

## Italian Marble: increase in exports in the first half of 2014

*German demand picks up but the USA falls back. Imports for orders and stock positive again.*

Carrara, 12 September, 2014

In the first half of 2014, the Italian stone industry exported 2.2 million tons of materials, including raw materials and finished products, for a value of more than 955 million Euros, showing an increase of 5.5% in quantity and 3.43% in value compared to the same period of 2013 (see Table No. 1).

This was announced by the **Internazionale Marmi e Macchine Carrara Spa** when publishing, as usual, the data relating to the first period of the year based on ISTAT figures. The company stressed that the most important contribution to growth was made by marble blocks and slabs, of which a quantity of 763,600 tons (+9.2%) were exported on foreign markets for a value of almost 177 million Euros (+11.4%).

On the other hand, the quantity of finished marble products exported fell (442,000 tons, down 2%), albeit by a modest percentage. The value, however, rose from 423.4 million Euros in the first half of 2013 to 450 million Euros for the same period of 2014, showing a growth rate of 6.35%.

The reduction in exports of granite blocks and slabs continued: -13% in quantity and -12.46% in value, for a total of 65,000 tons with a value of 17.7 million. The variation in finished granite products exports was less significant, although still negative. These stood at 272,700 tons for 254 million (-3.5% in quantity and -5.7% in value).

Table 1 - ITALY – ALL COUNTRIES	EXPORTS					
	2013		2014		% diff. 2014/2013	
	Tons	Euros	Tons	Euros	% Q.ty	% Val.
January-June 2013-2014						
MARBLE BLOCKS AND SLABS	699.326	158.740.418	763.657	176.921.112	9,2	11,45
GRANITE BLOCKS AND SLABS	74.603	20.248.064	64.917	17.724.335	-12,98	-12,46
FINISHED MARBLE PRODUCTS	451.617	423.396.983	442.045	450.284.913	-2,12	6,35
FINISHED GRANITE PRODUCTS	282.679	269.458.061	272.755	254.094.571	-3,51	-5,7
OTHER FINISHED STONE PRODUCTS	69.599	16.580.179	70.591	16.496.508	1,42	-0,5
<b>SubTOT Blocks, slabs and finished products</b>	<b>1.577.824</b>	<b>888.423.705</b>	<b>1.613.964</b>	<b>915.521.439</b>	<b>2,29</b>	<b>3,05</b>
CHIPS AND POWDERS	526.736	30.119.165	606.057	35.111.081	15,06	16,57
<b>SubTOT with Chips and Powders</b>	<b>2.104.560</b>	<b>918.542.870</b>	<b>2.220.021</b>	<b>950.632.520</b>	<b>5,49</b>	<b>3,49</b>
RAW SLATE	1.846	891.093	1.920	859.524	4,02	-3,54
FINISHED SLATE PRODUCTS	4.762	3.793.498	4.384	3.174.705	-7,93	-16,31
PUMICE STONE	352	266.049	1.450	464.612	312,14	74,63
<b>Total</b>	<b>2.111.520</b>	<b>923.493.510</b>	<b>2.227.775</b>	<b>955.131.361</b>	<b>5,51</b>	<b>3,43</b>

*"It's an altogether encouraging scenario determined by the ability of our companies to withstand competition and the difficulties on the international markets. This is thanks to the quality of Italian products that enables us to maintain market share in the segments of higher value - says the IMM Carrara Chairman, Fabio Felici - but the Italian industry does have to deal with the difficulties that remain on the domestic market that is a major market for our companies, especially for medium- and small to medium-sized ones. Only in the next few months will we be able to see, through an increase in the consumption of natural stone, if there is a recovery in the construction industry in terms of large projects."*

Returning to exports, the IMM's research department provides, in addition to absolute figures and variation percentages, some reflections on individual markets that help to understand the trend better.

There is once again an increase in imports of Italian products in the countries of the European Union. In the first half of 2014, EU countries absorbed more than 306,000 tons of quality materials worth 234 million, recording +3.4% in quantity and +7.2% in value compared to 2013. In particular, finished marble exports to EU countries totalled a value of almost 84 million Euros (+17%) and finished granite products 116.7 million Euros (+2.7%).

The result is mainly due to the recovery of German imports. Germany, the main target market for Italian exports, along with the USA, had shown a decline in demand that showed a sharp reversal in the first half of 2014 with Italian exports of 114,000 tons of quality materials (marble, granite and other stones) worth over 76 million Euros and an increase of 7.8%



in quantity and 6.7% in value. A recovery mainly due to investments in residential building supported by demographic factors also related to migration to the country (IMM-Stone Sector 2014) as shown in the following table.

ITALY - GERMANY	EXPORTS					
	2013		2014		% diff. 2014/2013	
	Tons	Euros	Tons	Euros	% Q.ty	% Val.
January-June 2013-2014						
MARBLE BLOCKS AND SLABS	2.312	1.198.055	2.325	1.506.526	0,57	25,75
GRANITE BLOCKS AND SLABS	9.793	2.452.653	14.277	3.612.086	45,79	47,27
FINISHED MARBLE PRODUCTS	10.699	12.462.060	10.678	14.752.782	-0,19	18,38
FINISHED GRANITE PRODUCTS	60.732	50.958.324	61.324	51.524.305	0,98	1,11
OTHER FINISHED STONE PRODUCTS	22.162	4.253.737	25.419	4.752.064	14,7	11,72
<b>SubTOT Blocks, slabs and finished products</b>	<b>105.698</b>	<b>71.324.829</b>	<b>114.024</b>	<b>76.147.763</b>	<b>7,88</b>	<b>6,76</b>
CHIPS AND POWDERS	172.404	10.135.588	204.179	11.761.057	18,43	16,04
<b>SubTOT with Chips and Powders</b>	<b>278.102</b>	<b>81.460.417</b>	<b>318.203</b>	<b>87.908.820</b>	<b>14,42</b>	<b>7,92</b>
RAW SLATE	764	245.434	416	227.840	-45,55	-7,17
FINISHED SLATE PRODUCTS	426	325.577	472	303.163	10,71	-6,88
PUMICE STONE	21	2.924	25	9.771	22,71	234,17
<b>Total</b>	<b>279.313</b>	<b>82.034.352</b>	<b>319.116</b>	<b>88.449.594</b>	<b>14,25</b>	<b>7,82</b>

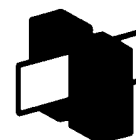
Still in Europe, strong growth in exports to the UK too, for a total of 22,000 tons of quality materials for a value of 34 million (+45.8% in quantity and +49% in value).

Among the other European countries (non-EU), the importance of the Swiss market should be noted. In recent years, this market has shown a steady growth in imports from Italy and in the first six months of 2014 absorbed 72,000 tons of quality materials for a value of 53.8 million Euros, showing a growth of 4.5% in quantity and 4.9% in value.

There is also a positive trend underway in exports to the North African market, with 266,400 tons of quality materials for a value of 55.7 million Euros and an increase of 8.5% in quantity and nearly 17% in value. In particular, there were increases in both quantity and value in exports to Morocco: 48,600 tons of marble, granite and other stones (+31%) for a value of 17.7 million Euros (+16.6%). Morocco, in fact, presents itself as a politically stable country with an economy growing steadily (2013 GNP at 4.4%). According to estimates by SIMCO, the expected growth rate in the construction industry between 2013 and 2017 is 6.25% while the GDP per capita is expected to grow by as much as 20%.

Exports falling (albeit modestly) to the USA, where, after the growth in demand in recent years, imports of natural stone from Italy fell by 3.3% in quantity although values remained substantially unchanged (-0.7%) for 169.3 million Euros. (See table below).

ITALY – UNITED STATES OF AMERICA	EXPORTS					
	2013		2014		diff. % 2014/2013	
	Tons	Euros	Tons	Euros	% Q.ty	% Val.
January-June 2013-2014						
MARBLE BLOCKS AND SLABS	2.232	2.260.106	1.286	1.374.895	-42,4	-39,17
GRANITE BLOCKS AND SLABS	662	767.565	214	222.350	-67,73	-71,03
FINISHED MARBLE PRODUCTS	59.944	99.710.284	68.195	115.283.293	13,77	15,62
FINISHED GRANITE PRODUCTS	47.598	67.692.003	36.822	52.040.222	-22,64	-23,12
OTHER FINISHED STONE PRODUCTS	160	206.948	406	455.011	153,67	119,87
<b>SubTOT Blocks, slabs and finished products</b>	<b>110.596</b>	<b>170.636.906</b>	<b>106.922</b>	<b>169.375.771</b>	<b>-3,32</b>	<b>-0,74</b>
CHIPS AND POWDERS	1.647	540.031	998	276.242	-39,41	-48,85
<b>SubTOT with Chips and Powders</b>	<b>112.243</b>	<b>171.176.937</b>	<b>107.921</b>	<b>169.652.013</b>	<b>-3,85</b>	<b>-0,89</b>
RAW SLATE	0	0	0	0	0	0
FINISHED SLATE PRODUCTS	275	292.712	186	184.618	-32,4	-36,93
PUMICE STONE	0	0	0	0	0	0
<b>Total</b>	<b>112.518</b>	<b>171.469.649</b>	<b>108.107</b>	<b>169.836.631</b>	<b>-3,92</b>	<b>-0,95</b>



The Middle East market saw an increase in Italian exports, which stood at 240,500 tons of quality materials for a value of 122.8 million (+2.5% in quantity and +0.7% in value) and exports increased to the Far East too for a total of more than 502,000 tons worth almost 156 million Euros (+1.8% in volume and +1.7% in value). In the latter case, the main contribution is made by the demand from China which absorbed 250 000 tons of quality materials, including 225,400 of marble blocks and slabs. The total value was 69.1 million Euros, i.e. an increase of 12.6% compared to the first half of 2013.

Italian imports also began to grow again during the first six months of 2014. Italian companies imported 765,000 tons of stone materials for a total value of 196 million Euros, showing an increase in quantity of nearly 10% for a 5% increase in value. It is a positive sign because growth in imports generally coincides with an increase in the order book or the preparation of stocks ready for a recovery.

The most significant change occurred in the imports of marble blocks and slabs (+28% in volume and +22% in value) with a type of product purchased mainly from Croatia. In the first six months of 2014, Italy's imports of raw marble from Croatia were four times higher compared to 2013. They totalled almost 71,000 tons for a value of 8.8 million Euros, an increase of 384% in quantity and 298.9% in value.

Imports of raw marble from Iran also increased (second supplier country for Italy) while imports from Turkey were down in terms of quantity, even if there was an increase in value.

ITALY – ALL COUNTRIES	IMPORTS					
	2013		2014		% diff. 2014/2013	
	Tons	Euros	Tons	Euros	% Q.ty	% Val.
<b>January-June 2013-2014</b>						
MARBLE BLOCKS AND SLABS	150.038	38.134.665	191.879	46.578.032	27,89	22,14
GRANITE BLOCKS AND SLABS	345.368	87.398.665	373.695	93.792.381	8,2	7,32
FINISHED MARBLE PRODUCTS	36.266	18.739.617	36.963	18.123.437	1,92	-3,29
FINISHED GRANITE PRODUCTS	69.014	28.354.994	57.654	24.628.689	-16,46	-13,14
OTHER FINISHED STONE PRODUCTS	35.890	4.821.979	29.618	3.948.599	-17,48	-18,11
<b>SubTOT Blocks, slabs and finished products</b>	<b>636.576</b>	<b>177.449.920</b>	<b>689.809</b>	<b>187.071.138</b>	<b>8,36</b>	<b>5,42</b>
CHIPS AND POWDERS	24.480	2.478.546	40.825	2.411.084	66,77	-2,72
<b>SubTOT with Chips and Powders</b>	<b>661.056</b>	<b>179.928.466</b>	<b>730.633</b>	<b>189.482.222</b>	<b>10,53</b>	<b>5,31</b>
RAW SLATE	23.924	3.187.323	22.724	2.614.554	-5,02	-17,97
FINISHED SLATE PRODUCTS	7.663	2.991.123	7.711	3.119.029	0,62	4,28
PUMICE STONE	3.411	767.603	3.954	841.729	15,9	9,66
<b>Total</b>	<b>696.055</b>	<b>186.874.515</b>	<b>765.022</b>	<b>196.057.534</b>	<b>9,91</b>	<b>4,91</b>

Source: Istat; processing: Internazionale Marmi e Macchine Carrara research department  
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