CBI MARKET SURVEY

The Natural Stone and Stone Products Market in Ireland

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 Ireland. 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 survey 'The Natural Stone and Stone Products Market in the EU'.

1 Market description: consumption and production

Consumption and industrial demand

- Due to data availability consumption could only be calculated for the product category Finished Products.
- Ireland consumed approximately 1,024 thousand million tonnes of natural stone in 2004, of which 219 thousand tonnes of finished products with a total of € 136 million (note: no value data for Blocks and Slabs).
- Between 2002 and 2004 Irish consumption of finished stone products increased by 66%. In 2004 the consumption only increased by € 1 million so therefore most of the growth was realised in 2003. The price of consumed stone products increased slightly.

Table 1.1 Irish consumption in 2004 split into product categories, value in € million; volume in 1,000 tonnes

Product group	Volume	Value
Blocks and Slabs	805	-
Landscape design	103	12
Monumental and Funeral	116	124

Source: Eurostat (2006)

- Ireland is a small consumer accounting for only 1% of the consumed volume of the EU 25 countries. Italy (48%) and Spain (19%) are the biggest EU consumers. The United Kingdom is good for 3% and the Netherlands for 2%.
- Looking strictly at the consumption of finished products Ireland is responsible for 2% of the total EU value. Italy, Spain, United Kingdom and the Netherlands account for 44%, 23%, 7% and 6% respectively.
- Ireland's economy has been for years the fastest growing economy in the EU. This growth is forecasted to slow down in coming years. However, in 2007 the economy is still expected

to grow at 5.4%, which will slow down to 4% in 2008.[1] The construction sector, the biggest consumer of natural stone, seems to be following economic developments. In 2007, growth is likely to reach 4.2% and 1.3% in 2008. Such general growth forecasts are reflected in the changing proportions of construction activity.[2] Therefore, expectations are that the consumption of natural stone will still grow, however not as fast as in previous years.
- Ireland is not greatly influenced by fashion and trends. Irish grey granite is still used but increasingly used for restoration only. Light grey remains the predominant colour in building and usually has a bush-hammered finish. However, it is now more likely to be imported granite, especially Portuguese, Spanish and Chinese. This has somewhat broadened the palette from which architects can choose their stone.[3]

Production
- Unfortunately there is no value data for the product group Blocks and Slabs.
- In 2004, the Irish production of natural stone represented 930 thousand tonnes, of which 133 thousand tonnes of finished products with a total of € 48 million.
- In 2004 the volume of produced Irish stone increased by 90% compared to 2003. This was made possible by the exceptional growth (120%) of the production of blocks and slabs.
- Irish production of finished stone products, in terms of volume, increased with 6%. However, its value has gone down by 6%. This shows that the average price of finished products has gone down.
- Ireland is one of the smaller stone producers in the EU accounting for 1% of the total produced volume of the EU 25 countries and 1% of the total value. In comparison, Italy, Spain, France and the United Kingdom account for 30%, 19%, 11%, and 10% respectively.
- The volume of Irish production of natural stone in 2004 consisted for 86% out of Blocks and Slabs, 9% Landscape Design and 5% Monumental and Funeral. The value of finished products consisted for 10% of Landscape Design and 90% of Monumental and Funeral.

Opportunities and threats

\+ Although forecasts for coming years are not as good as for the past years, it is still expected that Irish consumption of natural stone will increase in 2007 and years to come.

\- Because of its limited market size, Ireland represent 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

The most important trade channels in Ireland are:
- Wholesaler/importers: buy their natural stone directly from supplying countries. The market is dominated by a few large companies:
  - Sander Wood Stone (processor and importer): http://sanderwoodstone.ie/
- Retailers: mainly buy from wholesaler/importers; however large retailers are also known to buy from supplying countries directly.
  - Natural Stone Centre: http://www.stonedevelopments.ie
- Natural stone processing industry: processors that buy from wholesalers/importers, quarry their own stone or depending on the size of the company buy directly from supplying countries. After processing, these companies mainly supply to retailers and consumers.
  - Irish Natural Stone: http://www.irishnaturalstone.com/
- Other: major companies (e.g. building) or governmental organisations buying directly from supplying countries for large building projects.

[1] Source: Davy Stockbrockers
[2] Source: Irish Construction Industry Federation
[3] Source: www.litosonline.com

- o Irish National Building Agency: http://www.nba.ie

3 Trade: imports and exports

Imports

- In 2005, Ireland imported a total of € 92 million worth of intermediate and finished natural stone products which represented 157 thousand tonnes worth of natural stone products.

Table 3.1 Irish imports in 2005 split into different product categories

Product group	Share %
Blocks and Slabs	13
Landscape design	7
Flooring and Cladding	49
Funeral and Other Art	26

Source: Eurostat (2006)

- Between 2002 and 2005 the volume of imported natural stone increased by 41% and the value by 69%. Most of the growth was realized in 2005. Ireland has been importing more finished products with an average higher price at the expense of imported intermediates. Moreover, prices of intermediates as well as finished products have gone up. This explains why the average price of imports increased.
- The value of Funeral and Other Art increased by 114%, Landscape Design by 77% and Flooring and Cladding by 75%. The imports of Blocks and Slabs virtually remained the same.
- In 2005 Ireland's imports, in terms of value of natural stone, consisted of Blocks and Slabs (13%), Landscape Design (7%), Flooring and Cladding (53%) and Funeral and Other Art (26%).
- Ireland is one of the smaller EU importers accounting for 3% of the total value of EU imports. The European top 5 importers in value are Italy (17%) of total EU imports of natural stones), Germany (16%), the UK (15%), France (12.8%) and Spain (9%).
- The increase of consumed finished stone products (66%) between 2002 and 2004 has benefited Irish production (29%) as well as imports (24%).
- In 2005 Ireland, per quantity, imported 63% of all its stone products from developing countries (DC). On other hand DC accounted for 41% of the value of Irish imports. Between 2002 and 2005 the market share of DC expanded by 12%. However, the average price of stone from DC has decreased significantly.
- The most important DC exporting to Ireland are China (32%) and India (25%). In third and fourth place are Brazil (3%) and Turkey (3%).

Exports

- In 2005, Ireland exported a total 16 thousand tonnes of natural stone for a value of € 14 million.
- Between 2002 and 2005, the total value of Irish exports grew by 23%. However volume decreased by 143%. In other words, the average price of exported natural stone has increased over the years.
- Irish exports consisted of Blocks and Slabs (42%), Landscape Design (2%), Flooring and Cladding (48%) and Funeral and Other Art (8%).

Opportunities and threats

\+ Ireland has been increasingly importing natural stone products from DC. With positive forecasts for the future imports from DC are expected to grown in coming years.
\- Dropping price of stone from DC poses a threat to suppliers.

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

- The price of natural stone has been dropping globally because of more efficient extraction technologies and more suppliers being active on the global market. The overall developments in Ireland, however, are positive with prices increasing for intermediates as well as finished products. Whether this is due to higher margins, more added value or better quality stone is unclear. The price of imported stone from DC did go down due to above mentioned reasons. Whether this development will continue in years to come is unclear.
- Listed below are three general websites that include price data for the EU market:
  - 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 Ireland, you should be aware of the market access requirements of your trading partners and the Irish 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 Ireland 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 Ireland, visit the following websites:

Useful sources:

- Irish Building Show:
  http://www.irishbuildingexhibition.com/

This survey was compiled for CBI by CREM BV