

2Q 2019 U.S. Ceramic Tile Industry Update

U.S. Tile Consumption Overview:

U.S. ceramic tile consumption through 2Q 2019 was 1.50 billion sq. ft., down 3.5% vs. 2Q 2018 YTD.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 2019 YTD	469,552	1,048,198	15,408	1,502,342	-3.5**
2018	940,300	2,196,935	29,746	3,107,489	1.5
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

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

**Note: Change from 2Q 2018 YTD

Imports:

Through 2Q 2019, 1.05 billion sq. ft. of ceramic tile arrived in the U.S., down 3.4% from 2Q 2018 YTD (1.08 billion sq. ft.).

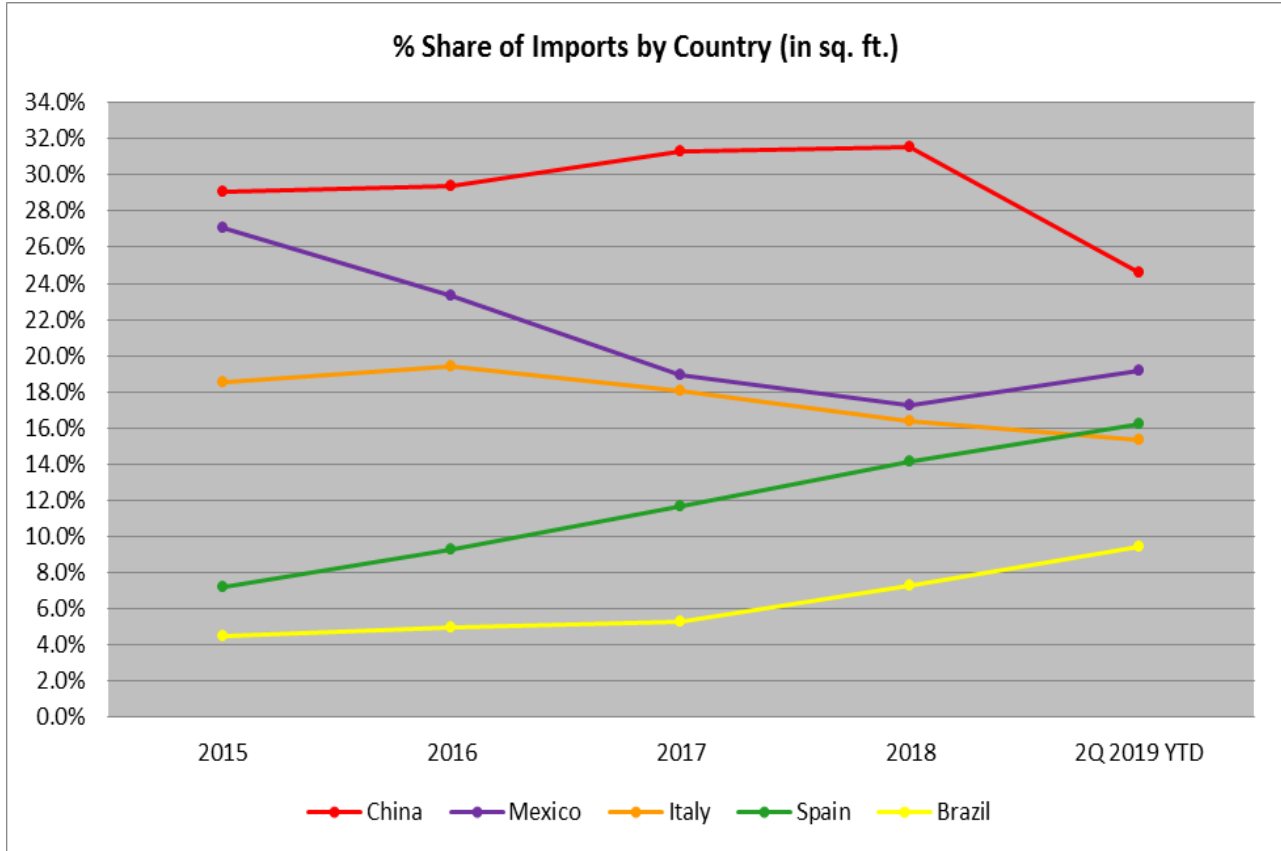
Imports through 2Q 2019 comprised 69.8% of U.S. tile consumption (in sq. ft.), down from 70.7% in the previous year.

China was the largest exporter to the U.S. through 2Q 2019 with a 24.6% share of U.S. imports (in sq. ft.), followed by Mexico (19.2%), and Spain (16.2%).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 2019 based on sq. ft. were:

Country	Sq. Ft. 2Q 2019 YTD	Sq. Ft. 2Q 2018 YTD	2019/2018 % Change	2018/2017 % Change
China	257,945,079	337,873,368	-23.7%	4.1%
Mexico	200,994,790	194,760,236	3.2%	-7.9%
Spain	170,143,001	155,808,723	9.2%	40.6%
Italy	160,880,064	182,261,345	-11.7%	-7.4%
Brazil	99,128,543	65,639,876	51.0%	29.6%





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Italy remained the largest exporter to the U.S. on a dollar basis (2Q 2019 YTD), comprising 29.0% of U.S. imports, followed by China (23.2% share), and Spain (18.9% share).

The five countries from which the most tiles were imported through 2Q 2019 based on total U.S. \$ value (including duty, freight, and insurance) were:

Country	Total Val 2Q 2019 YTD (in \$)	Total Val 2Q 2018 YTD (in \$)	2019/2018 % Change	2018/2017 % Change
Italy	320,879,009	359,857,340	-10.8%	-6.9%
China	256,628,787	292,902,530	-12.4%	-0.8%
Spain	208,836,544	179,996,917	16.0%	23.3%
Mexico	124,477,390	120,206,348	3.6%	3.1%
Brazil	58,866,001	42,043,063	40.0%	21.6%
All Countries	1,104,693,114	1,131,283,403	-2.4%	1.2%

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 through 2Q 2019 were:

Country	Sq. Ft. 2Q 2019 YTD	Tot Val 2Q 2019 YTD (in \$)	Val/Sq. Ft. 2Q 2019 YTD	Val/Sq. Ft. 2Q 2018 YTD
China	257,945,079	256,628,787	\$0.99	\$0.87
Mexico	200,994,790	124,477,390	\$0.62	\$0.62
Spain	170,143,001	208,836,544	\$1.23	\$1.16
Italy	160,880,064	320,879,009	\$1.99	\$1.97
Brazil	99,128,543	58,866,001	\$0.59	\$0.64
All Countries	1,048,198,175	1,104,693,114	\$1.05	\$1.04

U.S. Shipments:

2Q 2019 YTD U.S. shipments (less exports) were 454.1 million sq. ft., down 3.7% vs. 2Q 2018 YTD.

The \$ value/sq. ft. of U.S. shipments (less exports) through 2Q 2019 was \$1.53, up from \$1.52 2Q 2018 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.

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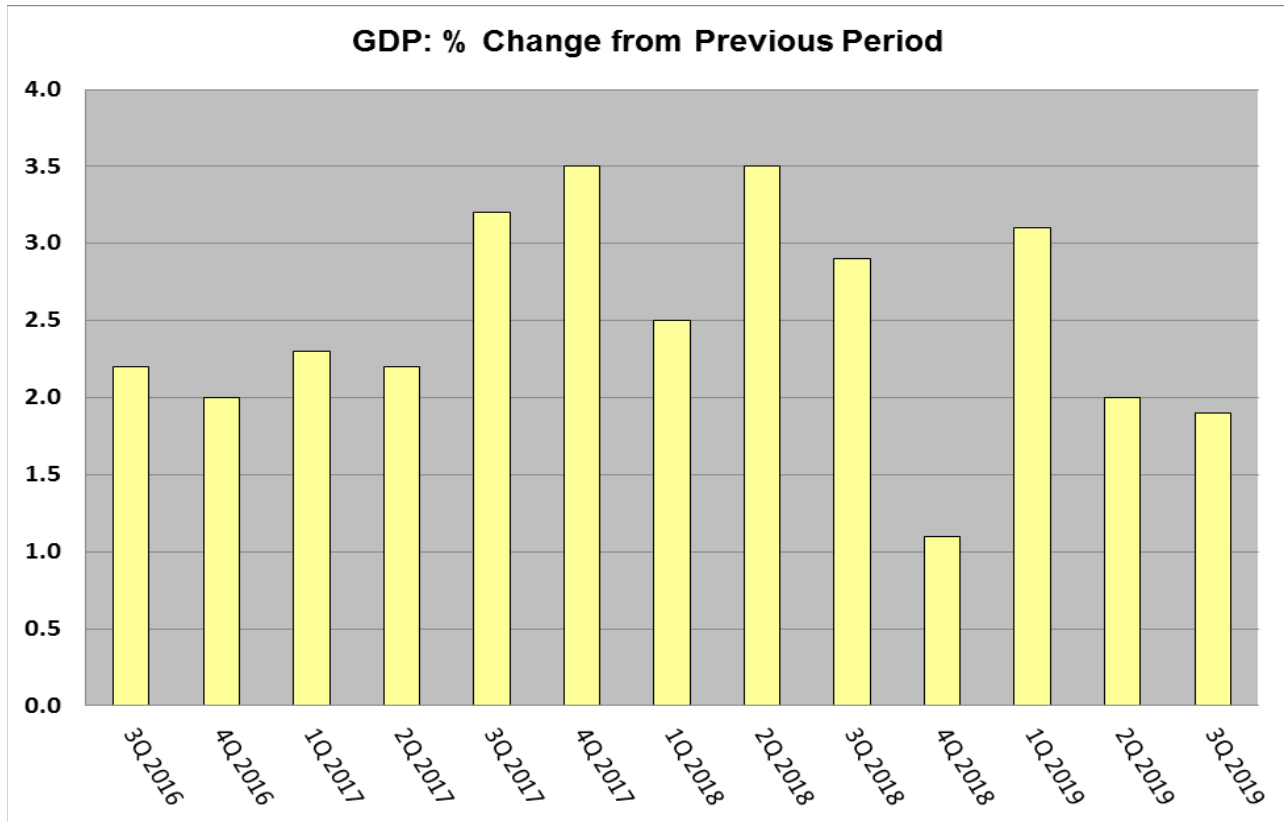
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U.S. produced tile comprised 30.2% of the U.S. ceramic tile market (in sq. ft.) through 2Q 2019 and 38.6% by \$ value.⁴

Exports:

U.S. ceramic tile exports through 2Q 2019 rose 5.0% (in sq. ft.) from 2Q 2018 YTD. The vast majority of U.S. exports (in sq. ft.) were to Canada (69.0%) and Mexico (7.7%).⁵

Economic Highlights:

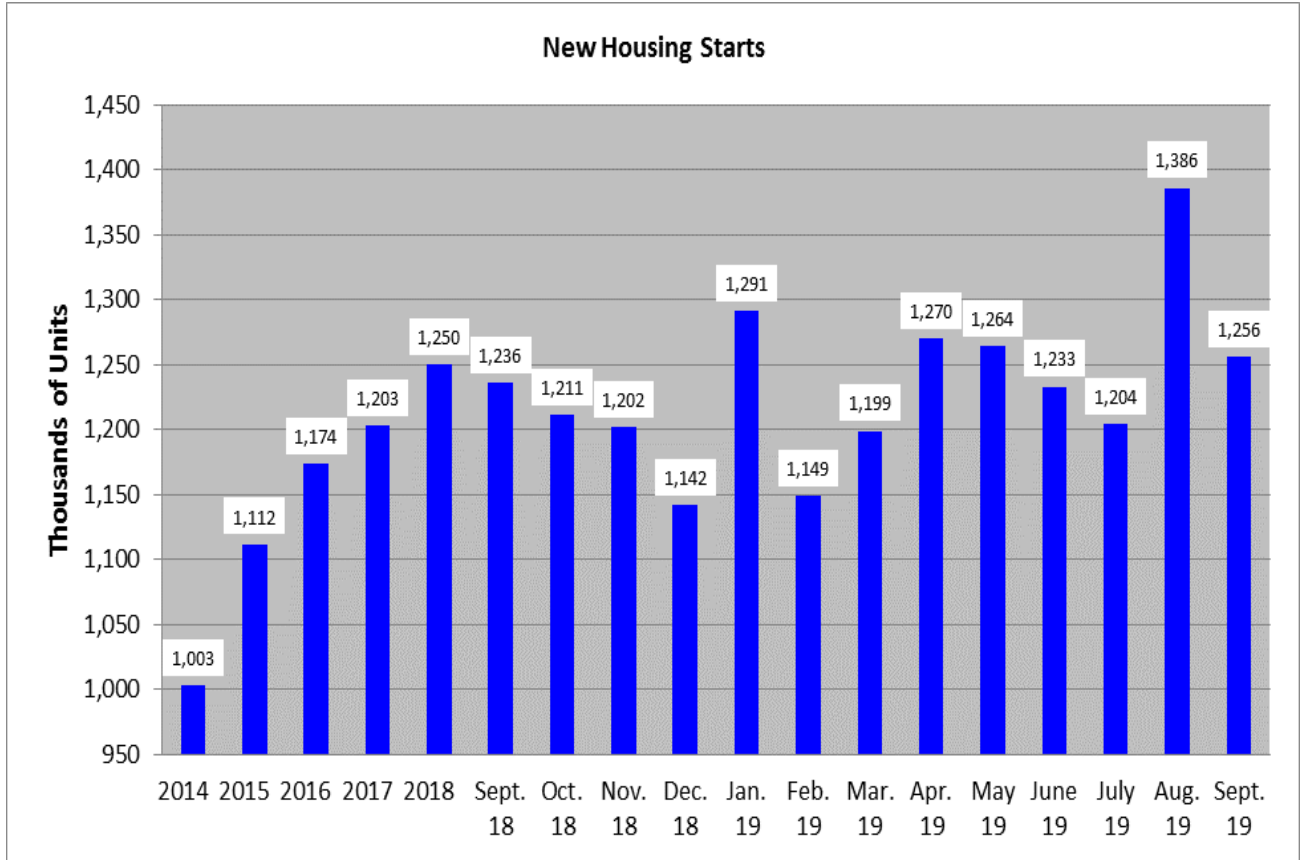


(Source: Bureau of Economic Analysis)

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

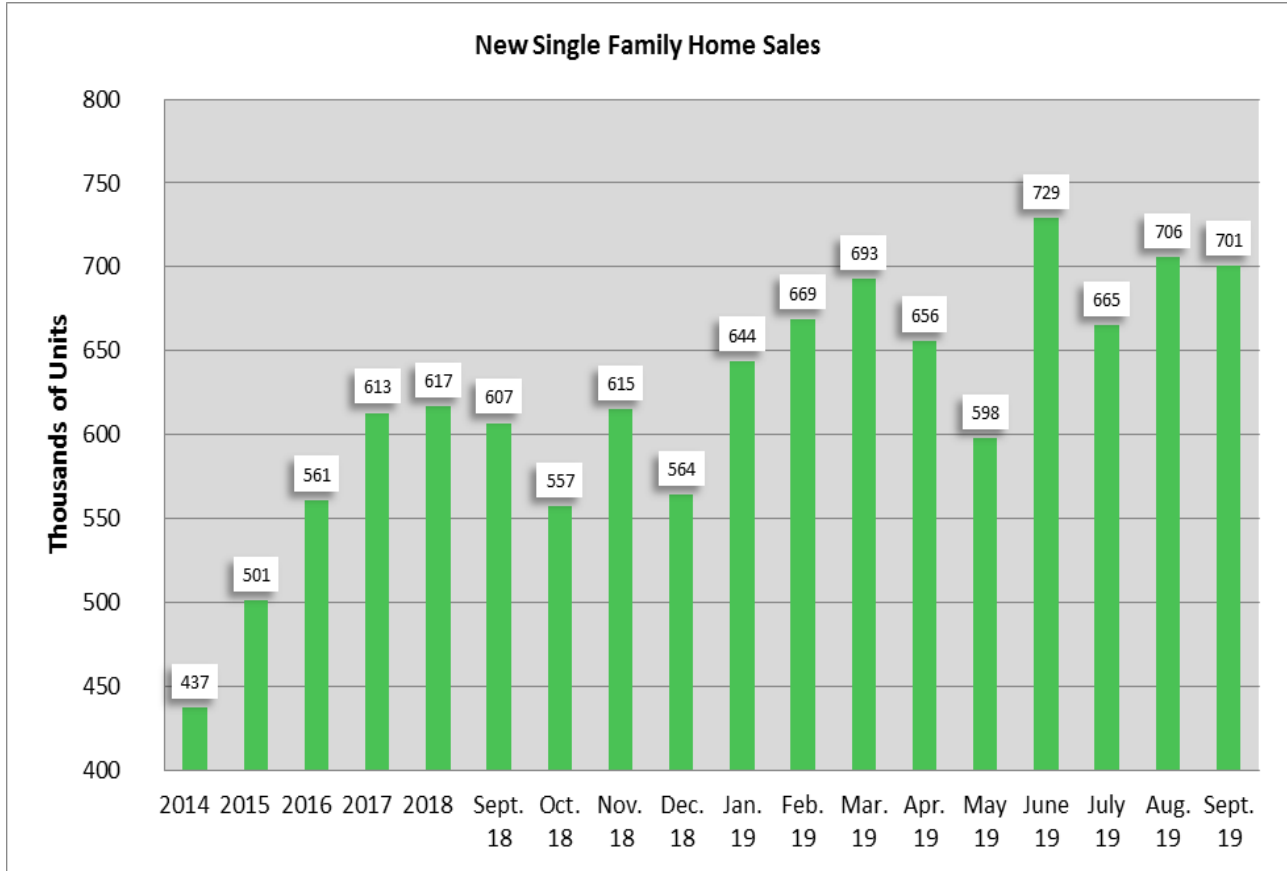
⁵ U.S. Dept. of Commerce





(Source: U.S. Census Bureau)





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