

2Q 2017 Ceramic Tile Industry Update

by Andrew Whitmire

U.S. Tile Consumption Overview:

At the midway point of 2017, the U.S. ceramic tile market appears headed for its eighth consecutive year of growth. Through 2Q 2017 U.S. ceramic tile consumption was up 7.1% (in sq. ft.) vs. the first half of 2016.¹

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 2017 YTD	502,529	1,049,425	12,802	1,539,152	7.1**
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
2013	793,931	1,723,470	39,513	2,477,888	12.9

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

**Note: Change from 2Q 2016 YTD

Imports:

Through 2Q 2017, 1.05 billion sq. ft. of ceramic tile arrived in the U.S., up 6.6% from 2Q 2016 YTD.

Imports through 2Q 2017 comprised 68.2% of U.S. tile consumption (in sq. ft.), down from 68.6% in the previous year.

Through 2Q 2017 China was the largest exporter to the U.S. with a 30.9% share of U.S. imports (in sq. ft.), followed by Mexico (20.2%), Italy (18.8%), Spain (10.6%), and Turkey (6.1%).²

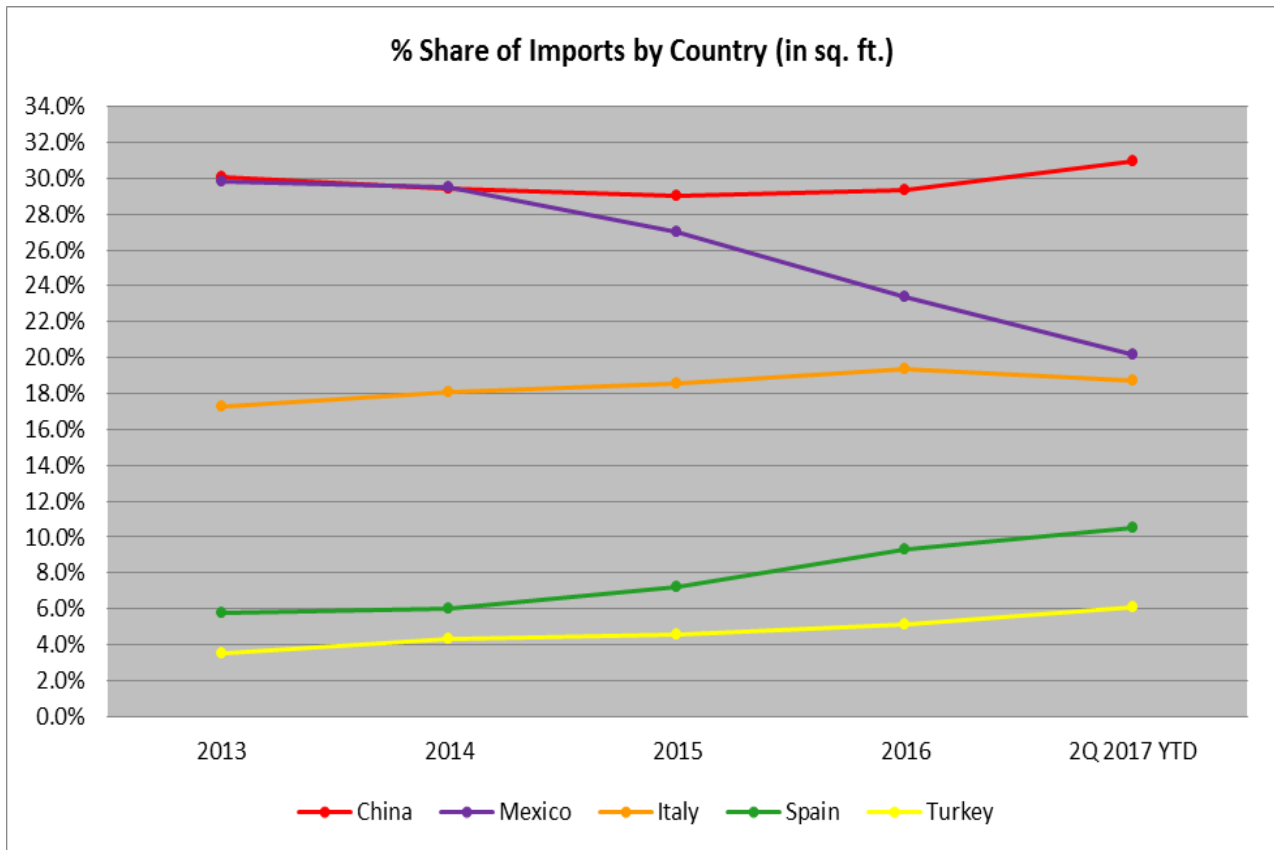
¹ U.S. Dept. of Commerce & Tile Council of North America

² U.S. Dept. of Commerce



The five countries from which the most tiles were imported through 2Q 2017 based on sq. ft. were:

Country	Sq. Ft. 2Q 2017 YTD	Sq. Ft. 2Q 2016 YTD	2017/2016 % Change	2016/2015 % Change
China	324,534,332	277,446,109	17.0%	2.6%
Mexico	211,542,206	247,027,449	-14.4%	-4.8%
Italy	196,822,246	188,947,628	4.2%	19.2%
Spain	110,801,638	89,430,518	23.9%	52.1%
Turkey	63,749,087	45,941,543	38.8%	4.4%





Website: www.tcnatile.com . Literature: literature@tcnatile.com

Italy remained the largest exporter to the U.S. on a dollar basis (2Q 2017 YTD), comprising 34.6% of U.S. imports. China was second with a 26.4% share, and Spain was third with a 13.1% share.

The five countries from which the most tiles were imported through 2Q 2017 based on total U.S. \$ value (including duty, freight, and insurance) were:

Country	Total Val 2Q 2017 YTD (in \$)	Total Val 2Q 2016 YTD (in \$)	2017/2016 % Change	2016/2015 % Change
Italy	386,345,247	367,148,029	5.2%	12.0%
China	295,239,029	249,182,000	18.5%	-3.1%
Spain	146,008,851	120,211,315	21.5%	39.3%
Mexico	116,590,397	140,631,475	-17.1%	-6.9%
Turkey	60,865,401	54,092,436	12.5%	14.1%
All Countries	1,118,204,321	1,038,073,454	7.7%	7.0%

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 2017 were:

Country	Sq. Ft. 2Q 2017 YTD	Tot Val 2Q 2017 YTD (in \$)	Val/Sq. Ft. 2Q 2017 YTD	Val/Sq. Ft. 2Q 2016 YTD	Val/Sq. Ft. 2Q 2015 YTD
China	324,534,332	295,239,029	\$0.91	\$0.90	\$0.95
Mexico	211,542,206	116,590,397	\$0.55	\$0.57	\$0.58
Italy	196,822,246	386,345,247	\$1.96	\$1.94	\$2.07
Spain	110,801,638	146,008,851	\$1.32	\$1.34	\$1.47
Turkey	63,749,087	60,865,401	\$0.95	\$1.18	\$1.08
All Countries	1,049,425,003	1,118,204,321	\$1.07	\$1.05	\$1.06

U.S. Shipments:

Through 2Q 2017 U.S. shipments (less exports) were 489.7 million sq. ft., up 8.4% vs. 2Q 2016 YTD.

The \$ value/sq. ft. of U.S. shipments (less exports) through 2Q 2017 was \$1.51, up from \$1.48 in 2Q 2016 YTD.

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.

TILE COUNCIL OF NORTH AMERICA, INC.

100 Clemson Research Boulevard . Anderson, South Carolina 29625 . Phone: 864-646-8453 . Fax: 864-646-2821



Testing Services: testing@tcnatile.com . Literature Orders: literature@tcnatile.com



Website: www.tcnatile.com . Literature: literature@tcnatile.com

U.S. produced tile comprised 31.8% of the U.S. ceramic tile market (in sq. ft.) and 39.7% by \$ value through 2Q 2017.⁴

Exports:

U.S. ceramic tile exports through 2Q 2017 were 12.8 million sq. ft., down 19.6% from 2Q 2016 YTD. The vast majority of these exports (in sq. ft.) were to Canada (82.1%).⁵

Economic Highlights:

- The government's revised 3Q 2017 estimate of the change in real GDP was 3.3%, an increase of 0.2 percentage points from the change seen in 2Q 2017.⁶
- Oct. 2017 new home starts were at a seasonally-adjusted annual rate of 1,290,000 units, a 13.7% increase from Sept. 2017 but a 2.9% decrease from Oct. 2016.⁷
- Oct. 2017 new single family home sales were at a seasonally-adjusted annual rate of 685,000 units, a 6.2% increase from Sept. 2017 and an 18.7% increase from Oct. 2016.⁸
- Oct. 2017 existing single family home sales were at a seasonally-adjusted annual rate of 4.87 million units, up 2.1% from Sept. 2017 but down 1.0% from Oct. 2016.⁹
- The 30-year fixed mortgage rate in Oct. 2017 was 3.90%, up from 3.81% the previous month.¹⁰
- The U.S. unemployment rate was 4.1% in Oct. 2017, down from 4.8% one year ago (Oct. 2016).¹¹

⁴ 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

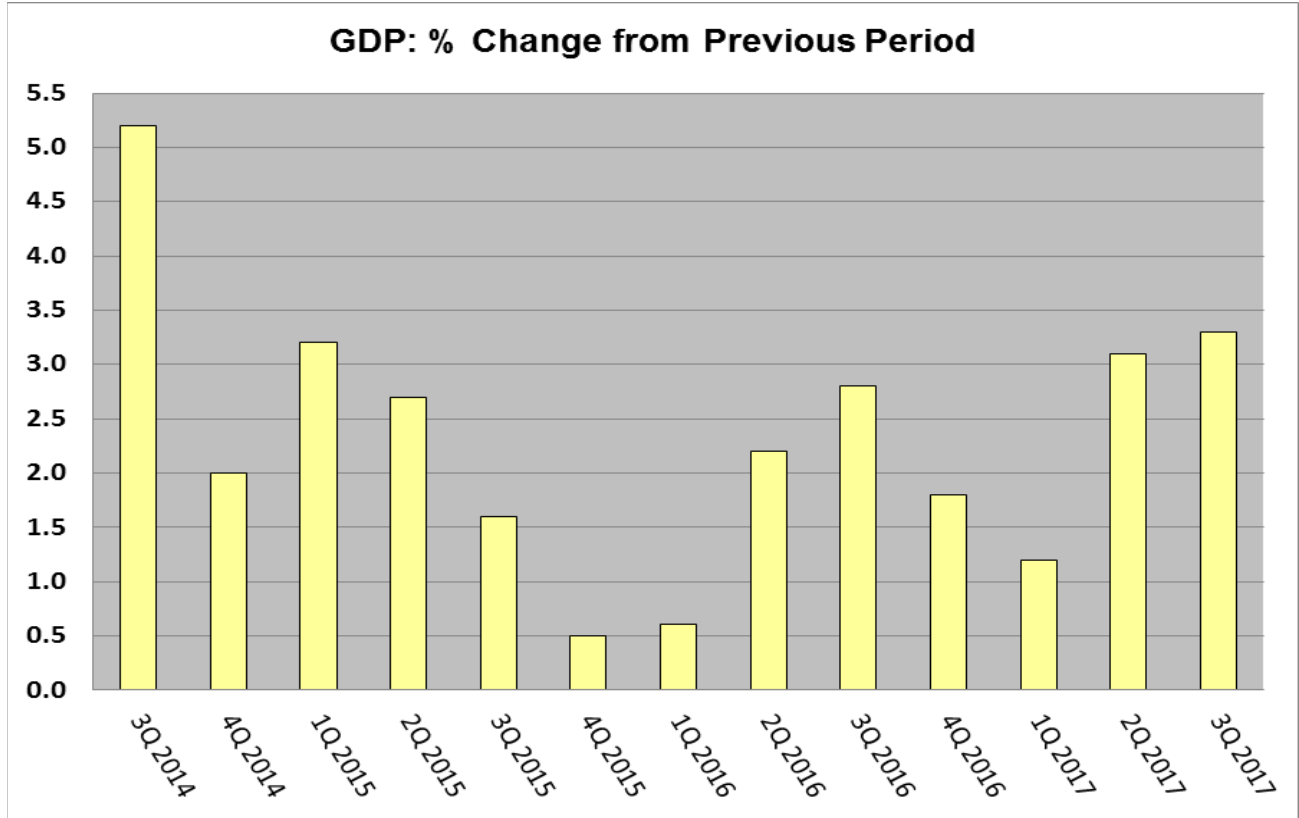
¹¹ Bureau of Labor Statistics

TILE COUNCIL OF NORTH AMERICA, INC.

100 Clemson Research Boulevard . Anderson, South Carolina 29625 . Phone: 864-646-8453 . Fax: 864-646-2821



Testing Services: testing@tcnatile.com . Literature Orders: literature@tcnatile.com

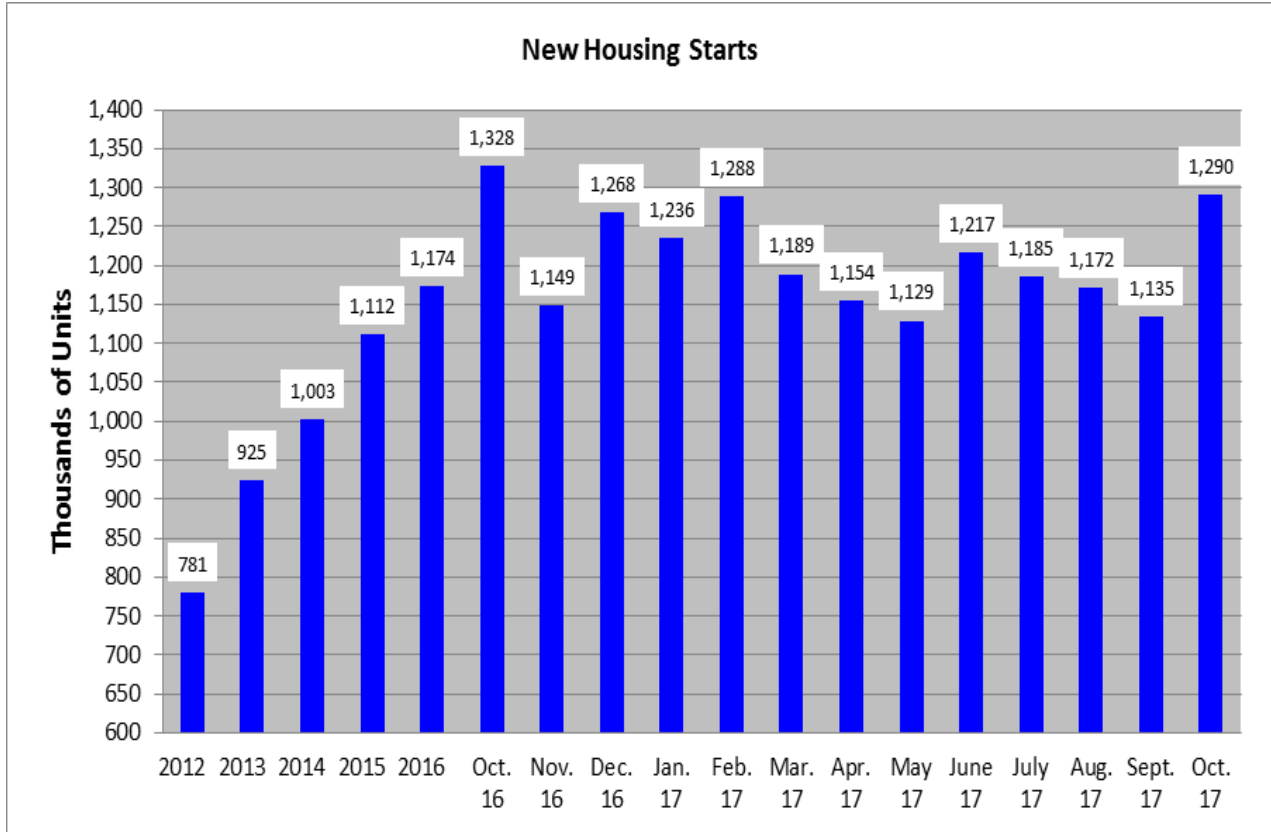


TILE COUNCIL OF NORTH AMERICA, INC.

100 Clemson Research Boulevard . Anderson, South Carolina 29625 . Phone: 864-646-8453 . Fax: 864-646-2821



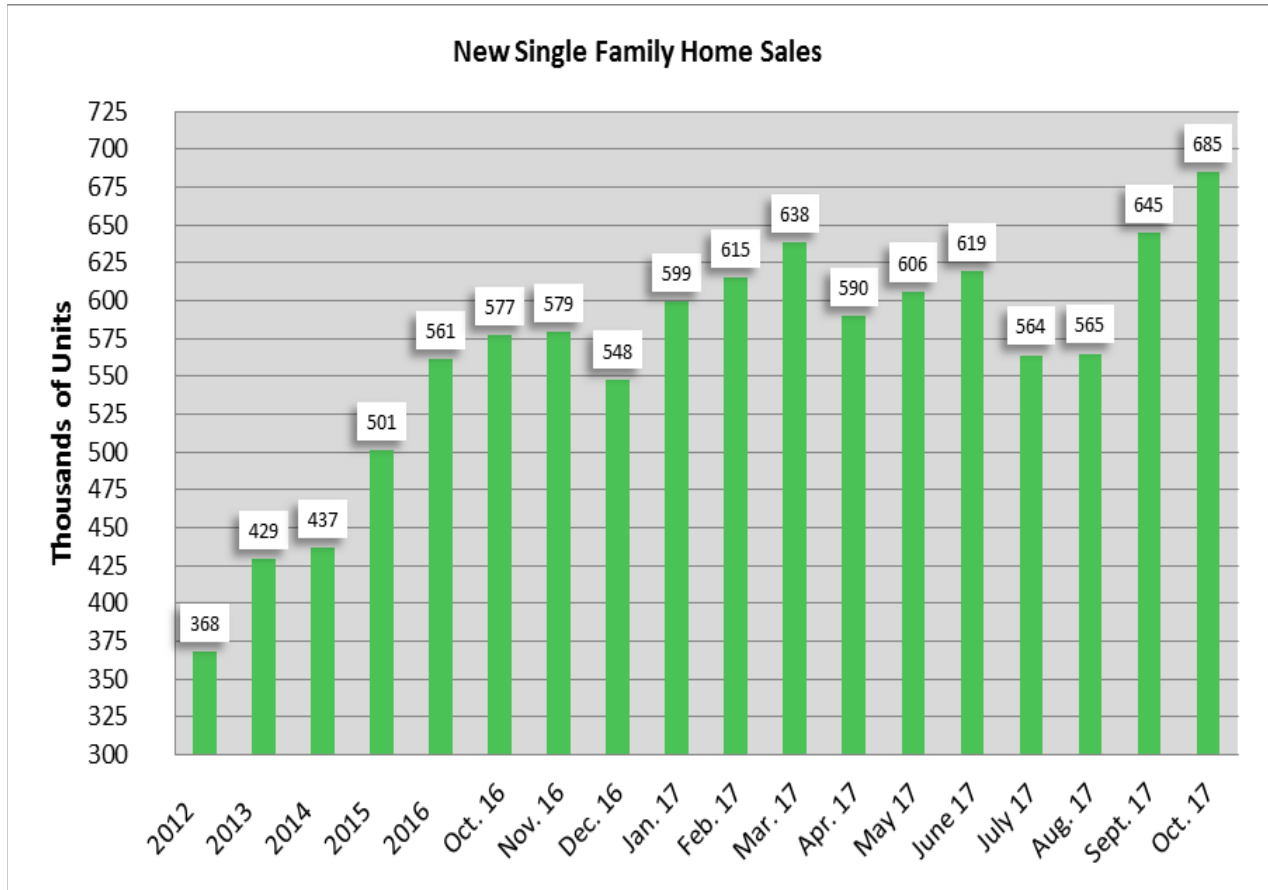
Testing Services: testing@tcnatile.com . Literature Orders: literature@tcnatile.com



TILE COUNCIL OF NORTH AMERICA, INC.

100 Clemson Research Boulevard . Anderson, South Carolina 29625 . Phone: 864-646-8453 . Fax: 864-646-2821





TILE COUNCIL OF NORTH AMERICA, INC.

100 Clemson Research Boulevard . Anderson, South Carolina 29625 . Phone: 864-646-8453 . Fax: 864-646-2821

