

CBI MARKET SURVEY

The Natural Stone and Stone Products Market in Austria

Publication date: July, 2007

Introduction

This CBI market survey gives exporters in developing countries information on some main developments in the natural stone market in Austria. The information is complementary to the information provided in the CBI market survey 'The Natural Stone and Stone Products Market in the EU', which covers the EU in general. That survey also contains an overview and explanation of the selected products dealt with, some general remarks on the statistics used, as well as information on other available documents for this sector. It can be downloaded from <http://www.cbi.eu/marketinfo>.

Note: In the chapters about consumption and production, we refer to 3 product groups:

- Blocks and Slabs
- Landscape Design
- Monumental and Funeral

The last group (Monumental and Funeral) is an aggregate of 2 sub products groups that will be addressed separately in the Import/ Export section: Flooring and Cladding and Funeral and other arts. For more explanation about the product group segmentation, please refer to the Appendix A of the CBI market survey 'The Natural Stone and Stone Products Market in the EU'.

1 Market description: consumption and production

Austria is a relatively small actor in the European natural stone Industry. It has close associations with the German stone industry.

Consumption

- Austria consumed approximately € 174 million of natural stone products in 2004.
- A small consumer of natural stone products, Austria accounts for approximately 1% of the EU market. Italy and Spain are the most significant consumers with 51% and 18% respectively. Austria has similar consumption rates to the Netherlands and Ireland.
- Total consumption grew by approximately 2% a year between 2002 and 2004. Total consumption is expected to be slightly more pronounced in 2005 based improvements in the Austrian economy.
- Based on recent rates of consumption, in 2008 Austria is expected to consume approximately € 180 million worth of natural stone products.
- Austrian consumption of natural stone consisted of blocks and slabs is unknown due to limited data availability, landscape design accounted for 14% and funerary and other art at 85% of total consumption in 2004.
- It is difficult to make meaningful conclusions based on available consumption data. The consumption of natural stone products, however, is forecast to increase. A recovering Austrian construction sector that relies heavily on inputs of natural stone is showing signs of positive growth according to Euroconstruct, a construction forecasting group.¹
- As Austria's economic recovery continues, consumption will particularly be strong and market growth will be realized in natural stone products for monumental and funerary art, and for natural stone flooring products. The demands from the construction industry will also increase consumption for unfinished natural stone products.

¹ Source: Euroconstruct: www.euroconstruct.org/

Production

- In 2004, Austria produced approximately € 109 million worth of natural stone products
- Production is increasing and increased by approximately 5% per year between 2002 and 2004.
- Based on previous growth rates and continued economic growth in Austria and Europe, production is expected to reach approximately € 130 million in 2008.
- Austrian production of natural stone in 2004 consisted of landscape design 1% and Funeral and other art 91%.
- Quarry production is estimated at 500,000 tonnes in 2005.²
- Detailed trends in production are inconclusive due to limited data; however, production is increasing at a significant rate of 5 percent as of 2004, with landscape design natural stone products peaking in 2002, monumental funeral other art peaking in 2003, and quarry production remaining stagnant.
- In summary, production has increased with slight increases in particular product groups that are typically matched with decreases in other product groups. Improved economic conditions in recent years, however, are likely to push for increased in all categories, particularly Funeral and other art natural stone products.
- The Austrian natural stone industry depends significantly on the construction industry. The Austrian construction industry has seen its industrial production index (year 2000 = 100) increase for all but one sector. In 2004, preliminary statistics indicate the Austrian industry in general is performing better than previous years with a production index of 113. One sector, mining and quarrying, is the only underperforming sector. Despite a brief reprise of quarrying in 2002 and 2003 of amounts equal to 2000, the quarrying and mining industries are contributing less to industrial production than previous years.

Opportunities and threats

- + The Austrian consumption increasing trend is expected to persist in the near future.
- Because of its limited market size, Austria represents only limited market openings for importers.

Please refer to chapter 7 of the CBI survey 'The Natural Stone and Stone Products Market in the EU' for more opportunities and threats.

2 Trade channels for market entry

Listed below are website address of companies that are particularly active in importing natural stone and providing intermediate and finished products made of natural stone. The Austrian natural stone industry is relatively small, and bordering and sharing a common language with Germany, they are integrated into the German market and its trade channels. Germany imports a significant amount of natural stone and Austrian subsidiaries import the stone from Germany. For more information please consult the "The Natural Stone and Stone Products Market in Germany."

Austria's small market has allowed businesses to assume more active and multifaceted role to capitalize on the opportunities available. Some companies, for example, act as retailers and distributors. The list includes wholesalers, retailers, and companies that process stone into finished products. Several of the companies listed also have well organized English language websites, but none include pricing information:

- AMP Natursteinwerk - <http://www.amp-naturstein.at/> - provides intermediate and finished stone products to a variety of clientele for commercial and industrial applications.

² Source: Stone 2006: World marketing handbook

- Shubert Stone – <http://www.schubertstone.com> – wholesaler that provides intermediate and finished stone products for a variety of clientele for commercial and residential purposes.
- Brueder Rath Steinbrueche - <http://www.natursteine-rath.at/> - retailer of a variety of intermediate and finished goods for mainly commercial and residential settings.
- Nussbaumer - <http://www.nussbaumer-naturstein.at/> - retailer of intermediate and finished stone products. Imports natural stone from Brazil and Guatemala.

3 Trade: imports and exports

Imports

- In 2005 Austria imported approximately € 99 million worth of natural stone products at 237 thousand tonnes.

Table 3.1 Market share in value of Austrian imports in 2005 split into different product groups

Product group	Share %
Blocks and Slabs	9
Landscape design	14
Funeral and Other Art	77

Source: Eurostat (2006)

- The European top 5 importers in value are Italy (17% of total EU imports of natural stones), Germany (16%), the UK (15%), France (13%) and Spain (9%). Austria is one of the smaller importers of natural stone products and imports approximately 2% of the European total.
- The Czech Republic, Portugal and Ireland all import relatively similar percentages of natural stone; respectively, the import 1%, 2%, and 3% of the EU total.
- In terms of volume, the amount of natural stone products being imported into Austria is increasing. For the years of 2002 and 2005, the annual rate of growth of natural stones imported into Austria was 3%.
- Austria imports 26% of all intermediate and finished natural stone products from developing countries, 3% from non-EU member countries and other developed countries, and 71% from members of the European Union. Whether one looks at all intermediate products, all finished products, or the aggregate, China, India, Turkey, Brazil, and Croatia are the main source of natural stone for Austria.
- Imports from developing countries increased by 21% at an annual rate from 2002 to 2005. However, for specific products, block and slab decreased by 3% a year, monumental and funeral art decreased by 21%, and landscape design increased by 1%.

Exports

- Austria exports approximately € 25 million worth of natural stone products.
- The amount of natural stone products being exported from Austria is increasing. The most recent growth rate calculation from the years 2002 to 2005 indicates a growth of 2 per year %, a figure to put into perspective with the fact that Austria has recently recovered from an economic malaise.
- Blocks and slabs exports declined by 4% and monumental and funeral art by 2% a year from 2002 to 2005.
- Landscape design saw significant growth, from 2002 to 2005, there was a 67% increase per year in the exports of landscape design products.

Opportunities and threats

- + Imports are increasing and the trade coming from developing countries is increasing at a higher speed than with the trade with other external partners.
- + The Austrian natural stone industry has significant relations with the German natural stone industry because of a shared language and Germany is very active in the world's natural stone market. Therefore exporters from developing countries can easily build on a possible experience on the German market to trade with Austria.
- The Austrian imports remain restricted and look at it on a European scale.

Please refer to chapter 7 of the CBI survey 'The Natural Stone and Stone Products Market in the EU' for more opportunities and threats.

Useful sources

- EU Expanding Exports Helpdesk:
<http://export-help.cec.eu.int/> → go to: trade statistics
- Eurostat – official statistical office of the EU:
<http://epp.eurostat.cec.eu.int> → go to 'themes' on the left side of the home page → go to 'external trade' → go to 'data – full view' → go to 'external trade - detailed data'

4 Price developments

With a wide variety of types of natural stone products and quality available it is difficult to draw price conclusions, generalizing long term developments and price trends is difficult. Another issue is that because of strong ties to the much larger and more significant German natural stone market, Austrian developments tend to follow Germany's lead. Developments in price closely mirror those of Germany. In general, prices have been stable in recent years.

Moreover, Austria was until recently a country with limited amounts of consumption. The growth of consumption of natural stone in Austria, being greater in percentage relative to Germany, suggests that a rising demand may put upward pressure on the price. If the availability of natural stone is not adjusted for the increase in consumption, prices will increase.

Listed below are several websites that include price data on the natural stone market in Austria and Europe in general:

- <http://www.andresen.as/> → go to "prisliste"
- <http://www.baumax.at>
- <http://www.findstone.com>
- <http://www.stonesource.com>
- <http://www.stone-network.com>

5 Market access requirements

As a manufacturer in a developing country preparing to access Austria, you should be aware of the market access requirements of your trading partners and the Austrian government. For information on legislative and non-legislative requirements, go to 'Search CBI database' at <http://www.cbi.eu/marketinfo>, select natural stone products and Austria in the category search, click on the search button and click on market access requirements.

Detailed information on packaging can be found at the website of ITC on export packaging: <http://www.intracen.org/ep/packaging/packit.htm>

Information on tariffs and quota can be found at <http://export-help.cec.eu.int/>

6 Doing business

Information on doing business like approaching potential business partners, building up a relationship, drawing up an offer, handling the contract (methods of payment, and terms of delivery) and cultural differences can be found in CBI's export manuals 'Export Planner', 'Your image builder' and 'Exporting to the EU'. These can be downloaded from <http://www.cbi.eu/marketinfo> - go to search publications. For more information on doing business in Austria, visit the following websites on the following page:

Trade associations

- Austrian Trade Association - www.wk.or.at/
- Austrian Trade Promotion Organization - <http://www.austriantrade.org/>
- Austrian Association of Natural Stone Works - <http://www.pronaturstein.at/>

Trade fairs

- Stone+tec - <http://www.stone-tec.com/> – one of the largest fairs in Europe on natural stone and stone processing technology

Trade press

- Stone Time Austria - <http://s-stein.com/?Navi=79> – Austrian edition of the German trade magazine Stein

This survey was compiled for CBI by CREM BV

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