CBI MARKET SURVEY

The Natural Stone and Stone Products Market in Sweden

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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 Sweden. 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
- Sweden consumed approximately 37 thousand tonnes of finished products in 2004 with a total of € 24 million (note: no data available for intermediate products).
- Swedish consumption consisted of € 2 million worth of Landscape Design products and € 22 million worth of Monumental and Funeral products.
- Sweden is a small consumer with only 0.04% of total EU consumption volume of finished stone products. It has a 0.3% market share when looking at total EU consumption value. Italy, Spain, United Kingdom and The Netherlands account for 30%, 19%, 10% and 2% respectively.
- The domestic consumption of raw natural stone has been declining since 2000. However, compared with the nineties, the imports of finished goods have more or less doubled in the first years of the 21st century.[1] Looking at the developments in other areas of trade, it is assumed that this growth has continued to the present day.
- Sweden has shown a stable economical growth over the years and forecasts are positive for the future. In 2007 an economical growth of 3.3% is expected and in 2008 2.9%.[2] The prospects for the construction sector, the largest consumer of stone in Sweden, are also looking good. For the housing sector a growth of 3.7% in 2007 is forecasted, which is expected to accelerate to 4% in 2008. The non-residential market will likely expand by 3% in 2007, and by 2.5% in 2008.[3] Therefore it is expected that there will be a growing demand for stone in coming years.

Production
- In 2004, the value of finished products amounted to € 15 million (note: no value data for Blocks and Slabs). Figures indicate that Sweden does not produce products that fall in the product group Landscape Design.

[1] Source: Stonereport
[2] Source: Swedish National Institute of Economic Research
[3] Source: Euroconstruct

- Sweden is a small sized natural stone producer in the EU accounting for 0.2% of the total produced value of the EU 25 countries. In comparison, Italy, Spain, France and the United Kingdom account for 44%, 23%, 7%, and 6% respectively.

Opportunities and threats

\+ Growth of the consumption will likely to continue in the coming years.
\- Because of its limited market size, Sweden represents only limited market openings for importers.
\- There are active EU research projects that aim to improve the competitiveness of the Danish, Finnish, Norwegian, and Swedish stone industry.

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 Sweden are:

- Wholesaler/importers: buy their natural stone directly from supplying countries. The market is dominated by a few large companies:
    - Kakelspecialisten (importer of natural stone): http://www.kakelspecialisten.se
- Retailers: mainly buy from wholesaler/importers; however large retailers are also known to buy from supplying countries directly.
    - Beijer (for Do-It-Yourself building materials: http://www.beijerbygg.se/
- 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.
    - Borghamn (quarry owner and processor): http://www.borghamnsten.se
- Other: major companies (e.g. building) or governmental organisations buying directly from supplying countries for large building projects.
    - Skanska: http://www.skanska.se/

3 Trade: imports and exports

Imports

- In 2005 Sweden imported a total of € 22 million worth of intermediate and finished natural stone products which represented 97 thousand tonnes worth of natural stone products.
- Between 2002 and 2004 imports decreased significantly. However, in 2005 imports started picking up again. Compared to 2004, imports in terms of value in 2005 went up by 16%. Swedish imports increased by 31% in terms of volume. In other words, the average price of imported natural stone has decreased.

Table 3.1 Swedish imports in 2005 split into different product categories

Product category	Share %
Blocks and Slabs	29
Landscape design	26
Flooring and Cladding	19
Funeral and Other Art	26

Source: Eurostat (2006)

- Only the imports of the product category Landscape Design decreased (-16%) between 2002 and 2005. Imports of all other product categories increased: Funeral and Other Art (1%) Flooring and Cladding (3%) and Blocks and Slabs (15%).

- Sweden is one of the smaller EU importers accounting for 1% of the total value of EU imports. The European top 5 importers in value are Italy (17%) of total EU imported value), Germany (16%), the UK (15%), France (13%) and Spain (9%).
- In 2005 Sweden, per quantity, imported 64% of all its stone products from developing countries (DC). On other hand DC accounted for 41% of the value of Swedish imports. The price of imported stone from DC has dropped between 2002 and 2005.
- The most important DC exporting to Sweden are China (31%), India (5%), Turkey (2%) and the Philippines (1%).

Exports

- In 2005, Sweden exported a total 160 thousand tonnes of natural stone for a value of € 22 million.
- Between 2002 and 2005, the total value of Swedish exports fell by 20%. However volume decreased by 82%. In other words, the average price of exported natural stone has increased.
- Swedish exports in 2005 consisted of Blocks and Slabs (87%), Landscape Design (6%), Flooring and Cladding (3%) and Funeral and Other Art (4%).

Opportunities and threats

+ Sweden has been increasingly importing natural stone products from DC.
+ Despite the negative growth of Swedish imports of recent years, it is expected that coming years imports will start increasing again.
- Dropping prices are also affecting suppliers in developing countries exporting to Sweden.

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 market. In Sweden, the price has dropped in the product groups Landscape Design and especially Blocks and Slabs. There has been a slight increase of prices in the other two groups. On the whole however, the average price of imported natural stone has gone down. It is not clear whether this development will continue in years to come.
- 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 Sweden, you should be aware of the market access requirements of your trading partners and the Swedish 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 Sweden 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 Sweden, visit the following websites:

Useful sources
- Swedish Stone Industries Federation: http://www.sten.se/
- NordBygg Nordic Building and Construction Fair 2008: http://www.nordbygg.com/

This survey was compiled for CBI by CREM BV