

RANKING AND SHARE OF THE MAIN DIMENSION STONE SUPPLIERS IN NORTH AND SOUTH AMERICA

Geól. Cid Chiodi Filho - ABIROCHAS Consultant
cidchiodi@abirochas.com.br

Brazilian dimension stone exports to countries in North America (USA, Canada and Mexico) and to the main countries of destination of these exports in South America (Colombia, Argentina, Chile, Venezuela, Uruguay, Paraguay and Bolivia) account for 73.6% (US\$ 889.9 million) of the total Brazilian stone exports in 2015 (US\$ 1,209 million [US\$1.21 billion])

Brazil is the main supplier to the USA, which accounted for 65.5% of the total Brazilian revenue of stone exports. Slabs represented 98.3% of the revenue of our exports to the USA. Out of total Brazilian slab exports, 83.5% (approximately 19 million equivalent m², with 2 cm in thickness) were due to the USA.

Dimension stone imports made by the USA totaled US\$ 2.91 billion in 2014, arriving close to US\$ 3 billion in 2015. Brazilian stone exports to this country totaled US\$ 776.0 million in 2014 and US\$ 792.2 million in 2015, making up around 27% of the total imported. Only in 2009 was the Chinese export revenue greater than Brazil's.

Brazil's strength in the target markets resides in its silicate stone exports (granite and similar stones) and siliceous stone (quartzite and similar stones), while Brazilian exports of finished stone products are still much reduced, which serve the needs of large contractor works. On the contrary, exports from Italy and China, at least to North America, are dominated by finished, high-value added products.

Ranking of the main suppliers

Based on total stone imports made by the target countries in 2013 and 2014 under subheading NCM 6802, the ranking and share of Brazil and its main competitors in these imports is presented in Charts 1 and 2. It can be noted that Brazil was the main general supplier of six (perhaps seven, with Venezuela) out of ten countries in 2014 and of six countries in 2013, as well as the second largest supplier in another two countries among the ten in the same periods. In 2014, Brazil became the main supplier to Mexico, passing Spain, besides overcoming Italy in Chile, passing to second largest supplier in this country.

China, on the other hand, was the main supplier in three of the ten countries (Canada, Bolivia and Chile) in 2013 and 2014, as well as second largest supplier in five of the ten countries in the same periods. This configures it to be the main competition to Brazil in North and South America. Other Brazilian competitors, less important than China, include Italy, Spain, India, Turkey and Egypt.

Despite the consistent expansion of Brazilian stone exports to the USA from 2010 to 2015, it must be mentioned that exports made by our main competitors – China, Italy, Turkey and India – were also growing, all with revenues superior to US\$ 300 million in 2014. Canada, Spain and Mexico also figure

among important stone suppliers to the US market, with exports between US\$ 65 million and US\$ 100 million.

From 2013 to 2014, the Brazilian share increased in stone imports made by the USA, Chile, Paraguay and Uruguay, maintaining stable in Canada and decreasing in Mexico, Colombia, Bolivia and Argentina. China's share in the same period increased in Canada, Mexico, Colombia, Bolivia and Chile, being stable in the USA and declining in Paraguay, Argentina and Uruguay. This situation merits attention and additional effort in commercial promotion in Canada, Mexico and Colombia, both due to the fall in Brazilian share and the advance of China, as well as to potential setbacks in the US market.

Lower Brazilian share (14%) was recorded in Canada, which is the second largest importer in the Americas (after the US) and fourth in global terms (behind the US, South Korea and Saudi Arabia) for processed stones in year 2014. Canada is the country for which, besides the US, Brazil should significantly reinforce its position.

Analyzing Chart 3, it can be observed that in 2015, Brazil was the largest foreign supplier of stones to the US, Colombia, Venezuela, Paraguay, Argentina and Uruguay, losing to first place in Mexico to China and third place in Canada to Turkey. In terms of share in the target markets, Brazil had retraction in the US, Canada, Colombia, Chile, Paraguay, Argentina and Uruguay, advancing only slightly in Mexico, Venezuela and Bolivia. China, on the other hand, expanded its share in the US, Canadian, Mexican, Chilean, Paraguayan and Uruguayan markets, reducing its share in Colombia, Bolivia and Argentina.

Share of the main suppliers

Grouping the elements registered in Charts 1, 2 and 3, Chart 4 shows that the Brazilian share has a negative or stable trend with a declining bias in the markets of greatest interest among the target markets, having a positive or increasing bias only in Paraguay and Bolivia.

With the same elements of analysis, recorded for China in Charts 1, 2 and 3, Table 5 shows that the share of this country is growing in the most important markets in the Americas (US, Canada, Mexico and Chile), with a declining trend only in Argentina and stability in the remaining countries.

Projecting forward, the Chinese situation shows to be more favorable than Brazil's in all the prime target markets. For example, in the US, which is the main destination of Brazilian stone exports and only the fourth main destination of China, the Brazilian share was 8.4% superior than China's in 2013, reducing the advantage to 6.7% in 2015.

Conclusions and recommendations

Brazil's declining performance in its target markets needs to be curtailed, pointing out especially two recommendations to this effect in the USA:

- Increment slab exports with higher value added, elaborated from exotic materials, included among granite, quartzite and marble, assuring purchasers certain exclusivity of supply;



- Promote export of cut-to-size pieces for flooring and façades, as well as simple finished products, involving countertops, sinks and vanity tops.

Higher value slab exports could continue to be directed to retail distributors to serve the single family residential market segment. Cut-to-size and counter tops exports could be directed to the “commercial contractors” and larger marble plants to serve large-scale works. Both possibilities are open and could be improved upon from now on, as a prior step to commercialization of more elaborated products for high end works.

Chart 1 – Brazilian and its Competitors’ Shares in the North American Markets and Main Importers in South America in 2013 – HS 6802

Países-Alvo	Brazil's share in Target Importing Countries in 2013	Brazil's Ranking among Target Countries in 2013	Ranking of the Main Stone Suppliers in the Target Countries									
			1º		2º		3º		4º		5º	
USA	27%	1º	Brazil	27,4%	China	19,0%	Italy	17,1%	Turkey	12,1%	India	9,9%
Canada	14%	3º	China	23,6%	Italy	18,5%	Brazil	14,5%	Turkey	13,3%	USA	11,0%
Mexico	22%	2º	Spain	23,9%	Brazil	22,4%	China	19,2%	Italy	14,7%	Greece	5,2%
Colombia	34%	1º	Brazil	34,1%	China	22,9%	India	11,9%	Spain	11,5%	Egypt	6,6%
Venezuela	29%	1º	Brazil	29,5%	Spain	23,7%	China	9,9%	Italy	7,6%	Colombia	6,0%
Bolivia	28%	2º	China	37,4%	Brazil	27,6%	India	9,5%	Argentina	6,0%	Spain	5,7%
Chile	13%	3º	China	32,6%	Italy	19,0%	Brazil	13,5%	Canada	8,7%	Spain	7,2%
Paraguay	55%	1º	Brazil	55,0%	China	39,6%	Saudi Arabia	1,1%	Egypt	0,8%	Argentina	0,7%
Argentina	37%	1º	Brazil	36,8%	China	16,4%	Italy	15,5%	Turkey	8,3%	Egypt	6,7%
Uruguay	30%	1º	Brazil	30,0%	China	27,8%	India	12,0%	Italy	9,9%	Spain	5,0%

Source: International Trade Centre. Elaboration: Strategic Market Management, Apex-Brazil, for ABIROCHAS on 02/15/2016.



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Chart 2 – Brazilian and its Competitors’ Shares in the North American Markets and Main Importers in South America in 2014 – HS 6802

Target Countries	Brazil’s share in Target Importing Countries in 2014	Brazil’s Ranking among Target Countries in 2014	Ranking of the Main Stone Suppliers in the Target Countries									
			1º		2º		3º		4º		5º	
USA	28%	1º	Brazil	27,6%	China	19,1%	Italy	17,18%	Turkey	12,5%	India	9,9%
Canada	14%	3º	China	24,4%	Italy	16,55%	Brazil	13,88%	Turkey	13,1%	USA	12,5%
Mexico	21%	1º	Brazil	21,4%	China	20,83%	Spain	19,93%	Italy	16,1%	Greece	7,1%
Colombia	31%	1º	Brazil	31,4%	China	24,13%	India	15%	Spain	9,9%	Egypt	8,3%
Venezuela	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Bolivia	21%	2º	China	47,1%	Brazil	20,9%	Turkey	8,8%	India	7,3%	Egypt	4,8%
Chile	19%	2º	China	42,3%	Brazil	19,1%	Italy	10,2%	India	4,7%	Spain	3,8%
Paraguay	65%	1º	Brazil	65,1%	China	22,6%	Argentina	4,3%	Spain	2,4%	USA	1,8%
Argentina	33%	1º	Brazil	33,1%	Italy	19,1%	China	14,0%	Turkey	9,6%	Egypt	6,8%
Uruguay	34%	1º	Brazil	34,0%	China	26,1%	India	12,1%	Italy	8,6%	Spain	4,6%

N/A: Not Applicable. Source: International Trade Centre. Elaboration: Strategic Market Management, Apex-Brazil, for ABIROCHAS on 02/15/2016.

5

Associação Brasileira da Indústria de Rochas Ornamentais – ABIROCHAS

SRTV Sul – Quadra 701 – Conjunto L – nº 38 – Bloco 2 – sala 601
Asa Sul - Brasília / DF – CEP 70340-906 – Edif. Assis Chateaubriand
Fone: +55 (61) 3033-1478 – E-mail: cidchiodi@abirochas.com.br



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Chart 3 – Brazilian and its Competitors’ Shares in the North American Markets and Main Importers in South America in 2015 – HS 6802

Target Countries	Brazil's share in Target Importing Countries in 2015	Brazil's Ranking among Target Countries in 2015	Ranking of the Main Stone Suppliers in the Target Countries									
			1º		2º		3º		4º		5º	
USA	26,8%	1º	Brazil	26,8%	China	20,1%	Italy	17,2%	Turkey	12,3%	India	10,4%
Canada	13,2%	4º	China	27,4%	Italy	14,9%	Turkey	13,4%	Brazil	13,2%	USA	13,0%
Mexico	21,7%	2º	China	22,7%	Brazil	21,7%	Italy	19,1%	Spain	15,9%	Greece	5,5%
Colombia	28,3%	1º	Brazil	28,3%	China	22,4%	India	17,8%	Spain	12,3%	Egypt	8,2%
Venezuela	24,4%	1º	Brazil	24,4%	Spain	18,4%	USA	16,0%	China	11,8%	Italy	6,9%
Bolivia	22,2%	2º	China	37,3%	Brazil	22,2%	Spain	17,2%	Italy	5,9%	India	4,0%
Chile	13,7%	2º	China	45,5%	Brazil	13,7%	Italy	11,6%	India	6,3%	Spain	5,8%
Paraguay	57,4%	1º	Brazil	57,4%	China	33,8%	Spain	4,6%	USA	2,8%	India	0,5%
Argentina	31,6%	1º	Brazil	31,6%	Italy	26,3%	Turkey	9,5%	China	9,2%	Spain	8,8%
Uruguay	30,9%	1º	Brazil	30,9%	China	28,1%	India	11,9%	Italy	8,7%	Spain	7,4%

Source: International Trade Centre. Elaboration: Strategic Market Management, Apex-Brazil, for ABIROCHAS on 02/15/2016.

6

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SRTV Sul – Quadra 701 – Conjunto L – nº 38 – Bloco 2 – sala 601
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Fone: +55 (61) 3033-1478 – E-mail: cidchiodi@abirochas.com.br

Chart 4 – Evolution of Brazilian Dimension Stone Exports in the Americas – HS 6802

	2013		2014		2015		Market Importance	Trend
	Ranking	PP %	Ranking	PP %	Ranking	PP %		
USA	1º	27,4	1º	27,6	1º	26,8	5	—↘
Canada	3º	14,5	3º	13,9	4º	13,2	3	↓
Mexico	2º	22,4	1º	21,4	2º	21,7	3	—↘
Colombia	1º	34,1	1º	31,4	1º	28,3	2	↓
Venezuela	1º	29,5	-	-	1º	24,4	1	↓
Bolivia	2º	27,6	2º	20,9	2º	22,2	1	—↗
Chile	3º	13,5	2º	19,1	2º	13,7	2	—↘
Paraguay	1º	55,0	1º	65,1	1º	57,4	1	↑
Argentina	1º	36,8	1º	33,1	1º	31,6	2	↓
Uruguay	1º	30,0	1º	34,0	1º	30,9	1	—
Market Importance: 1 – unimportant to 5 – very important								
Trend: ↑ positive; ↓ negative; — stable; —↗ stable with positive bias; —↘ stable with negative bias.								

7

Chart 5 – Evolution of Chinese Dimension Stone Exports in the Americas – HS 6802

	2013		2014		2015		Market Importance	Trend
	Ranking	PP %	Ranking	PP %	Ranking	PP %		
USA	2º	19,0	2º	19,1	2º	20,1	5	↑
Canada	1º	23,6	1º	24,4	1º	27,4	3	↑
Mexico	3º	19,2	2º	20,8	1º	22,7	3	↑
Colombia	2º	22,9	2º	24,1	2º	22,4	2	—
Venezuela	3º	9,9	-	-	4º	11,8	1	—
Bolivia	1º	37,4	1º	47,1	1º	37,3	1	—
Chile	1º	32,6	1º	42,3	1º	45,5	2	↑
Paraguay	2º	39,6	2º	22,6	2º	33,8	1	—
Argentina	2º	16,4	3º	14,0	4º	9,2	2	↓
Uruguay	2º	27,8	2º	26,1	2º	28,1	1	—↗
Market Importance: 1 – unimportant to 5 – very important								
Trend: ↑ positive; ↓ negative; — stable; —↗ stable with positive bias; —↘ stable with negative bias.								