

1Q 2017 Ceramic Tile Industry Update

by Andrew Whitmire

U.S. Tile Consumption Overview:

U.S. ceramic tile consumption through 1Q 2017 was 724.8 million sq. ft., up 6.1% vs. 1Q 2016 (683.0 million 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>
1Q 2017	242,138	488,582	5,930	724,791	6.1**
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 1Q 2016

Imports:

Through 1Q 2017, 488.6 million sq. ft. of ceramic tile arrived in the U.S., up 5.1% from 1Q 2016 (464.8 million sq. ft.).

Imports in 1Q 2017 made up 67.4% of U.S. tile consumption (in sq. ft.), down from 68.6% in the previous year.

Through 1Q 2016 China was the largest exporter to the U.S. with a 32.1% share of U.S. imports (in sq. ft.), followed by Mexico (21.8%), Italy (18.5%), Spain (9.2%), and Turkey (5.9%).²

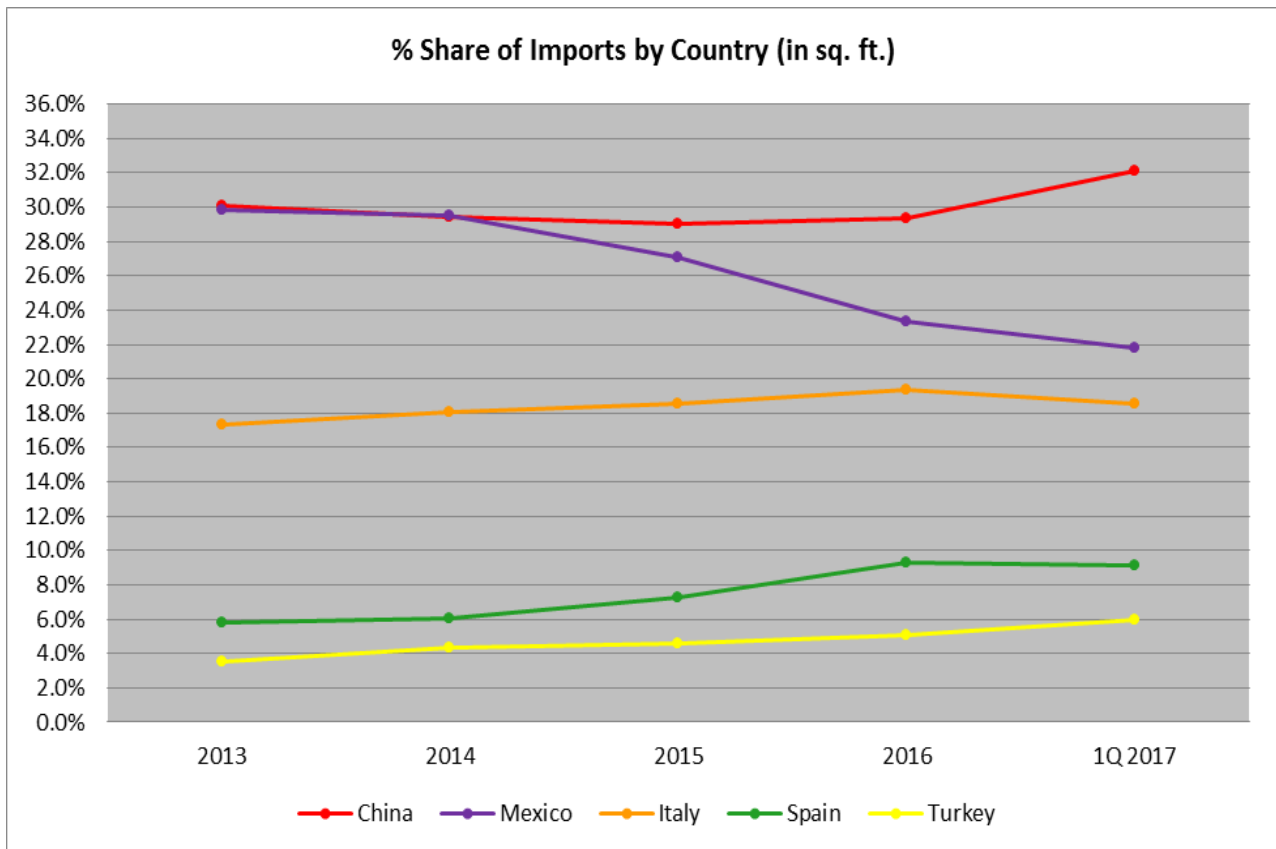
¹ U.S. Dept. of Commerce & Tile Council of North America

² U.S. Dept. of Commerce



The five countries from which the most tiles were imported in 1Q 2017 based on sq. ft. were:

Country	Sq. Ft. 1Q 2017 YTD	Sq. Ft. 1Q 2016 YTD	2017/2016 % Change	2016/2015 % Change
China	156,756,754	139,859,987	12.1%	-0.8%
Mexico	106,620,343	121,768,846	-12.4%	-2.0%
Italy	90,562,085	80,477,194	12.5%	22.9%
Spain	44,730,657	38,506,759	16.2%	55.1%
Turkey	28,988,416	20,670,174	40.2%	28.5%



Italy remained the largest exporter to the U.S. on a dollar basis (1Q 2017), comprising 34.5% of U.S. imports. China was second with a 27.4% share, and Spain was third with an 11.8% share.



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The five countries from which the most tiles were imported in 1Q 2017 based on total U.S. \$ value (including duty, freight, and insurance) were:

Country	Total Val 1Q 2017 (in \$)	Total Val 1Q 2016 (in \$)	2017/2016 % Change	2016/2015 % Change
Italy	179,360,000	157,571,105	13.8%	13.0%
China	142,345,910	129,805,504	9.7%	-3.7%
Spain	61,410,242	52,964,224	15.9%	40.2%
Mexico	58,171,055	70,603,216	-17.6%	-2.5%
Turkey	28,198,194	23,966,062	17.7%	35.6%
All Countries	519,849,159	485,269,362	7.1%	9.2%

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 in 1Q 2017 were:

Country	Sq. Ft. 1Q 2017	Tot Val 1Q 2017 (in \$)	Val/Sq. Ft. 1Q 2017	Val/Sq. Ft. 1Q 2016	Val/Sq. Ft. 1Q 2015
China	156,756,754	142,345,910	\$0.91	\$0.93	\$0.96
Mexico	106,620,343	58,171,055	\$0.55	\$0.58	\$0.58
Italy	90,562,085	179,360,000	\$1.98	\$1.96	\$2.13
Spain	44,730,657	61,410,242	\$1.37	\$1.38	\$1.52
Turkey	28,988,416	28,198,194	\$0.97	\$1.16	\$1.10
All Countries	488,582,333	519,849,159	\$1.06	\$1.04	\$1.05

U.S. Shipments:

1Q 2017 U.S. shipments (less exports) were 236.2 million sq. ft., up 8.2% vs. 1Q 2016.

The \$ value/sq. ft. of U.S. shipments (less exports) in 1Q 2017 was \$1.52, up from \$1.48 in 1Q 2016.

U.S. produced tile comprised 32.6% of the U.S. ceramic tile market (in sq. ft.) and 40.9% 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.

⁴ Tile Council of North America

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Exports:

U.S. ceramic tile exports in 1Q 2017 were 5.9 million sq. ft., down 32.3% from 1Q 2016. The vast majority of these exports (in sq. ft.) were to Canada (79.7%).⁵

Economic Highlights:

- The government's revised 1Q 2017 estimate of the change in real GDP was 1.4%, a decrease of 0.7 percentage points from the change seen in 4Q 2016.⁶
- May 2017 new home starts were at a seasonally-adjusted annual rate of 1,092,000 units, a 2.4% decrease from May 2016.⁷
- May 2017 new one-family home sales were at a seasonally-adjusted annual rate of 610,000 units, an 8.9% increase from May 2016.⁸
- May 2017 existing single family home sales were at a seasonally-adjusted annual rate of 4.98 million units, up 2.7% from May 2016.⁹
- There were 81,000 foreclosure filings on U.S. properties in May 2017, down 19% from May 2016.¹⁰
- The 30-year fixed mortgage rate in May 2017 was 4.01%, up from 3.60% in May 2016.¹¹
- The U.S. unemployment rate was 4.3% in May 2017, down from 4.7% one year ago (May 2016).¹²

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 RealtyTrac

¹¹ Freddie Mac

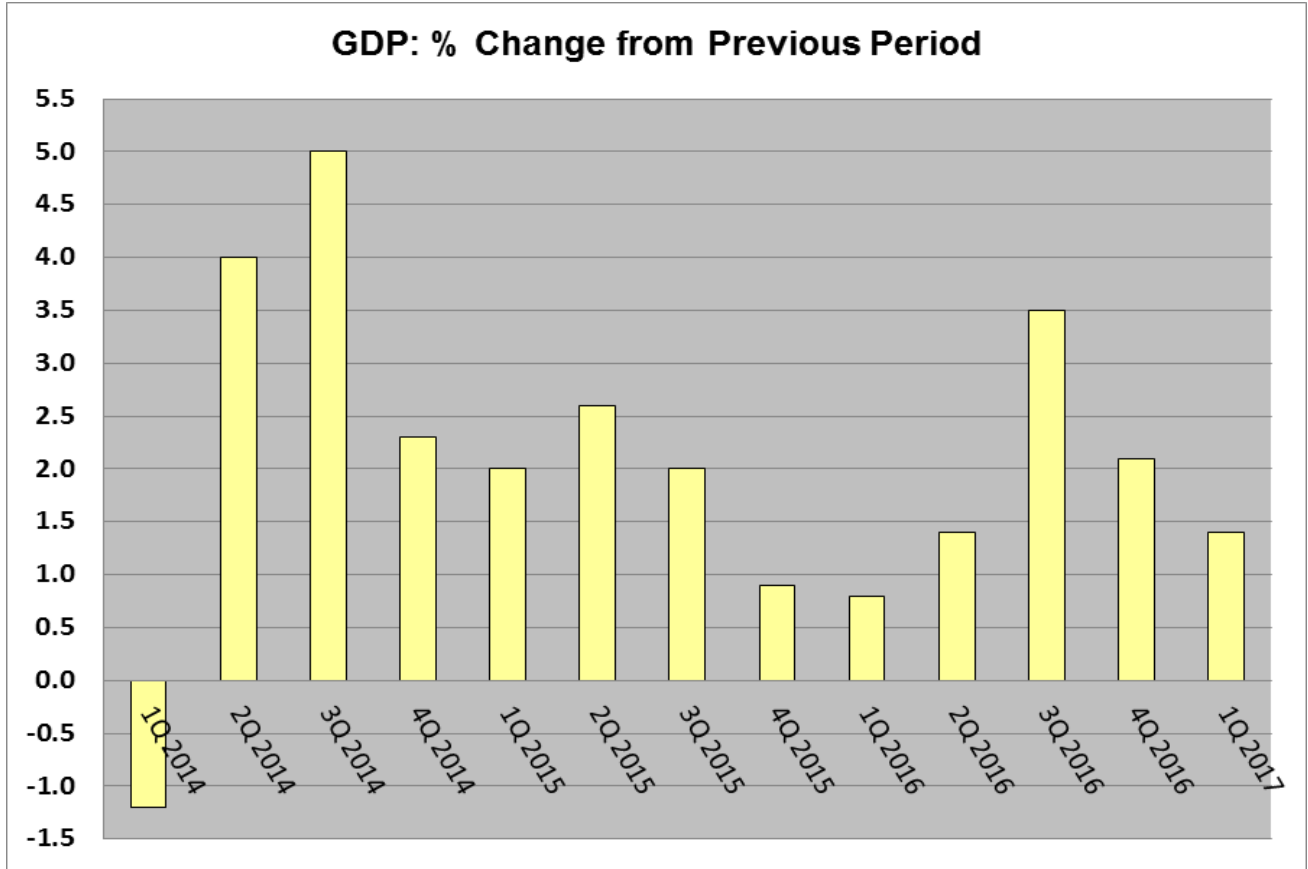
¹² Bureau of Labor Statistics

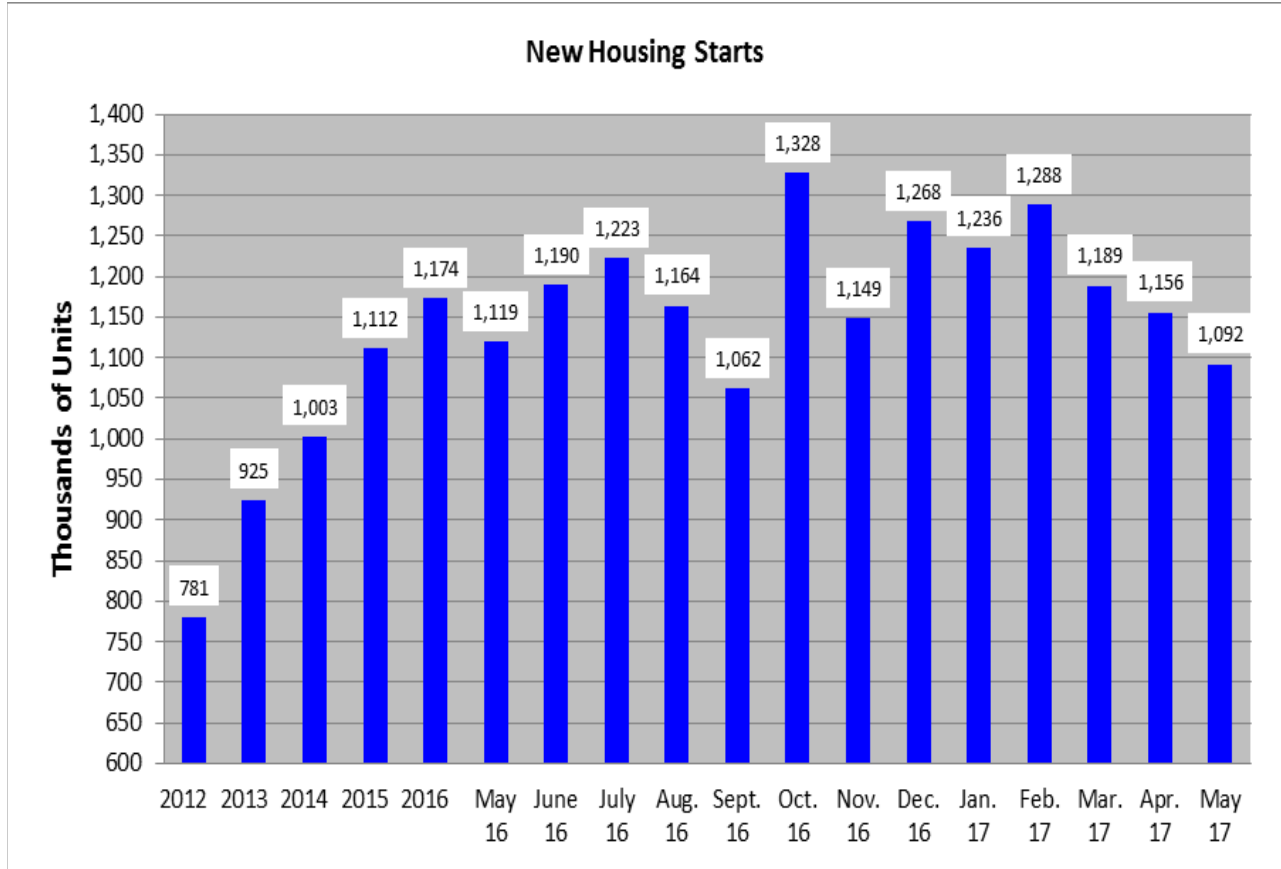
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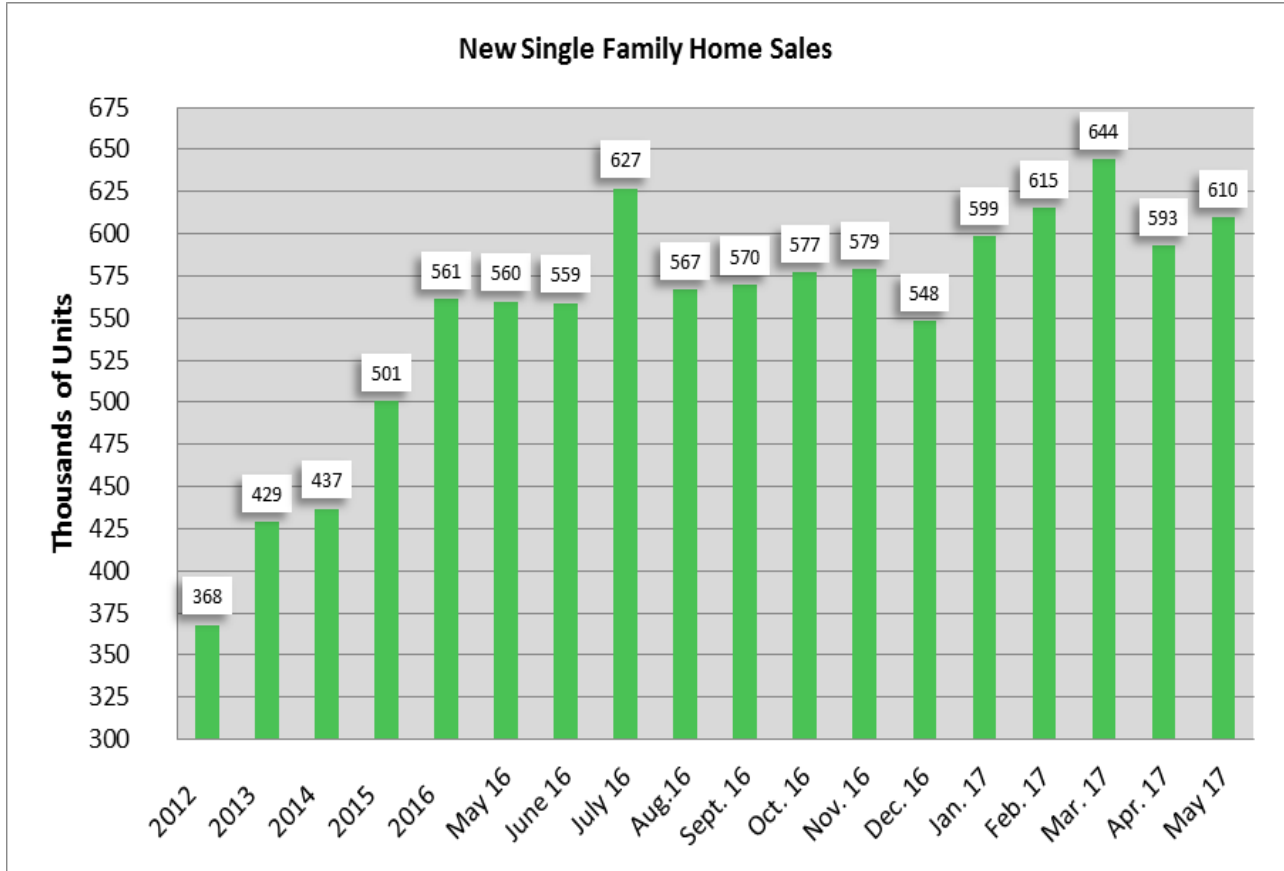
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