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2006 TILE INDUSTRY TRADE DATA

Ceramic Tile - Still Going Strong

The U.S. ceramic tile industry continued to grow in 2006, continuing the trend of the past 15 years. A record 3.36 billion sq. ft. were consumed last year, an increase of 3% over 2005 (3.26 billion sq. ft.). Domestically-produced tile increased, as well, with 692 million sq. ft. produced in 2006, an increase of 3.7% over 2005 (667 million sq. ft.).¹

Although overall consumption set a new record, the increase in 2006 (3% overall) is slightly less than the 3.8% seen in 2005, due to the slowdown in the new housing market and decline in overall floor covering sales. The strong remodeling and commercial markets however continued to bolster tile sales overall. Remodeling especially impacts the tile industry, as the two rooms most frequently remodeled are kitchens and bathrooms, which also happen to be the two rooms where tile is most often used.

The top five countries from where tile was imported (in millions of sq. ft.) in 2006 were²:

1. Italy – 661 - decreased 4.1% from 2005
2. Mexico – 452 - increased 10.6% from 2005
3. Brazil – 430 - decreased 4.8% from 2005
4. China – 346 - increased 53.9% from 2005
5. Spain - 346- decreased 5.0% from 2005

Table 1 Tile Imports by Country (In Thousands of Square Feet)

Country	2005	2006	Change	% Change
Italy.....	688,909	660,816	-28,093	-4.1%
Mexico.....	408,772	452,002	43,230	10.6%
Brazil.....	451,906	430,279	-21,627	-4.8%
China.....	225,157	346,463	121,306	53.9%
Spain.....	364,535	346,179	-18,356	-5.0%
Total.....	2,638,359	2,732,198	93,839	3.6%

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¹ U.S. Dept. of Commerce

² U.S. Dept. of Commerce

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Based on dollar value, however, we get a different picture of the import market:

1. Italy – increased 0.7% from 2005
2. Spain – increased 3.4% from 2005
3. Mexico – increased 9.7% from 2005
4. Brazil – decreased 2.9% from 2005
5. China – increased 60.5% from 2005

Table 2 Tile Imports by Country (In \$)

Country	2005	2006	Change	% Change
Italy.....	1,033,038,229	1,040,504,857	7,466,628	0.7%
Spain.....	356,599,093	368,532,372	11,933,279	3.4%
Mexico.....	250,987,708	275,234,007	24,246,299	9.7%
Brazil.....	276,227,319	268,145,063	-8,082,256	-2.9%
China.....	134,326,030	215,627,028	81,300,998	60.5%
Total.....	2,400,203,351	2,513,547,701	113,344,350	4.7%

Overall, this resulted in a modest increase in price per square foot (of imported tile) of \$0.01 per sq. ft.

Other Statistical Trends:

- U.S. consumption of Italian tile (in sq. ft.) fell for the third straight year.
- Spanish tile consumption (in sq. ft) decreased for the fourth straight year.
- Consumption from Brazil also declined, 4.8% from 2005 to 2006.
- Consumption of Mexican tile increased for the seventh straight year, up 10.6% over 2005.
- China, which accounts for 12.7% of all tile imported to the U.S., continues to make a tremendous impact on the market. It now is the fourth-largest exporter of tile (in sq. ft.) to the U.S., with consumption up 53.9% from 2005.

There are several factors which have lead to these trends:

- * Weaker U.S. dollar vs. Euro
- * More Italian companies manufacturing in the U.S.
- * In general, imports from higher-cost producing countries declined, while imports from lower-cost countries increased.

In summary, although imports make up a large portion of the marketplace, domestic production and shipments continue to grow. The industry has continued to perform well, as consumption continues to rise despite the decline in new home sales and floor covering sales as a whole.

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