World Ceramic Tiles Manufacturers’ Forum, October 17-21, 2011 in Mexico City, expanded TCNA-Mexico pavilion at Expo CHIAC in 2011- the largest construction show in Mexico - and work with Green Building Council-Mexico to customize 80 of the 120 credits necessary for LEED certification to meet Mexico’s climatic and environmental needs.