

CBI MARKET SURVEY

The Natural Stone and Stone Products Market in Romania

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Introduction

This CBI market survey gives exporters in developing countries information on some main developments in the natural stone market in Hungary. 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**

- The expectations for the Romanian economy are positive. Over the next two years, real economic growth will remain robust at 5.8% (2007) and 5.6% (2008).¹ The prospects for the construction sector, the largest consumer of stone in Romania, are also looking even better. In the first year of being an EU Member State growth of 17% is forecasted in the construction sector. Therefore, construction will stay in 2007, and in the years to come as well, the sector with the most significant growth rate in the Romanian economy.² These developments will stimulate the demand for natural stone.
- There is an increased demand for yellow and orange coloured finished stone products.³

Production

- In 2005, the Romanian production represented 2,016 thousand tonnes of which 42 thousand tonnes of finished products with a total worth of € 18 million (note: no value data for Blocks and Slabs). In 2005 the value of finished products went up by 23% compared to 2004.⁴
- Production is expected to grow in coming years due an expanding construction industry and increased consumer demand.

Opportunities and threats

+ Since joining the EU, Romania has access to EU funds that will go towards big building and construction projects. Moreover, as a result of accession to the EU the standard of living will improve resulting in an increased demand for a luxury article like natural stone.

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

¹ Source: European Commission

² Source: Romanian National Commission of Prognosis

³ Source: Tehnostone

⁴ Source: Eurostat 2007

2 Trade channels for market entry

The most important trade channels in Romania are:

- Wholesaler/importers: buy their natural stone directly from supplying countries. The market is dominated by a few large companies.
 - Tehnostone: <http://www.piatra-naturala.ro/>
- Retailers: mainly buy from wholesaler/importers; however large retailers are also known to buy from supplying countries directly.
 - Marmur Art: <http://www.marmurart.ro>
- Natural stone processing industry: buys from wholesalers/importers or depending on the size of the company directly from supplying countries. After processing these companies mainly supply to retailers and consumers.
 - CMC: <http://www.cmc.ro>
- Other: major companies (e.g. building) or governmental organisations buying directly from supplying countries for large building projects.
 - Ministry of Transport, Constructions and Tourism and Housing: <http://www.mt.ro/>

3 Trade: imports and exports

Imports

- In accordance with the general trend in the EU, Romania imports a great deal of its natural stone. One importer estimates that 50% of total stone consumption originates in other countries. In Romania, developing countries are important suppliers, especially China and India. However, traditional stone countries like Italy still remain important trading partners of Romania.⁵

Exports

- Although Romania exports various types of natural stone and natural stone products, there is no data available.

Opportunities and threats

- + Due to an increased demand the natural stone imports are expected to expand in coming years and developing countries are expected to profit from this growth.

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

- 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 Source: Tehnostone

5 Market access requirements

As a manufacturer in a developing country preparing to access Romania, you should be aware of the market access requirements of your trading partners and the Romanian 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 Romania 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 Romania, visit the following websites:

Useful sources

- Romanian annual construction expo 'Construct Expo Ambient': <http://www.constructexpo-ambient.ro/>

This survey was compiled for CBI by CREM BV
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