

1Q 2018 U.S. Ceramic Tile Industry Update

by Andrew Whitmire

U.S. Tile Consumption Overview:

U.S. ceramic tile consumption through 1Q 2018 was 749.8 million sq. ft., up 3.5% vs. 1Q 2017 (724.8 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 2018	231,576	524,957	6,729	749,804	3.5**
2017	974,986	2,099,307	28,492	3,045,801	5.1
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

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

**Note: Change from 1Q 2017

Imports:

Through 1Q 2018, 525.0 million sq. ft. of ceramic tile arrived in the U.S., up 7.4% from 1Q 2017 (488.6 million sq. ft.).

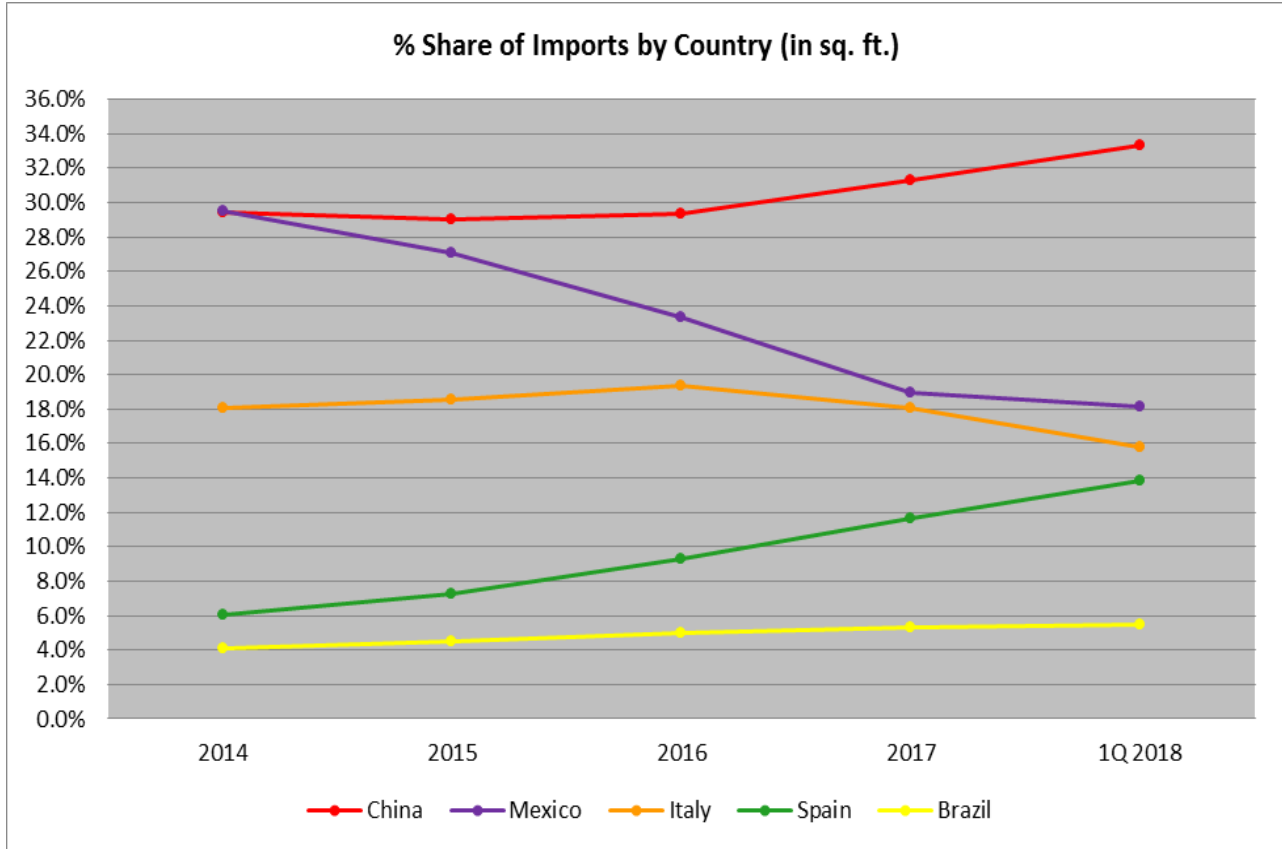
Imports in 1Q 2018 made up 70.0% of U.S. tile consumption (in sq. ft.), up from 68.9% in the previous year.

China was the largest exporter to the U.S. through 1Q 2018 with a 33.4% share of U.S. imports (in sq. ft.), followed by Mexico (18.2%), Italy (15.8%), Spain (13.9%), and Brazil (5.5%).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 2018 based on sq. ft. were:

Country	Sq. Ft. 1Q 2018 YTD	Sq. Ft. 1Q 2017 YTD	2018/2017 % Change	2017/2016 % Change
China	175,164,914	156,756,754	11.7%	12.1%
Mexico	95,415,059	106,620,343	-10.5%	-12.4%
Italy	83,103,459	90,562,085	-8.2%	12.5%
Spain	72,763,625	44,730,657	62.7%	16.2%
Brazil	28,851,241	21,917,991	31.6%	6.3%

Italy remained the largest exporter to the U.S. on a dollar basis (1Q 2018), comprising 29.9% of U.S. imports. China was second with a 28.4% share, and Spain was third with a 15.2% share.





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The five countries from which the most tiles were imported in 1Q 2018 based on total U.S. \$ value (including duty, freight, and insurance) were:

Country	Total Val 1Q 2018 (in \$)	Total Val 1Q 2017 (in \$)	2018/2017 % Change	2017/2016 % Change
Italy	160,478,914	179,360,000	-10.5%	13.8%
China	152,235,995	142,345,910	6.9%	9.7%
Spain	81,672,414	61,410,242	33.0%	15.9%
Mexico	58,854,469	58,171,055	1.2%	-17.6%
Turkey	24,926,675	28,198,194	-11.6%	17.7%
All Countries	535,825,441	519,849,159	3.1%	7.1%

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 2018 were:

Country	Sq. Ft. 1Q 2018	Tot Val 1Q 2018 (in \$)	Val/Sq. Ft. 1Q 2018	Val/Sq. Ft. 1Q 2017	Val/Sq. Ft. 1Q 2016
China	175,164,914	152,235,995	\$0.87	\$0.91	\$0.93
Mexico	95,415,059	58,854,469	\$0.62	\$0.55	\$0.58
Italy	83,103,459	160,478,914	\$1.93	\$1.98	\$1.96
Spain	72,763,625	81,672,414	\$1.12	\$1.37	\$1.38
Brazil	28,851,241	18,577,501	\$0.64	\$0.67	\$0.65
All Countries	524,956,589	535,825,441	\$1.02	\$1.06	\$1.04

U.S. Shipments:

1Q 2018 U.S. shipments (less exports) were 224.8 million sq. ft., down 4.8% vs. 1Q 2017.

The \$ value/sq. ft. of U.S. shipments (less exports) in 1Q 2018 was \$1.52, unchanged vs. 1Q 2017.

U.S. produced tile comprised 30.0% of the U.S. ceramic tile market (in sq. ft.) in 1Q 2018 and 39.0% 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 U.S. Dept. of Commerce & Tile Council of North America

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Exports:

U.S. ceramic tile exports in 1Q 2018 were 6.7 million sq. ft., up 13.5% from 1Q 2017. The vast majority of these exports (in sq. ft.) were to Canada (75.6%).⁵

Economic Highlights:

- The government's revised 1Q 2018 estimate of the change in real GDP was 2.0%, a decrease of 0.9 percentage point from the change seen in the previous quarter.⁶
- May 2018 new home starts were at a seasonally-adjusted annual rate of 1,350,000 units, a 20.3% increase from May 2017.⁷
- May 2018 new one-family home sales were at a seasonally-adjusted annual rate of 689,000 units, a 14.1% increase from May 2017.⁸
- May 2018 existing single family home sales were at a seasonally-adjusted annual rate of 4.81 million units, down 3.0% from May 2017.⁹
- The 30-year fixed mortgage rate in May 2018 was 4.59%, up from 4.01% in May 2017, and the highest monthly rate since May 2011.¹⁰
- The U.S. unemployment rate was 3.8% in May 2018, down from 4.3% in May 2017.¹¹

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

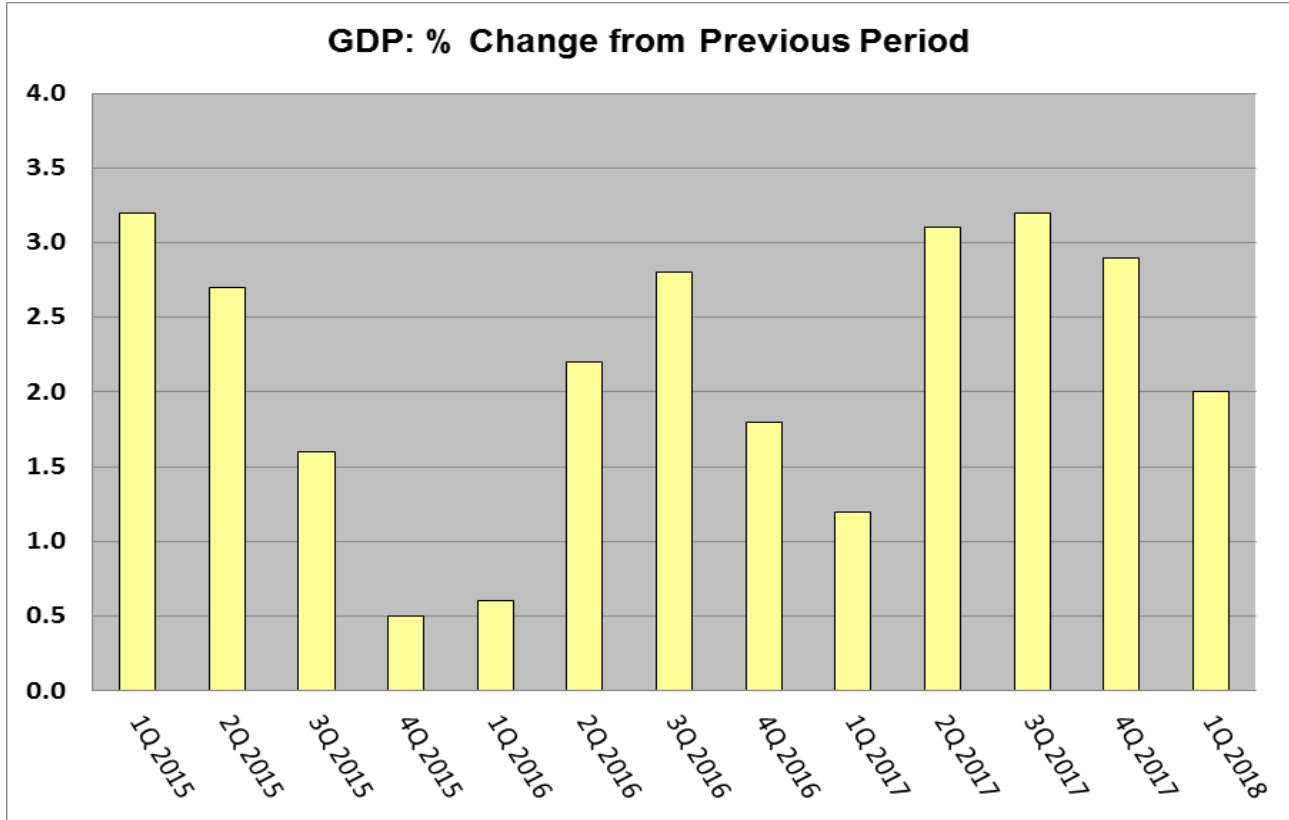
¹¹ Bureau of Labor Statistics

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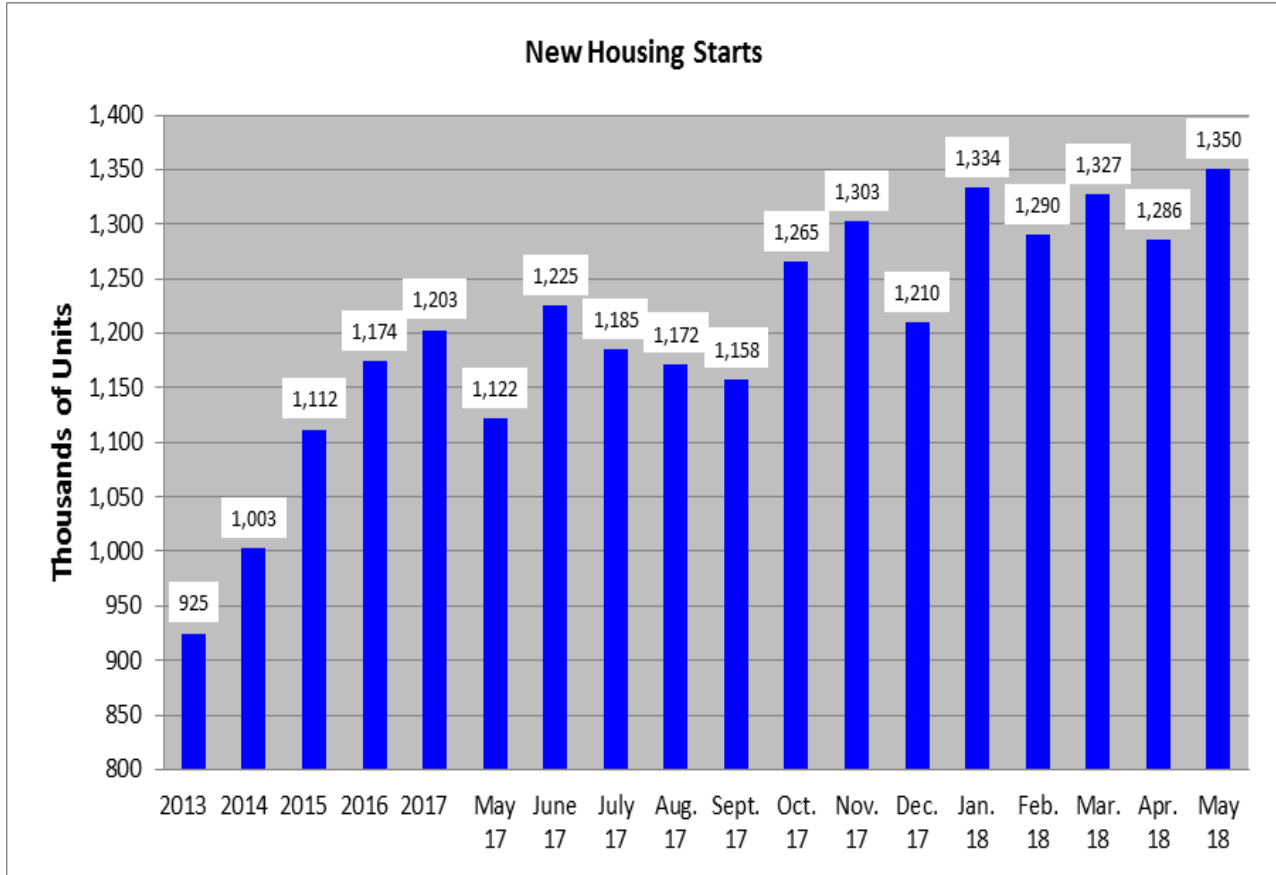


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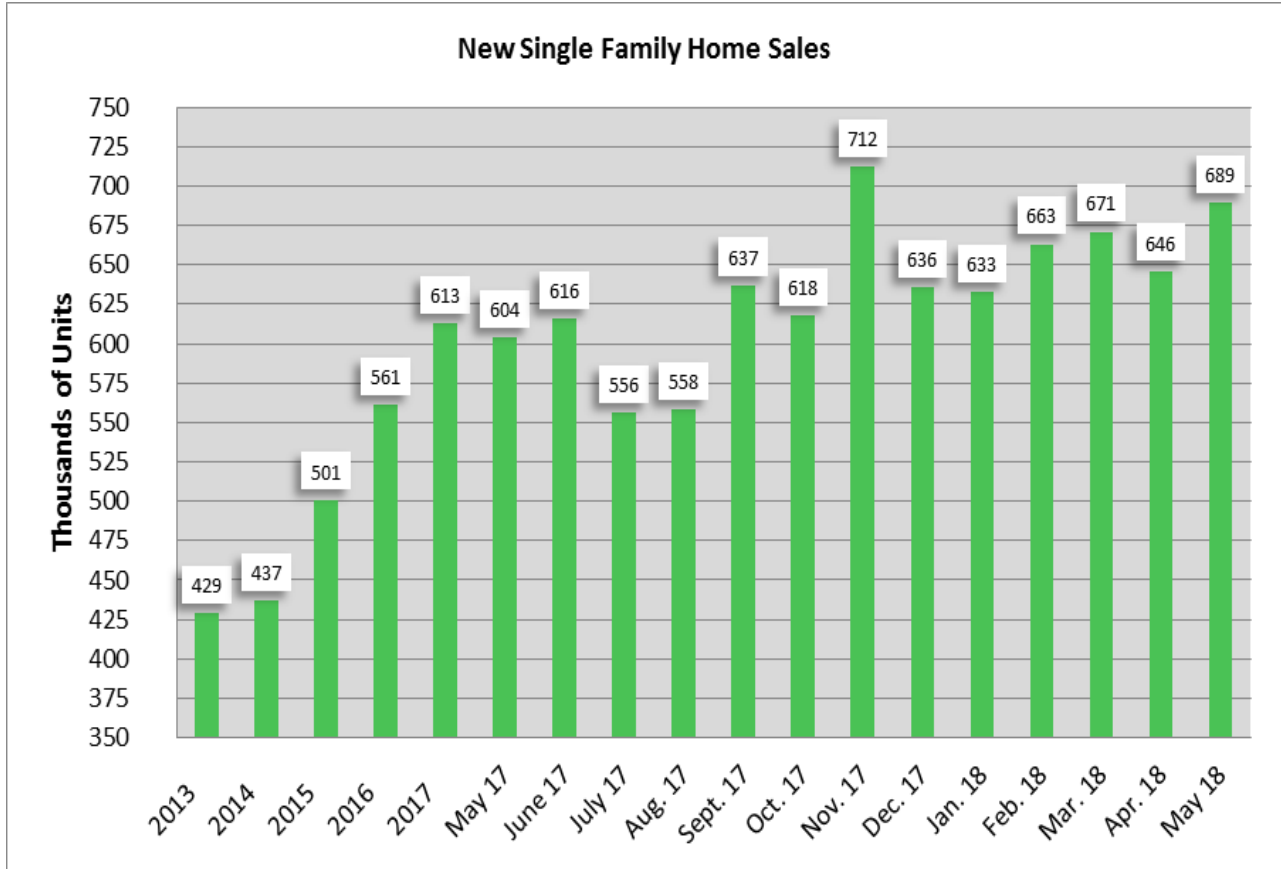
(Source: Bureau of Economic Analysis)





(Source: U.S. Census Bureau)





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