

EU MARKET SURVEY 2004

Natural stone and natural stone products



CBI

CENTRE FOR THE PROMOTION OF IMPORTS FROM DEVELOPING COUNTRIES

EU MARKET SURVEY

Natural stone and natural stone products

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REPORT SUMMARY

This EU Market Survey profiles the EU market for natural stone and natural stone products. The natural stone products discussed in this survey consist of the following five groups:

- Blocks of natural stone, either from siliceous stones (such as granite) or calcareous stones (such as marble);
- Slabs of natural stone, either from siliceous stones or calcareous stones;
- Natural stone products with a flat or even surface used for flooring & cladding, either from siliceous stones or calcareous stones (such as square tiles);
- Natural stone products used for urban or rural landscape design (such as setts, curbstones and flagstones) which cannot be sub-divided per stone type;
- Natural stone products used for religious and other art (such as tombstones and garden decorations).

The emphasis of the survey lies on those products, which are of importance to developing country suppliers. In addition, the major international markets within the EU for these products are highlighted. The survey also includes useful information on trade associations, trade press, trade fairs, standards organisations, and other relevant organisations. Furthermore, statistical market information on consumption, production, trade, and information on trade structure, prices, and margins is provided. This EU Market Survey aims to offer a practical handbook for exporters engaged, or wishing to engage in exporting natural stone and natural stone products to the European Union. Also included in this survey is sector specific knowledge and information that will enable the exporter to investigate what to export, to which markets, through which channels and at what prices.

Consumption

At the global market level, the natural stone industry can be characterised by stagnating demand, increasing competition and expanding supply, which is fuelled by technical progress in quarrying and processing technology. 2002 was a relatively difficult year in which all major consuming European countries experienced a decline in consumption per capita, which can mainly be explained by the general poor economic climate and poor growth of the European building and construction sector. In terms of world market shares China takes the position as the largest consumer of natural stone and natural stone products worldwide (11 percent), followed by Italy (8 percent), the USA (7 percent), and Spain and India (both 6 percent). Europe's share of the total world consumption is around 30 percent.

Market segments for natural stone and natural stone products can be distinguished by the different end-users. The main four different end-users of natural stone and natural stone products are the natural stone processing industry, the building industry, the funerary industry, and the consumer market. The main uses of natural stone in 2002 were tiles for floors and paving (36 percent) followed by funeral art and other art (17 percent), special works such as balustrades, columns, fireplaces, fountains (12 percent), structural works such as setts and kerbstones (10 percent), internal wall cladding (10 percent), external wall cladding (10 percent), and stairs/steps (4 percent).

Production

In 2002 the global stone production expanded, however, the figures were considerably lower than those that have been registered in the past, and especially Europe experienced a considerable decrease in production. Italy, for example, reached a new minimum level of worldwide production share (11.9 percent).

Total production of finished natural stone products in the European Union countries in 2002 was nearly 13 million tonnes (around 37 percent of world stone production). The main producers of natural stone products in Europe are Italy and Spain with a production of about 5,378 thousand tonnes (42 percent of total EU production) and 3,113 tonnes (24 percent) respectively followed by Portugal (9 percent), France (6 percent) and Greece (6 percent).

Imports

As mentioned above, the year of 2002 has been a relatively difficult year affecting EU total imports of natural stone and natural stone products. In 2002, total EU imports of natural stone and natural stone products reached a volume of 11,003 thousand tonnes, which represented a value of € 2,116 million. Between 2000 and 2002 the value of total EU imports decreased by 7 percent and the volume increased by 11 percent. However, an increase in both volume (10 percent) and value (5 percent) of EU imports from developing countries could be registered between 2000 and 2002. In fact, the total value of EU imports from developing countries has during the period 1993-2002 experienced a steady increase.

Total EU imports of natural stone and natural stone products from developing countries amounted to € 980 million in 2002 with a volume of 4,114 thousand tonnes. In 2002 developing countries accounted for 46 percent of the total value and 37 percent of the total volume of EU imports. The most important developing countries, as suppliers of the EU, after India (€ 276 million), are China (€ 221 million), Brazil (€ 153 million), South Africa (€ 104 million), and Turkey (€ 77 million). The total value of developing countries' exports to the EU mainly consists of blocks (54 percent), followed by natural stone products for landscape design (22 percent), funeral and other art (12 percent), slabs (8 percent), and tiles for flooring and cladding (4 percent).

Italy is the largest EU importer of natural stone and natural stone products originating from developing countries, with imports valued at € 362 million in 2002. Germany is the second largest EU importer of natural stone and natural stone products originating from developing countries, with imports valued at € 156 million in 2002, followed by Spain (€ 121 million), Belgium (€ 80 million), the UK (€ 70 million), and the Netherlands (€ 55 million).

Exports

In 2002, the total EU exports were 8,006 thousand tonnes of natural stone and natural stone products representing a total value of € 3,223 million. Between 2000 and 2002, the value and volume of total EU exports decreased by 5 percent and 6 percent respectively. EU exported 2,468 thousand tonnes of natural stone and natural stone products to developing countries amounting to € 741 million in 2002. The main EU exporter of natural stone and natural stone products to developing countries are Italy followed by Spain, Portugal, and Greece.

Trade structure

The general trade structure within EU countries consists of two segments: importers of semi-finished products (blocks and slabs) for further self-processing, and importers of finished products. Importers of semi-finished products are either medium or large companies in the stone processing industry (such as tile manufacturers or stonemasons) or wholesalers. The processing industry consists of companies producing finished goods such as tiles, tombstones, and custom-made kitchen countertops. Large firms in the processing industry are likely to purchase blocks or slabs of natural stone themselves while small firms are more likely to purchase blocks or slabs of natural stone from wholesalers. Importers of finished products are either wholesalers or end-users (such as building contractors, garden centres or undertakers). Large importers that require finished natural stone products are more likely to purchase the natural stone products

abroad, while smaller firms are likely to purchase the required finished natural stone products via wholesalers.

For both intermediate inputs and finished goods of natural stone, the most appropriate distribution channel for exporters from developing countries is the wholesale channel. In both segments (intermediate inputs and finished goods) the wholesale channel accounts for the largest turnover. The other distribution channels, e.g. the processing industry and the end-user, mainly work through wholesalers.

Prices

In general the average unit price level of natural stone and natural stone products has been falling due to an expanding supply fuelled by technical progress. The link between consumption and prices has become more pressing. Wide price fluctuations exist, with variations depending on product quality and changing preferences for different stone types and sizes. In 2002 a drop in average prices could be registered and the long-term trend of average prices in the EU has been negative.

Prices of natural stone and natural stone products depend largely on the type and colour of the stone, availability, production costs, consumer demand, and exchange rates. In addition prices also depend on the distribution channel used, and amount of agents within the trade channel. Other factors influencing prices are large quantities, or frequent customer discounts (5-15 percent) that are normal within the natural stone sector.

EU Market access requirements

The main factors EU importers are concerned with when importing natural stone and natural stone products from developing countries are price, quality, reliability, and speed. All these factors need to be met by the exporter. However, more and more importance is also given to the adherence of products to the current European standards and norms set in the natural stone sector. European standards for natural stone and natural stone products have recently been under development and there is currently an increasing attention for the environmental aspects of all building materials, including natural stone. For the natural stone sector this means having to pay more attention to changes in building law and tackle new test standards. In addition, environmental aspects in packaging, marking and labelling are becoming increasingly important for exporters of natural stone and natural stone products to the EU since EU importers and consumers are increasingly more aware of these aspects.

Part B (chapter 10,11,12, and 13) of this survey presents a set of export marketing guidelines and demonstrate how information in Part A is to be used to identify opportunities in the market, and how these have to be evaluated against the capabilities of the company. The information collected should then be combined into a SWOT (Strengths, Weaknesses, Opportunities, and Threats) analysis on the basis of which a decision to export can then be taken. Finally, relevant marketing tools that can be used to increase the chances of successfully exporting natural stone and natural stone products to the EU are discussed in chapter 13.

INTRODUCTION

This CBI survey consists of two parts: EU Market Information and EU Market Access Requirements (Part A), and Export Marketing Guidelines (Part B).

Market Survey	
Part A EU Market Information and Market Access Requirements	
EU Market Information (<i>Chapters 1-8</i>) <i>Product characteristics</i> <i>Introduction to the EU market</i> <i>Consumption and production</i> <i>Imports and exports</i> <i>Trade structure</i> <i>Prices</i>	EU Market Access Requirements (<i>Chapter 9</i>) <i>Quality and grading standards</i> <i>Environmental, social and health & safety issues</i> <i>Packaging, marking and labelling</i> <i>Tariffs and quotas</i>
Part B Export Marketing Guidelines: Analysis and Strategy	
External Analysis (market audit) (<i>Chapter 10</i>) <i>Opportunities & Threats</i>	Internal Analysis (company audit) (<i>Chapter 11</i>) <i>Strengths & Weaknesses</i>
Decision Making (<i>Chapter 12</i>) <i>SWOT and situation analysis:</i> <i>Target markets and segments</i> <i>Positioning and improving competitiveness</i> <i>Suitable trade channels and business partners</i> <i>Critical conditions and success factors (others than mentioned)</i> <i>Strategic options & objectives</i>	
Export Marketing (<i>Chapter 13</i>) <i>Matching products and product range</i> <i>Building up a trade relationship</i> <i>Drawing up an offer</i> <i>Handling the contract</i> <i>Sales promotion</i>	

Chapters 1 to 8 of Part A profile the EU market for natural stone and natural stone products. The emphasis of the survey lies on those products, which are of importance to developing country suppliers. The major national markets within the EU for those products are highlighted. Furthermore statistical market information on consumption, production, trade, and information on trade structure and opportunities for exporters is provided.

Chapter 9 subsequently describes the requirements that have to be fulfilled in order to get market access for the particular type of natural stones and natural stone products concerned. It is

furthermore of vital importance that exporters comply with the requirements of the EU market in terms of product quality, packaging, labelling and social, health & safety and environmental standards.

After having read Part A, it is important for an exporter to analyse target markets, sales channels and potential customers in order to formulate export marketing and product strategies. Part B therefore aims to assist (potential) exporters from developing countries in their export-decision making process.

After having assessed the external (Chapter 10) and internal environment (Chapter 11), the (potential) exporter should be able to determine whether there are interesting export markets for his company. In fact, by matching external opportunities and internal capabilities, the exporter should be able to identify suitable target countries, market segments, and target product(s) within these countries, and possible trade channels to export the selected products (Chapter 12).

Chapter 13 subsequently describes marketing tools, which can be of assistance in successfully achieving the identified export objectives.

The survey is interesting for both starting exporters as well as exporters already engaged in exporting (to the EU market). Part B is especially interesting for more experienced exporters starting to export to the EU and exporters looking for new EU markets, sales channels or customers. Starting exporters are advised to read this publication together with the CBI's Export planner, a guide that shows systematically how to set up export activities and the interactive tool on the CBI website 'Export marketing plan'.

PART A: EU MARKET INFORMATION

1 PRODUCT CHARACTERISTICS

1.1 Product groups

The natural stone products discussed in this survey consist of the following five groups:

- Blocks of natural stone, either from siliceous stones (such as granite) or calcareous stones (such as marble);
- Slabs of natural stone, either from siliceous stones or calcareous stones;
- Natural stone products with a flat or even surface used for flooring & cladding, either from siliceous stones or calcareous stones (such as square tiles);
- Natural stone products used for urban or rural landscape design (such as setts, curbstones and flagstones) which cannot be sub-divided per stone type;
- Natural stone products used for religious and other art (such as tombstones and garden decorations).

Granite block



Granite slab



Floor tiles



Kerbstones



Funerary art

Garden art



1.2 Customs/Statistical Product Classification

On January 1, 1988 a unified coding system was introduced to harmonise the trading classification systems used worldwide and to allow for improved international comparability of foreign trade statistics. This system, the Harmonised System (HS), is based on an eight-digit product classification.

An eight-digit list of the product groups is presented below: the last column provides the classification of the stone type from which the product is made.

Table 1.1 HS code classification of natural stone products

BLOCKS		
HS 25151100	Marble and travertine, crude or roughly trimmed	Calcareous
HS 25161100	Granite, crude or roughly trimmed	Siliceous
FLOORING & CLADDING		
HS 68022100	Marble, travertine and alabaster articles thereof, simply cut or sawn, with a flat or even surface	Calcareous
HS 68022200	Calcareous stone and articles thereof, simply cut or sawn, with a flat or even surface	Calcareous
HS 68022300	Granite and articles thereof, simply cut or sawn, with a flat or even surface	Siliceous
HS 68022900	Monumental or building stone and articles thereof, simply cut or sawn, with a flat or even surface	Siliceous
SLABS		
HS 25151220	Marble and travertine, merely cut, by sawing or otherwise, into slabs of a square or rectangular shape, of a thickness of > 4-25 cm	Calcareous
HS 25151250	Marble and travertine, merely cut, by sawing or otherwise, into blocks or slabs of a square or rectangular shape, of a thickness of > 4-25 cm	Calcareous
HS 25151290	Marble, travertine, merely cut, by sawing or otherwise, into blocks or slabs of a rectangular or square shape, of a thickness > 25 cm	Calcareous
HS 25161210	Granite, merely cut, by sawing or otherwise, into blocks or slabs of a square or rectangular shape, of a thickness of =< 25 cm	Siliceous
HS 25161290	Granite, merely cut, by sawing or otherwise, into blocks or slabs of a square or rectangular shape, of a thickness of > 25 cm (excl. Already with the characteristics of setts, curbstones and flagstones)	Siliceous
LANDSCAPE DESIGN		
HS 68010000	Setts, curbstones and flagstones, of natural stone (excl. Slate)	
FUNERAL & OTHER ART		
HS 68029110	Polished alabaster, in any form, decorated or otherwise worked, but not carved	Calcareous
HS 68029190	Marble, travertine and alabaster, in any form, polished, decorated or otherwise worked, carvings of marble, travertine or alabaster	Calcareous

HS 68029210	Calcareous stone other than marble, travertine and alabaster, in any form, polished, decorated or otherwise worked, but not carved	Calcareous
HS 68029290	Calcareous stone other than marble, travertine and alabaster, in any form, polished, decorated or otherwise worked and carved, carvings of calcareous stones	Calcareous
HS 68029310	Granite, in any form, polished, carved or otherwise processed, but not sculpted, of a net weight of ≥ 10 kg	Siliceous
HS 68029390	Granite, in any form, polished, carved or otherwise processed, of a net weight of < 10 kg; sculptures and statuary of granite	Siliceous
HS 68029910	Monumental or building stone, in any form, polished, carved or otherwise processed, but not sculpted, of a net weight of ≥ 10 kg	Siliceous
HS 68029990	Monumental or building stone, natural (excl. Calcareous stone, granite and slate), in various forms, polished, decorated or otherwise worked, net weight < 10 kg; carved articles of this stone	Siliceous

Source: Eurostat (2002)

A different classification is the PRODCOM classification. This classification is used by EU member-state to record the annual production values. The PRODCOM classification differs slightly from the HS classification. Table 1.2. provides the PRODCOM codes, the description of the PRODCOM code and the corresponding HS codes. The category mentioned in the first column will be used in chapter 3, which provides information on consumption of natural stone and natural stone products.

Table 1.2 PRODCOM classification of natural stone products

Category	PRODCOM	HS	Description PRODCOM classification
Intermediate Marble products	14.11.11.33	25151100	Marble and travertine; crude or roughly trimmed
	14.11.11.35	25151220 25151250	Marble and travertine merely cut into rectangular or square blocks or slabs of a thickness ≤ 25 cm thick
	14.11.11.37	25151290	Marble and travertine merely cut into rectangular or square blocks or slabs of a thickness > 25 cm
Intermediate Granite products	14.11.12.33	25161100	Granite; crude or roughly trimmed
	14.11.12.35	25161210	Granite merely cut into rectangular (incl. square) blocks or slabs of a thickness ≤ 25 cm
	14.11.12.37	25161290	Granite merely cut into rectangular (incl. square) blocks or slabs of a thickness > 25 cm
Worked calcareous products	26.70.11.00	68022100 68029110 68029190	Worked monumental/building stone & articles thereof, in marble, travertine & alabaster excl. tiles, cubes/similar articles, largest surface $< 7\text{cm}^2$, setts, kerbstones, flagstones
	26.70.12.40	68022200 68029210 68029290	Other calcareous stone, cut/sawn, flat/even surface, otherwise worked
Setts, kerbstones and flagstones	26.70.12.10	68010000	Natural stone setts; kerbstones and flagstones (excl. of slate)
Worked granite products	26.70.12.60	68022300 68029310 68029390	Worked monumental or building stone & articles thereof, of granite excl. tiles, cubes & similar articles, largest surface area is $< 7\text{cm}^2$, setts, kerbstones & flagstones
	26.70.12.80	68022900 68029910 68029990	Worked monumental or building stone and articles thereof (excl. of calcareous stone; granite or slate, tiles; cubes and similar articles; of which the largest surface area is $< 7\text{cm}^2$)

Source: PRODCOM (2002)

2 INTRODUCTION TO THE EU MARKET

The European Union (EU) is the current name for the former European Community. Since 1 January 1995 the EU has consisted of 15 member states. Ten new countries will join the European Union in May 2004. Negotiations are in progress with a number of other candidate member states.

In 2002, the size of the EU population totalled 379.4 million; the average GDP per capita amounted to approximately € 21,023 in 2002.

OVERVIEW 15 EU COUNTRIES, 2002	
Population	379.4 million
Area	31,443,000 km ²
Density	83 people per km ²
Languages	11 (excl. dialects)
GDP/capita	€ 21,023
Currencies	€, UK£, DKr., SKr.
Exchange	€ 1 = US\$ 0.99

POPULATION AND GDP OF SELECTED EU COUNTRIES, 2002			
Countries/category	Population	Age 15-64	GDP (€ billion)
Germany	83.3 million	68%	2,206
UK	59.8 million	66%	1,485
Italy	57.7 million	67%	1,416
Spain	40.1 million	68%	836
The Netherlands	16.0 million	68%	417
Belgium	10.3 million	66%	298

Source: The World Factbook 2002

Within Western Europe – covering 15 EU member countries, Iceland, Liechtenstein, Norway, and Switzerland – more than 20 million enterprises are active. Small and medium-sized enterprises (SMEs) accounted for the lion's share. In 2000, the average turnover per enterprise of SMEs and large enterprises amounted to € 600,000 and € 255 million respectively.

EU Harmonisation

The most important aspect of the process of unification (of the former EC countries), which affects trade, is the harmonisation of rules in the EU countries. As the unification allows free movement of capital, goods, services and people, the internal borders have been removed. Goods produced or imported into one member state can be moved around between the other member states without restrictions. A precondition for this free movement is uniformity in the rules and regulations concerning locally produced or imported products. Although the European Union is already a fact, not all the regulations have yet been harmonised. Work is in progress in the fields of environmental pollution, health, safety, quality, and education. For more information about harmonisation of the regulations visit AccessGuide, CBI's database on European non-tariff trade barriers at www.cbi.nl/accessguide

Monetary unit: Euro

On 1 January 1999, the euro became the legal currency within eleven EU member states: Austria, Belgium, Finland, France, Germany, Italy, Ireland, Luxembourg, The Netherlands, Spain, and Portugal. Greece became the 12th member state to adopt the Euro on January 1, 2001. In 2002 circulation of euro coins and banknotes replaced national currency in these countries. Denmark, United Kingdom, and Sweden have decided not to participate in the Euro.

The most recent Eurostat trade statistics quoted in this survey are from the year 2002. In this market survey, the € is the basic currency unit used to indicate value. However between 1999 and 2001, the € depreciated considerably in value vis-à-vis the US\$. For a given price in US\$, this evidently implies a rise in € denominated values. For those developing countries, whose

currencies move in line with the US\$, would not have witnessed any increase in local currency terms to the extent that their currencies would also have strengthened against the €.

Trade figures quoted in this survey must be interpreted and used with extreme caution. The collection of data regarding trade flows has become more difficult since the establishment of the single market on 1 January 1993. Until that date, trade was registered by means of compulsory customs procedures at border crossings, but, since the removal of the intra-EU borders, this is no longer the case. Statistical bodies like Eurostat cannot now depend on the automatic generation of trade figures. In the case of intra-EU trade, statistical reporting is only compulsory for exporting and importing firms whose trade exceeds a certain annual value. The threshold varies considerably from country to country, but it is typically about € 100,000. Consequently, although figures for trade between the EU and the rest of the world are accurately represented, trade within the EU may be less accurate.

Furthermore, the information used in this market survey is obtained from a variety of sources. Therefore, extreme care must be taken in the qualitative use and interpretation of quantitative data, both in the summary and throughout the text, as also in comparisons of different EU countries with regard to market approach, distribution structure, etc.

For more information on the EU market, please refer to the CBI's manual *Exporting to the European Union*.

This survey will go into the specific situation of six European countries. These countries are the Netherlands, Belgium, Italy, Germany, Spain, and the UK. The reason for the selection of these specific countries is that they are the top six importers of natural stone products originating from developing countries in the EU. In 2002, the selected countries accounted for 91 percent of EU imports of natural stone and natural stone products from developing countries. Italy has the largest share (37 percent) followed by Germany (16 percent), Spain (12 percent), Belgium (8 percent), the United Kingdom (7 percent), and the Netherlands (6 percent). For more information about the largest EU importers of natural stone and natural stone products please see figure 5.3 and table 5.1.

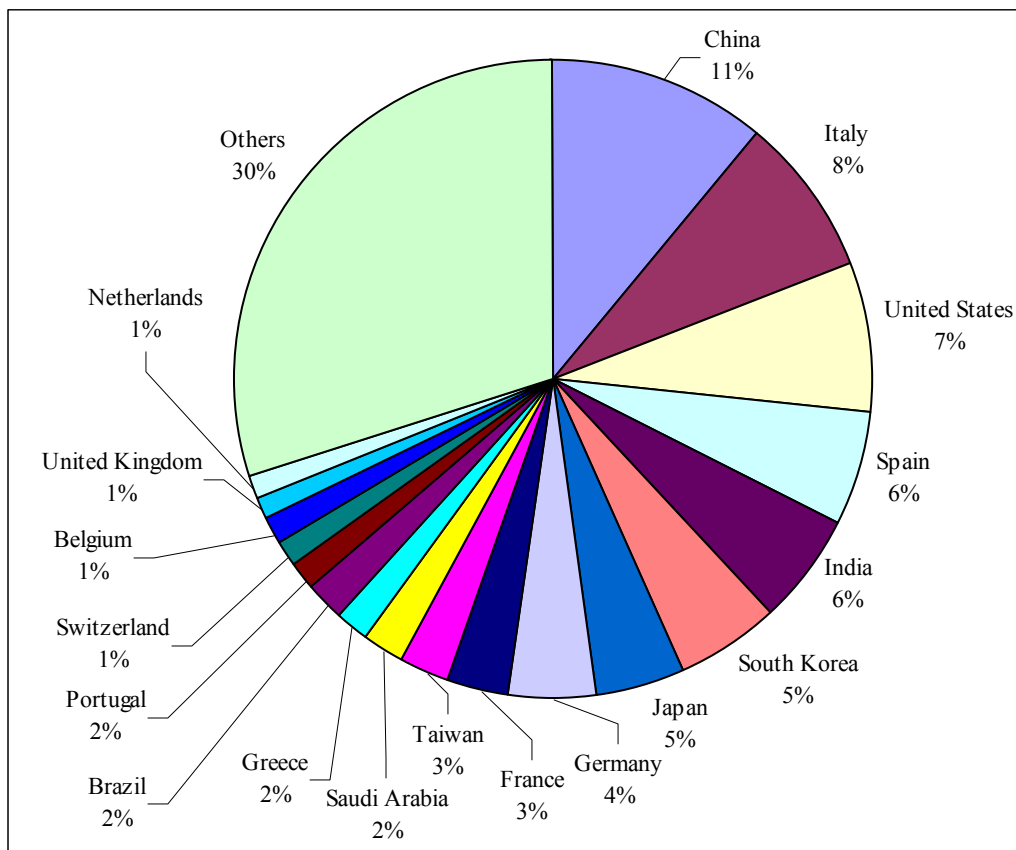
3 CONSUMPTION

At the global market level, the natural stone industry can be characterised by stagnating demand, increasing competition, and expanding supply, which is fuelled by technical progress in quarrying and processing technology. 2002 was a relatively difficult year in which many consuming European countries experienced a decline in consumption per capita. This can mainly be explained by the general poor economic climate in Europe and the poor growth of the European building and construction sector. Consumption of natural stone and natural stone products is greatly dependent on the activities in the building and construction industry, which in turn is strongly related to economic growth. For the short term, a slow down of the building and construction sector is expected.

3.1 Market size

As can be seen in figure 3.1 China is the largest consumer of natural stone and natural stone products worldwide (11 percent), followed by Italy (8 percent), the USA (7 percent), Spain, and India (both 6 percent). Europe’s share of the total World consumption is around 30 percent.

Figure 3.1 World distribution of natural stone consumption (*000 square metres), 2002



Source: Stone 2003, World Marketing Handbook

Table 3.1 below show the major European consuming countries and their world share in 2002. The largest consuming countries in Europe are Italy with an 8.1 percent share of world consumption followed by Spain (5.8 percent) and Germany (4.4 percent).

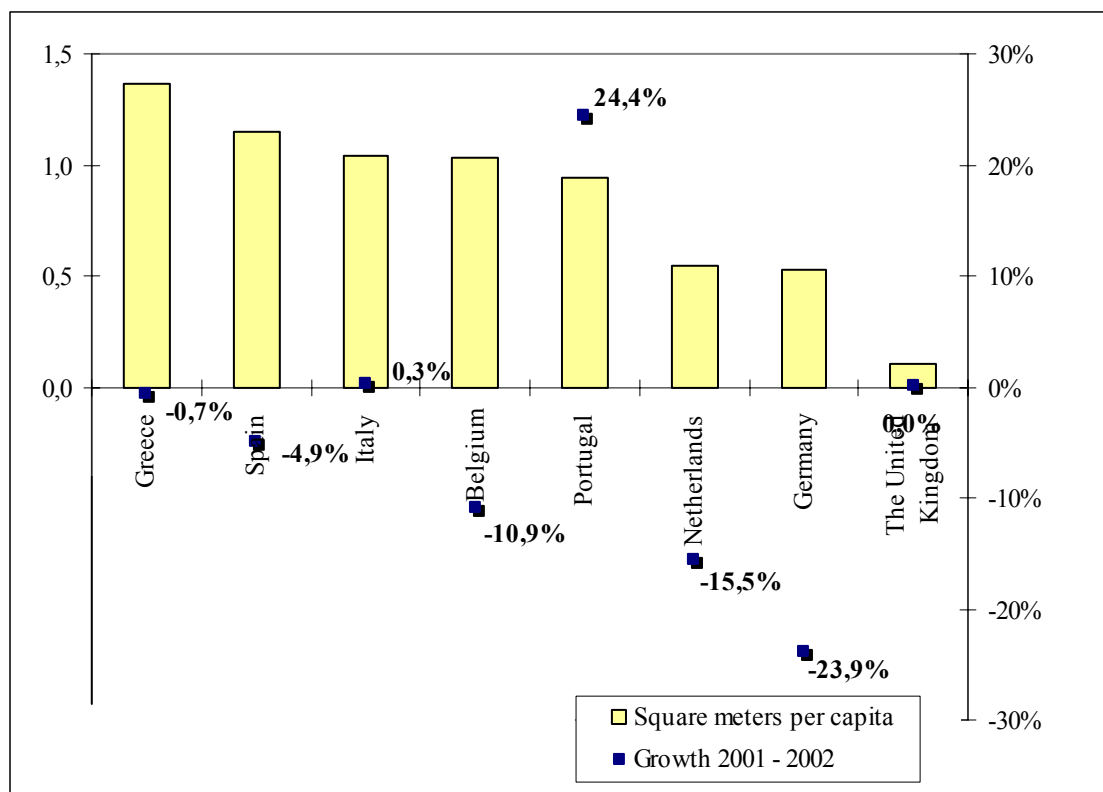
Table 3.1 Major European consuming countries and shares in world consumption 2002

Country	Consumption of Natural Stone ('000 square metres)		Share in World consumption 2002
	2001	2002	
Italy	59,780	59,980	8.1%
Spain	45,080	42,870	5.8%
Germany	43,060	32,760	4.4%
France	26,180	22,240	3.0%
Greece	14,340	14,230	1.9%
Portugal	9,380	11,670	1,6%
Belgium	10,500	9,350	1.3%
United Kingdom	8,450	8,750	1.2%
Netherlands	8,470	7,160	1.0%

Source: Stone 2003, World Marketing Handbook

Figure 3.3 below presents data on natural stone consumption per capita, square metres per capita, and growth percentage for 2001/2002. One can notice that Greece, Spain, and Italy consume more than one square meter per capita. The highest growth rate in 2002 can be found in Portugal, although, the general developments in all of the European countries presented below show negative growth rates. The most considerable negative growth rates can be found for Germany (24 percent), the Netherlands (16 percent), and Belgium (11 percent).

Figure 3.3 Natural stone consumption, square metres per capita, and growth percentage, 2002



Source: Stone 2003, World Marketing Handbook

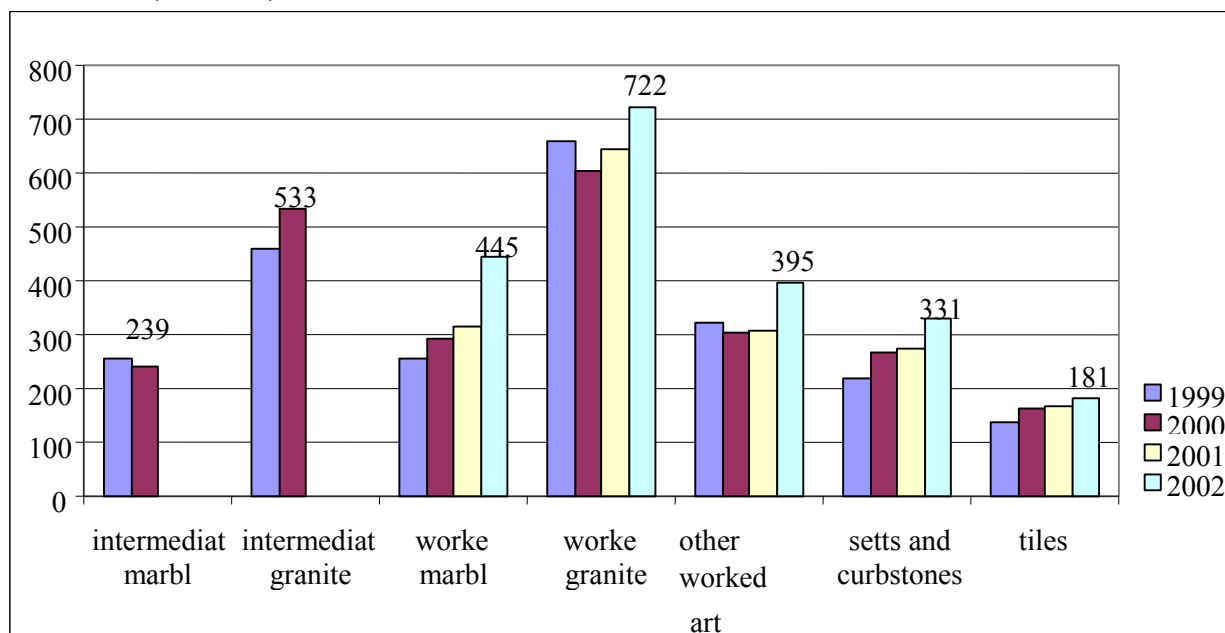
Differences in national consumption and quantities in Europe can also be explained by factors such as historical and cultural traditions of a country, and climate (a warm climate is better suited for natural stone). Countries with a strong tradition in using natural stone are, for instance, Greece, Italy, Spain, and Portugal.

Below, Eurostat data is presented on consumption value for Italy, Spain, Belgium, the Netherlands, Germany, and the UK for 1999, 2000, 2001, and 2002. It should also be noted that data for intermediate marble and granite is not available for year 2001 and 2002. The data below should be treated with caution since the presented (apparent) consumption levels are derived from production and trade data. When production data are unavailable, production values are nullified and the estimated consumption is based on the balance of trade. This represents the minimum consumption. As not all trade within the EU is registered, national consumption is overestimated in those cases where a country sells substantial parts of its production in relatively small quantities within the EU. The value of the consumption figures contained in figures 3.4, 3.5, 3.6, 3.7, 3.8, and 3.9 relates to the comparison of relative sizes between countries rather than their absolute value.

It should also be noted that in figures 3.4, 3.5, 3.6, 3.7, 3.8, and 3.9 there is a distinct difference between the consumption of intermediate products (both granite and marble) and finished products. The consumption of blocks and slabs is registered in the first two columns whereas the consumption of finished products is registered in the remaining three columns. The consumers of intermediate products are firms that are involved in processing natural stone. Therefore, it is not valid to add up all seven columns in order to arrive at a country's total natural stone consumption.

Italy

Figure 3.4 Italian estimated* consumption of natural stone and natural stone products, 1999 - 2002 (million €)



Source: Eurostat (2003) * (consumption = production + import – export)

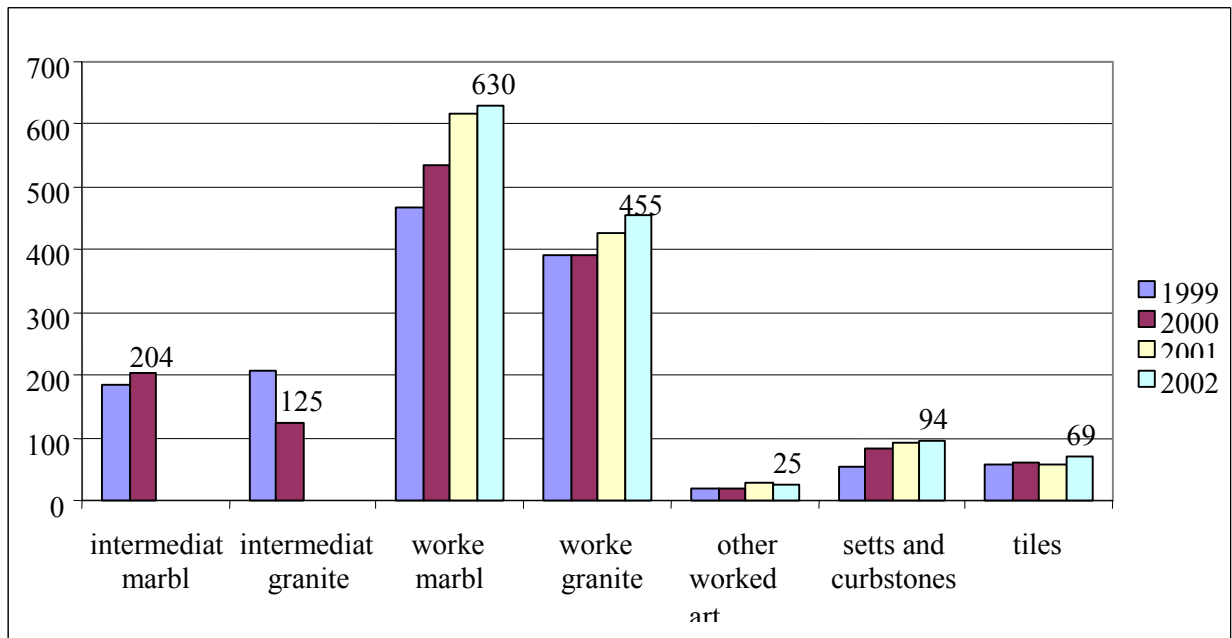
Italy is the largest consumer of natural stone in the EU. The per capita consumption amounts to 1 square metre per capita, which ranks high among the European countries. Italy has a long

history in the use of natural stone, which can be explained by the local availability of natural stone and the warm Mediterranean climate. Being Europe's largest producer Italian consumption is largely covered by its own production.

Figure 3.4 shows that Italian consumption has been increasing between 2001 and 2002 for worked marble, worked granite, setts and curbstones, and tiles. Worked granite represents by far the largest consumption in value. Compared to the other selected countries, Italy is the largest consumer of intermediate natural stone products like blocks and slabs. Within the EU, Italy has the most developed natural stone industry. Many blocks (intermediate product) that are transported to Europe are sawn into tiles (or other finished products), which also explain the high consumption of intermediate products.

Spain

Figure 3.5 Spanish estimated* consumption of natural stone and natural stone products, 1999 - 2002 (million €)



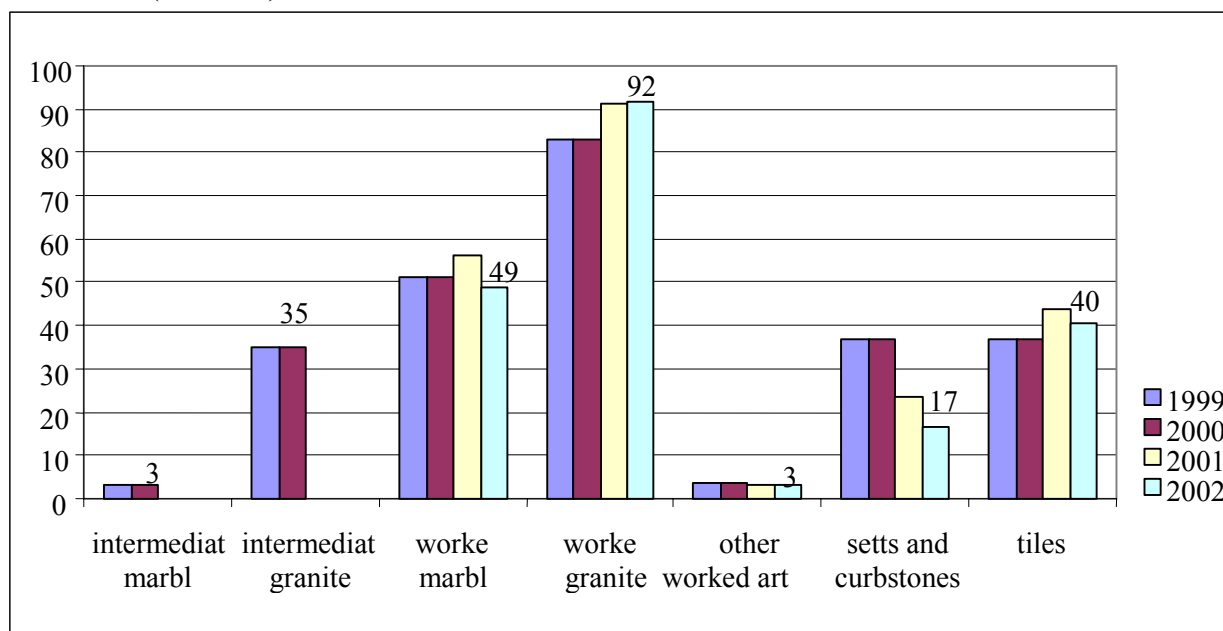
Source: Eurostat (2003) * (consumption = production + import – export)

Spain is the second largest consumer of natural stone in the EU. The per capita consumption amounts to 1.1 square metre per capita ranking high among the European countries. Spain also has a long history in the use of natural stone, which can be explained by the local availability of natural stone, highly developed processing industry, and the warm Mediterranean climate. Being a major producer (the second largest in the EU) Spain consumes a substantial part of its domestic production, and after Italy, is the largest consumer of intermediate natural stone products like blocks and slabs.

As can be seen in figure 3.5 worked marble, worked granite, setts and curbstones, and tiles all experienced an increase in consumption between 2001 and 2002, were worked marble is the largest group of consumption in value.

Belgium

Figure 3.6 Belgian estimated* consumption of natural stone and natural stone products, 1999 - 2002 (million €)



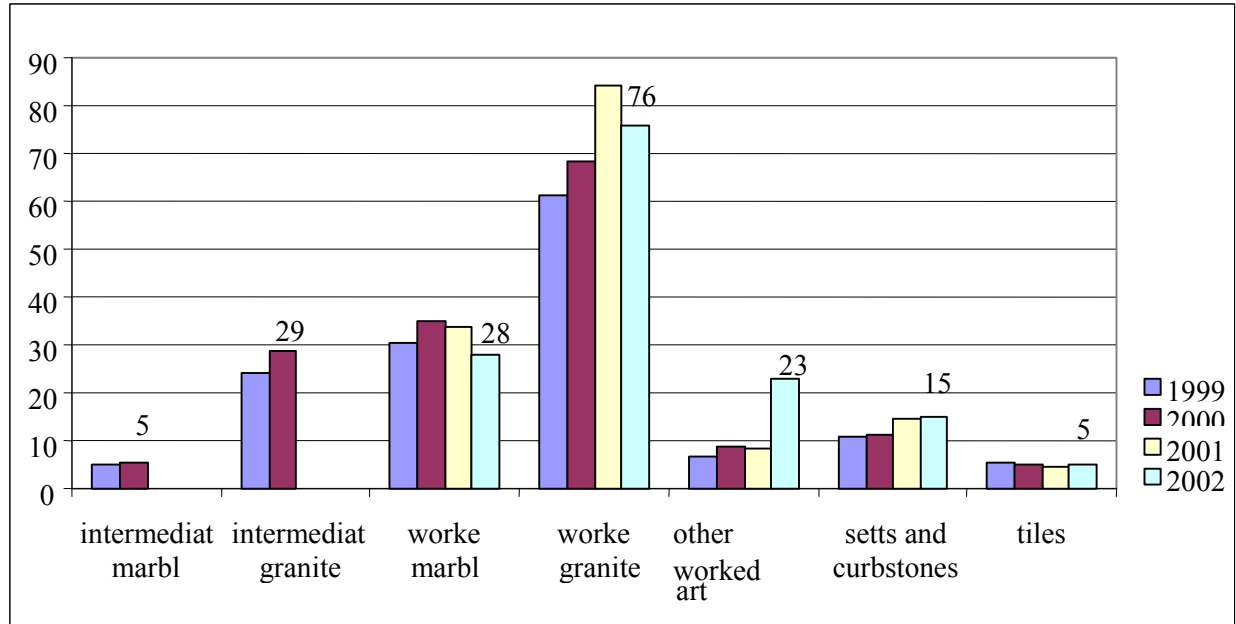
Source: Eurostat (2003) * (consumption = production + import – export)

Belgium is a reasonably large consumer of natural stone and natural stone products, which is partly explained by the local availability of natural stone. The per capita consumption amounts to 1 square metre per capita ranking high among the European countries. Belgian natural stone production consists mainly of the type “petit granit” which is quarried locally. As the local supply of natural stone is limited to granite, Belgian consumption depends for a substantial part on imports. Belgian consumption of intermediate natural stone products is insignificant compared to the consumption of intermediates by Italy and Spain.

The data presented in figure 3.6 show a decline between 2001 and 2002 in Belgian natural stone consumption for worked marble, setts and curbstones, and tiles. For the same period, a small increase in consumption can be registered for worked granite, and other worked art.

The Netherlands

Figure 3.7 Dutch estimated* consumption of natural stone and natural stone products, 1999 - 2002 (million €)



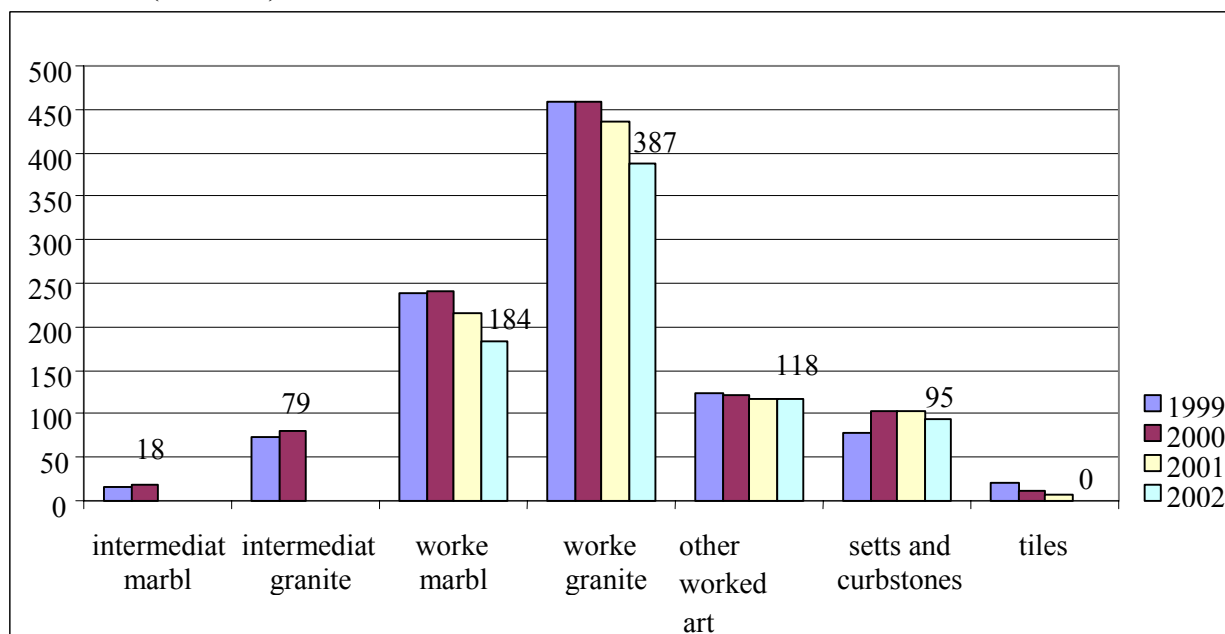
Source: Eurostat (2003) * (consumption = production + import – export)

The Netherlands is a moderate consumer of natural stone and natural stone products. The per capita consumption amounts to 0.5 square metres per capita, ranking quite low among the European countries. The low per capita consumption can be explained by the virtual absence of natural stone in the Netherlands, the lack of tradition in using natural stone in the building industry, and the relative cold climate of northwestern Europe. However in recent years one can register a trend in use of natural stone in areas such as other worked art.

Figure 3.7 indicates that Dutch consumption of natural stone decreased in value between 2001 and 2002 for worked granite, and worked marble. Other worked art, setts and curbstones, and tiles registered an increase in consumption.

Germany

Figure 3.8 German estimated* consumption of natural stone and natural stone products 1999 - 2002 (million €)



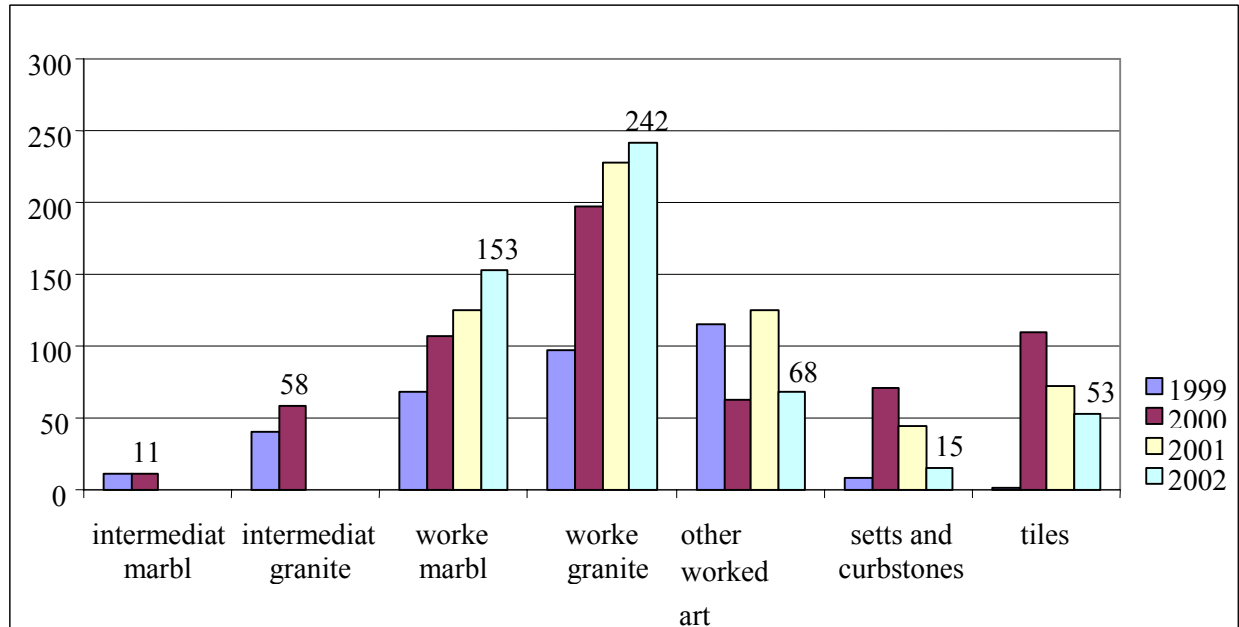
Source: Eurostat (2003) * (consumption = production + import – export)

Germany is the third largest consumer of natural stone and natural stone products in the EU. The per capita consumption however amounts to 0.5 square metres per capita ranking quite low among the European countries, which may be explained by the relatively cold climate of northwestern Europe, and lack of tradition in use of natural stone. Natural stone in Germany is mostly used in the building industry, both for the use of floor slabs, standard tiles, and exterior facades. According to a recent trend study for the German market, the appreciation of natural, environmentally compatible, and healthy products will continue to grow in Germany in the coming years.

As can be seen in figure 3.8 above, consumption in Germany declined between 2001 and 2002 for all product groups. This can mainly be explained by the poor general economic climate in Germany, and the poor growth of the German construction sector.

The United Kingdom

Figure 3.9 British estimated* consumption of natural stone and natural stone products 1999 - 2002 (million €)



Source: Eurostat (2003) * (consumption = production + import – export)

The United Kingdom is a moderate consumer of natural stone. The per capita consumption amounts to 0.1 square metres per capita ranking among the lowest in Europe. However, there is an increasing trend in the use of natural stones, and the United Kingdom is the fourth largest importer in Europe of natural stone originating from developing countries. In addition, one can register good growth opportunities for domestic consumption, and many importers and stone manufacturers have already made up for the losses made from the declining consumption in Germany. The most common use of natural stone in the United Kingdom is for structural building, especially in the use of stone for exterior and interior use for roofs and facades. There is also a growing trend in the use stone kitchen worktops and washbasins.

Figure 3.9 above shows an increase in consumption in the United Kingdom for worked marble, worked granite for the period 2000 and 2001. However, a significant fall in consumption can be registered for other worked art, setts and curbstones, and tiles between 2001 and 2002.

3.2. Market segmentation

Market segments can be distinguished by the different end-users of natural stone and natural stone products. Currently four different end-users can be identified in the natural stone sector:

- Natural stone processing industry
- Building industry
- Funerary industry
- Consumer market

An important distinction that has to be made within the above segmentation is the distinction between the industries using semi-finished products as input (i.e. the natural stone processing industry) and the industries using finished products as input (i.e. the remaining segments).

Natural stone processing industry

The natural stone processing industry purchases intermediates like blocks and slabs, and produces final products like tiles, kitchen counter tops, and windowsills. The type of firm in the processing industry ranges from small specialised firms, producing custom made fireplaces, to large firms producing natural stone tiles. The customers of the natural stone processing industry can be the building industry, the funerary market or the consumer market. The products that can be sold to the processing industry are slabs and raw blocks.

The building industry

The building industry is by far the largest consumer of finished natural stone products (close to 80 percent). Products that are sold in this market are:

- All kinds of natural stone floor and wall tiles for interior and exterior coverings;
- Custom made finished products like kitchen countertops, balustrades, fireplaces, windowsills and fountains;
- Municipal furnishing like setts and kerbstones; and
- Garden and landscape construction like tiles and flagstones.

The funerary industry

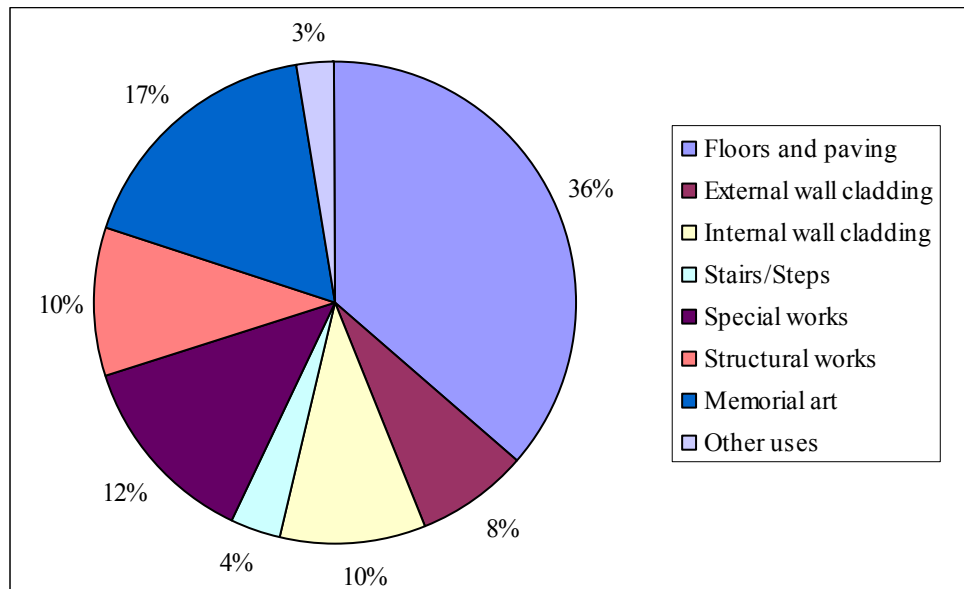
The funerary industry is the second largest consumer of finished natural stone products (around 10-15 percent). Products that are sold in this market are mainly traditional gravestones, tombstones, and urns.

The consumer market

The consumer market (undertaker, garden centres) has a relative small consumption of finished natural stone products (roughly 1-5 percent). The market mainly consists of natural stone products used for garden decorations like flagstones, garden art, birdhouses, fountains, and decorative balls and vases.

Figure 3.9 below presents an overview of the different main uses of natural stone. Floors and paving represents the largest share (36 percent), followed by funerary art (17 percent), special works such as balustrades, columns, fireplaces, fountains (12 percent), structural works such as setts and kerbstones (10 percent), internal wall cladding (10 percent), external wall cladding (10 percent), stairs/steps (4 percent) and other uses (3 percent).

Figure 3.9 Percentage of natural stone main uses of worked material in 2002



Source: Stone 2003, World Marketing Handbook

Products destined for the building industry are structural works, cladding (internal and external), stairs/steps, and flooring and paving (part of the category “special works”). Products destined for the funerary industry is indicated as “memorial art”. Products for the consumer markets consist of the category “other uses”.

3.3 Consumption patterns and trends

European construction sector

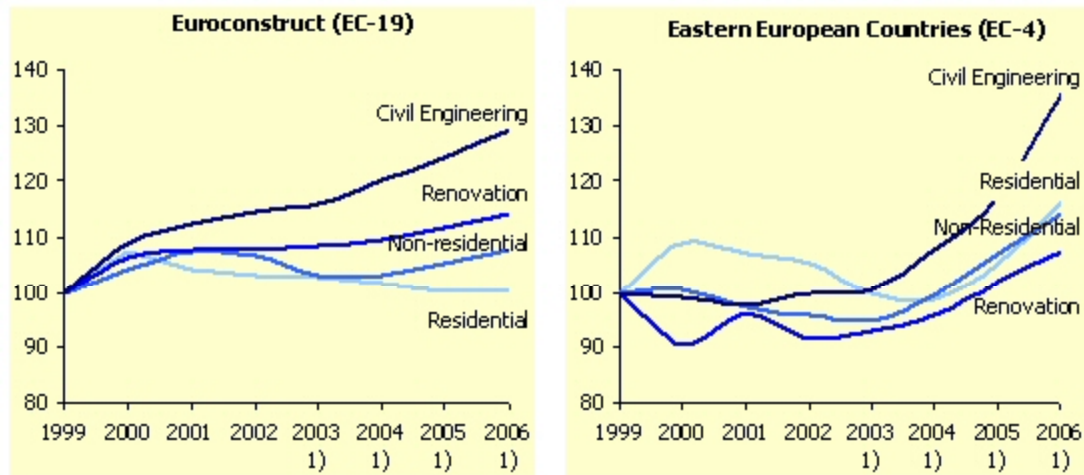
Consumption of natural stone and natural stone products is greatly dependent on the activities in the building industry, which in turn is strongly related to economic growth. For the short term, a slow down of the European construction sector is expected.

Euroconstruct, which presents European building growth forecasts, reported a decline in the Western Europe construction sector output by -0.2 percent in the latest forecast (November 2003). It is forecasted that the European construction sector recovers slowly with growth rates about +0.9 percent and +1.6 percent for the year 2004 and 2005 respectively. The analyses of the Eastern European construction market shows a similar trend with a recovery from the recession that has been going on since 2001. The construction sector in Eastern Europe is expected to have a dynamic growth in 2004 because of the positive business trends in Hungary and the recovery in Poland¹.

One reasons for the poor demand in the construction industry is the low demand within the residential construction, which represents 45 percent of the European construction sector. The non-residential construction sector also experienced a recession in 2003, however, the forecast for the next three years are optimistic (see figure 3.10). In addition, the increasing unemployment rate until 2003 and emerging budgetary constraints in Germany, France, and Italy can explain the poor performance of the European construction sector. Finally, restrictive policy on housing subsidies in some European countries also had a negative impact on the performance of the construction sector.

¹ Euroconstruct (Press info. 28 November 2003), <http://www.euroconstruct.org/pressinfo/pressinfo.php>.

Figure 3.10 Construction sector by type in Europe 1999-2006



Source: Euroconstruct

Trends

One can notice a “discovery” of natural stone products as an alternative building material by countries without a long tradition in the use of natural stone, for example the Netherlands. This “discovery” is fuelled by the decrease in the average price of natural stone products that make natural stone products an affordable alternative for competing products like woollen carpets, wooden kitchen countertops, and ceramic tiles. Due to the fact that original exclusives now are easily available a clear increasing trend in use of natural stone can also be seen among designers and builders². The Stone Report³ reported that the future market for natural stones is where the natural stone’s combination of appearance, image, special technical properties, and good processing possibilities is superior to other materials. An increasing trend for detailed features and individual solutions can also be noticed. Finally, the trend in use of stones for the coming years are said to be hard stones for buildings.

Colours

It is difficult to formulate a general trend on fashion colours. There are currently circulating many types of stones and colours that can satisfy many different tastes. Natural earth colours like dark brown and forest green may be temporarily popular, which are then outdated by beige, pale pastel, or violet. These switches may be based on a “getting back to nature” trend, following a “design statement” by a successful architect, or the development of a new source of material. Concerning tiles, it can be stated that classical colours like white, beige, brown, and black account for a large percentage of the trade. Currently, there is a trend to use grey/black colours. Due to renovation of old houses, and the trend to make new houses look old, ‘washed’ marble is also becoming increasingly popular as it gives the impression of a very old floor. One can also notice variations in colours depending on the European geographical location: Northern European countries largely prefer “warm” colours or “darker colours”, and Southern European countries prefer “light” colours.

In terms of colours of stone used in buildings black-grey and white -grey are reported to be trendy, however, coloured granites are on an upward trend. For stones used in the more exclusive segments, warm colours and earth-colour stones dominate (especially within the interior finishing area). Dark colours usually dominate natural stone products in funeral art,

² Stone 2003, World Marketing Handbook.

³ www.stonereport.com

where the most common types are Paradiso, Himalaya, Regal Black, New Dakota, English Teak, and Orion and Black.

Landscape design and garden art

The Stone Report has reported that the market for garden is on an upward trend, and the focus is no longer on landscape work alone. Private households tend to place orders more frequently, for about 40 percent, and private housing construction companies around 20 percent. More attention and importance on designed gardens, parks, and leisure facilities is made, and the overall future prospects for garden, landscape, and sports ground construction are reported to be good. Gardens are predicted to become an even more marked status symbol in the future, and the design of parks, and open spaces will increasingly become an image factor for towns and communities.

In Germany for example a strong increase in the use of natural stone in horticulture and landscape can be registered in recent years. This can be explained by the increase in use of stone in schoolyards, public buildings (such as decoration, fountains, paths etc.), and private gardens. Another factor influencing the use of natural stone in Germany is the increasing tendency of possessing an own house and garden. This has a positive effect on the use of natural stone since more and more people in Germany appreciate natural stone decorations in their gardens, which will also open up new trends in fashion in terms of use of colour and exclusivity⁴.

Memorial art

As the number of deaths influences funerary art's demand, the ageing of the population in Europe is contributing to increased demand. On the other hand, the demand for funerary art is negatively influenced by an increasing number of cremations. However, cremations also demand urns made of natural stone and well-designed burial places for individual urns and urn monuments.

For example, in the UK a number of factors have influenced the demand and use for stone memorials. During the 1900s stone memorials were only used by middle and upper class, however, today customers come from all groups of society, and with increased preferences for stone memorials in order to more easily visit and tend the graves. Low prices have increased demand and the imports of cheaper stones from developing countries to the United Kingdom. However, a factor that has negatively affected stone memorials in the UK is the increase in use of cremations, which has resulted in masonry firms being closed down⁵.

⁴ www.litosonline.com

⁵ www.litosonline.com

4 PRODUCTION

Overall, it can be stated that at the global level production figures have risen in the last years, and that an increasing number of countries are involved in the production process. As reported in the Stone Report 2002, worldwide production of natural stone increased by almost 30 percent in the past ten years, and the production of both marble and granite increased tremendously over the last decades, which can be attributed to new production techniques, making the exploitation of (in particular harder) stone material much easier. Over the last twelve years the volume of marble and stone to be quarried and processed has been doubled very much thanks to the contribution of new technology, but research in particular.

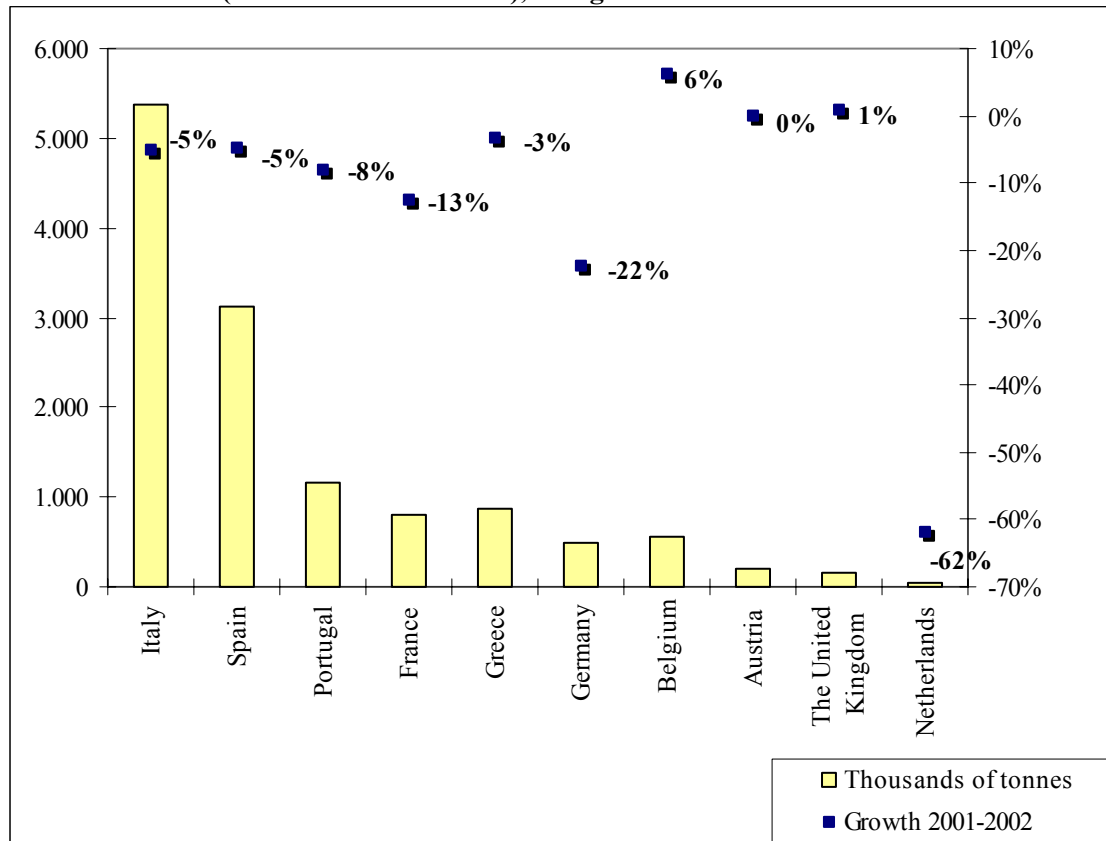
Pursuing a further expansion, which is still available due to potential demand, cannot be without suitable investments within the field of technology. However, it is currently difficult to make these necessary investments due to the low earning power of western-mechanical companies, and the lack of investments made in developing countries. In short, the state of technology and production in the natural stone sector can very much be characterised by a mature sector, which has achieved exceptional progress in a short period of time, and now needs further investments, and incentives in order to avoid stagnation.

In 2002 the global marble and stone production continued to expand, however, the figures were considerably lower than those that have been registered in the past, and especially Europe experienced considerable decreases in production. Many of the European countries experienced stagnation that also affected investments giving rise to less production. The production in Europe decreased by 7 percent between 2001 and 2002, and almost all of the European countries experienced decreased production. Italy for example, reached a new minimum level of worldwide production share (11.9 percent).

As can be seen from figure 4.1 below, several European countries experienced negative growth rates between 2001 and 2002: The Netherlands (-62 percent); Germany (-22 percent); France (-13 percent); Portugal (-8 percent); and Spain and Italy (-5 percent). Only Belgium and the United Kingdom experienced positive growth rates between 2001 and 2002⁶.

⁶ Stone 2003, World Marketing Handbook.

Figure 4.1 Production of finished natural stone and natural stone products for EU countries in 2002 (in thousands of tonnes), and growth between 2001-2002



Source: Stone 2003, World Marketing Handbook.

Total production in 2002 of finished natural stone products in EU countries amounted to nearly 13 million tonnes (around 37 percent of world stone production). The main producers of natural stone products in Europe are Italy and Spain with a production of about 5,378 thousand tonnes (42 percent of total EU production) and 3,113 tonnes (24 percent) respectively, followed by Portugal (9 percent), France (6 percent) and Greece (6 percent)⁷.

Germany, Belgium, the United Kingdom, and the Netherlands all have a considerably lower production (in value) than Italy and Spain. For example, in 2001, production of worked granite amounted to 197 million euro in Germany, 111 million euro in Belgium, 185 million euro in the United Kingdom, and 55 million euro in the Netherlands. Compared to Italian and Spanish production of worked granite (1381 million euro and 554 million euro respectively), production for Germany, Belgium, the United Kingdom, and the Netherlands is negligible⁸.

Figures 4.2 and 4.3 below present production data for 1999, 2000, 2001, and 2002 for Italy and Spain. Data for intermediate marble and intermediate granite is not available for year 2001 and 2002.

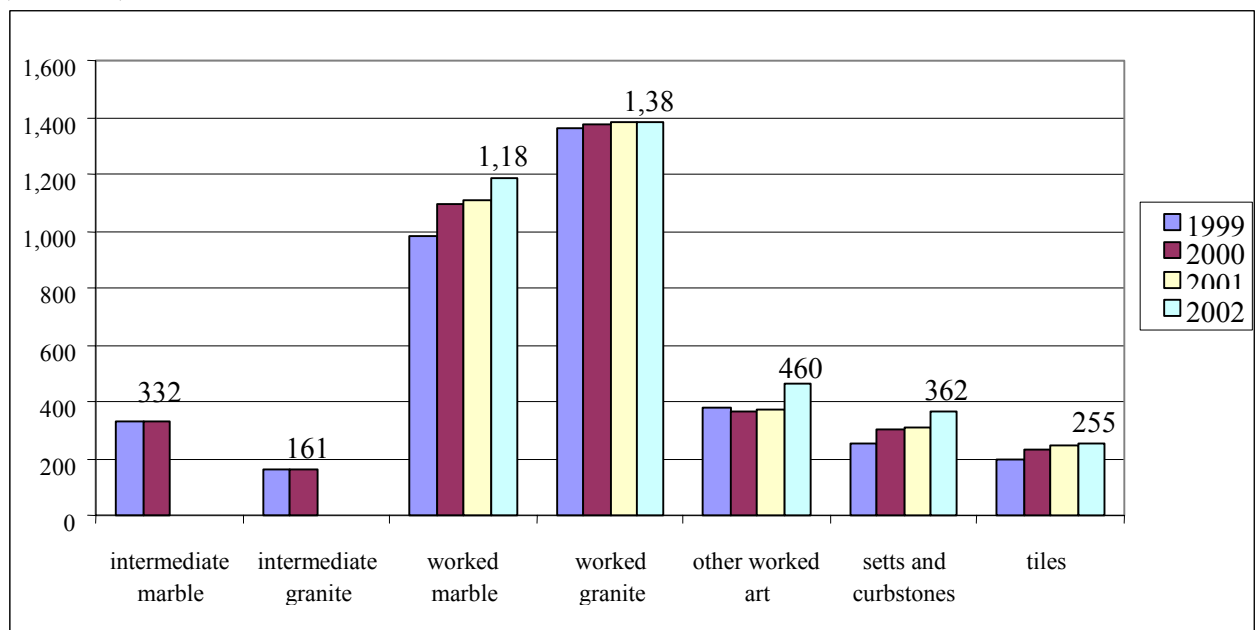
⁷ Stone 2003, World Marketing Handbook.

⁸ Eurostat 2003.

Italy

Italy and Spain are the two largest producers of natural stone in Europe, and Italy's granite sector is about three times larger compared to Spain. Italy has a central role in the marketing of natural stone, and is home to some of the largest stone wholesalers, who stock enormous ranges of stone colours, styles, and qualities. These marketing giants tend to carry out huge stone inventories, where they buy domestic and imported standard raw blocks, instead of more expensive processed slabs or tiles, in order to reduce operating costs, and retain processing flexibility. Not surprisingly, two of the three major industry trade fairs are in Carrara and Verona (the third is held in Nurnberg, Germany).

Figure 4.2 Italian production of natural stone and natural stone products 1999 - 2002, (million €)



Source: Eurostat (2003)

In figure 4.2 above one can notice that production increased between 2001 and 2002 for all product groups. Worked marble and granite represents the largest group of production, which can be explained by Italy's long tradition and use of worked marble and granite. Intermediate natural stone products like blocks are usually transported to Europe and sawn into tiles or other finished products.

Spain

Spain's large processing industry can be explained by several factors. The Spanish granite sector began as an important quarrying based industry, although with limited elaboration capacity. During recent years however, one can notice an increased capacity in the Spanish processing sector and enhanced international presence. Still, Spain has not been able to catch up with Italy's granite sector and important differences in terms of capacity and size remain between the two countries.

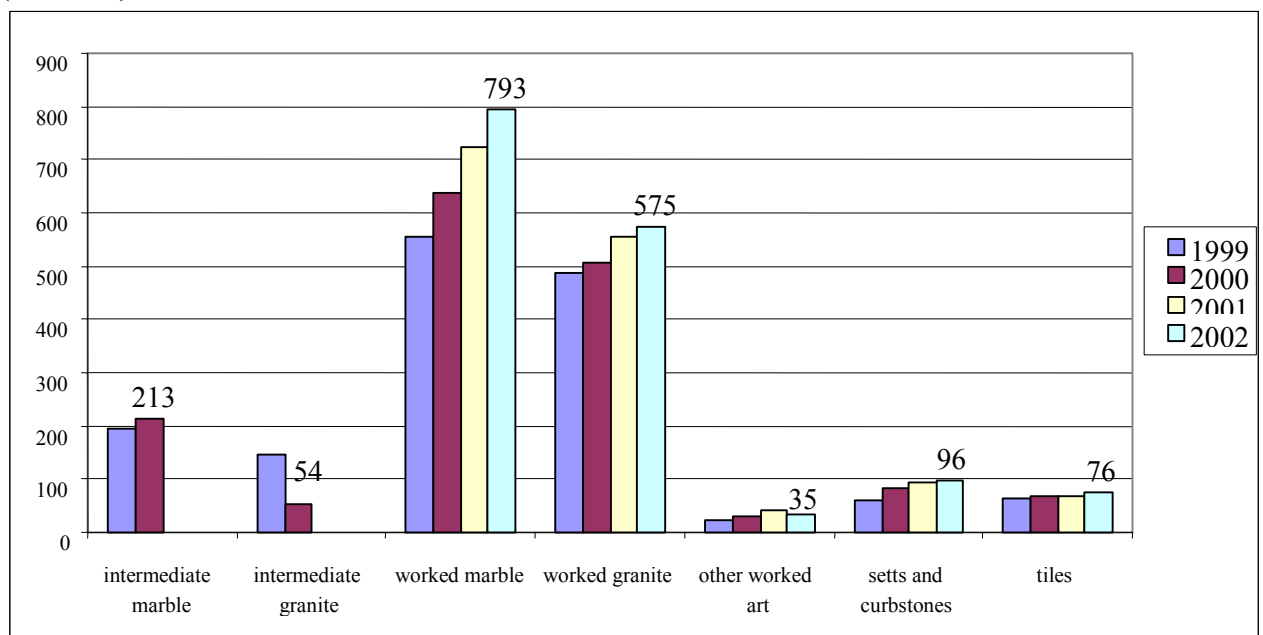
The granite sector in Spain has grown tremendously in recent years. Two factors have pushed growth in the Spanish granite sector: the increase in exports, and an increased popularity of granite among architects (especially in the use for flooring). Spanish companies are also now

able to deliver top quality granite slabs or tiles anywhere in the world at competitive prices. The reason for the increased competitiveness of Spanish granite sector can be explained by having a highly sophisticated quarrying sector before even starting to export worldwide, which has enabled the Spanish companies to get hold of good quality blocks in a range of colours from quarries often located just a few kilometres from the processing factories.

An additional factor that can explain the success and growth of the Spanish processing industry is the closeness of large quarries to ports, which means lower transport costs for the raw blocks. The fact that factories are located nearby to ports has resulted in lower transport costs for finished goods too. Thus, the combination of productive quarries; attractive materials; located close to the ports; and with modern processing factories set up near the quarries has established Spain as one of the world's largest and most competitive producers of natural stone.

During recent years however, due to competition, the prices of granite slabs and tiles in Spain have declined tremendously, and factories have been pressured to reduce costs. This has put pressure on processing factories to modernise and become more productive and efficient. As also can be seen in figure 4.3 below, production increased for worked marble, worked granite, setts and curbstones, and tiles between 2001 and 2002.

Figure 4.3 Spanish production of natural stone and natural stone products 1999 - 2002 (million €)



Source: Eurostat (2003)

Demand for new technology

The demand for new technology has been fuelled by the increase of worldwide production in the stone sector, which has also led to a strengthening of research in order to achieve more advanced levels of productivity and safety. New innovative processes for quarrying work such as chain cutting, wet hydraulic boring work, and diamond wire have become more frequent in both Europe and developing countries. Another area of improvement is post-quarrying work, which includes computerised numerical control systems and automation. This area applies for the traditional phases of sawing, cutting and surface treatment, processing work with a high added value, and the reproduction of artistic manufactures pieces. An additional development in technology is the use of laser technology in order to obtain an anti-slip surface on polished

natural stone tiles. These machines “chisel” 8,000 to 10,000 micro craters per second in the stones by which various degrees of anti-slip effect can be achieved, depending on the spacing and size of the individual craters. The processing only slightly reduces the gloss and brilliant colours of the polished stones, and the mini craters are designed so that the slabs are still easy to clean. The increased computerisation of machines, which consequently requires fewer workers, has however given rise to a paradoxical effect in particular true for developing countries, which are facilitated by extremely competitive costs, but inclined to imitate, rather than carry out their own innovative research, which have lessened investments destined for research.

5 IMPORTS

Trade figures quoted in this section must be interpreted and used with extreme caution. The collection of data regarding trade flows has become more difficult since the establishment of the European Single Market on 1 January 1993. Prior to that date, trade was registered by means of compulsory customs procedures at border crossings, but with the removal of the intra-EU borders, this is no longer the case. Statistical bodies such as Eurostat can no longer depend on the automatic generation of trade figures. In the case of intra-EU trade, statistical reporting is only compulsory for exporting and importing firms whose trade exceeds a certain annual value. The threshold varies considerably from country to country, but it is typically about € 100,000. In conclusion, while figures for trade between the EU and the rest of the world are accurately represented, trade within the EU is generally underestimated. Therefore, the value of the trade figures in this section lies primarily in the comparison of relative sizes rather than their absolute value.

The statistics in this survey specify total EU imports, and imports originating from the EU Member States, and non-EU countries, both in volumes and values. Developing countries, as defined by the OECD, are listed in Appendix 4. Appendix 2 lists import statistics of the EU and detailed breakdowns of the statistics by product group and supplying country. Differences across product groups with respect to changes of imports in volume and value will also be discussed in this section for Italy, Germany, Spain, Belgium, the United Kingdom, and the Netherlands.

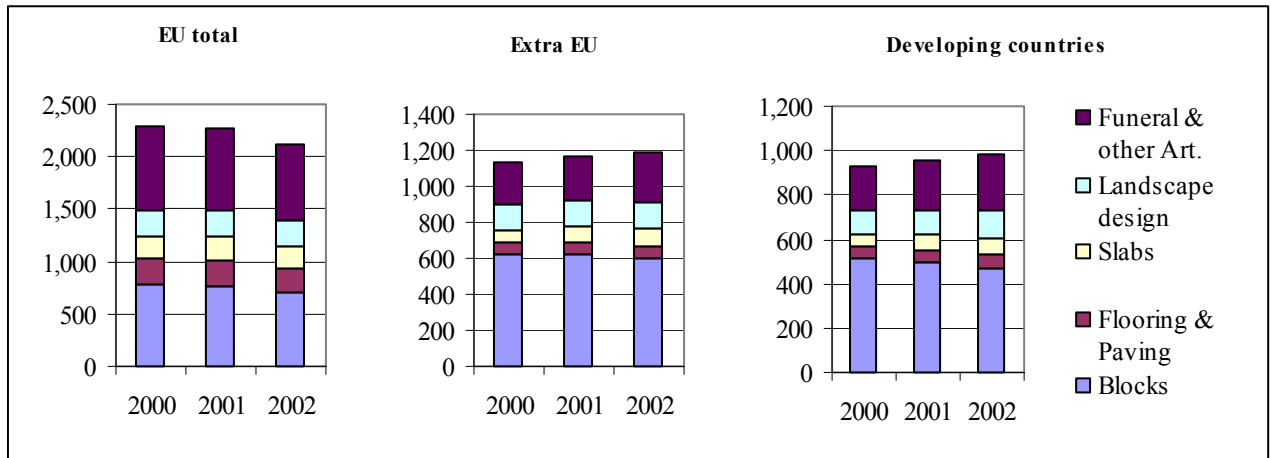
5.1 Total imports

EU imports of natural stone and natural stone products from developing countries have increased for the period 2000-2002 (see figure 5.3). The low-cost local labour and the good quality of the natural stone underlie the competitive position of developing country exporters. However, the market is very competitive, with many suppliers pressing down the prices. Exclusive types of stones or rare colours are often the main competitive tools for the developing country exporter. Other factors that will also influence the competitive position of the exporter are determined by the ability to fulfil quality, packaging, and delivery criteria.

In order for developing countries to continue being successful in exporting natural stone products to the EU, the exporter needs to be able to offer natural stone products where the combination of appearance, image, special technical properties, and good processing possibilities is superior to European producers. An increasing trend for detailed features and individual solutions can also be noticed, which is also confirmed by the behaviour of European countries, becoming more consistent importers of processed goods.

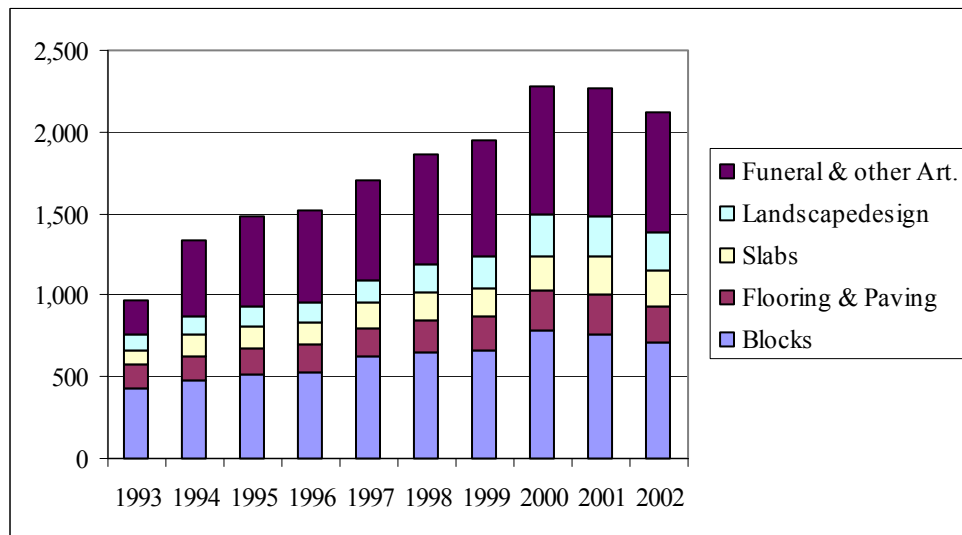
In 2002, total EU imports of natural stone and natural stone products reached a volume of 11,003 thousand tonnes, which represented a value of € 2,116 million. An overview of EU imports of natural stone and natural stone products between 2000 and 2002 is presented in figure 5.1 below.

Fig. 5.1 Overview of EU imports of natural stone and natural stone products in million €, 2000–2002



Source: Eurostat 2003

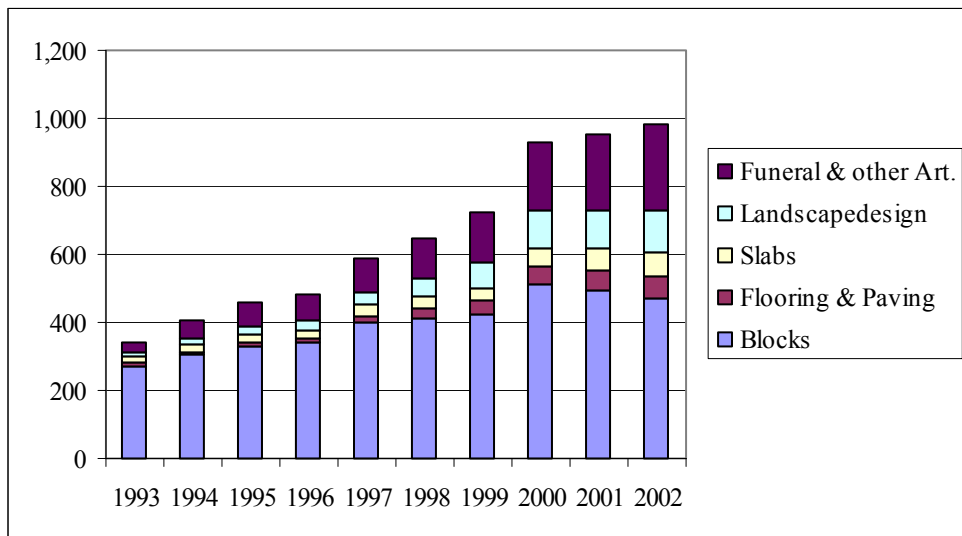
Figure 5.2 Overview of EU Intra-Extra imports of natural stone and natural stone products in million €, 1993-2002



Source: Eurostat (2003)

Figure 5.2 above, show that intra-extra EU imports have been increasing from 1993 to 2000 and decreasing from year 2000. However, the total value of EU imports from developing countries has during the period 1993-2002 experienced a steady increase (see figure 5.3). In addition, an increase in both volume (10 percent) and value (5 percent) of EU imports from developing countries could be registered between 2000 and 2002. As can be seen from figure 5.3 the value of total imports from developing countries increased between 1993-2002, however, during the last years (2000-2002) the value of EU imports for the three product groups of raw blocks, flooring and paving, and slabs have experienced a decrease.

Figure 5.3 Overview of EU imports of natural stone and natural stone products from developing countries in million €, 1993-2002

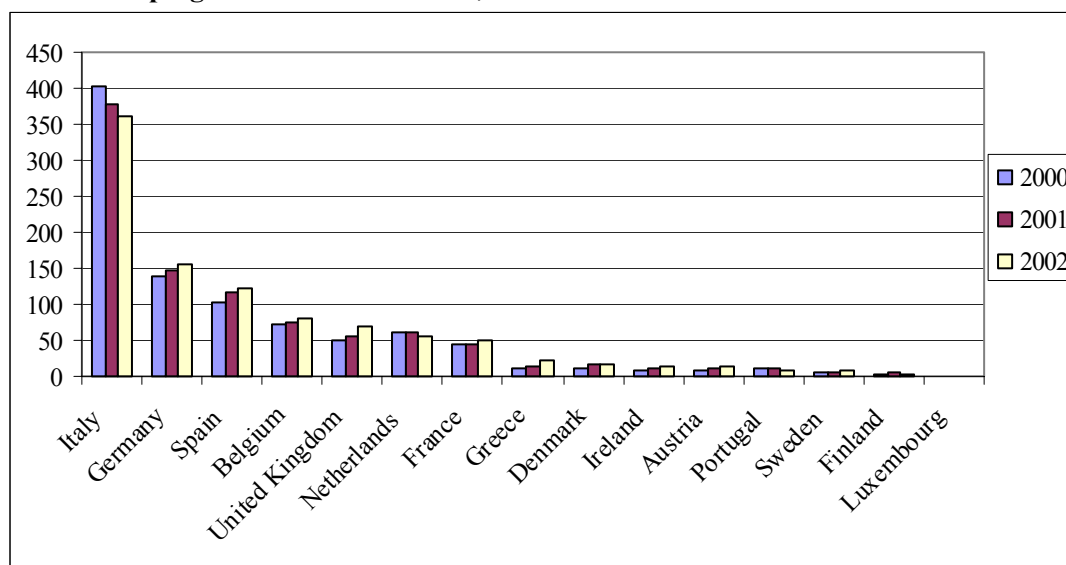


Source: Eurostat (2002)

In 2002, extra-EU imports accounted for more than half of total EU imports (56 percent of value and 59 percent of volume originated from outside the EU). The share of non-EU countries in EU imports has risen considerably from 50 percent in 2000 to 56 percent in 2002. In addition, the share of developing countries in total EU imports increased between 2000 and 2002 from 41 percent in 2000 to 46 percent in 2002. Italy, India, China, Brazil, and Spain are the top 5 suppliers to the EU, supplying 3,921 thousand tonnes with a value of € 1,320 million.

Total EU imports of natural stone and natural stone products from developing countries amounted to € 980 million in 2002 with a volume of 4,114 thousand tonnes. In 2002 developing countries accounted for 46 percent of the total value and 37 percent of the total volume of EU imports. The most important developing countries as suppliers of the EU, after India (€ 276 million), are China (€ 221 million), Brazil (€ 153 million), South Africa (€ 104 million), and Turkey (€ 77 million). The total value of developing countries' exports to the EU mainly consists of blocks (54 percent), followed by natural stone products for landscape design (22 percent), funeral and other art (12 percent), slabs (8 percent), and tiles for flooring and cladding (4 percent).

Fig. 5.5 Largest EU importers of natural stone and natural stone products originating from developing countries in million €, 2000-2002



Source: Eurostat (2003)

As shown in figure 5.5 above, Italy is the largest EU importer of natural stone and natural stone products originating from developing countries, with imports valued at € 362 million in 2002. Germany is the second largest EU importer of natural stone and natural stone products originating from developing countries, with imports valued at € 156 million in 2002. Contrary to Italy, Germany has registered increased imports for the period 2000-2002 by 13 percent in value and by 16 percent in volume. Spain is the third largest importer of natural stone and natural stone products (€ 121 million) followed by Belgium (€ 80 million), the UK (€ 70 million), and the Netherlands (€ 55 million). Table 5.1 below, also provides an overview of the growth of imports of natural stone and natural stone products originating from developing countries during the 2000-2002 for the six largest EU importers of natural stone products originating from developing countries.

Table 5.1 Growth in imports of natural stone and natural stone products originating from developing countries, 2000-2002

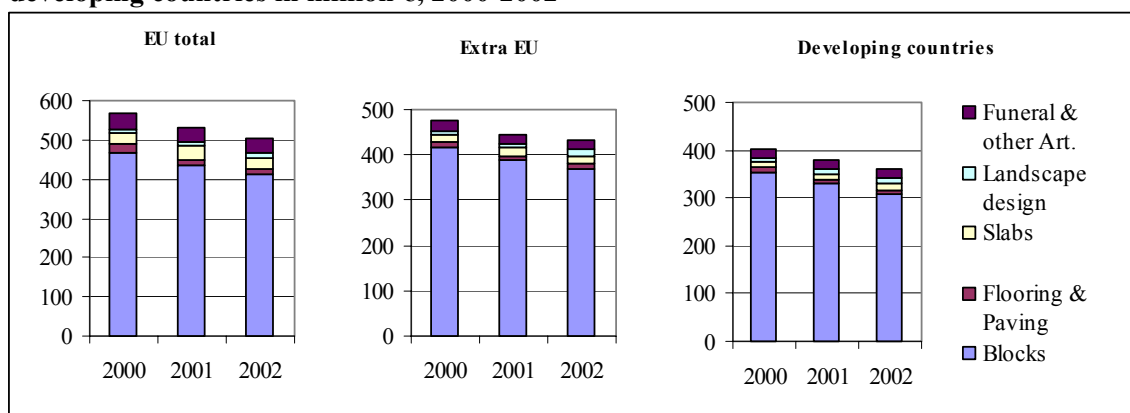
	EU	Italy	Germany	Spain	Belgium	Netherlands	UK
Value	5%	-10%	13%	17%	10%	-11%	43%
Volume	10%	-4%	16%	29%	11%	-26%	105%

Source: Eurostat (2003)

ITALY

In 2002, Italian imports of natural stone and natural stone products amounted to € 503 million and a total volume of 2,183 thousand tonnes. Compared to 2000, this was an 11 percent decrease in value and an 8 percent decrease in volume. Also imports from developing countries decreased by 10 percent in value and 4 percent in volume, to respectively € 361 million and 1,650 thousand tonnes. Imports of blocks make up the largest share in value (85 percent) of Italian imports from developing countries, which can be explained by the presence of a large stone processing industry that processes raw blocks into slabs or finished products.

Figure 5.6 Overview of Italian imports from the EU, outside the EU, and imports from developing countries in million €, 2000-2002



Source: Eurostat (2003)

Table 5.2 presents an overview of Italian imports of natural stone and natural stone products by product group. Raw blocks, flooring and paving, and funeral art and other art show negative growth for the period 2000-2002, and slabs and landscape design, experienced positive growth rates for the period 2000-2002. Italian imports of landscape design recorded the highest growth between 2000 and 2002 (34 percent), followed by slabs (6 percent), and funeral and other art (4 percent). It is also to be noted that imports of siliceous stone represents the bulk of total Italian imports of raw blocks, while siliceous stone represents a negligible share in the other product groups.

Table 5.2 Overview of statistics on Italian imports of natural stone and natural stone products

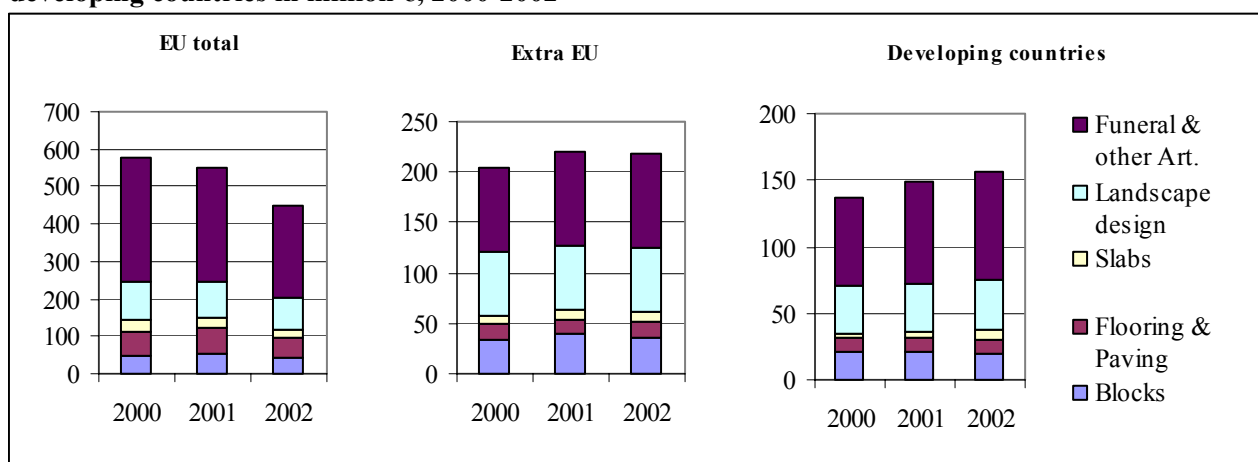
	Blocks	Flooring & cladding	Slabs	Funeral & other art	Landscape design
Share of total value imports of natural stone & natural stone products	81%	3%	6%	7%	3%
Value (million €)	410	15	30	35	14
Volume ('000 tonnes)	1.869	32	118	63	101
Growth value ('00 - '02)	-13%	-20%	1%	-10%	34%
Growth volume ('00 - '02)	-11%	-25%	6%	4%	83%
Share siliceous natural stone	70%	1%	3%	3%	-
Value siliceous (million €)	353	5	13	16	-
Volume siliceous ('000)	1.547	13	53	32	-
Growth value siliceous ('00 - '02)	-14%	-5%	7%	-15%	-
Growth volume siliceous ('00 - '02)	-13%	-28%	3%	5%	-
Share calcareous natural stone	11%	2%	3%	4%	-
Value calcareous (million €)	57	10	17	19	-
Volume calcareous ('000)	322	19	65	31	-
Growth value calcareous ('00 - '02)	-6%	-26%	-3%	-5%	-
Growth volume calcareous ('00 - '02)	1%	-22%	9%	3%	-

Source: Eurostat (2003)

GERMANY

In 2002, German imports of natural stone amounted to € 447 million, representing a total volume of 1,780 thousand tonnes. Compared to 2000, this was a decrease of 23 percent in value and volume. Imports from developing countries increased by 13 percent in value and 16 percent in volume to € 156 million and 685 thousand tonnes respectively. In addition, the share of developing countries in German imports increased between 2000 and 2002 by 24 percent to 35 percent. Imports of funeral and other art constitute the largest share in value (51 percent) of German imports from developing countries, followed by landscape design (25 percent) and blocks (12 percent).

Figure 5.7 Overview of German imports from the EU, outside the EU, and imports from developing countries in million €, 2000-2002



Source: Eurostat (2003)

Table 5.3 above, presents an overview of German imports of natural stone and natural stone products by product group. Negative growth can be registered in all of the five product groups, which can mainly be explained by the slowdown in the German economy. The total volume of natural stone and natural stone products imported also decreased for all product-groups. In terms of volume and value, it seems that imports of siliceous products exceed the imports of calcareous products for all product groups.

Table 5.3 Overview of statistics on German imports of natural stone and natural stone products

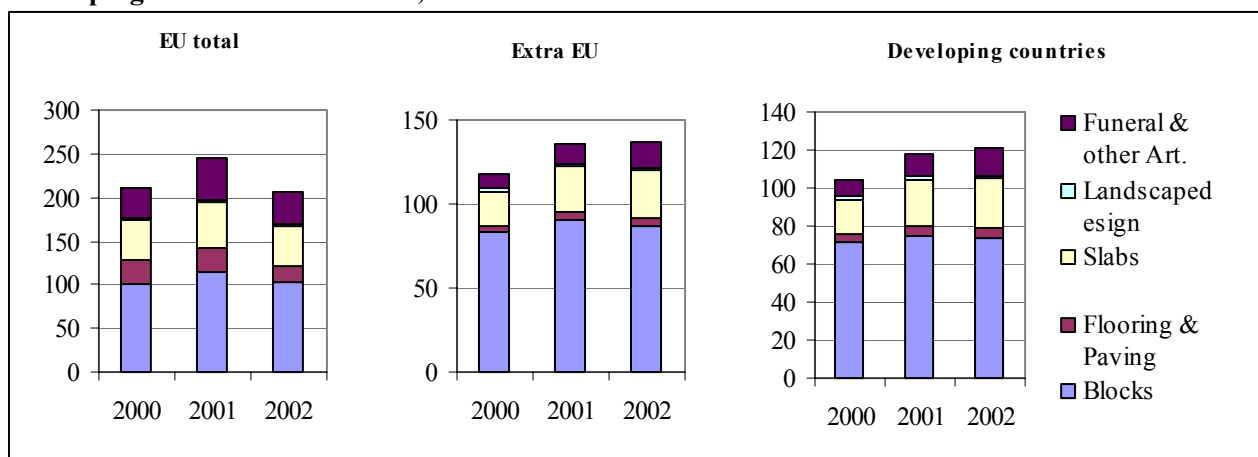
	Blocks	Flooring & cladding	Slabs	Funeral & other art	Landscape design
Share of total value imports of natural stone & natural stone products	10%	12%	5%	55%	18%
Value (million €)	45	54	21	245	82
Volume ('000 tonnes)	286	99	58	411	928
Growth value ('00 - '02)	-8%	-18%	-26%	-26%	-21%
Growth volume ('00 - '02)	-28%	-13%	-25%	-15%	-25%
Share siliceous natural stone	10%	7%	4%	46%	-
Value siliceous (million €)	44	33	19	206	-
Volume siliceous ('000)	282	73	54	360	-
Growth value siliceous ('00 - '02)	-7%	-19%	-19%	-20%	-
Growth volume siliceous ('00 - '02)	-29%	-10%	-17%	-7%	-
Share calcareous natural stone	0%	5%	0%	9%	-
Value calcareous (million €)	1	21	2	39	-
Volume calcareous ('000)	4	26	4	51	-
Growth value calcareous ('00 - '02)	-42%	-17%	-62%	-46%	-
Growth volume calcareous ('00 - '02)	-24%	-20%	-68%	-48%	-

Source: Eurostat (2003)

SPAIN

In 2002, Spanish imports of natural stone and natural stone products amounted to € 207 million, representing a total volume of 1,027 thousand tonnes. Compared to 2000, this was a decrease of 2 percent in value and an increase in volume by 14 percent. Imports from developing countries increased by 17 percent in value and by 29 percent in volume to € 121 million and 533 thousand tonnes respectively. The share of developing countries in the Spanish imports between 2000 and 2002 also increased from 49 percent to 59 percent. Imports of blocks and slabs account for the largest share (61 percent and 22 percent in value respectively) of Spanish imports from developing countries, which can be explained by the presence of a large stone processing industry that processes raw blocks into slabs or finished product.

Figure 5.8 Overview of Spanish imports from the EU, outside the EU, and imports from developing countries in million €, 2000-2002



Source: Eurostat (2003)

Table 5.4 below, presents an overview of Spanish imports of natural stone and natural stone products by product group, and shows positive growth for funeral art and other art (6 percent), blocks (2 percent) and slabs (2 percent), while negative growth rates can be registered for tiles for flooring and cladding (-34 percent), and landscape design (-19 percent). It should also be noted that the imports of siliceous stone represents the bulk of total Spanish imports of raw blocks. For tiles for flooring & cladding, slabs, and funeral & other art, calcareous stones represent the bulk of total imports of these product groups.

Table 5.4 Overview of statistics on Spanish imports of natural stone and natural stone products

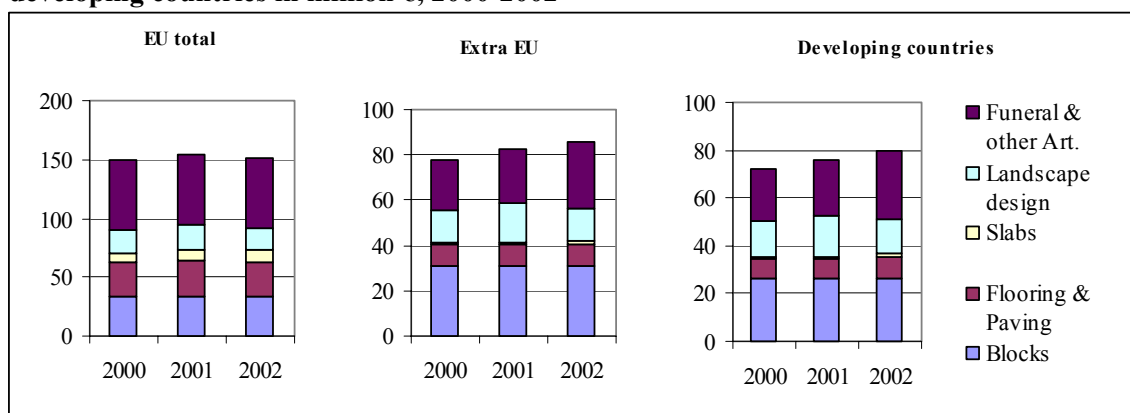
	Blocks	Flooring & cladding	Slabs	Funeral & other art	Landscape design
Share of total value imports of natural stone & natural stone products	50%	8%	23%	18%	1%
Value (million €)	104	17	47	37	3
Volume ('000 tonnes)	666	58	205	89	9
Growth value ('00 - '02)	2%	-34%	2%	6%	-19%
Growth volume ('00 - '02)	24%	-25%	14%	-6%	-22%
Share siliceous natural stone	46%	1%	8%	4%	-
Value siliceous (million €)	94	3	16	8	-
Volume siliceous ('000)	606	10	83	19	-
Growth value siliceous ('00 - '02)	1%	-16%	33%	-17%	-
Growth volume siliceous ('00 - '02)	24%	28%	40%	-42%	-
Share calcareous natural stone	5%	7%	15%	14%	-
Value calcareous (million €)	10	14	30	29	-
Volume calcareous ('000)	61	48	122	70	-
Growth value calcareous ('00 - '02)	16%	-38%	-10%	15%	-
Growth volume calcareous ('00 - '02)	27%	-31%	1%	11%	-

Source: Eurostat (2003)

BELGIUM

In 2002, Belgian imports of natural stone amounted to € 151 million representing a total volume of 550 thousand tonnes. Compared to 2000, this was an increase of 1 percent in value and a 4 percent increase in volume. Imports from developing countries increased by 10 percent in value and by 11 percent in volume to € 79 million and 325 thousand tonnes respectively. The share of developing countries in total Belgian imports between 2000 and 2002 increased by 5 percent to 53 percent. Imports of funeral and other art and blocks make up the largest share, 36 percent and 33 percent respectively, of total Belgian imports.

Figure 5.9 Overview of Belgian imports from the EU, outside the EU, and imports from developing countries in million €, 2000-2002



Source: Eurostat (2003)

Table 5.5 presents an overview of Belgian imports of natural stone and natural stone products by product group. For the period 2000-2002 there has been a negative growth (in value) for imports of natural stone products for landscape design (-8 percent) and flooring and cladding (-1 percent). Positive growth can be registered for slabs (38 percent) and funeral and other art (1 percent). For Belgian imports of raw blocks and funeral and other art siliceous stone accounts for the bulk of total imports, and for tiles for flooring & cladding, calcareous stones represent the bulk of total imports.

Table 5.5 Overview of statistics on Belgian imports of natural stone and natural stone products

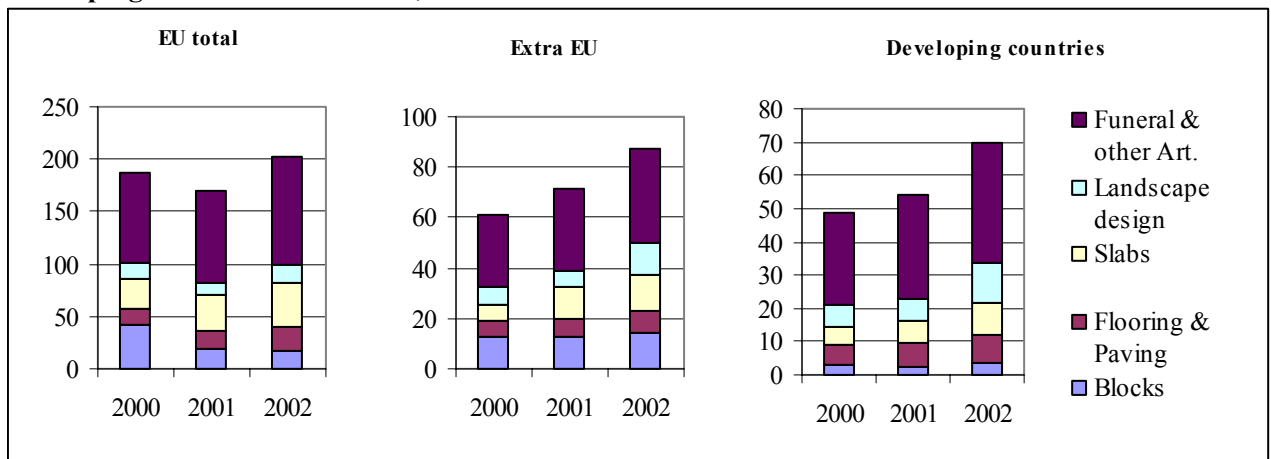
	Blocks	Flooring & cladding	Slabs	Funeral & other art	Landscape design
Share of total value imports of natural stone & natural stone products	23%	19%	7%	40%	12%
Value (million €)	34	28	11	60	18
Volume ('000 tonnes)	155	99	26	135	135
Growth value ('00 - '02)	0%	-1%	38%	1%	-8%
Growth volume ('00 - '02)	3%	4%	3%	13%	-4%
Share siliceous natural stone	22%	7%	3%	24%	-
Value siliceous (million €)	34	11	5	37	-
Volume siliceous ('000)	154	33	13	88	-
Growth value siliceous ('00 - '02)	1%	7%	24%	13%	-
Growth volume siliceous ('00 - '02)	4%	-24%	-24%	32%	-
Share calcareous natural stone	0%	12%	4%	15%	-
Value calcareous (million €)	0	18	6	23	-
Volume calcareous ('000)	2	65	13	47	-
Growth value calcareous ('00 - '02)	-37%	-6%	52%	-14%	-
Growth volume calcareous ('00 - '02)	-49%	27%	62%	-11%	-

Source: Eurostat (2003)

THE UNITED KINGDOM

The domestic capacities in the United Kingdom for quarrying and processing are very limited, which cannot cover domestic demand, and therefore, imports tend to dominate. In 2002, British imports of natural stone amounted to € 203 million representing a total volume of 1,836 thousand tonnes. Compared to 2000, this was an increase of 9 percent in value and an 80 percent increase in volume. It should be noted that the United Kingdom has experienced a remarkable rise in imports from developing countries. Since 2000 there has been an increase in imports from developing countries by 43 percent in value and by 105 percent in volume to € 69 million and 148 thousand tonnes respectively. The share of developing countries in total British imports between 2000 and 2002 increased by 8 percent to 34 percent. Imports of funeral and other art make up the largest share in value (51 percent) of British imports from developing countries, followed by landscape design (18 percent), slabs (13 percent), tiles for flooring and cladding (12 percent), and blocks (5 percent).

Figure 5.10 Overview of British imports from the EU, outside the EU, and imports from developing countries in million €, 2000-2002



Source: Eurostat (2003)

Table 5.6 below, presents an overview of British imports of natural stone and natural stone products by product group. For the period 2000-2002 there has been a positive growth for imports of natural stone products for flooring and cladding (50 percent), slabs (50 percent), funeral and other art (22 percent), and landscape design (6 percent). The only product group that registered negative growth was raw blocks (-58 percent). For British imports of slabs, and funeral and other art it should be noted that siliceous stone represents the bulk of total imports. For raw blocks, calcareous stones represent the bulk of total imports.

Table 5.6 Overview of statistics on British imports of natural stone and natural stone products

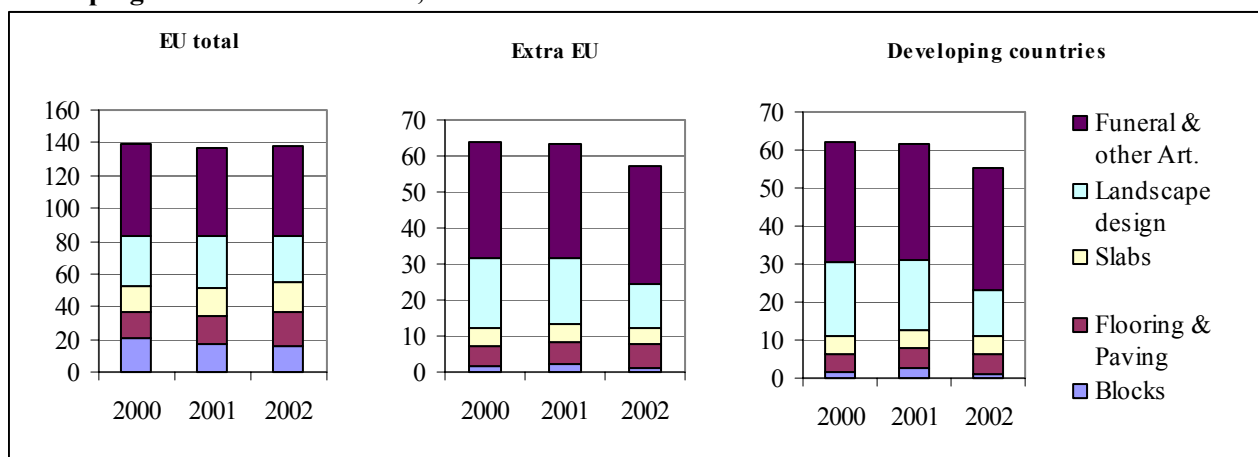
	Blocks	Flooring & cladding	Slabs	Funeral & other art	Landscape design
Share of total value imports of natural stone & natural stone products	9%	11%	21%	51%	8%
Value (million €)	18	22	42	103	17
Volume ('000 tonnes)	978	25	653	104	77
Growth value ('00 - '02)	-58%	50%	50%	22%	6%
Growth volume ('00 - '02)	22%	86%	675%	34%	77%
Share siliceous natural stone	8%	4%	14%	34%	-
Value siliceous (million €)	17	8	29	70	-
Volume siliceous ('000)	977	11	642	71	-
Growth value siliceous ('00 - '02)	-58%	20%	56%	31%	-
Growth volume siliceous ('00 - '02)	25%	47%	734%	54%	-
Share calcareous natural stone	1%	7%	7%	16%	-
Value calcareous (million €)	1	14	13	34	-
Volume calcareous ('000)	1	14	11	33	-
Growth value calcareous ('00 - '02)	-52%	73%	37%	7%	-
Growth volume calcareous ('00 - '02)	-94%	134%	50%	3%	-

Source: Eurostat (2003)

THE NETHERLANDS

In 2002, Dutch imports of natural stone and natural stone products amounted to € 138 million representing a total volume of 1,652 thousand tonnes. Compared to 2000, this was an increase of 1 percent in value and a 48 percent increase in volume. Imports from developing countries decreased by 11 percent in value and by 26 percent in volume to € 55 million and 215 thousand tonnes respectively. The share of developing countries in Dutch imports between 2000 and 2002 also decreased by 4 percent to 40 percent. Imports of funeral and other art, and landscape design make up the largest share in value, 58 percent and 22 percent respectively, of Dutch imports from developing countries.

Figure 5.11 Overview of Dutch imports from the EU, outside the EU, and imports from developing countries in million €, 2000-2002



Source: Eurostat (2003)

Table 5.7 below, presents an overview of Dutch imports of natural stone and natural stone products by product group. Table 5.7 shows negative growth (in value) for imports of blocks (-22 percent), funeral and other art (-2 percent), landscape design (-9 percent), and positive growth for natural stone products for flooring and cladding (25 percent), and slabs (18 percent).

Table 5.7 Overview of statistics on Dutch imports of natural stone and natural stone products

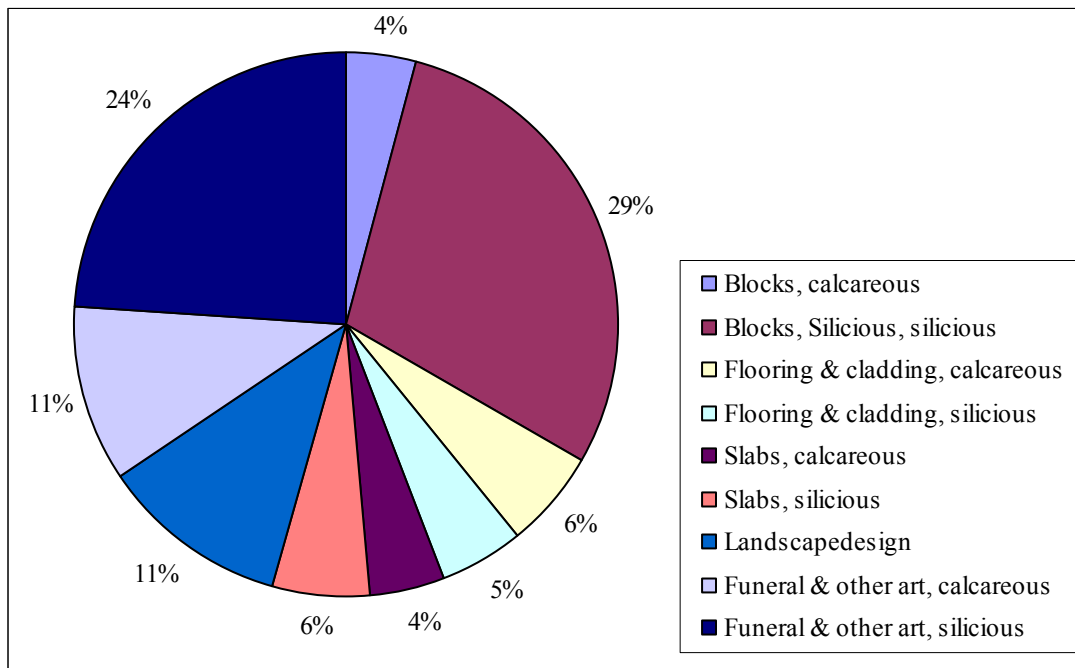
	Blocks	Flooring & cladding	Slabs	Funeral & other art	Landscape design
Share of total value imports of natural stone & natural stone products	12%	15%	14%	40%	20%
Value (million €)	16	20	19	55	27
Volume ('000 tonnes)	1.098	50	44	87	373
Growth value ('00 - '02)	-22%	25%	18%	-2%	-9%
Growth volume ('00 - '02)	100%	32%	-23%	-9%	-1%
Share siliceous natural stone	11%	7%	9%	29%	-
Value siliceous (million €)	16	9	13	40	-
Volume siliceous ('000)	1.095	29	36	69	-
Growth value siliceous ('00 - '02)	-23%	37%	24%	-4%	-
Growth volume siliceous ('00 - '02)	100%	33%	-22%	-5%	-
Share calcareous natural stone	0%	8%	5%	11%	-
Value calcareous (million €)	0	11	7	15	-
Volume calcareous ('000)	3	21	9	17	-
Growth value calcareous ('00 - '02)	23%	16%	7%	2%	-
Growth volume calcareous ('00 - '02)	64%	31%	-23%	-21%	-

Source: Eurostat (2003)

5.2 Imports by product group

Funeral and other art constituted the largest share (35 percent) of total EU imports of natural stone and natural stone products followed by blocks (33 percent), natural stone products for landscape design (11 percent), tiles for flooring and cladding (11 percent), and slabs (10 percent). Between 2000 and 2002 EU imports from developing countries has increased in value by 34 percent for slabs; 25 percent for funeral art and other art; 23 percent for tiles for flooring and cladding; and 10 percent for products for landscape design. The only product group that has experienced a decrease in value of EU imports from developing countries between 2000-2002 is raw blocks (8 percent).

Figure 5.12 Shares of product groups in EU imports of natural stone and natural stone products, 2002

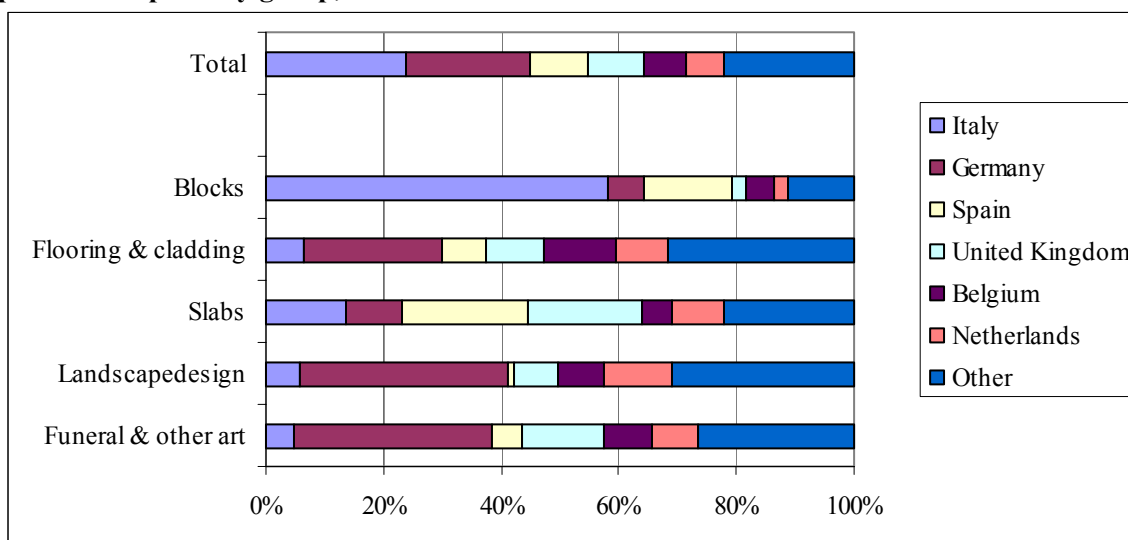


Source: Eurostat (2003)

Figure 5.13 below presents an overview of the share of the six largest EU importers of natural stone and natural stone products per product group, which shows that these six countries account for:

- 89 percent of total EU imports of blocks;
- Almost 70 percent of total EU imports of tiles for flooring and cladding;
- 78 percent of total EU imports of slabs;
- Around 70 percent of total EU imports of natural stone products for landscape design; and
- 73 percent of total EU imports of funerary and other art.

Figure 5.13 Share of EU countries in total value of EU natural stone and natural stone products imports by group, 2002



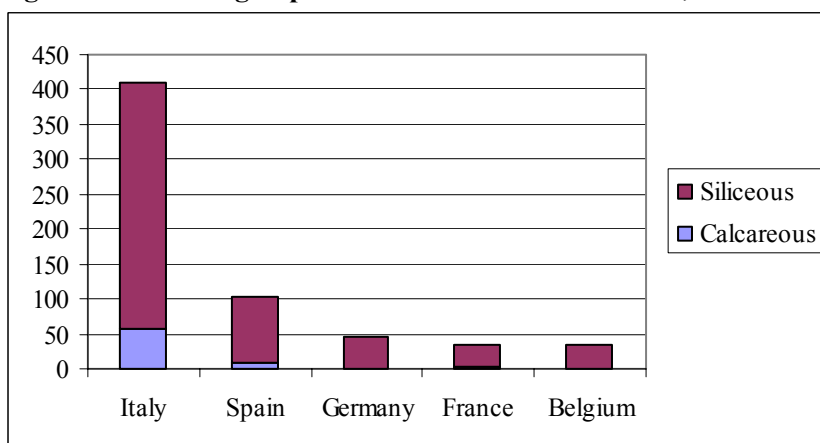
Source: Eurostat (2003)

EU Imports of raw blocks

In 2002, the EU imported € 705 million worth of raw blocks, which accounted for 33 percent in value of EU imports of natural stone and natural stone products. Between 2000 and 2002, imports of natural stone blocks have decreased by 10 percent in value and have increased by 17 percent in volume. The value and volume of blocks from developing countries decreased by 8 percent and by 2 percent respectively. The share of developing countries in this product group amounted to 67 percent of the value of total EU imports and 38 percent of total volume. The largest suppliers from developing countries of EU imports of natural stone blocks were India (19 percent), followed by Brazil (18 percent), and South Africa (14 percent).

In 2002, Italy imported 58 percent of total EU imports of natural stone blocks, equalling € 410 million, followed by Spain (15 percent), Germany (6 percent), France (5 percent), Belgium (5 percent), the United Kingdom (3 percent), and Greece (3 percent). Siliceous blocks make up the largest part (87 percent) of EU imports of natural stone blocks, amounting to € 616 million in 2002. EU imports of calcareous blocks amounted to € 90 million in 2002.

Figure 5.14 Leading importers of raw blocks in the EU, in million €, 2002



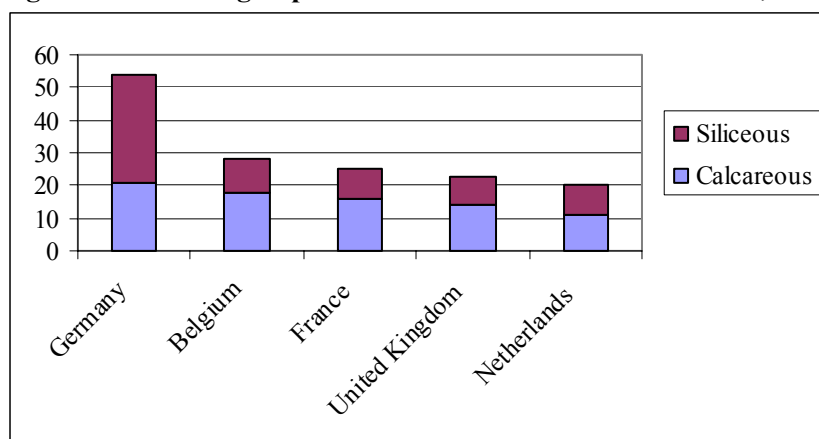
Source: Eurostat (2003)

EU Imports of tiles for flooring and cladding

In 2002, the EU imported € 229 million of natural stone tiles for flooring and cladding, which was 11 percent in value of EU imports of natural stone and natural stone products. Since 2000, imports of natural stone tiles have decreased by 4 percent in value, and by 7 percent in volume. However, between 2000 and 2002 the value and volume of EU imports for natural stone tiles from developing countries rose by 23 percent. The share of developing countries in this product group amounted to 28 percent of the value of total EU imports, and 32 percent of total volume. The largest suppliers of EU imports of natural stone tiles from developing countries were China (8 percent), Turkey (7 percent), and India (6 percent).

In 2002, Germany imported 24 percent of total EU imports of natural stone tiles for flooring and cladding, equalling € 54 million, followed by Belgium (12 percent), France (11 percent), the United Kingdom (10 percent), the Netherlands (9 percent), Spain (7 percent), and Italy (6 percent).

Figure 5.15 Leading importers of natural stone tile in the EU, in million €, 2002



Source: Eurostat (2003)

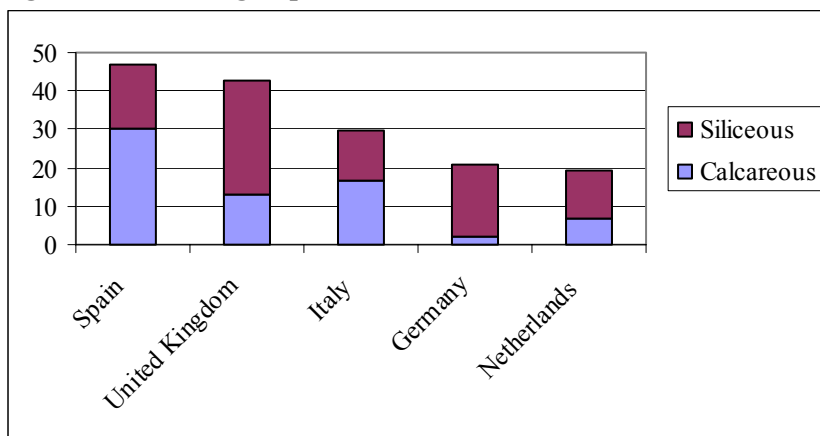
EU imports of calcareous tiles make up the largest part (54 percent) of EU imports of natural stone tiles, amounting to € 125 million in 2002. EU imports of siliceous tiles amounted to € 105 million in 2002.

EU imports of natural stone slabs

In 2002, the EU imported € 218 million worth of natural stone slabs, which was 10 percent of EU imports of natural stone and natural stone products. Since 2000, imports of natural stone slabs have increased by 6 percent in value and by 71 percent in volume. The share of developing countries in this product group amounted to 33 percent of the value of total EU imports and 24 percent of total volume. The value and volume of EU imports of slabs from developing countries rose by 34 and 52 percent respectively between 2000 and 2002. The largest suppliers of EU imports of natural stone slabs from developing countries were China (9 percent), Turkey (8 percent), and India (5 percent).

In 2002, Spain imported 21 percent of total EU imports of natural stone slabs, equalling € 47 million, followed by the United Kingdom (19 percent), Italy (14 percent), Germany (10 percent), France (9 percent), the Netherlands (9 percent), and Belgium (5 percent).

Figure 5.16 Leading importers of natural stone slabs in the EU, in million €, 2002



Source: Eurostat (2003)

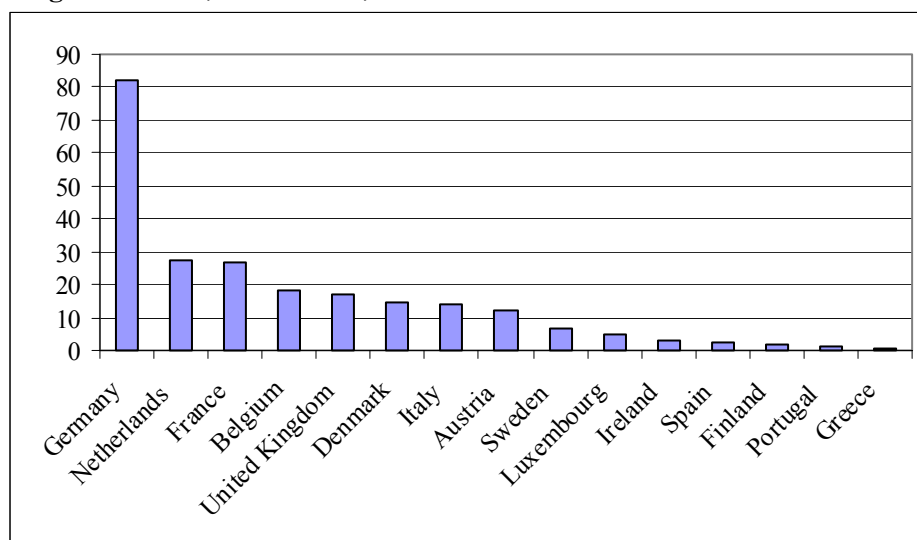
EU imports of siliceous slabs make up the largest part of EU imports of natural stone slabs amounting to € 124 million in 2002. EU imports of calcareous slabs amounted to € 95 million in 2002.

EU imports of natural stone and natural stone products for landscape design

In 2002, the EU imported € 233 million of natural stone and natural stone products for landscape design, which was 11 percent of EU imports of natural stone and natural stone products. Since 2000, imports of natural stone and natural stone products for landscape design have decreased by 10 percent in value and 11 percent in volume. The share of developing countries in this product group amounted to 51 percent of the value of total EU imports and 42 percent of total volume. Between 2000 and 2002 the value and volume of EU imports of natural stone products for landscape design from developing countries rose by 10 and 12 percent respectively. The largest suppliers of EU imports of natural stone and natural stone products for landscape design from developing countries were China (30 percent), followed by India (10 percent) and Turkey (4 percent).

In 2002, Germany imported 35 percent of total EU imports of natural stone and natural stone products for landscape design, equalling € 82 million, followed by the Netherlands (12 percent), France (11 percent), Belgium (8 percent), the United Kingdom (7 percent), Denmark (6 percent), Italy (6 percent), and Austria (5 percent).

Figure 5.17 Leading importers of natural stone and natural stone products for landscape design in the EU, in million €, 2002



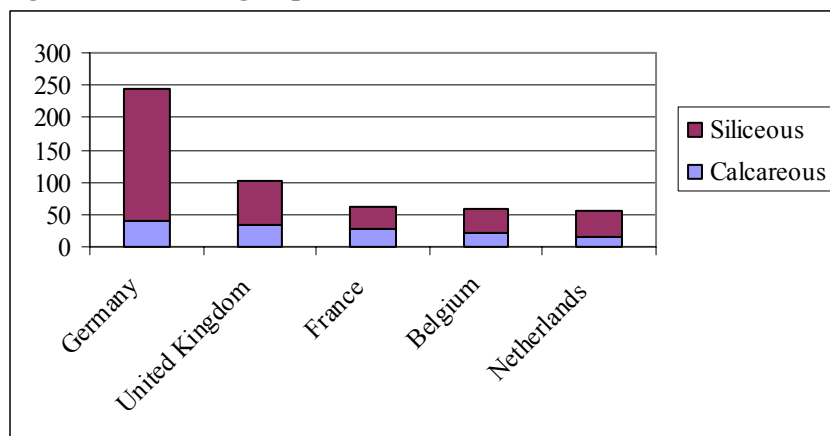
Source: Eurostat (2003)

EU imports of funeral and other art

In 2002, the EU imported € 729 million of funeral and other art, which was 34 percent of EU imports of natural stone and natural stone products. Since 2000, imports of funeral and other art have decreased by 8 percent in value, and by 3 percent in volume. The share of developing countries in this product group amounted to 35 percent of the value of total EU imports and 43 percent of total volume. Between 2000 and 2002 the value and volume of EU imports of natural stone products for funeral art and other art from developing countries rose by 25 and 53 percent respectively. The largest suppliers of EU imports of natural funeral and other art from developing countries were China (14 percent) followed by India (12 percent), and Turkey (3 percent).

In 2002, Germany imported 34 percent of total EU imports of funeral and other art, equalling € 245 million, followed by the United Kingdom (14 percent), France (9 percent), Austria (8 percent), Belgium (8 percent), and the Netherlands (8 percent).

Figure 5.18 Leading importers of funeral and other art in the EU, in million €, 2002



Source: Eurostat (2003)

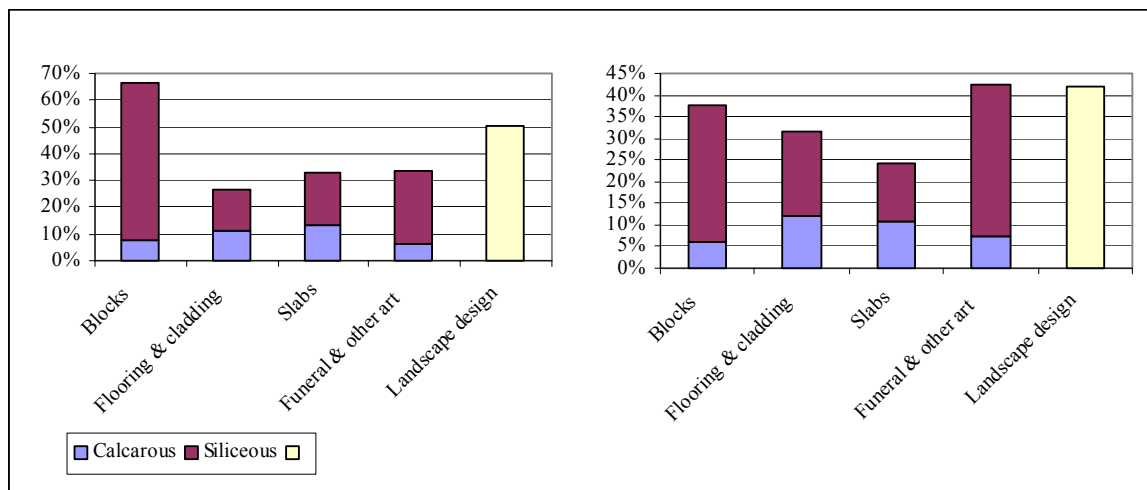
EU imports of funeral and other art made of siliceous stone make up the largest part of EU imports (69 percent) of funeral and other art, amounting to € 506 million in 2002, while EU imports of funeral and other art made of calcareous stone amounted to € 223 million in 2002.

5.3 The role of developing countries

In 2002, EU imports of natural stone and natural stone products from developing countries amounted to € 980 million with a volume of 4,114 thousand tonnes. In 2002, the value of imports from developing countries represented 46 percent of total EU imports of natural stone and natural stone products, and in volume their share amounted to 37 percent. Blocks represented 48 percent of the total value of imports stemming from developing countries, followed by funeral and other art (26 percent), natural stone and natural stone products for landscape design (12 percent), slabs (7 percent), and tiles for flooring and cladding (7 percent).

Figure 5.19 below, presents an overview of the share of EU imports per product group from developing countries in total EU imports from countries outside the EU, both in value and volume.

Figure 5.19 Share developing countries in total extra EU imports per product group, 2002



Source: Eurostat (2003)

Developing countries contribution is largest in the EU imports of blocks (67 percent in value and 38 percent in volume) followed by landscape design (51 percent in value and 42 percent in volume), funeral and other art (35 percent in value and 43 percent in volume), slabs (33 percent in value, 24 percent in volume), and tiles for flooring and cladding (28 percent in value and 32 percent in volume).

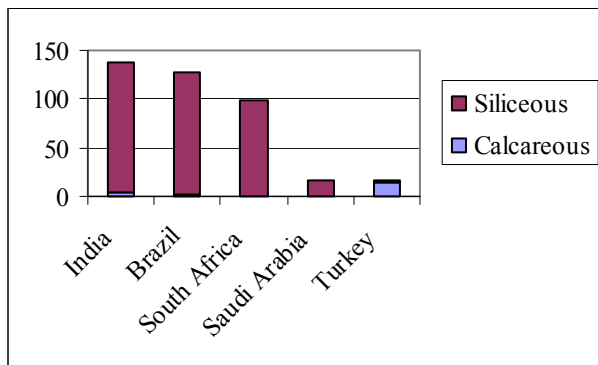
Since 2000, EU imports from developing countries have increased in all product groups of natural stone and natural stone products except for blocks. Between 2000 and 2002, imports of:

- Blocks decreased by 8 percent in value and 2 percent in volume;
- Tiles for flooring and cladding increased by 23 percent in value and 23 percent in volume;
- Imports of slabs increased by 35 percent in value and 52 percent in volume;
- Natural stone and natural stone products for landscaper design increased by 10 percent in value and 12 percent in volume;
- Funeral and other art increased by 25 percent in value and 53 percent in volume.

In 2002, almost one third (28 percent) of EU imports of natural stone and natural stone products from developing countries originated from India, where India exported 1,051 thousand tonnes of natural stone and natural stone products with a total value of € 275 million. China is the second largest exporter of natural stone and natural stone products to the EU, accounting for 23 percent of EU imports from developing countries. Since 2000, China has registered a considerable growth in its exports by 21 percent in value and by 19 percent in volume. Brazil accounts for 16 percent of EU imports from developing countries followed by South Africa (11 percent), Turkey (8 percent), Saudi Arabia (2 percent), Iran (1 percent), Egypt (1 percent), and Vietnam (1.0 percent).

Among developing countries, the most important suppliers of raw blocks are India (€ 137 million), Brazil (€ 128 million), South Africa (€ 97 million), Turkey (€ 15 million), China (€ 10 million), and Iran (€ 10 million). In 2002 these were the only developing countries exporting over € 10 million worth of natural stone blocks to the EU (figure 5.20).

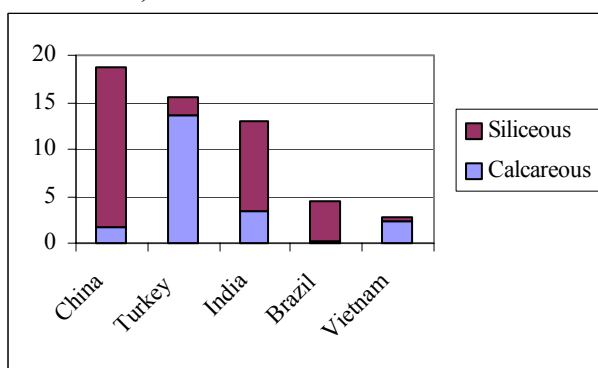
Figure 5.20 Leading suppliers of raw blocks from developing countries to the EU, in million €, 2002



Source: Eurostat (2003)

Among developing countries, the most important suppliers of natural stone tiles are China (€ 18 million), Turkey (€ 15 million), India (€ 13 million), Brazil (€ 4.4 million), and Vietnam (€ 2.6 million). In 2002, these were the only developing countries exporting over € 2.5 million worth of natural stone tiles to the EU (figure 5.21).

Figure 5.21 Leading suppliers of natural stone tiles from developing countries to the EU, in million €, 2002

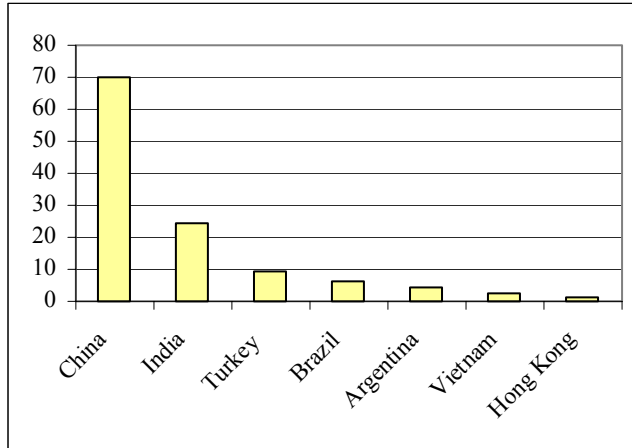


Source: Eurostat (2003)

Among developing countries, the most important suppliers of natural stone products for landscape design are China (€ 69.7 million), India (€ 24.2 million), Turkey (€ 9.2 million),

Brazil (€ 6 million), Argentina (€ 4 million), Vietnam (€ 2.2 million), and Hong Kong (€1.2 million). In 2002, these were the only developing countries exporting over € 1.0 million worth of natural stone and natural stone products for landscape design to the EU (figure 5.22).

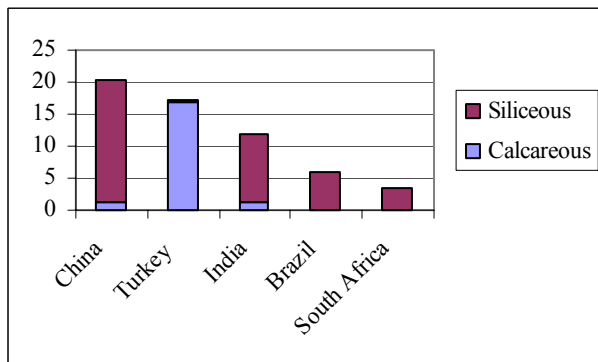
Figure 5.22 Leading suppliers of natural stone products for landscape design from developing countries to the EU, in million €, 2002



Source: Eurostat (2003)

Among developing countries, the most important suppliers of natural stone slabs are China (€ 20.4 million), Turkey (€ 17.2 million), India (€ 11.9 million), Brazil (€ 6 million), South Africa (€ 3.6 million), and Egypt (€ 2.1 million). In 2002, these were the only developing countries exporting over € 2.0 million worth of natural stone slabs to the EU (figure 5.23).

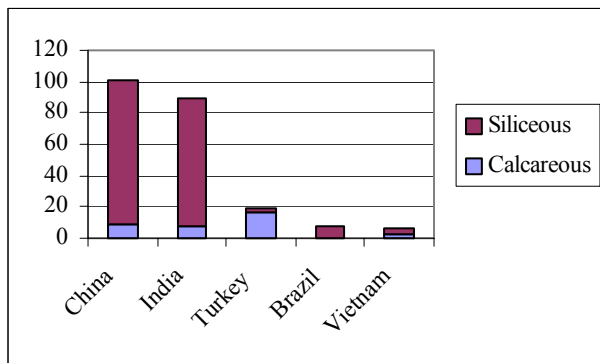
Figure 5.23 Leading suppliers of natural stone slabs from developing countries to the EU, in million €, 2002



Source: Eurostat (2003)

Among developing countries, the most important suppliers of funeral and other art are China (€ 101.4 million), India (€ 89.6 million), Turkey (€ 19.7 million), Brazil (€ 7.8 million), Vietnam (€ 6.2 million), and Pakistan (€ 4.5 million). In 2002, these were the only developing countries exporting over € 4.0 million worth of funeral and other art to the EU (figure 5.24).

Figure 5.24 Leading suppliers of funeral and other art from developing countries to the EU, in million €, 2002



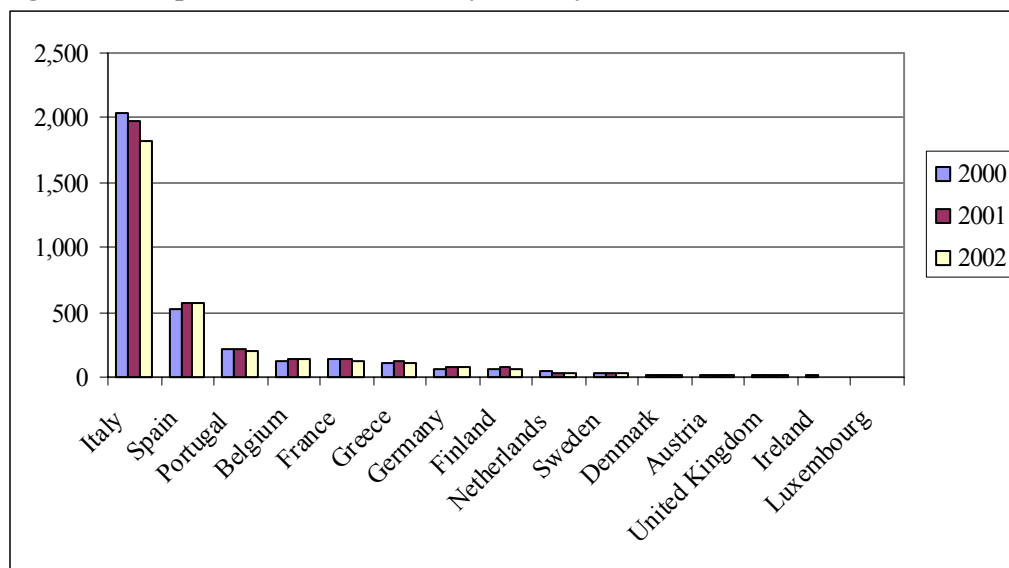
Source: Eurostat (2003)

6 EXPORTS

With respect to interpreting the data on exports of natural stone and natural stone products the same precautions are needed as for the imports, mentioned in chapter 5. Please refer to appendix 2 for more detailed export figures.

In 2002, the EU Member States exported 8,006 thousand tonnes of natural stone and natural stone products representing a total value of € 3,223 million. Between 2000 and 2002, the value and volume of total EU exports decreased by 5 percent and 6 percent respectively. The main EU exporter of natural stone and natural stone products is Italy followed by Spain, Portugal, France, Belgium, and Greece.

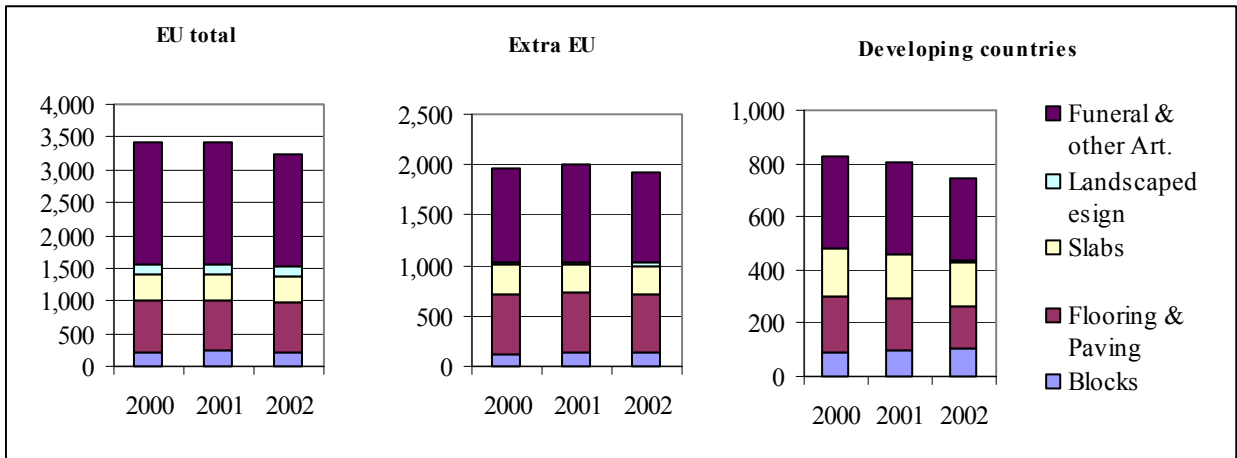
Fig. 6.1 EU exports of natural stone by country in million €, 2000 – 2002



Source: Eurostat (2003)

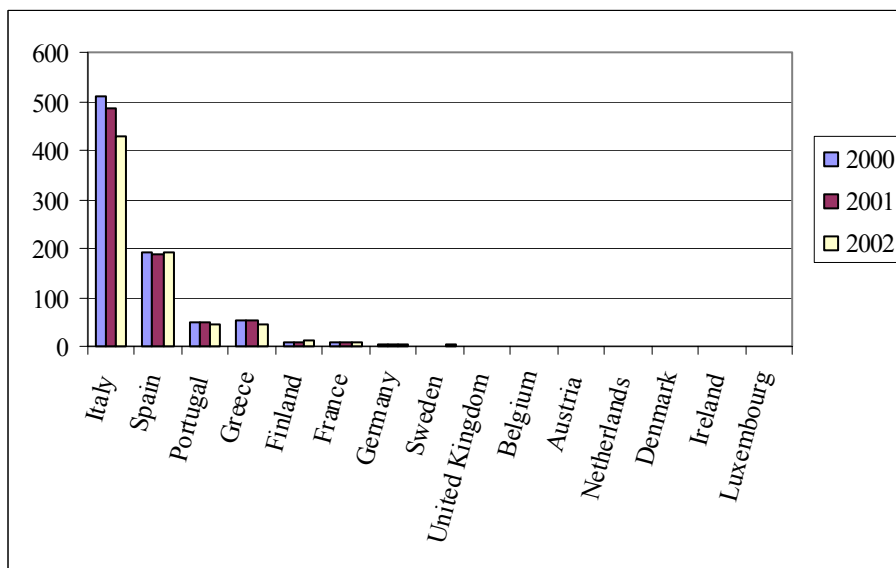
In 2002, 53 percent of the total value of EU exports of natural stone and natural stone products consisted of funeral and other art, followed by tiles for flooring and paving (23 percent), slabs (13 percent), blocks (7 percent), and natural stone products for landscape design (4 percent).

Figure 6.2 Overview of EU exports of natural stone and natural stone products in million €, 2000 – 2002



Source: Eurostat (2003)

Figure 6.3 Largest EU exporters of natural stone and natural stone products to developing countries in million €, 2000 – 2002



Source: Eurostat (2003)

In 2002, EU exported 2,468 thousand tonnes of natural stone and natural stone products to developing countries amounting to € 741 million. This represented a decrease in value and volume by 10 percent and 1 percent respectively for the period 2000-2002. In 2002, 42 percent of the total value of EU exports of natural stone and natural stone products to developing countries consisted of funeral and other art, followed by slabs (23 percent), tiles for flooring and paving (23 percent), blocks (14 percent), and natural stone products for landscape design (0 percent). Figure 6.3 shows the main EU exporter of natural stone and natural stone products to developing countries, which are Italy, followed by Spain, Portugal, and Greece.

Major destinations of EU exports

In 2002, most of EU's exports (24 percent) went to the USA. Important destinations of EU exports among developing countries are Saudi-Arabia (3,5 percent), China (2,8 percent), U.A Emirates (1,7 percent), and South Korea (1.4 percent).

Italy

In 2002, Italy sold 1,435 thousand tonnes of natural stone and natural stone products to other countries with a value amounting to € 429 million, thereby, being the largest exporter to developing countries in the EU. Since 2000 its exports to developing countries decreased by 16 percent in value and 6 percent in volume.

Spain

In 2002, Spain sold 526 thousand tonnes of natural stone and natural stone products to developing countries with a value amounting to € 191 million, thereby being the second largest exporter to developing countries in the EU. Since 2000 its exports to developing countries increased by 4 percent in volume and 0 percent in value.

Germany

In 2002, Germany sold 3,6 thousand tonnes of natural stone and natural stone products to developing countries with a value amounting to € 3.9 million. Since 2000 its exports to developing countries decreased by 2 percent in value and increased by 10 percent in volume.

Belgium

In 2002 Belgium sold 1,9 thousand tonnes of natural stone and natural stone products to developing countries with a value amounting to € 1,2 million. Since 2000 Belgian exports to developing countries decreased by 32 percent in value and increased by 45 percent in volume.

The Netherlands

In 2002, the Netherlands sold 1,5 thousand tonnes of natural stone and natural stone products to developing countries with a value amounting to € 0,5 million. Since 2000, its exports to developing countries decreased by 28 percent in value and by 7 percent in volume.

The United Kingdom

Finally, in 2002 the United Kingdom sold 1,1 thousand tonnes of natural stone and natural stone products to developing countries with a value amounting to € 1.3 million. For the period 2000-2002 the exports to developing countries decreased in value by 5 percent but increased in volume by 90 percent.

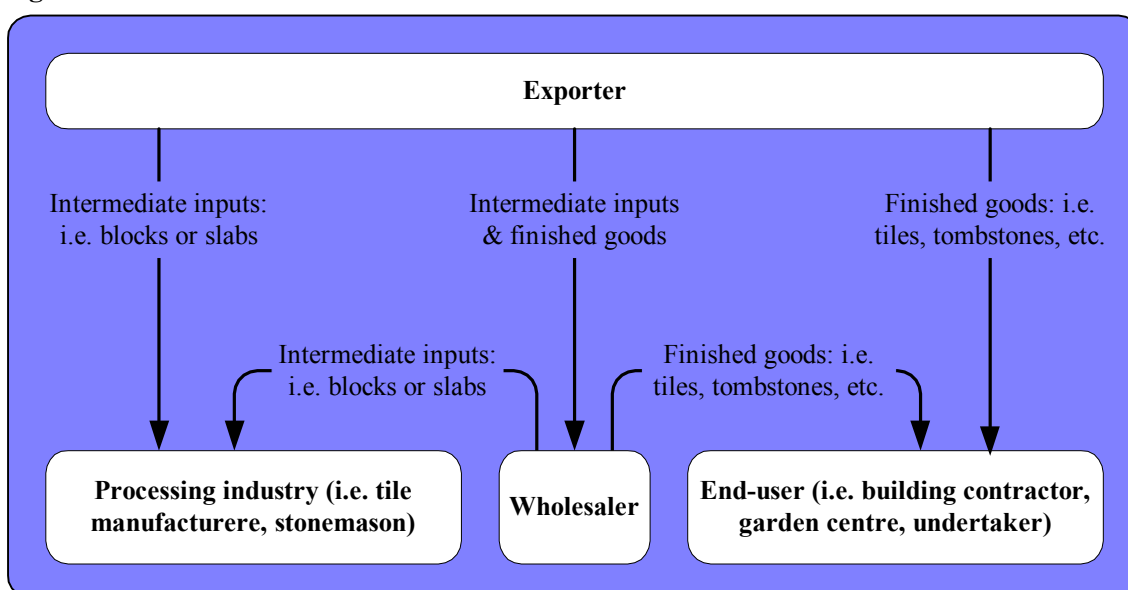
7 TRADE STRUCTURE

7.1 EU trade channels

The route from the producer of natural stones to the ultimate consumer varies with the type of product. Figure 7.1 below presents an overview of the product flows from producer to consumer for the different kind of product groups set out in chapter 1. The general trade structure within EU countries consists of two segments:

- **Importers of semi-finished products (blocks and slabs) for further self-processing**
Importers of semi-finished products are either medium or large companies in the stone processing industry, such as tile manufacturers, stonemasons, or wholesalers/importers. The processing industry consists of companies producing finished goods such as tiles, tombstones, and custom-made kitchen countertops. Large firms in the processing industry are likely to purchase blocks or slabs of natural stone themselves while small firms are more likely to purchase blocks or slabs of natural stone from wholesalers/importers. Blocks are mostly imported by Italian and Spanish companies due to a long history of natural stone exploitation and possession of sawing machines. There is a distinct difference in trade structure between Southern Europe and Northern Europe. In Southern Europe, every village has approximately two stonemasons, as this craft is more traditional. In Northern Europe, however, the trade channel is much more channelled and standardised. Besides the differences between North and South Europe - there are no differences in trade structure between single EU countries.
- **Importers of finished products**
Importers of finished products are wholesalers/importers, and end-users such as building contractors, garden centres, and undertakers. Large importers that require finished natural stone products are more likely to purchase the natural stone products abroad, while smaller firms are likely to purchase the required finished natural stone products directly via wholesalers/importers.

Figure 7.1 Trade structure within EU countries



In general it is difficult to differentiate between the wholesaler/importer and distributor since the distributor largely is also considered as the wholesaler of stone. Many of the wholesalers/importers are selling directly to the processing industry (stone manufacturer), retailers, the contractors, and architects.

Importer

The natural stone sector can be characterised as open and straightforward, and most of the importers in the marketplace know each other. The importer often stocks the material by the container/truck load, and sells locally through established stone manufacturers, distributors, retailers, or contractors, by the pallet, box, or bundle. Recently, it has also become more common for contractors, and even retailers or architect to import directly, however, still on a limited scale. Some examples of EU importers are given below:

- Antolini Luigi & C is a large wholesaler / producer in Italy. This firm has its own quarries but also buys raw blocks around the world and processes these blocks into slabs, or finished goods such as tiles for flooring or cladding, kitchen counter tops, stairs etc which are sold world-wide. The company buys all sorts of raw blocks (siliceous and calcareous) from almost all natural stone producing countries but does not buy finished goods.
- The R.E.D. group consists of eight producing companies in the principal producer countries, several agencies and five sales companies with offices and stockyards in Italy, Spain, France, Belgium, and Germany. The R.E.D. group also invests in quarry operations in developing countries and buys raw blocks from natural stone producing countries.
- In the Netherlands, the largest importer is Natuursteen Holland B.V. which purchase from developing countries products such as are granite, marble, slate, and quartzite. It is also a big importer of intermediate inputs (i.e. blocks and slabs) and finished goods (i.e. tiles for flooring and cladding and garden art). The main developing countries with which the company keeps close trading relations are India, Brazil, and South Africa. As for all European importers, the price/quality ratio of the product (including packing) stands out as the most important factor influencing the purchase decision.

Distributor

The most common situation in the EU is that importers/wholesalers largely also distribute and retail stone. The distributors role is to warehouse the stone, and to have a showroom and/or sales representative in order to show and sell stone to the retailers, stone manufacturers, and contractors. The main challenges for a distributor is to control stocks of tile, slab, and other stone products, while also mixing and matching shipments of stone. In addition, predicting and having the right stock, colour, size, and quantity a buyer might want is challenges all distributors face. As suppliers in the EU have grown in recent years competition has been increasing, which also has affected the price of stock. However, the quality or selection of stone also largely influences the level of prices, and when new stones of similar colour enter the market not well known before in the market place, the pricing of stone becomes more difficult and competitive.

Retailer/end-user

Retailers/end-users usually show samples of the wholesaler/importer, and when a job becomes available, they would buy from the company whose samples they used. Most retailers are in ceramic tile or stone fabricating yards. The knowledge that most retailer/end-users have of stone is still limited, which has led too poor promotion and sales. There is particular lack of

knowledge on how to sell the variation of natural stone, how to install it, and how to maintain it. Within the European market, there are limited possibilities for selling building materials (mainly tiles) to the Do It Yourself (DIY) market, as its usage requires professional handling. Previous experiments with the DIY market proved to be unsuccessful. The only products usually sold via retailers are setts, flagstones, and garden art.

The main reason for the unsuccessful attempt to sell natural stone products via retailers was the fact that the consumers of natural stone products were time-consuming, and thus expensive, since most consumers were not well educated about natural stone products, and therefore needed extensive assistance when buying and installing the products. The stone manufacturer will instead try to show larger quantities of stone to the buyers, and work with them on a more educated basis. The retailer, however, will usually show a much more limited sample range of the stone, and not know as much about the stone itself. Both sellers are competing with each other, and the stone manufacturers do not want the retailers to enter their domain. However, recently one can find cheap retail installers that can set stone tiles more cheaply, although not meaning the quality of such installation is better.

Lately, retailers and stone manufacturers have to, because of the growing competition, devote more space in their showrooms to display stone, and present stones that fit their clients specific demands such as colours, rustic stones, patterns and designs, trim pieces, etc. In addition, the consumer in the European market is becoming increasingly more educated about natural stone products. One can also observe an increased attention to high quality service offered by the European wholesaler. The demand for an extensive range of stones creates a dominant role for the wholesaler/importer who should possess the ability to adjust exactly to the wishes of the end customer including just-in-time-delivery.

Exporters should also realise that the Internet is becoming an important medium in trade of natural stones. Interesting links in this respect are www.findstone.com and www.marbleandmore.com. Through Internet prospective buyers can assess over 1,700 types of natural stone, and prices and direct orders can be placed. Although buying through the Internet is not optimal yet, there is a risk of getting low quality products, the Internet provides the opportunity to buy directly from the exporter.

7.2 Distribution channels for developing country exporters

The source of all natural stone is the stone quarry. The exporter in the developing country can either be the quarry owner, processor, or trader. See figure 7.1 above for an overview of the trade structure that the exporter will encounter in the EU.

For both intermediate inputs and finished goods of natural stone, the most appropriate distribution channel for exporters from developing countries is the wholesaler channel. In both segments (intermediate inputs and finished goods) the wholesaler channel accounts for the largest turnover. The other distribution channels, e.g. the processing industry and the retailer/end-user, mainly work through wholesalers.

Because of the very strong competition in EU markets, natural stone producing developing countries will have to base their competitiveness in value added natural stone products on one of the following aspects:

- Exclusive type of stone or rare colour;
- Excellent quality of natural stone resources (meeting exact sizes and excellent polishing);
- Low-cost local inputs (notably natural stone and labour) to compensate for the high costs of imported inputs (sawing installations, polishing installations);

- Higher total productivity (measured across all factors of production i.e. natural resources of stone, labour, capital, and knowledge);
- Superior quality of products (including design); and
- Fulfilment of delivery criteria (always deliver in time), and packaging and labelling requirements.

In theory the relationship between EU producers/traders and developing countries can take shape through international trade, foreign direct investment (FDI), or a joint venture. In the trade relationship, the European company looks for a good price/quality ratio of the intermediate or finished product offered by the supplier. Investors tend to look for established local partners who can provide cost advantages through lower labour and transport costs. However, joint ventures in the natural stone industry between European producers and companies in developing countries have so far been rare. Because of the highly competitive natural stone business with many suppliers already existing in the market, EU importers tend to be reluctant in tying themselves to one supplier through a joint venture. The natural stone market is very much characterised as free, highly competitive, and with prices constantly being pushed down. EU importers therefore prefer to be flexible in their decision on which supplier to use. Because of the many suppliers it is important that exporters from developing countries are organised and present themselves in the EU market by visiting trade fairs, and EU importers. It should however also be noted that EU importers largely prefer long-term business relationship that allows for decreasing the risk of bad quality products or problems with delivery. Therefore, exporters from developing countries should try to establish long-term relationships with EU importers even if not through a joint venture.

Table 4.1 below presents a stone industry investment profile as set-up by the Namibian foreign direct investment promotion agency. The profile draws a rough picture of a EU company (the investor), the recipient company, the type and size of investment, the factors motivating the investment, and the location requirements.

Table 7.1 Typical stone industry investment profile

Investing company profile	Medium- and large dimension stone quarrying and processing firms
Recipient profile	High-quality raw material deposits with adequate transportation infrastructure
Method of entry	Greenfield and acquisition in quarrying, joint venture in processing
Type of investment	Equity, technology, marketing expertise
Typical investment (US\$ million)	2-5
Typical employment per project	40-80
Orientation of investment	Export
Factor motivating FDI	Access to raw materials; low processing costs for established, large deposits
Typical location requirements	High-quality raw material Low-cost labour Transportation access Water

Source: Namibia trade and investment mission, 1998

8 PRICES AND MARGINS

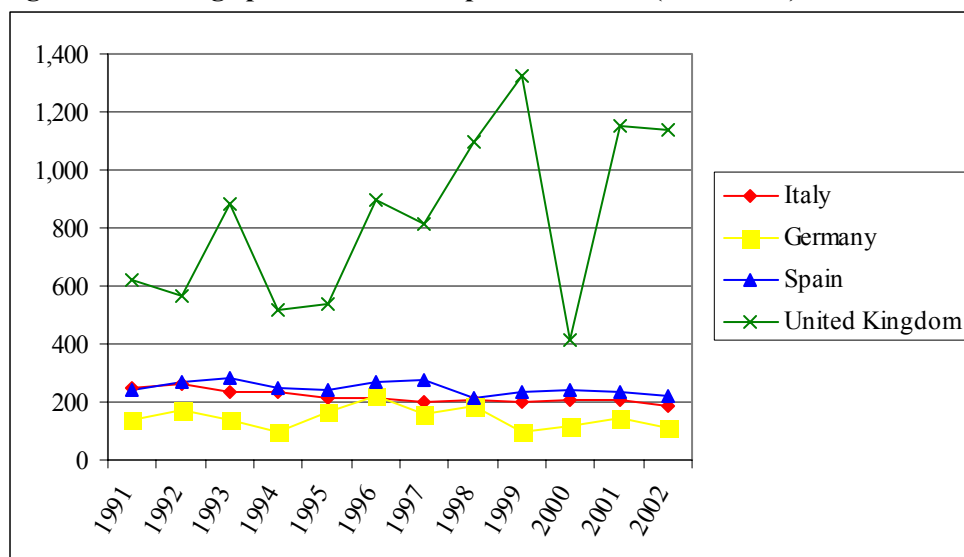
8.1 Price developments

In general the average unit price level of natural stone and natural stone products has been falling due to an expanding supply fuelled by technical progress. The link between consumption and prices has become more pressing. Also, wide price fluctuations exist, with variations depending on product quality and changing preferences for different stone types and sizes. Within the EU, raw block prices are subject to tougher competition than slabs and finished goods due to the inflow of cheaper material from low cost producing countries such as China, India, and Turkey⁹.

Regardless of price competition, there are some types and colours of stone, which will always be highly priced, due to their limited availability (e.g. green marble and blue marble). Black granites are also particularly highly priced because of their limited availability and higher production costs. Next to issues like production costs and consumer demand, the analysis of average prices is influenced by variations in exchange rates. In addition to the quality of the (semi-) finished product, prices also depend on the distribution channel used. The amount of agents within the trade channel is especially relevant, as every agent will charge a certain amount of commission. Also note that in the case of large quantities, or frequent customers, discounts between 5-15 percent are normal within the natural stone business.

As can be seen from figure 8.1 below, the United Kingdom has during the period 1991-2002 experienced strong price fluctuations in average import prices for raw calcareous goods, and on a much higher average level than Spain, Germany, and Italy, where a more stable pattern can be registered in average import prices. Between 2001 and 2002 the main negative changes in average prices for raw calcareous goods were registered in Germany (-22 percent) followed by Italy (-8 percent), and Spain (-6 percent).

Figure 8.1 Average prices of stone import to the EU (1991-2002), Raw Calcareous, €/ton

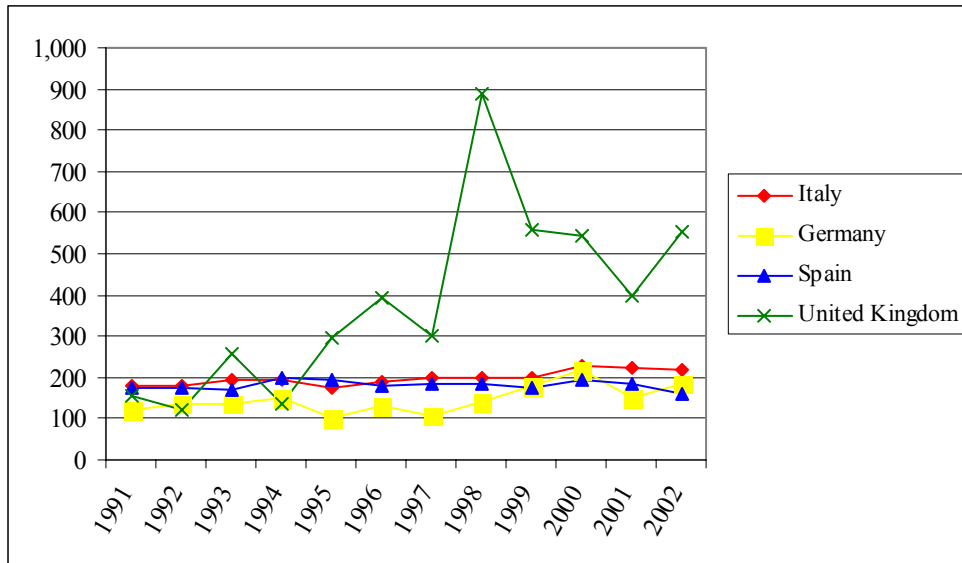


Source: Stone 2003, World Marketing Handbook

⁹ Stone 2003, World Marketing Handbook.

Figure 8.2 below similarly indicates that average EU import prices for raw siliceous goods have fluctuated strongly in the United Kingdom during the period 1991-2002, and on a higher level than for Spain, Germany, and Italy, where a slightly positive trend can be registered for the period 1991-2002. Between 2001 and 2002 Spain registered a negative growth rate of average import prices for raw siliceous goods (-13 percent), and the United Kingdom and Germany registered positive growth rates with 40 percent and 22 percent respectively.

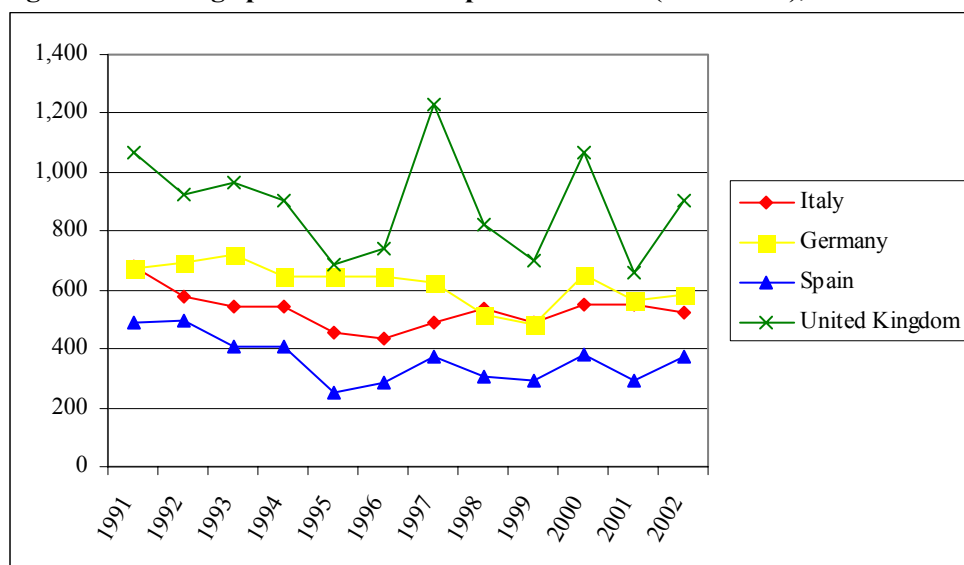
Figure 8.2 Average prices of stone import to the EU (1991-2002), Raw Siliceous, €/ton



Source: Stone 2003, World Marketing Handbook

Average import prices and growth rates for processed stones in figure 8.3 have had somewhat different development than that of average import prices for raw calcareous and siliceous goods. On average the price level is higher, and stronger fluctuation within individual countries can be registered. For Spain, Italy, and Germany a negative trend can be registered for the period 1991-2002. However, between 2001 and 2002 considerable positive growth rates could be registered for the United Kingdom (37 percent) and Spain (26 percent), while Italy experienced a negative growth rate of 5 percent in average import prices for finished stones between 2001 and 2002.

Figure 8.3 Average prices of stone import to the EU (1991-2002), Processed Stones, €/ton



Source: Stone 2003, World Marketing Handbook

As can be noticed from all the above figures the United Kingdom has experienced a considerably higher level of average import prices and with stronger fluctuations compared to Germany, Italy, and Spain. One factor that can explain this patterns is the much lower numbers of wholesalers in the United Kingdom. Consequently, imports to the United Kingdom are made directly by stonemasons, often in much smaller quantities compared to imports from wholesalers, and thus pressing up the import prices. In addition, Italy and Spain possesses one of the world's largest processing industries that significantly contribute to the large quantities of imports, which is pressing down import prices in Italy and Spain.

Below, table. 8.4, 8.5, and 8.6 present examples of Dutch, Spanish, and Italian market prices for marble and granite products of standard sizes. These prices are market prices, and include delivery when the order is sufficiently large (more than 1,000 kg). Table 8.7 presents examples of Dutch market prices of finished gravestone for the most common materials.

Table 8.4 Example of Dutch market prices for strips, tiles and slabs, €

	Price*	Marble "Crema Marfilza"	Granite" Balmoral"
Strips 30cm x free length	€/m ²	45	54.5
Tiles 40cm x 40cm	€/m ²	45	-
30.5cm x 30.5cm	€/m ²	48	54.5
Slabs Thickness 2cm	€/m ²	48	59
Thickness 3cm	€/m ²	62	79

* Excluding VAT

Table 8.5 Examples of Spanish market prices for tiles and slabs, €

	Price*	Marble "Crema Valencia" (polished)	Granite "Oasis Creme" (honed)
Tiles 40cm x 40cm	€/ m ²	40	18
30.5cm x 30.5cm	€/ m ²	42	21
Slabs Thickness 2cm	€/ m ²	44	19
Thickness 3cm	€/ m ²	59	26

* Excluding VAT

Table 8.6 Examples of Italian market prices for blue colour marble, €

	Price*	"Blue Barracuda"	"Blue King"	"Lapis Lazuli Original"
Slabs Thickness 2cm	€/ m ²	75	434	785
Thickness 3cm	€/ m ²	99	591.5	1.057

* Excluding VAT

Table 8.7 Examples of Dutch market prices for finished gravestone, €

Gravestone (standard model)	Price* €/ m ²
Thickness 5cm	344
Thickness 6cm	354
Thickness 8cm	374
Thickness 10cm	394

* Excluding VAT

Note that above-mentioned examples of prices for gravestones in table 8.7 applies for the most common materials, which are Paradiso, Himalaya, Wiskont Weiss, Regal, Black, New Dakota, Multicolour Green, Multicolour Rot, English Teak, Orion, and Black.

8.2 Sources of price information

Websites providing price information are:

- <http://www.marbleandmore.com>
- <http://www.findstone.com>,
- <http://rvkfloors.com/marble.htm>
- <http://www.stone-network.com/>
- <http://www.stonesource.com/>

On these sites you can, among other things, find prices of (semi-) finished natural stone products, machinery (new and second-hand), and chemicals.

9 EU MARKET ACCESS REQUIREMENTS

9.1 Non-tariff trade barriers

This section describes the main non-tariff barriers in the EU affecting trade in natural stone and natural stone products. Regulations and market forces regarding quality, health safety and, environment affecting market access to the EU will be discussed in section 9.2.

Quality and Grading Standards

European standards for natural stone and natural stone products have recently been under development, and there is currently an increasing attention for the environmental aspects of all building materials, including natural stone. Most EU countries still apply their own set of standards, although there is a definite trend towards harmonisation of standards in the EU. The European Committee for Normalisation (CEN) is the organisation that set the norms and applies the standards through a system of testing and issuing certificates to stone producers whose products meet the standards. More information can be found on the CEN website <http://www.cenorm.be/>.

EU Directives

Among the measure adopted by the European Commission for the building of a common market, a series of objectives have been developed for harmonisation of certain products. One of these is the Directive 89/106/CEE of the Council (21 December 1988), which specifies the legal, regulatory and administrative disposition of the EU member states for the construction of industry products. Via compulsory CE marketing, this Directive is designed to create a single market for construction products showing compliance with regulations.

The development of the Directive has consisted in the elaboration of technical norms in which the CEN has been put in charge of. Five technical commissions (TCs) have been set up with regard to standardising test methods for natural stones and natural stone products:

- CEN/TC 246 whose objective is to produce definitions, requirements and test methods for natural stones, relating to rough blocks, slabs, and semi-finished and finished products intended for use in buildings and monuments.
- CEN/TC 178 whose objective is to produce harmonised European standards for paving units of various materials (including natural stone) for external and internal use (e.g. setts and kerbstones).
- CEN/TC 125 (WG1 TG6) “Natural stone for masonry and bricklaying (manufactured masonry units)”
- CEN/TC 128 “Products (slate and stone) of discontinuous installation for coverings and wall cladding ”
- CEN/TC 154 SC4 “Aggregates and armour stone”

Please refer to the CEN website (<http://www.cenorm.be/>) for more information on the above mentioned TCs.

Recent developments are that from October 2003 a CEE trademark will guarantee the quality of stone in the union to stone producers, architects, planners, and other final users of natural stone material. The trademark will provide stone producers with a certified guarantee of quality,

which they can offer to their customers, thus giving the product added value. In order to be able to be freely distributed within the EU building material needs to comply with certain standards and technical norms.

The European standards are becoming the norm in European building projects as these norms are increasingly requested in the terms of references for large building projects. For the natural stone sector this means having to pay more attention to changes in building law and tackle new test standards. The natural stone sector must also adjust to the harmonization of national standards associated with the integration of Europe. When the product requirements have been approved, adherence to the requirements is compulsory. It is required that the supplier or manufacturer of the natural stone products shall be responsible for the assessment and attestation that the products offered are in conformity with the requirements of the published standards.

Current status of standards and norms

Table 9.1 below provides an overview of adopted and published work items in the CEN/TC 246, and table 9.2 provide an overview of ongoing work items that are still under development in the CEN/TC 246. Table 9.3 provides an overview on the adopted and published work items in CEN/TC 178, and table 9.4 provides information on the ongoing work items in CEN/TC 178. Note that these tables are not complete, and only provide an overview. For updated and complete lists of CEN/TC 246 and CEN/TC 178 please refer to <http://www.cenorm.be>. For the latest developments in the CEN/TC 125, 128 and 154 please refer to the CEN website.

Table 9.1 Overview of adopted and published work items CEN/TC 246¹⁰

EN NORM	Description	Current Status
EN 12670	Natural stone Terminology Provides the recommended terminology covering scientific and technical terms, test methods, products, and other uses of Natural Stone.	Adopted
EN 1925	Natural stone test methods Determination of water absorption coefficient by capillarity	Adopted
EN 1926	Natural stone test methods Determination of compressive strength	Adopted
EN 12372	Natural stone test methods Determination of flexural strength under concentrated load	Adopted
EN 12371	Natural stone test methods Determination of frost resistance	Adopted
EN 13364	Natural stone test methods Determination of the breaking load at dowel hole	Adopted
EN 12407	Natural stone test methods Petrographic examination	Adopted
EN 14205	Natural stone test methods Determination of Knoop hardness	Adopted
EN 14066	Natural stone test methods Determination of resistance to ageing by thermal shock	Adopted
EN 14231	Natural stone test methods Determination of the slip resistance by means of the pendulum tester	Adopted
EN 1467	Natural stone - Rough blocks – Requirements	Adopted
EN 1468	Natural stone - Rough slabs – Requirements	Adopted

¹⁰ As of 2004-02-11. For an updated and complete list please refer to www.cenorm.be.

Table 9.2 Overview of ongoing work items CEN/TC 246¹¹

EN NORM	Description	Current Status
PrEN 14581	Natural stone test methods Determination of thermal expansion coefficient	Under the enquiry procedure
PrEN 14579	Natural stone test methods Determination of sound speed propagation	Under the enquiry procedure
PrEN 14157	Natural stone test methods Determination of the abrasion resistance	Available for the formal vote
PrEN 14580	Natural stone test methods Determination of static elastic modulus	Under the enquiry procedure
PrEN 14146	Natural stone test methods Determination of the dynamic modulus of elasticity (by measuring the fundamental resonance frequency)	Being prepared for publication
PrEN 14158	Natural stone test methods Determination of rupture energy	Being prepared for publication
PrEN 12057	Natural stone products Modular tiles requirements	Available for the formal vote
PrEN 1469	Natural stone products Slabs for cladding requirements	Available for the formal vote
PrEN 12059	Natural stone products Dimensional stone work requirements	Undergoing the formal vote
PrEN 12058	Natural stone products Slabs for floors and stairs Requirements available for the formal vote	Available for the formal vote

Table 9.3 Overview of adopted and published work items CEN/TC 178¹²

EN NORM	Description	Current Status
EN 1338	Document Concrete paving blocks - Requirements and test methods	Adopted
EN 1339	Document Concrete paving flags - Requirements and test methods	Adopted
EN 1340	Concrete kerb units - Requirements and test methods	Adopted
ENV 12633	Method of determination of unpolished and polished slip/skid resistance value	Adopted
EN 1344	Clay pavers - Requirements and test methods	Adopted
EN 1341	Slabs of natural stone for external paving - Requirements and test methods	Adopted
EN 1342	Setts of natural stone for external paving - Requirements and test methods	Adopted
EN 1343	Kerbs of natural stone for external paving - Requirements and test methods	Adopted

Table 9.4 Overview of ongoing work items CEN/TC 178¹³

EN NORM	Description	Current Status
Work item 00178014	Specification for tactility/visibility for rigid flooring products	Being examined by the CEN/TC

¹¹ As of 2004-02-11. For an updated and complete list please refer to www.cenorm.be.

¹² As of 2004-02-11. For an updated and complete list please refer to www.cenorm.be.

¹³ As of 2004-02-11. For an updated and complete list please refer to www.cenorm.be.

Sizes of natural stone and natural stone products

There are no pre-set dimensions for the natural stone and natural stone products described in chapter one. For intermediate inputs such as blocks and slabs the size is determined by the machinery used in the extraction, the production process, and by the weight limits imposed by the mode of transportation. For finished products such as tiles and cobblestones, the most commonly used measures are provided in table 9.5. It should be noted that correct sizes are of utmost importance when exporting to the EU markets. If the product does not meet the size requirements, it may be difficult to sell the product on the EU market. Meeting the exact requirements in sizes will give the exporter a much better competitive position on the EU market. It is important to check with the EU trade partner what the specific size requirements are.

Table 9.5 Common sizes of natural stone and natural stone products (in mm)

Length	Width	Thickness / depth
Stones for outside paving 300 – 900	300 – 900	40 – 80
Tiles* 300 – 1200	300 – 600	10 – 30
Slabs 600 – 2,800	600 – 1,600	20 – 30
Blocks 2,500 – 3,000	1,000 – 1,500	1,200 – 1,800

* Wall tiles have generally a thickness of 10 mm, the thickness of floor tiles range from 10 mm to 30 mm.

Quality management ISO 9000

The International Organisation for Standardisation (ISO) developed the ISO 9000 series for quality management and assurance of the production process. The ISO 9000 standards represent an international consensus on the essential features of a quality system. In general, it can be stated that products who have obtained an ISO 9000 series certificate possesses an important asset since it is a major selling point when doing business in the competitive EU market. Quality, health, safety, and environmental management programmes are usually strongly interwoven with the overall ISO management plan. Importers in the EU highly appreciate this production quality guarantee. It must be noted however, that certification to the ISO quality management standard is a voluntary process, and in the international stone business ISO 9000 has not yet become an important issue. Please see the ISO website, www.iso.ch, for up-date information and overview of all ISO 9000 standards.

9.2 Trade-related Environmental, Social, and Health & Safety issues

Environmental issues

During recent years, “the environment” has become an important issue in international trade. On the one hand, this is because of environmental legislation, and on the other hand, it is because of the fact that environmental policy is increasingly executed through market forces such as environmental labels and management systems. Environmental issues can be both product- (product legislation and labels) and process-related (such as process labels and management systems).

On the level of the EU as well as its member states product legislation is developed in order to reduce the negative environmental impact of products. This is resulting in standards on the use

of pollutants, such as hazardous substances in products. This kind of legislation is of special importance for companies exporting to the EU, because this legislation is compulsory for all products traded in the EU, no matter where the products are produced.

Issues such as (environmental) Life Cycle Assessment (LCA) of products, Cleaner Production (CP), and Eco-design have all become important tools for companies to improve the environmental performance of their products and production processes. However, in order to be able to use the environmentally sound approach of a company towards its products and production processes, 'green' marketing tools such as ecol-labels (for products) and environmental management standards (for the whole organisation) have been created both by governments and private parties. Applying these 'green' marketing tools will increase the potential market as consumers in Europe are becoming increasingly sensitive to ecological friendly products.

Social issues

Social issues are becoming increasingly important in international trade, and concern both general labour conditions, such as minimum wage and maximum working hours, as well as health and safety of the employees. Exporters to the EU are not obliged to comply with legislation on labour conditions in the countries of the EU. Companies in developing countries only have to comply with legislation in their 'home' country. However, social issues are becoming increasingly important in Western countries and therefore in international trade.

Health and safety issues

Consumer health and safety has also become an important issue in international trade. Public authorities, European consumers, and industries themselves are extremely sensitive to any negative impact a product may have during or after its use. Consequently products not meeting the requirements have fewer chances in the market.

The EU has set an enormous quantity of legislation to protect consumer health and safety. The standards are mostly related to requirements on the end product. However, there seems to be a trend towards more attention to "tracking and tracing in the production chain", in order to control the product through its life cycle.

EU eco-labels

In 1992 the voluntary EU eco-label was established. This certification scheme aims to help European consumers to distinguish greener and more environmentally friendly products and services. The purpose is to promote products with a reduced environmental impact and to provide consumers with accurate information on the environmental impact of products. For more information visit the EU eco-label website <http://www.eco-label.com>.

On the 25th of March 2002 the ecological criteria for the award of the Community eco-label to hard floor coverings (2002/272/EC) was established. This criteria will be valid until 31 March 2006, with a possible extension to 31 March 2007. In the feasibility study of wall and floor coverings, the European Commission found that the European market for natural stone floor coverings is large enough for the creation of an eco-label, and will react positively to a European eco-label. The Eco-label for hard floor coverings applies to natural stones, agglomerated stones, concrete paving units, terrazzo tiles and clay tiles. For more detailed information on European eco-label and the criteria for hard floor coverings please refer to http://europa.eu.int/comm/environment/ecolabel/producers/pg_hardfloor.htm.

CE Marking

Importers to the EU should pay attention to the CE marking, which indicates that the product complies with the harmonized standards (see section 9.1) and that all obligations arising from the EU directives have been respected. The CE marking is neither a mark of origin nor a quality mark, and producers from third countries are enabled to label their products with CE mark. The CE conformity marking consists exclusively of the letters “CE” in the specified form, followed by:

- The name or identifying mark of the producer;
- The last two digits of the year in which the marking was affixed;
- Where appropriate, the number of the EC certificate of conformity; and
- Where appropriate, indications to identify the characteristics of the products on the basis of the technical specifications.

The CE-marked product may also bear different marks arising from other systems, such as voluntary quality marks or voluntary standardization mark. Please consult CBI’s AccessGuide for more information.

MPRI and DUBO

MRPI (Environment Related Product Information) labels have recently been introduced in the Dutch market. These MRPI labels are not legally obliged and currently no MRPI label for a natural stone product has been issued. The labels will be required in the future for materials used in the Dutch building industry. More information about MRPI labels can be obtained at the website of “Stichting MRPI” (<http://www.mrpi.nl>).

In the Netherlands as well as in Germany, “sustainable building” is an important element of environmental policy. Attention is increasingly paid to the environmental impact of urban development, the individual building, and the use of building materials. The Dutch government wants to stimulate sustainable building in the private and public sector and has introduced an information package called the “Dubo-pakket”. A method to determine and compare the environmental impact of different materials is currently being developed. The so-called “milieumaten” (environmental scores) provide an overview of the raw material and energy use, and production of waste and emissions during the entire life cycle of a product. The buyer of these products is thus able to compare the environmental scores of the different products.

Though sustainable building is a serious issue, it has no legislative status. For consumers, project developers, architects etc. it does not play a decisive role in their choice of building materials. Nonetheless, for exporters from developing countries able to supply “green” (i.e. produced with little environmental impact) building materials, the Dubo-policy may provide extra marketing advantage. More information about the Dutch Dubo-pakket can be obtained from the Nationaal Dubo Centrum in The Netherlands (<http://www.dubo-centrum.nl/>).

An additional useful information source is the CBI’s Access Guide, which is CBI’s database on European non-tariff trade barriers related to environmental, social and health and safety issues. CBI’s website provides more information on this (<http://www.cbi.nl/accessguide>).

Packaging, Marking and Labelling

Deliveries from developing countries generally have a long distance to go before reaching their destination. Therefore, it is very important that close attention is paid to seaworthy and solid packaging. Items, which can easily be damaged, moulded, or chapped, must therefore be packed carefully and securely.

Environmental considerations have become more important for all products in the European

Union, in determining the legal requirements for packaging and labelling. The EU Directive 94/62/EC on Packaging and Packaging Waste sets common objectives for all member countries for the recovery and the recycling of packaging. By law, from July 1996 onwards, all EU member states had to have a packaging waste recycling system in operation. In general, an exporter can make his contribution by taking the following measures:

- Take care that packaging materials (transport packaging) are limited and as much as possible of the same kind and could be re-usable or recyclable;
- Try to combine products and make larger shipments, instead of frequently shipping small quantities; and
- Try to develop re-usable and multi-functional foils with, for example, snap fasteners so that the same foil can be used again for (domestic) packaging purposes.

Apart from the safety aspects and the protection against damage, the focus of packaging is definitely on environmental friendliness and sales promotion. This means, among other things, that it should be considered whether returnable systems could be used on a much greater scale than before. For more information on effective, economical, and environmentally friendly packaging, please see the ITC web site, <http://www.intracen.org/ep/>. A number of export packaging publications can also be found on this website, for example, “Guidelines for safe and environmentally acceptable export packaging”. In addition, for more information on packaging, please refer to CBI’s database on European non-tariff trade barriers “AccessGuide” at <http://www.cbi.nl/accessguide/>.

Packaging, marking and labelling of natural stone and natural stone products

It should be noted that next to the price of the natural stone product, good packaging, marking and labelling are very important criteria for EU importers. Not meeting the requirements of packaging, marking, and labelling could mean lost customers and business opportunities. Thus, by meeting all the requirements the exporter can increase his/hers competitive position. Below, useful examples and guidelines are given of packing and labelling for blocks, slabs, tiles, tombstones and some other finished products.

Blocks

Packing

Blocks are not separately packed: they are placed directly in the ship.

Marking / labelling (see figure 9.1)

Marking is painted on the stone itself. A number indicating its place of origin and quarry number should be painted on the stone. In addition, the stone’s destination should be indicated.

Figure 9.1 Markings on a granite block



Slabs

Packing

Slabs are transported on wooden racks; a plastic sheet is put between the polished sides in order to prevent scratches on the surface. Several slabs are held together by steel wire.

Marking / labelling

The number of slabs held by the rack and the stone type should be indicated.

Tiles (see figure 9.2 – 9.5)

Packing

Tiles are packed in inner-boxes (cardboard / polystyrene foam), which are stacked in wooden crates. Each inner-box preferably holds 1 m² of tiles (often 25 – 30 tiles). The wooden crates are designed to take full advantage of the 20-foot container. The wooden crates are often 115 cm x 100 cm x 100 cm.

- The use of polystyrene foam results in stable packing inside the wooden crate.
- Plastic may protect the outside row of the wooden crate.
- The wooden crate can be held together by steel wire.

Marking / labelling

No labelling is required on the inner boxes.

The following should be mentioned on the wooden crates:

- Description of the stone type
- Dimensions of the tile
- Number indicating the raw granite block from which the tiles are made

Figure 9.2, 9.3, 9.4, and 9.5 Packing and marking of tiles



Tombstones

Packing (see figure 9.6)

- Tombstones are not shipped in one piece. Similar parts of different tombstones are packed together in order to make optimal use of the container space.
- The crates are sized in such a way that the available container space is used an optimal way.
- The use of polystyrene and polystyrene foam results in stable packing inside the wooden crate. Plastic can protect the individual items and the outside row of the wooden crate. The wooden crate can be held together by steel wire.
- Each crate is on average not heavier than 900 kilograms because of the capacity of forklift trucks.

Marking / labelling

The following should be mentioned on the wooden crates:

- Description of the stone type
- Product description
- Dimensions
- Number of products inside the crate

Figure 9.6 Packing of tombstones



Other finished products

	Packing	Marking / labelling
Garden art	Packed in crates, use hay / straw in order to absorb shocks during the trip.	Material Product description Number of products inside the crate
Flagstones	Packed in crates, use hay / straw in order to absorb shocks during the trip.	Material Product description Number of products inside the crate
Cobble stones	Either shipped in crates, on pallets, by container or by shipload	Product descriptions, sizes, weight.

9.2 Tariffs and Quotas

In order to support the export from developing countries, the EU operates the Generalised System of Preferences. Under the GSP scheme of the EU (Regulation 2501/2001/EC), imports from a number of developing countries are admitted at a reduced tariff and imports from a group

of least-developed countries at a zero tariff. The EU Commission has established a new scheme of preferential rights for the period from 1 January 2002 to 31 December 2004. This new scheme has formally been published under Regulation 2501/2001/EC in the Official Journal Nr. L 346/1. Please refer to the European Commission website, http://europa.eu.int/comm/trade/issues/global/gsp/legis/index_en.htm, for more information.

In addition to GSP, the EU has established several trade agreements for different groups of partners, which result in deviation from the general rates of duty. The most significant group of countries with which the EU has a special trade agreement is the group of African, Caribbean and Pacific countries (the so-called ACP countries) under the Cotonou (formerly Lomé) Convention. Over the years more countries of the Asian, Pacific and African region have joined the ACP Group. The ACP Group now consists of 77 countries. For an overview of the members of the ACP Group please refer to <http://www.acpsec.org/>. According to this agreement, goods originating in the ACP countries are subject to lower import tariffs. To obtain this lower tariff, an 'EUR 1' form is needed, which is issued by the Customs of the exporting country.

Moreover, the EU Council of Ministers have approved the "Everything But Arms (EBA)" initiative, which eliminates duties and quotas on all products except arms from the 48 least developed countries. This duty- and quota-free access started in March 2001. Please refer to the European Commission website, http://europa.eu.int/comm/trade/issues/global/gsp/eba/index_en.htm, for more information.

The integrated tariff of the community, TARIC, with all third countries and preferential duty rates applicable can be found at http://europa.eu.int/comm/taxation_customs/databases/taric_en.htm. Table 1.6 provides an overview of the import tariffs and the type of VAT rates for natural stone and natural stone products.

Table 9.6 Tariffs for natural stone and natural stone products

HS Code	General tariff	SPGA / SPGE	VAT
2515	0		Standard rate
2516	0		Standard rate
6801	0		Standard rate
6802	0	0	Standard rate

When searching for up to date information on tariffs the HS code of the product concerned often needs to be mentioned (detailed list of HS codes can be found in Appendix 1). At the European Commission web site http://europa.eu.int/comm/taxation_customs/dds/en/tarhome.htm you can search for EU tariff information via HS code and country of origin.

Value Added Tax

It is important to note that the overseas exporter is not involved in paying VAT. The EU importer is responsible for the declaration to the local authorities that he has purchased goods from overseas at a zero VAT rate. As soon as he sells the goods locally, he must charge his customer the appropriate VAT on his invoice, declare this to the local authorities, and make the appropriate payment to them. Information on VAT may nevertheless be useful in understanding the price structure in different countries. An overview of the VAT rates applied in the EU Member States of the European Union is provided in table 1.7 below.

Table 9.7 VAT rates applied in the EU Member States*

Member States	Standard Rate
Belgium	21
Denmark	25
Germany	16
Greece	18
Spain	16
France	19.6
Ireland	21
Italy	20
Luxembourg	15
Netherlands	19
Austria	20
Portugal	19
Finland	22
Sweden	25
United-Kingdom	17.5

*Situation as per May 1, 2003 (European Commission)

**PART B: EXPORT MARKETING GUIDELINES: ANALYSIS
AND STRATEGY**

PART B

How do you get involved in the international marketplace? How much time and money will it take? Should you make exporting part of your business plan? Which actions should you undertake to successfully export to the EU market? Should you get involved in exporting at all? These questions are what part B of this survey is all about: to assist in deciding whether or not to export to the EU, and to provide a roadmap of how to go about exporting. Part B will provide practical information about export planning, and help in evaluating possibilities of exporting to the European markets.

Basic questions an exporter must ask him/herself are:

- What to export?
- To which markets?
- Through which channels?
- At what prices?

In order to assist the exporter in answering these questions Part B has been structured into the following way:

1. External Analysis (chapter 10)

Chapter 10 describes how to analyse the external environment (market audit) in order to identify suitable markets and other relevant external factors for selling natural stone and natural stone products in the EU. This external analysis will result in an overview of opportunities and threats in the market.

2. Internal Analysis (chapter 11)

Chapter 11 describes how to analyse the internal environment (company audit) in order to assess your company's performance in respect to product standards, logistics marketing, financing, and capabilities to internationalise. This internal analysis will result in an overview of strengths and weaknesses of the exporter's firm.

3. Decision Making (chapter 12)

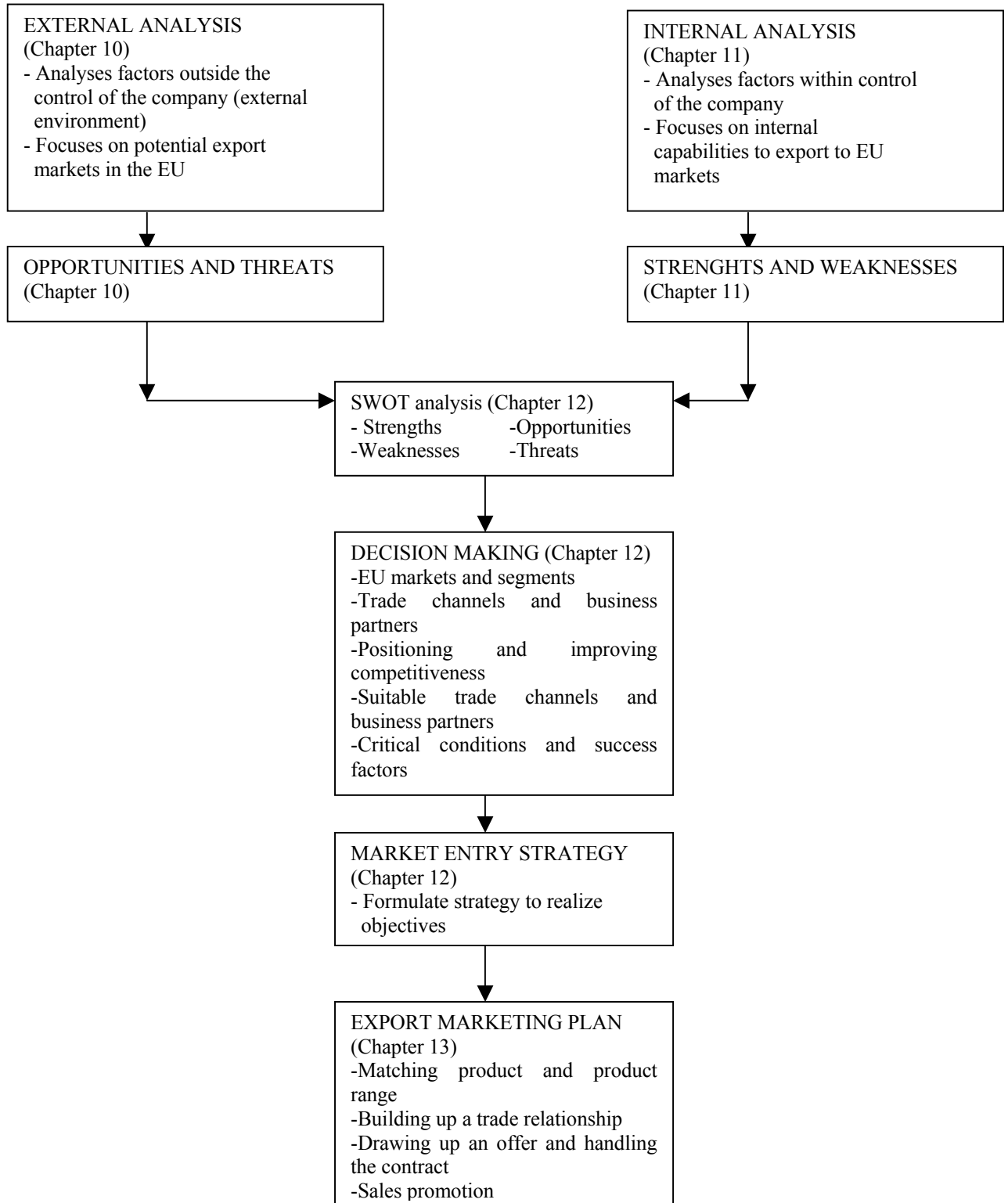
Chapter 12 then explains how to formulate your business/export objectives on the basis of the SWOT analysis (your company's strengths and weaknesses versus the market's opportunities and threats). By matching opportunities in the market with the strengths of the company, the exporter will be able to identify suitable export products, target countries, market segments, and possible trade channels.

4. Marketing Tools (chapter 13)

All the above issues, together with the marketing tools provided in Chapter 13, should enable the exporter to formulate an export marketing strategy for the introduction of natural stone and natural stone products on EU markets.

It should be noted that the information provided in part A of this survey forms an essential element in the analysis described in this part B. Therefore, where relevant, reference will be made to the concerning sections in part A.

Schematically, the analysis described in Part B requires the following strategic steps:



10 EXTERNAL ANALYSIS: MARKET AUDIT

The external analysis answers questions such as: Is there a market for natural stone and natural stone products? If yes, how large is the market, which country is the best to enter, and what are the chances of success. This external analysis will assist the exporter to identify suitable markets segments, sales channels, and other relevant factors. The analysis will also provide an input for the opportunities and threats of the SWOT analysis (see chapter 12).

Market research

Before actually exporting natural stone and natural stone products to the EU, a selection has to be made of suitable export products, target countries, market segments, and possible trade channels. The external analysis assists the potential exporter in making this selection and identifying market opportunities. In order to prepare an external analysis, extensive market research is necessary (please see CBI's 'Your guide to market research' for general information on this subject). Markets should be researched using primary as well as secondary data sources, where the sources of information can be categorised into desk research and field research:

Desk research

Desk research is secondary information gathering others have already assembled. The following sources are available to conduct additional desk research:

- *Internet*
This is an important source of information. Much information is freely obtainable, and for more detailed and specific information fees often should be paid. For Internet sites relevant to natural stone and natural stone products, see the websites mentioned in appendix 3 and 5.
- *Market studies*
Organisations like CBI and ITC provide market studies for natural stone and natural stone products.
- *Trade magazines*
Trade magazines are valuable sources for current information, trends, and developments in the natural stone sector. Please see section 13.5 and appendix 3.6 of this survey for contact details of trade magazines.
- *Trade fair catalogues*
Trade fair catalogues of major EU trade fairs provide a wealth of information about competitors, importers, and products. These trade fair catalogues are often freely obtainable from the Internet of the trade fair organizers. Please see section 13.5 and appendix 3.5 of this survey for contact details of trade fairs in the EU.

Field research

Field research is primary information gathering (interviews, surveys, direct contact with market participants) and can be done in the form of an orientation visit to Europe in order to further assess market opportunities and threats. Through your field research you can look for information specifically tailored to your requirements. Field research is however more expensive than desk research, as travelling to EU countries is involved. Your field research could include:

- A visit to an important trade fair;
- Visits to potential buyers (importers and wholesalers) after making an appointment in advance;
- Checking product ranges and prices at retail outlets;
- Visits to branch organisations; and
- Possibly also visits to embassies and consulates.

10.1 Market development and opportunities

As a first step towards the identification of the most suitable export markets, the potential exporter needs to investigate the importance of different EU markets for natural stone and natural stone products, and understand the developments in these markets. The market developments described in chapters 3, 4, 5, and 9 provide a good start for such an investigation and can provide a good picture of the market for natural stone and natural stone products in the most important EU countries. It should also be noted that information should be retrieved dealing with the specific range of products the company is able to offer. Important factors to analyse are the following:

- Market developments (consumption, production and imports);
- Market niches and segmentation; and
- Market access requirements

Market development

The first question to ask relates to the market size: what is the market size for your potential export products in the different countries. Try to first focus on your product group, and then on your specific product(s). The size of the market in the EU countries can be assessed by looking *inter alia* at the size of consumption, production, and imports of natural stone and natural stone products in these countries, which is presented in chapter 3, 4, and 5. Another vital piece of information, besides knowing the size of the market, is the projected market development for the coming years, as growing markets offer more possibilities for exports and decreasing markets offer a limited profit potential. Relevant questions to ask are:

- What is the estimated market size for natural stone and natural stone products?
- How have consumption, production, and imports of natural stone and natural stone products in the country developed during the last 3-5 years?
- Which markets are expected to grow further and which markets are currently experiencing a recession.
- How has the competition within each market developed (demand for new suppliers; how many producers/sellers already exist in the market etc.)?
- What are the growth prospects for different product groups?

For example in the United Kingdom imports from developing countries have grown strongly in recent years. Since one might expect import penetration for this country to steadily increase in the near future to levels observed in other countries, this market may be easier to enter or expand exports to for a developing country exporter. Chapter 5 also provides information on the share of each product group imported from developing countries, and the main countries of import for each product group. One can from this information observe that the United Kingdom have had a considerable growth of imports in both value and volume for product groups such as slabs, tiles for flooring and cladding, landscape design, and funeral and other art.

It is also important to know what factors are affecting the consumption, production, and import patterns in each country. For example, as mentioned in chapter 3, the construction industry is highly influential on the consumption and imports of natural stones in Europe. For example the year 2002 showed considerable negative growth rates in consumption, production, and imports (see chapter 3, 4 and 5), which can mainly be explained by the general recession in the EU markets and especially the poor performance and growth of the European construction sector.

Also important to investigate is how a country's production and process industry affect import. For example, it is identified in chapter 4, that Italy possesses one of the world's largest production and processing industry with some of the world's largest wholesalers located in Italy. Therefore, imports to Italy tend to be in the form of raw blocks. Other historical and

cultural traditions can also be important factors affecting consumption, production, and imports that need to be investigated when determining which market/country to export to. For example, a warm climate is better suited for natural stone and therefore countries like Greece, Italy, Spain, and Portugal have had a longer tradition in using natural stone. In addition, factors also important to analyse are the recent trends in colour of stone, new “fashions”, main uses of natural stone, and new technology.

Finally, also necessary to investigate is the growth prospects of each product group. For example, raw blocks can be seen as being in the initial phase for exporting to the EU. Currently raw blocks account for 33 percent of EU imports of natural stone and natural stone products, and is the second largest product group in value. It can be expected that the demand for raw blocks will increase as the use of finished goods of natural stone is still increasing within the EU.

Market niches and segmentation

It is important to try to find out whether there are any interesting niche markets. Particularly for starting exporters from developing countries, niche markets may present interesting export opportunities. For example, from chapter 3, one can identify four different possible market segments in the natural stone sector (natural stone processing industry; building industry; funerary industry; and consumer markets).

However, market niches and the market segmentation for natural stone and natural stone products can be based on several other factors too. For example one way of segmenting the market and improve knowledge on business opportunities is to use the colour of the natural stone product as the basis of segmentation. Knowing what the preferred colour and distribution of colours that are being imported to a country are could also be of use when the exporter is estimating his/hers market potential. Considering the very strong competition within the natural stone business, the large amount of suppliers, the low prices, and the many type of stones and colours already existing, possessing a unique or rare colour or type of stone can improve the exporter’s competitiveness tremendously. The exporter should therefore try to find out the EU importers preferences of colour, type of stone, prices, and current stock of stones. After having received this information the EU importer can be approached with samples by the exporter.

In addition, segmentation by products could be used. It is important to know what exactly constitute finished goods (slabs, tiles, thickness, materials, columns, chimneys or monuments, and funeral art), and what products are demanded in the particular market. In addition, segmentation by client could also be necessary since many products circulate in each market. A buyer of slabs will not usually buy memorial art, and a buyer of cut to size stones will not usually be a regular buyer of slabs. It is important to know what type of buyers exist in a market. Do the buyers tend to be wholesalers buying slabs and tiles, or are they subcontractors buying cut to size stones ready for installation.

Market access requirements

What are the standards and regulations set for the natural stone and natural stone products? What are the packaging and labelling requirements? How high is the demand for environmentally sound packaging methods? These are all important questions to analyse before exporting to EU markets. Chapter 9 of this survey presents tariff and non-tariff barriers, standards, and regulations on labelling and packaging. Relevant questions to further analyse are:

- Are there import restrictions that limit sales opportunities?
- How high are the import duties?
- To what degree is the domestic industry subsidised?
- What standards are set on the quality of natural stone and natural stone products?

- What are the standards on packaging methods?
- How high is the demand in environmentally sound production methods?

For example, as shown in chapter 9 a number of developments in the natural stone sector have occurred in recent years for standards and labelling which all affect exporters from developing countries that want to enter EU markets in terms of having to pay more attention to changes in building law and tackle new test standards. Also, environmental aspect in packaging, marking and labelling are becoming increasingly important for exporters of natural stone and natural stone products to the EU since EU importers and consumers are increasingly more aware of these aspects.

Finally, by collecting information analogue to that presented in Part A (chapters 3,4,5,and 9) one should be able to get an overview on the following questions, tailored to your specific product that you intend to export:

- What is the estimated market size for natural stone and natural stone products?
- How has the market volume developed during the last few years? What is the outlook for the future?
- How have imports of natural stone and natural stone products developed during the last few years?
- Which colours (and/or other physical characteristics) are in fashion?
- Are there import restrictions that limits sales opportunities?
- What are the relevant market access requirements?

Opportunities and threats

Based on the market developments described above the opportunities and threats following from consumption, production, import and access requirements could for example be the following:

Opportunities	Threats
<ul style="list-style-type: none"> • Increasing demand for raw blocks from developing countries in Italy and Spain • Increasing demand for funeral and other art in the UK. • Increasing demand for natural, environmentally compatible, and healthy products in Germany 	<ul style="list-style-type: none"> • Decrease in production and processing in Italy and Spain • European demand fully satisfied by current suppliers. Strong competition from existing suppliers.
<ul style="list-style-type: none"> • Steady growth in EU imports from developing countries • Low production cost and prices 	<ul style="list-style-type: none"> • Recession in many EU countries and slow to negative growth in the construction sector • Strong competition and increased amount of suppliers pushing down prices even further.

The above-mentioned opportunities and threats are examples, and potential exporters should assess opportunities and threats for their own product group, by making use of the information provided in the chapters 3, 4, 5, and 9.

10.2 Competitive analysis

This is one of the most important pieces of analysis to be done and will require a thorough field research. The research of your main competitors takes place on two levels, the macro level, and the micro level:

Macro level

The general overall structure of the natural stone sector in the targeted EU country should be analysed. Aspects to focus on are the composition of imports in terms of origin to determine the location of your main competitors, but also in terms of destination to identify the location of key buyers. Competitive strengths and weaknesses of the exporter's country can also be assessed compared to other supplying countries natural stone and natural stone products to the EU market, especially other developing countries. Here, factors such as a favourable exchange rate, low labour costs, government support by means of low interest loans, export subsidies and tax exemption, and frequent shipping to EU ports are important. It is also important for an exporter to assess the critical success factors of major competing exporters from different countries within the sector. Important questions to be answered for this assessment are:

- Who are the main competitors in your market segment? What are their strengths and weaknesses compared to your company?
- To what degree is the sector in the target market supported by the government in the different countries, including your own?
- How many suppliers are currently active in the market?

Information in chapters 5 and 6 provides a useful starting point to analyse the macro level. For example in chapter 5 India and Brazil are identified as being the main developing country exporters to the EU in the product group of raw blocks. It is also indicated that China is the main developing country exporter for the product groups of tiles for flooring, landscape design slabs, and funeral and other art.

Micro level

At the micro level it is necessary to identify your major competitors as a selection from the market competitors and analyse them in detail-their size, their market share, product, prices, channels, promotion and determine their strengths and weaknesses. One tool that can be used when analysing is competitive benchmarking where you compare your performance with those of your competitors on a range of factors that are important for your customer. The factors to consider could include the following:

- **Price competitiveness**
As most developing countries have the best chances to enter the EU natural stone and natural stone products by targeting the bottom end (lowest prices) of the market, price remains an important competitive tool. It should be noted however that although price competitiveness is important, it is certainly not the only instrument to outrank competitors- originality and design of the final natural stone product are also important factors.
- **Consistent quality**
The quality instrument depends very much on the market segment that the exporter intends to penetrate. When he chooses for the high quality/high price segment, consistent and top quality (superior quality and product design) natural stone and natural stone products are more important than the lowest price.
- **Productivity**
The criteria of higher total productivity are often used when assessing strengths and weaknesses of natural stone exporters to the EU. Total productivity is measured across all factors of production (i.e. natural stone resources, labour, use of new technology and technical quality, competence, and capital and knowledge).
- **Reliability of supplier and speed of delivery**

To be a reliable supplier who always honours his agreements is a very valuable asset for any trade partner in the EU. It is important to be available for enquires and to have known contact persons. Exporters who want to change agreed trading terms disrupt the value chain, causing unnecessary costs to other chain members.

10.3 Sales channel assessment

Having assessed the prospective markets and market segments, including an evaluation of the exporter's competitiveness, it is now important to understand the trade structure and sales channels in the EU for natural stone and natural stone products. Based on the trade structure for natural stone and natural stone products as described in chapter 7, the exporter should evaluate which sales channels are the most appropriate for the product and the company. Each one of the channels in chapter 7 has its own characteristics/requirements and some are presented in the box below.

The main purpose of the assessment is to list the requirements of the chosen channels that may be important for you. Furthermore, chapter 11, the internal analysis, will help you to assess your company's abilities so that a perfect match can be made. Comparisons of the requirements of the sales channel with your company's strength and weaknesses will enable you to identify the most suitable sales channels. Important aspects of this sales channel assessment are:

- Which potential sales channels exist for your products in the targeted market?
- What are the pros and cons of the different sales channels for your specific company?
- What are the most important requirements of the identified sales channels?
- What is the quality required?
- What are the necessary (national) quality certificates?
- What support is required in the channel regarding sales literature or product samples?
- Are regular visits required to the target countries in this channel?
- What are the requirements of the channels with respect to the development of e-business or web presence?

To determine which channel(s) is (are) the most suitable for your product(s) the following steps can be taken:

Step 1: Mode of market entry

First, the exporter should choose the mode of market entry into the EU; the choice is between exporting directly or indirectly to the EU.

Direct exports to the EU

If the exporter chooses to export directly to an EU trade partner, the advantages are:

- Direct contact with EU trade partners, resulting in better information about market requirements and trends, price levels, supply and demand situations, etc.
- Shortening of the supply chain.
- Better control over the products to final destinations

The disadvantage is that the company has to invest in an export organisation and reserve budgets for travelling to trade partners in the EU and to promote his products. This option can be suitable for larger size companies that can supply full container loads and that have the resources to set up an export department.

Indirect exports to the EU

With this approach, the company sells its products to a locally based export house or trading company, who takes care of all the export documentation and formalities. The advantages for especially small companies are:

- No need to invest in an export organisation
- Possibilities to supply less container loads to local export intermediaries, who usually consolidate smaller shipments from several exporters in order to fill a full container load. This way, shipment costs can be reduced.

The disadvantage is that the company has no direct contact with trade partners in the EU and is therefore less informed about market developments. This option is suitable for small companies that cannot fill a full container load and that do not have the financial resources to set up an export department and to invest in EU market visits, participation in trade fairs, samples and brochures.

When an exporter decides that indirect exports to the EU suits his company the best, he does not need to take the following step (as specified in step 2).

Step 2: Decide which sales channel to use

When an exporter has decided that direct exports fit his strategy best, he then should decide which sales channel he intends to use. As mentioned in chapter 7 the route from the producer of natural stone to the ultimate consumer depends very much on the type of product (semi-finished or finished goods).

In evaluating the different options, the following should be considered:

- *Direct export to processing industry (i.e. tile manufacturer, stonemason)*
The natural stone processing industry purchases intermediates like blocks and slabs for processing and produces products like tiles and kitchen tops. Direct exports would therefore suit exporters of semi-finished products. It is important to investigate the different type of companies within the processing industry since large companies in the processing industry usually demand blocks or tiles, whilst smaller more specialised companies produce more custom made products and therefore have other types of requirements.
- *Through wholesaler*
Wholesalers in the natural stone sector purchases both semi-finished and finished goods and cover a wide variety of market segments by supplying retail chains, end-users, and the processing industry. Wholesalers are usually small to medium size companies, and buy for their own account and risk, which means that the exporter does not have any influence on the reselling prices of the wholesaler, who might take a too high margin and thereby slowing down sales. The wholesaler takes care of all importing procedures, and in a FOB contract arranges for shipping from the port of loading as well. Wholesaler can be seen as the most appropriate sales channel for exporters from developing countries because of the issues mentioned above (wholesaler purchase both semi-finished and finished good; and cover a wide variety of market segments).
- *Direct exports to retailer/end-user (i.e. building contractor, garden centre, undertaker)*
Retailers/end-users purchase finished goods. In the natural stone business this sales channel is possible, however, not optimal. It is difficult for exporters to get in touch with building contractors, and therefore it is better to go through the wholesale channel. In some cases exporting directly to for example garden centres might be possible, however, the quantities in some cases might be small. As mentioned before exporting natural stone products such as tiles to the DIY was proven not successful since this requires expertise knowledge from the customer, and often purchases ended up in disappointed customers.

- *Through agents*

Exporters, who target specific market segments, for example the high quality/high price segment, requiring control of the goods to final customers, will find agents a good option. Agents are direct representatives of exporters in EU countries, and are usually providing EU importers with smaller quantities from different type of stones. A good way to get in touch with agents is through participating in trade fairs. Usually agents are advertised for at the different stands of the exporters together with some product samples. Working with agents and shipping to a multitude of customers requires a well-organized and knowledgeable export department. This means the exporter should invest in knowledge of shipping and export procedures to EU countries.

10.4 Logistics

Logistics should be an important criterion for exporters in the selection of a sales channel in the EU. Important questions that need to be answered in this context are:

- How often do the different sales channels require delivery?
- What are the required quantities within the delivery that are needed?
- Can special requests occur to deliver more products because of suddenly increased sales volumes?
- What are the required packaging standards?
- What is the established customary shipping method used in the particular channel?

In the natural stone business delivery on time is of utmost important. As mentioned in chapter 9 fulfilment of packaging and labelling can increase the competitive position of the exporter. EU importers tend to take great care in correct packaging and delivery on time. It is therefore important that the exporter knows the logistic requirements and stock requirements of the EU importer, and if not, this should be further investigated by the exporter. For more information related to logistics, packaging, delivery, and payment, please see chapter 9, chapter 11 (section 11.2), and chapter 13 (section 13.4).

10.5 Price structure and margins

Different trade channels mean different export prices and margins for your natural stone and natural stone products. Chapter 7 listed the most important sales channels in the European countries. This section deals with the different prices and margins that apply in these channels, which are of influence for your export price.

Price structure

The market prices for natural stone and natural stone products are not set by any (inter)national organisations or institutions. This means prices are free and competitive. The price the end-user or the consumer pays generally consists of the following components:

Production cost price, including transport to port (i.e. FOB)
--

+ Transportation and insurance costs (i.e. CIF)

+ Other costs (Storage, banking, marketing)

+ Import duties

Landed Cost price

+ Margin Importer, Wholesaler, Stone Mason, Retailer
--

+ Value Added Tax (VAT)

Consumer price

Usually prices quoted to EU trade partners are in Euros (€). Shipping costs are usually quoted in US\$. Both currencies should be converted to local currency at the rate of exchange applicable at the time of quoting.

Margins

Margins for the different sales channels are difficult to determine, because they are influenced by many factors, such as:

- The size of the order (the larger the order, the less margin);
- The length of the trade channel;
- The quality and exclusivity of the product (exclusive products allow high margins);
- Availability of the product; and
- Added value (a custom made kitchen countertop will have a higher margin than a standard tile)

The value that is added within the trade channel arises from the logistics and services provided in the channel. These function ranges from distribution and repackaging to sawing, and processing activities of stonemasons. The box below gives an assessment of the ranges of mark-ups per intermediary.

Intermediary	Margin
Wholesaler	35 %
Stonemason	20 %

For price developments in the natural stone and natural stone products sector and sources of price information, see Chapter 8. Please also refer to section 13.3 where more information on price setting can be found.

10.6 Product profiles

Product profiles give a complete overview of relevant information for one certain product on an EU market. These profiles can assist potential exporters to assess the suitability of their natural stone products for exporting to EU markets. Main criteria like market requirements, market structure and main competitors can be reviewed on one sheet. Exporters should ideally develop product profiles for their own prospective export products, using the examples below. These examples of product profiles given below are respectively for granite raw blocks, granite tiles, tombstones, granite slabs, and garden art:

PRODUCT PROFILE: Granite Tiles		
1. Product name: Granite tiles		
<p>2. Market requirements:</p> <p><u>Quality standards:</u> Eco-label for hard flooring established in 2002 (2002/272/EC).</p> <p><u>Sizes/dimensions:</u> As per contract specification. Popular sizes are 305 mm x 305 mm, 400 mm x 400 mm, and 305 mm x free length. Free length varies generally between 550 mm and 750 mm. Thickness ranges from 10 mm to 20 mm. Tiles that are 190 mm thick can be used as both floor and wall tiles. Tiles with a thickness exceeding 10 mm 15 mm and 20 mm) are only used as floor tiles.</p> <p><u>Minimum labelling:</u> No labelling on the cardboard boxes. Labelling on the wooden crates: -Product description -Dimension of the tile -Block number of the tile</p> <p><u>Packaging:</u> Granite tiles are packed in cardboard / polystyrene foam inner boxes, stacked in wooden crates. Each inner box stores 1 m² of tiles (often 20-30 tiles). The wooden crates are designed to take full advantage of the 20 foot container. The wooden crates are often 115 cm x 100 cm.</p> <p><u>Import regulations:</u> The general import tariff for granite tiles is 0.</p> <p><u>Relevant import documents:</u> -Bill of lading -Proforma invoice -Euro 1 form for ACP countries -FORM A for other developing countries</p>	<p>3. Market structure:</p> <p><u>Export price:</u> Ranging from ca. €10 per m² for common granite tiles to €55 per m² for exclusive types (FOB).</p> <p><u>Main markets:</u> The main European importers are Germany, Spain, and Belgium.</p> <p><u>Market trends:</u> Free length tiles have increased in popularity during the recent years at the cost of square tiles. Polished tiles are the most popular tiles, honed and flamed tiles are respectively second and third in popularity.</p>	<p>4. Main suppliers: The leading supplying countries of granite tiles are Italy, Spain, and China.</p>
<p>5. How to improve the quality: Tiles that are shipped together should be made from the same block, these tiles should have similar colour settings. The measures (length, width, and thickness) should be accurate for all tiles. Special attention should be paid to packaging (limitation of damages) and dimensional accuracy.</p>		

PRODUCT PROFILE: Tombstones		
1. Product name: Tombstones		
<p>2. Market requirements:</p> <p><u>Quality standards:</u> A European norm for tombstones is currently under approval.</p> <p><u>Sizes/dimensions:</u> As per contract specification. Regular size for a single grave range from 180 cm – 200 cm length by 80 cm – 100 cm width. Thickness ranges between 6 cm to 8cm.</p> <p><u>Minimum labelling:</u> The following should be mentioned on the wooden crates: -Material -Product description -Dimensions -Number of products inside the crate</p> <p><u>Packaging:</u> Tombstones are not shipped in one piece. Similar parts of different tombstones are packed together in order to make optimal use of the container space. The crates are sized in order to make the optimal use of the available container space.</p> <p><u>Import regulations:</u> The general import tariff for granite tiles ranges between 0 and 1.7 percent.</p> <p><u>Relevant import documents:</u> -Bill of lading -Proforma invoice -Euro 1 form for ACP countries -FORM A for other developing countries</p>	<p>3. Market structure:</p> <p><u>Export price:</u> Ranging from ca. €250 for common tombstones to €1500 for exclusive types.</p> <p><u>Main markets:</u> The main European importers are Germany and the United Kingdom.</p> <p><u>Market trends:</u> There is an increasing demand for specially shaped tombstones where drawings (e.g. angles, bibles) are added. Besides the traditional black/red granite, colours such as green and blue are more frequently used.</p>	<p>4. Main suppliers: The leading supplying countries of tombstones to the EU are Italy, China and India.</p>
<p>5. How to improve the quality: Dimensions should be very accurate since the individual parts will have to be put together. Individual parts must be polished equally. Careful selection of natural stone should guarantee similar colour-settings across the whole stone. Special attention should be paid to packaging.</p>		

11 INTERNAL ANALYSIS: COMPANY AUDIT

After performing the external analysis described in the previous chapters, the exporter should have a clear insight into the opportunities and threats of exporting his products to selected EU markets. The next step is to prepare an internal analysis. The internal analysis or company audit is a review of the company's strengths and weaknesses in terms of all company resources such as export marketing capabilities, finance, personnel, internal organisation, management, infrastructure, etc. This section will answer questions like: How well is the company prepared for entering the EU market? What are the company's core competencies? This will provide input for the Strengths & Weaknesses part of the SWOT Analysis.

11.1 Product standards, quality, USP and production capacity

Product standards and quality

As already mentioned in chapters 9 and 10 (sections 10.1 and 10.2), product standards and quality aspects are important factors when exporting to EU markets. Quality standards of the specific EU countries need to be adopted by the manufacturer for long-term growth in the market. Additional quality requirements may also be prescribed by the respective EU buyers. Based on these requirements, the exporter can determine to which extent he has to adapt his products, packaging, processing, and the amount of investments required to export to EU countries. Without ensuring quality, there is no likelihood of entry or acceptance on EU markets. Note that quality does not only mean product quality. Management quality is just as important. For European companies looking for new long-term suppliers, delivery reliability and the ability to learn and adapt are important quality criteria. Furthermore, keeping to the agreed quality is indispensable for building up a long-term business relationship.

Questions related to quality an exporter should consider are:

- What management quality standards does your company fulfil (ISO)?
- What is the general level of your product quality compared to other products in the identified markets? Does your product have any official quality standards?
- In case environmental labelling significantly improves the competitiveness of your export product, which one is the most interesting for your product-markets combination?

If you have any doubts over the quality of your products, it is better to discuss this openly with your business partner, and to request a certain amount of time to solve possible problems. Your partner will possibly be able to help you in setting priorities in the improvement of your production process.

Unique Selling Proposition (USP)

A USP defines what makes your business unique from every other competitor in the field. Although this is one of the most difficult subjects to realise, the exporter should try to look for ways that distinguishes her/him from the competitors. A USP spells out the precise niche you seek to fill and how you aim to fill it, and usually does not refer to one single subject, but to a mix of different factors that distinguish the exporter from the competitors. A USP in the natural stone and natural stone products sector could for examples include the following:

- Product specifications exceeding the requirements of trade partners;
- Guarantees given by the exporter on quality aspects; and
- Outstanding service (for example replying within 24 hours to any question or request; open communication; honouring agreements to the letter, even when they have financial implications).

By writing down your company characteristics systematically, you can create a list, which can be used as a basis to determine the USP of your company. These USP's are built on the company's strengths and weaknesses regarding:

- The product
- The price
- The promotion
- The distribution
- Production efficiency
- Location and transport costs
- Networks in the targeted markets
- Your ability to produce certain specialities

This list enables you to compare your company with the present market players in your targeted market, and this comparison will then give you an indication of your possible USP.

Production capacity

Selling a product internationally (as well as domestically) requires the capacity to produce or manufacture the product. Trade partners in the EU require a continuous flow of products that meet their needs throughout the year. Exporters should therefore assess in advance the volumes they could sell to trade partners in the EU, especially during peak seasons. The exporter should then work backwards and adjust the production capacity to the required capacity. Supplying sufficient volumes during the peak periods can be an important competitive tool. Therefore it is necessary that the company possess the capacity (in terms of for instance machinery, personnel, and space) needed to manufacture the specific products for the specific countries to which it is exporting. If the company is already selling domestically, it is necessary to investigate if the production capacity to handle and store additional orders is available. Questions regarding production capacity that need to be answered are:

- What quantities do you produce?
- How is the present capacity being used? Is there still capacity left for extra orders?
- Will new export activity hurt your domestic sales?
- What will be the cost of setting up additional production capacity and is that possible at all?
- Are there fluctuations in the annual workload for staff or management? When? Why?

It is important to bear in mind that reliability is of utmost importance to maintain your business relationship on a long-term basis in the natural stone business. Therefore it is important to discuss your production limit from the beginning. The agreement should also specify the minimum amount of sales to your partner and the maximum amount of sales with respect to your production capacity. A clear agreement will prevent disappointments for both parties and will be a good basis for possible expansion of investments.

11.2 Logistics

When you have done the external analysis (chapter 10.3) you should have an overview of the logistical requirements that a given trade channel implies for your company. You should then assess your company against these requirements, i.e.:

- How often are you able to deliver?
- How flexible are you? (e.g. how long would it take you to organise an additional shipment)
- Are you able to handle the administrative requirements?
- Which are the packaging standards you can accommodate?

All these question needs to be thought about and what practical implication (administrative and financial) there are since logistics deals with all matters to ensure a smooth flow of products from production to the final customer in the country of destination. Ensuring adequate logistics thus means having the right goods at the right time, in the right volumes, at the right place, and all that with a minimum of costs. Based on the requirements for each trade channel, the exporter should assess the following subjects:

Planning of production

EU trade partners usually work with tight arrival schedules in order to deliver the products to their customers on an agreed date and time. It is therefore important to plan production well in advance to ensure that the products are available in time for shipment.

Purchasing of raw material and packing material

As part of the planning of production, EU trade partners might have special requirements for raw material, ingredients, and packing material. For example, a certain type of export carton might be required. It is important that the exporter ensures that this type is available from his supplier.

Handling of export orders

The handling of export orders requires a good internal logistic process; from ordering raw material and packing material, to production planning, inspection and obtaining of export documentation.

Export documentation (certificates, packing lists, invoices, insurance certificates, etc.)

Depending on the requirements of the EU trade partner, some export documentation like inspection and insurance certificates must be obtained from external organisations. Especially when government agencies are involved, sufficient time should be reserved to obtain the necessary documents.

Availability of containers and shipping space

Any developing country manufacturer entering the export market must ensure that the shipping facilities at his disposal can guarantee delivery within contractual time requirements. This tends to pose few problems for countries with access to ports with well-established shipping channels to the EU. However, it can be a problem for many exporters in Africa, who often must deal with shipping services that are unreliable and infrequent. A reliable shipping agent is essential for these exporters. Moreover, during peak season, availability of containers and shipping space might be a problem. In order to meet the required shipping date, an exporter should assure that containers and shipping space are available on the required shipping date.

Pre-shipment inspection (when required)

Please see the above-mentioned remarks under “export documentation”.

Communication with trade partners in the EU

It is of utmost importance that exporters communicate immediately to their EU trade partners when certain requirements cannot be met. This will give the trade partner the opportunity to make alternative arrangements. Open and accurate information from the exporter is an important tool to be a reliable trade partner for his EU counterpart.

11.3 Marketing and sales

Important questions related to marketing and sales that a potential exporter needs to answer are: Does your company have people specifically assigned to marketing and sales activities? Which persons do you know in the target markets? What promotion material is available?

In terms of marketing and sales, often wholesalers and agents expect to be supported with information sheets, brochures, samples, and other promotional information. It is therefore important that special care is taken to your company presentation whether in print or electronic media (cd-rom, website etc.). In order to adapt your company brochures or product sheets to the standards used by your prospective buyers a special guide has been developed by the CBI: Your Image Builder (www.cbi.nl).

Often when a company decides on direct exports, it will be necessary to set up a commercial department to handle and be responsible for export activities to EU countries. Whether to employ different persons for marketing and sales within the department depends entirely on the size of the company and the possibilities to invest in the commercial department. It is important to evaluate the following subjects when assessing the marketing and sales capabilities and requirements:

- Sales organisation
- Place of negotiations
- Business contacts
- Frequency of visits to the customer
- Promotion materials (sales support materials)

In order to assess marketing and sales functions as part of the internal analysis, the responsibilities of both functions are given below:

Marketing

- Familiar with all non-tariff and tariff barriers relevant to the export of the company's natural stones and natural stone products to EU countries in cooperation with production and finance departments, adjustment of products and packaging to EU and trade partner's requirements;
- Preparation of promotion (or sales support) material like brochures and product samples;
- Installation of communication tools like websites and e-mail;
- Organisation of participating in EU trade fairs;
- Carry out market research in cooperation with sales and finance departments; and
- The preparation of annual budgets.

Sales

- Selection of potential trade partners in the EU;
- Contacts with trade partners;
- Familiar with all export documentation to ship products to EU markets;
- Familiar with sales contracts, payment and delivery terms;
- Negotiation with trade partners in the EU;
- Responsible for the margins made on exports to EU destinations; and
- Negotiations with logistic service suppliers (transporters, shipping agents, custom agents, and inspection bodies).

Although it appears from the above-mentioned description that different employees should occupy both functions, a combination of both functions in one position is also possible. Much

depends on the complexity of the work, the number of export destinations, and the selected EU trade partners. It is an advantage to have a company representative in the target market that can gather information, monitor progress, and follow up leads. This representative can for instance also be a relative, a friend, or a supplier. Such a person should be proficient in the language of the target market. Ideally, he or she should also have a profound knowledge of, and practical experience with natural stone and natural stone products. He/she should in addition be knowledgeable about the technical implications of provisions in trade contracts, and should be able to negotiate confirmed contracts swiftly on behalf of the exporter and should have access to rapid communication facilities. For information on sales channel assessment and the different modes of market entry see section 10.3.

11.4 Financing

One of the most important subjects to assess in the internal analysis is the financial capability to start exporting to EU countries. The company should not only have access to sufficient funds to invest in adaptation of products, packaging and possibly production equipment, but also the company's credit facilities should be large enough to cover extended payment terms. Moreover, the company should have sufficient financial funds to withstand commercial risks (quality problems, non-payment, late delivery, etc.) that are often inherent when starting to export to new destinations. For the internal analysis, the following financial aspects should be assessed:

Investments

The exporter should evaluate his capabilities regarding financial availability for making the necessary investments when engaging in exporting. Additional investments may be required in:

- Product development (adjustment of products to EU and trade partner's standards)
- Packaging (adjustment of content and packing material; packing for long-distance shipments; labelling requirements, barcodes, information etc.)
- Human resources (qualified export staff)
- Production equipment
- Certification (ISO)
- Promotion (participation in EU trade fairs, travel to EU countries, brochures, samples etc.)

Payment terms

The exporter should evaluate his capabilities regarding financial availability with respect to payment terms. The following factors should be assessed:

- Credit terms
- Local interest rates
- Bank charges, for example confirmation of Letter of Credit, handling of documents
- Non-payment risks, for example with 'open account' payment

Commercial risks

The exporter should also assess the following factors related to commercial risk:

- Claims, for example in case of late delivery and quality problems
- Consignment shipping, for example selling price is below cost price
- Insurance premiums, for example credit insurance

Miscellaneous costs

- Finally, an assessment should be made of the following additional costs when engaging in exporting:
- Export documentation
- Certificates of origin

- Stationary for export purposes
- Communication expenses

For more information on handling the contract and where the different payment and delivery terms are discussed see section 13.4.

11.5 Capabilities

Apart from the subjects mentioned-above, the following capabilities of the firm should also be assessed as part of the internal analysis:

Languages

When dealing with European trade partners, foreign language skills are essential. English is most widely used in EU countries as the official business language, so with most European trade partners it will be possible to communicate in English. However, in some countries such as France, Italy, Spain, Portugal, and Greece, English is far less widely spoken. Exporters who target these countries are advised to communicate in the local language. Not only will this prevent miscommunication, but it also shows respect and commitment to local trade partners. Speaking the local language can also be an important USP and competitive tool compared to competitors who are less conversant in local languages.

Business culture

Business culture can differ tremendously from one EU country to the other. You should familiarize yourself with the prevailing business culture in your targeted EU country. This culture refers to items like dress codes, making appointments, invitation to lunches or dinners, the use of business cards, addressing of your counterpart, and business conversations. Please refer to section 13.2 for further information on this different business cultures.

Commitment to export

It is important to consider whether the company has staff that is able to sell and develop an international business, as knowledge of exporting natural stone and natural stone products to EU countries is required. This knowledge does not only apply to technical matters regarding exports (documentation, export calculations, shipping possibilities, etc.) but also to knowledge of EU requirements and market developments in the natural stone and natural stone products sector in the EU. Ignorance on the part of the exporter is often (mis)used by trade partners to extract more favourable trading conditions at the expense of the exporter. If you do not have personnel with such knowledge, you can either hire such a person or train present staff to assume the responsibilities.

Export experiences

If the company previously already engaged in exporting, these experiences should be evaluated. Past export experiences should be analysed and used to improve current skills to export. Especially if the company has previously tried and failed to penetrate an export market, this should be analysed in order to determine where things went wrong in order to avoid the mistakes from the past.

Below a list is shown with the problems most frequently encountered by European importers when doing business with exporters from developing countries in the natural stone sector. Appropriate solution to each problem is also suggested in the box below.

Problem	Solution
Bad communication with the supplier	Telephone, fax, e-mail, and Internet are indispensable. Often a visit is also required.
Delayed replies	Answer any question as soon as possible, if not straight away, at least let the importer know you are working on the answer to his question.
Late delivery	Make sure you can deliver on time, never exaggerate your capacity. In case of delay, inform promptly and state the reason.
Product quality not meeting specification	Investigate product improvement possibilities if necessary, but never ship poorer quality goods than those demanded and agreed upon.
High exporters' margins	Adopt a positive attitude towards long-term relations instead of incidental exports, even if it leads to smaller margins. Quote realistic prices.
Bad packaging	Researches packaging problems (mutually) to reduce transportation costs and improve product quality and appearance. Good packaging can increase the exporter's competitiveness since this is an important quality criterion for the EU importer.

12 DECISION MAKING

12.1 SWOT and situation analysis

In the previous chapter 10 and 11 the research and analysis to be undertaken by a company before starting the export planning process has been described. The gathering and assessment of data on the external and internal environment will enable the exporter to decide whether to continue or stop the export planning process. It is therefore of utmost importance to analyse and decide whether the company is able to free the required resources, and to analyse whether the company's situation (reasons for exporting, position in present markets, production capacity, skills, financial health) will allow taking advantage of the existing possibilities. This process will result in an action plan, in which the different necessary steps are clearly identified, and measurable indicators are stipulated in order to monitor the progress and success. An important element during the decision-making process and planning process are financial forecasts, the SWOT analysis, and the formulation of critical success factors.

Financial forecasts

Financial forecasts should be made for all product market combinations, where financial calculations should be made for each product market combination, indicating the expected gross and net profits to be achieved. The calculations should also include the additional investments and costs to be made. When making sales forecasts it can be useful to calculate three scenarios: expected, best case, and worse case. Finally one should also calculate the impact of changing exchange rates, and analyse and establish measures to limit those impacts.

SWOT analysis

Based on the outcome of the external and internal analyses in chapter 10 and 11, the exporter can use the results to prepare a SWOT analysis in order to define the exporter's position in the market, as well as to find ways to improve the exporter's competitiveness. In this SWOT analysis the exporter identifies strengths and weaknesses of the company compared to competitors, opportunities, and threats that he identified in selected EU markets. The internal analysis in chapter 11 identified the S for Strengths and W for Weaknesses of your firm. The external analysis on the other hand provides you with the input for the O for Opportunities and T for Threats. An example of a SWOT analysis of an exporter in is given below:

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> • Consistent and high product quality • Low labour and production costs • Own design • Unique colour of stone or material 	<ul style="list-style-type: none"> • Longer delivery times • Weak language capabilities • Limited production capacity in peak season • Weak financial structure • No export experience • Limited knowledge of market entry strategies
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> • Growing demand in the United Kingdom, Germany and Finland for garden art an funeral art • Increasing demand for natural, environmentally compatible, and healthy products in Germany • Increasing preference for high quality natural stone and natural stone products 	<ul style="list-style-type: none"> • Recession in EU countries affecting the European construction sector • European demand fully satisfied by current suppliers. Strong competition from existing suppliers • Strong competition and increased amount of suppliers pushing down prices even further • Increasing number of standards impeding market access

Please note that the above matrix is just an example and every potential exporter should adapt the matrix to his/hers own situation. Based on the SWOT analysis, the exporter should evaluate the consequences of improving weaknesses and whether the threats pose manageable obstacles starting exporting to the EU. When the company's strengths and the opportunities in the market outweigh the company's weaknesses and the threats in the market, one might consider to go ahead with exporting to EU markets and commence preparations.

Critical success factors

Critical success factors are those elements that have to be achieved in order to successfully use the opportunities available. The formulation of critical success factors, as part of the planning process, offer a focus, and way for quick evaluation of progress. Within the decision-making process of defining the market position the following sector-specific issues should also be taken into account:

- Sector policies
- Availability of sector/branch organisations
- Clustering/co-operation within the sector, organisation of supply and production, value chain management
- Know how and technical assistance
- Financing

12.2 Strategic options & objectives

Based on the SWOT analysis and the results from the external and internal analysis, the exporter should thus be able to decide whether or not to export. If the exporter decides to indeed export to the EU, next step is to draw up a marketing entry strategy (MES). The MES deals with the following subjects:

- **Identification of selected EU markets**
It is advisable to select only one or two EU markets. In this way, the exporter can focus the efforts and concentrate resources to specific areas. Selection of too many markets leads to diffusion of resources and often failed efforts to establish a durable position.
- **Market segments**
It is impossible to be everything to everybody. To be successful, the exporter should therefore carefully select a segment in which she/he can excel and outrank hers/his competitors. In this way one can fully concentrate the resources to the particular segment: specialisation in niche markets is a far better strategy than to go after volume/low priced markets, where there is a risk of being overcrowded of suppliers who compete on price.
- **Type of distribution channel and trade partner to appoint**
Depending on the country selected, the chosen market segment, and the company's internal capabilities, the exporter identifies the most suitable distribution channel. This selection of the right EU trade partner is a crucial factor. Appointing the wrong trade partners means loss of turnover and delays in building a durable position in selected markets. Please also refer to section 13.2 for more details about how to select a suitable EU trade partner.
- **Product and packaging**
Based on the requirements of selected markets and market segment, the exporter should determine which product range to offer, whether products needs to be modified to meet market demands, suitable packing for shipping to EU markets and labelling requirements both regarding the products and the packaging.

- **Pricing**

Pricing natural stone and natural stone products for export to EU destinations requires much attention to detail. On one hand, the products should be priced in accordance with pricing levels of the market segment chosen, on the other hand the selling price should leave the exporter a healthy margin to allow him to invest in building a durable export position. It is very important to include all additional costs with respect to the export transaction in the cost price, such as additional production and packaging costs; interest to cover extended payment periods; cost of export documents and inspection; agent's commission.

- **Promotion**

The exporter should determine which promotional tools he will use to make his export proposition known to potential trade partners in the EU. When he intends to participate in EU trade fairs, the investments should be calculated beforehand. Trade fair participation is a very effective tool, but also a rather expensive one.

Objectives

After the exporter has formulated his MES, she/he should clearly set the objectives the company wants to realise during the next 3 – 5 years. Long-term and short-term objectives should be measurable and specific. Exporting to the EU requires a long-term vision and investments to establish a durable position on EU markets. By formulating clear objectives, the exporter provides benchmarks in order to determine annually whether his objectives have been met or rather have been falling (far) below expectations. In the latter case, the exporter should adjust his/hers strategy and determine whether to continue his export efforts. Objectives could for example be:

- **Annual turnover and volumes per market/per trade partner**

It is important to set realistic targets for volume and turnover per market and per trade partner. Although the setting of these targets is a difficult exercise when the exporter does not have experience in the selected markets, they provide a basis for export budgets and for the level of investments needed to realise these objectives. In this way, the company can determine the viability of exports to the EU and can compare the actual results per period compared to the budgeted results. It is extremely difficult to set objectives for annual turnover. A good way to solve this problem is to work with different scenarios:

- an optimistic scenario, where you estimate turnover in the most favourable market conditions
- a pessimistic scenario, where you estimate turnover in poor market conditions

The optimistic and pessimistic scenarios give the lower and upper borders of your turnover objectives. A realistic objective will fall somewhere within this range. By using this approach, it is possible to calculate profitability in both scenarios. When profitability is marginal even in the optimistic scenario, the exporter should think twice before entering EU markets.

- **Profitability**

Building up a sustainable export position in the EU market requires a long-term approach. In order to build up a durable position, profitability is essential. As with volumes and turnover, actual profits realised should be compared to budgeted profits.

Other examples of objectives could also include market share; distribution coverage; and customer awareness (e.g. 30 percent of potential end-users will know the company and the product by the end of the plan).

Formulating a MES based upon sound information used in the external and internal analysis and a proper assessment of this information increases the chances that the best option will be selected, resources will be utilised effectively, and efforts will consequently be carried through to completion. For assistance in the formulation of the MES, please refer to CBI's Export Planner. For general information on conducting market research please refer to the CBI's manual on market research.

13 EXPORT MARKETING

This chapter will discuss which marketing tools can be used to build up a successful business relationship. The following issues will be discussed in subsequent sections: matching products and the product range, building up a relationship with a suitable trading partner, drawing up an offer, handling the contract, and sales promotion. This chapter will also present inputs useful when drawing up the Export Marketing Plan (EMP). The EMP defines the marketing strategy with which the market will be penetrated. It sets out the goals and objectives and is based on the information from the external and internal analysis (chapter 10 and 11). The identification of a possible successful product-market combination and sales channel are formalised in the EMP. The plan does not only serve as a road map but also helps communicate the new company policy to employees. It further reduces the mismatch and waste of company resources. For more information on how to set up your EMP please refer to CBI's Export Planner.

13.1 Matching products and the product range

A supplier can only select a suitable business partner if she/he knows exactly what range she/he can offer. In order to be attractive to potential trade partners in the EU, the exporter should consider the product range to offer, with respect to both range width and range depth. It is important to match supply with the specific demands of the product characteristics, product design, presentation, and packaging design. In the internal analysis (section 11.1) you reviewed your product range and product characteristics. The aim of this review was to enable you to match market opportunities with your company's products on offer, and how you can improve your product range. A product range consists of several product groups (range width), each with several different products (range depth).

Example:

- The product range consists of natural stone and natural stone products.
- This product range consists of the following product groups: blocks, slabs, tiles, setts, kerbstones, flagstones, tombstones, and garden decorations (range width).
- The product group tiles includes flamed tiles, honed tiles, polished tiles, of all types of natural stone (range depth)

An exporter can only select a suitable business partner if he is fully aware of the exact range his company can offer and what ranges EU trade partners demand. Based on the SWOT analysis in previous chapters, the manufacturer should already have matched market opportunities with the company's products on offer. This can be used as a starting point for considering possibilities to improve the exporter's product range. In some cases, exporters may find out that the current product range does not match the identified market segment and sales channel's demand. A possible cause of this mismatch could be that there is no demand in the EU market for such varieties, even if the products are successfully sold in your own country or other export markets. Based on the product specifications required by EU trade partners, the exporter can determine on which items he should match his products and packaging to the required EU market demands.

Identifying product characteristics

Producers should make a review of all products they make, stating the minimum requirements to which they are related, production capacity, packaging method and quantity. When identifying the product characteristics the below table can be used where information can be specified on each product group, products, together with their characteristics, the packaging method and the quantities.

Product group	Product	Characteristics	Packaging	Quantity

13.2 Building up a relationship with a suitable trading partner

Selection of the right trade partner in the EU and establishing a long-term business relationship with the trade partner is of outmost importance in the natural stone business. In many cases contacts by e-mail, telephone or fax is not enough, and visits needs to be made to the trade partner in Europe. The natural stone business is very much characterised by fast trade deals over the telephone, fax, or e-mail once the trade partners are known to each other and a business relationship has been established. It is therefore important to invest time and efforts in keeping a trade partner for a longer time of period.

Business trip

A business trip to Europe can be a possible start for a long-term business relationship. This allows the exporter to establish direct and personal business contacts with the prospective partners. At the same time it is possible to compare price, quality, varieties and packaging in the market place. In a mature market like the European natural stone market, importers of natural stone and natural stone products receive offers on a daily basis. They are careful in their selection of a supplier, they will firstly evaluate the price and uniqueness of the stone type and secondly evaluate whether the conditions are such that a long-term business relation may be able grow in the near future. European importers of natural stone are characterised by their non-nonsense (“straight-to-business”) approach. In some cases this may lead to a culture shock for exporters from developing countries. Exporters dealing with EU importers should be willing to adapt to importers’ requirements.

Business culture

A profound knowledge of the prevailing business culture in the country of the trading partner is one of the main keys to a durable relationship. In spite of all modern communication tools, the personal relationship with a trading partner often decides whether the cooperation is long-term or not. The first meeting with a trading partner in the EU is the most crucial one, since the first impression a trading partner gets during this encounter is usually decisive for future cooperation. Although there are large cultural differences in dealing with trade partners from different EU countries, the following aspects are important in all EU countries in order to build up a good relationship:

- Open and prompt communication. When asked questions or in case of enquiries, an answer within 24 hours is very much appreciated;
- Timely information in case of problems; and
- Reliability in delivery

Information

Finally, the most important thing when doing business is to be well informed. The more you know about your trade partner (business, clients, financial situation etc,) the better. Important things to find out when doing business in the natural stone sector are the following:

- Is the market of your buyer experiencing a slowdown? Are there any complaints about decrease in orders, or building projects being postponed? If an indication of this can be found it can be expected that the buyer will buy less from you in the future.
- Another important area to find out more about is to what kind of companies your buyer sells to. Is the buyer selling to small construction companies that no one has heard of?

- The range of products carried out by an EU importer or represented by an agent indicates whether the exporter's products are complementary to this range or are competitive to other products in the trade partner's range. Moreover, a review of the trade partner's range indicates also whether this range is suitable for the market segment the exporter intends to cover.
- The size of the business in combination with the range of products of the EU trade partner gives an indication of the extent to which the exporter's range will be an important addition or merely a small side product.
- Financial stability of the EU trade partner is a prerequisite for any exporter before signing an (exclusive) agreement with the trade partner. Whether the company of the EU trade partner is financially stable or not, credit insurance should always be taken out when payment is done on open account basis.
- What are the trading terms? This information refers to payment, delivery, stock, shipping and promotional issues in order to start a business relation.
- Has your buyer complained about the quality of the material you supplied? This could be an indication of tightening competition, but could also be an indication of a tightening financial situation for the buyer. In any case this should be investigated.
- Are you getting fewer orders from buyers in a particular market? If construction activities in the area have slowed down, there is a chance that the demand for stone in that region will also decline.

13.3 Drawing up an offer

After establishing contacts with potential trade partners in the EU, the exporter might be requested to make an offer. The preparation of an offer should be done with caution. An offer without escape clauses and accepted by an EU trading partner is a legally binding document requiring the exporter to deliver on the specified terms, even when the trading conditions are unfavourable to him. Below a checklist is presented with elements that should be taken into consideration when drawing up an offer:

- Date of quotation and a reference number
(This number can at a later stage be used on contracts, payment and shipping documents as an easy reference to the consignment in question.)
- Full names and addresses of both parties
- Product and product specifications
- Packaging specifications
- Product and product specifications
- Packaging specifications
- Quantity in units
- Price per unit, and currency (ideally in Euros) and total amount (in accordance with Incoterms 2000)
- Delivery terms and Delivery period
- Payment terms
- Validity of the quotation
- Waiver, which gives the exporter an escape clause not to honour the quotation, even if accepted by the EU trade partner. Examples of the wording of a waiver could be: "this

quote is subject to our confirmation”; “this offer is without any obligations”; or “this offer is subject to confirmation by means of a sales contract”.

- Referral to general sales conditions of the exporter (retention of title of the goods, product liability, force majeure, resolution of disputes, delayed payment/no payment, inspection procedures, exclusion of VAT in price quotations). Remember that the sales conditions of an exporter might conflict with the general purchasing conditions of an importer.

For details on export pricing please refer to Chapter 8 and section 10.5 of this survey.

13.4 Handling the contract

A contract is not necessarily a document. If two parties agree on something verbally, this verbal agreement is a contract according to most European laws. However, it is very difficult to prove that something in particular has been agreed upon in a verbal contract, and therefore the agreement should be confirmed in writing. When handling the contract you should consider the payment terms and delivery terms:

Payment terms

The determination of payment conditions for a regular export transaction is part of the package of negotiations between seller and buyer. The seller wants to have the largest possible guarantee of financial coverage for the goods he has to supply according to his sales contracts. The buyer wants to be sure about availability, quantity, and quality of the goods he buys before he pays the agreed price. The different payment methods and the risks attached to them are extensively described in CBI’s Export Planner. In the box below the most common methods of payment are listed.

Methods of Payment
<p>Clean payment: The process is fast and reliable, depending on the credit worthiness of the importer. The bank carries out the transactions through swift electronic data system and the transfer costs are not very high.</p>
<p>Documents against payment (D/P): Also known as cash against documents (CAD). The buyer takes possession of the goods only after payment. Although this method is not very popular, it is very safe and the costs amount to one pro mille. One can also make use of a ‘documents against acceptance of a bill of exchange’. However, the bill of exchange is not commonly used in the European Union and it does not guarantee that the bill will be paid; it is less secure than the D/P.</p>
<p>Letter of Credit (LC): The irrevocable LC is very often used in the beginning of a business relationship when the importer and exporter does not know each other very well yet. The LC is irrevocable and will always be paid. The costs are higher when compared to the D/P method. This method is widely used in the European Union when dealing with exporters from outside Europe.</p>
<p>Bank guarantee: The buyer’s bank will present a bank guarantee for the amount of the invoice.</p>
<p>Cheques: Bank guaranteed cheques are generally not a problem though cashing may take some time, up to six weeks. Not all personal cheques are accepted.</p>
<p>Payment on consignment basis: Payment on consignment basis is mostly used in the trade of perishable products, for example fresh fruit and vegetables. The products are sold at a predetermined price after a mutually appointed arbitrary person (General Super Intendance Company (GSC)) has controlled the quantity, quality, and other aspects of the products currently of acceptance/sale. If the products do not meet the conditions as described in the contract, the contract is not valid and, depending on the conditions of the contract, prices are generally adjusted. An open account is used to make the payment after 14 days as from acceptance/sale.</p>

Delivery terms

Delivery terms should be based on the INCOTERMS 2000 issued by the International Chamber of Commerce (ICC). For full details on the INCOTERMS, please check CBI's Export Planner or request a copy of the INCOTERMS 2000 from the ICC. Delivery terms in the natural stone and natural stone product sector are usually Free on Board (FOB), Cost and Freight (CFR) and Cost, Insurance, and Freight (CIF).

Most common delivery terms:

- **FOB** (*Free On Board*): The buyer arranges for transportation and insurance. FOB must specify the port of departure.
- **CFR** (*Cost & Freight*): The exporter pays the freight, the buyer arranges for the insurance.
- **CIF** (*Cost, Insurance & Freight*): The exporter pays the freight and the insurance.

It is recommended that quotations to European customers should be made on a CIF basis. However, supplier and importer are free to negotiate and agree whether quotations and subsequent trade are based on CIF or FOB prices.

13.5 Sales promotion

Sales promotion forms an important part of your sales strategy, and helps you to develop and expand customer relations. Paying attention to existing customers, and providing good after sales services are important parts of sales promotion. Selling to existing satisfied customers is much easier than finding new first time customers. Sales promotion can also include giving discounts to large buyers, and in the natural stone sector it is common to reward price discounts (between 5-15 percent) when buyers exceed certain volume thresholds.

In order to promote the exports of products to markets in the EU, an exporter in the natural stone business can apply the following promotional tools:

Participation in trade fairs in the EU

This is by far the most important promotion tool in the natural stone business, as the exporter has the opportunity to present his products to importers, agents, manufacturers, and retailers from all EU countries (please refer to contact details for trade fairs in appendix 3.6). Trade fairs are well known in Europe as an international promotional platform and a meeting point for traders. Participants are exporters, importers, agents, manufacturers, retailers, and selling and promotion organisations. Activities concentrate on specific potentially interested buyers/importers.

The most important objectives for the participating companies from developing countries are:

- Establishing personal contacts with buyers or agents;
- Promotion of natural stone and natural stone products; and
- European market orientation.

European importers and the buyers for large contractors are very well informed and source merchandise all over the world. They travel extensively to foreign trade fairs and visit exporters' quarries and factories to view products and the production facilities at first hand. The Stone'tec fair in Nurnberg and the Verona fair are regarded to be the most important fairs in the EU. These and other important trade fairs for the European trade in natural stone and natural stone products are mentioned in the table below.

Trade fair	Where?	When?	What?
Carrara marmotec http://www.carraramarmotec.com/new-site/eng-site/index1.html	Carrara, Italy	26– 29 May 2004	Marble, granite, tiles, machines, equipment
Marmomacc http://www.marmomacc.it/home_en.asp	Verona, Italy	7–10 October 2004	Marble, stone and equipment
Stone-tec http://www.stone-tec.com/main/Page.html	Nürnberg, Germany	25 –28 May 2005	Natural stone, gravestones and technology
Funeraire http://www.salon-funeraire.com/accueil.htm	Paris, France	TBC	Gravestones, coffins, grave-monuments
Piedra http://www.piedra.ifema.es/ferias/piedra/default.html	Madrid, Spain	5 – 8 May 2004	Natural stone, equipment.
Interbuild http://www.interbuild.com	Birmingham, UK	25 – 29 April 2004	Building, flooring and covering

Visits to potential trade partners in the EU

After having visited a trade fair and made contacts with EU importers or agents, it is recommended to make a visit to your trade partner. As personal contacts always work best in any sector, the exporter should invest time and money to visit EU trade partners. It is advisable to allow additional weeks after a trade fair to follow up on contacts and to make appointments with the most promising trade partners.

Before approaching organisations abroad, an exporter should first check with the local trade promotion organisations, Chambers of Commerce, and foreign representatives in his/her country to find out what information that they may require is already readily available. In most EU countries, there are organisations that promote imports from developing countries through specific export promotion programmes. The services of trade promotion organisation can include information on statistics, publications, news bulletins, databases, and product market opportunities. Individual assistance can also be given from the trade promotion organisation in management and training, product testing and exhibitions, and product adaptation services. Contact details of trade promotion organisations and other organisations that can be of assistance in entering the European Union market can be found in Appendix 3.3 and 3.6.

Trade Press

Trade press is another useful source of information. The main (inter)national trade magazines that are of relevance for exporters of natural stone and natural stone products are shown below. Please refer to Appendix 3.5 for information on websites of the publishers.

Magazine	Country	Language	Topics
Steen en marmer/Pierre en marmbre	Belgium	French Flanders	Business-information, technical backgrounds, trade fairs
Naturstein	Germany	German	Marketing, backgrounds, technical developments, market analyses, trends, addresses of German wholesalers
Stein	Germany	German	Marketing, backgrounds, technical developments, market analyses, trends
Universal Stone	Italy	English, Italian	Marketing, backgrounds, technical developments, market analyses, trends
Natuursteen Totaal	Netherlands	Dutch	Trends and developments in different market segments of natural stone, technical background, product information
LITOS	Spain	Spanish, English	Business-information, technical backgrounds, trade fairs
Natural stone specialist	The United Kingdom	English	Business information, technical backgrounds, trade fairs

Company brochures and product samples

A company brochure should be factual, in order to inform potential trade partners on relevant information of the company. Lengthy stories about the founding family and historic reviews should be omitted, as these are of little interest to trade partners in the EU. Instead information should be given about production capacities, applied technology, processing equipment, organisation, markets (both domestic and export), turnover, and personnel. This way, a potential trade partner will be able to form an image of your company.

Samples

Samples are maybe the most important tool to promote natural stone and natural stone products. The first thing interested trade partners in the EU will ask for are samples of your products. Often, they will inform you on their product specifications and request you to send samples according to these specifications. It is without saying that these samples should be of excellent quality fulfilling all requirements in for example size or polishing.

Company stationary

In order to build the right image for your company, please make sure that the layout, colours, and texts of your letterheads, invoices, business cards, and envelopes is consistent and that good quality paper is used. Company stationary is an important ambassador for your company as they are sent/given to EU trade partners.

E-promotion

This applies to the use of e-mail and website. A website forms an easy reference for any EU partner to obtain information about your company. In designing a website for your company, the same rules as for company brochures apply: factual and to-the-point information is all a trade partner wants to see.

APPENDICES

APPENDIX 1 DETAILED HSCODES

BLOCKS		
HS 25151100	Marble and travertine, crude or roughly trimmed	Calcareous
HS 25161100	Granite, crude or roughly trimmed	Siliceous
FLOORING & CLADDING		
HS 68022100	Marble, travertine and alabaster articles thereof, simply cut or sawn, with a flat or even surface	Calcareous
HS 68022200	Calcareous stone and articles thereof, simply cut or sawn, with a flat or even surface	Calcareous
HS 68022300	Granite and articles thereof, simply cut or sawn, with a flat or even surface	Siliceous
HS 68022900	Monumental or building stone and articles thereof, simply cut or sawn, with a flat or even surface	Siliceous
SLABS		
HS 25151220	Marble and travertine, merely cut, by sawing or otherwise, into slabs of a square or rectangular shape, of a thickness of > 4-25 cm	Calcareous
HS 25151250	Marble and travertine, merely cut, by sawing or otherwise, into blocks or slabs of a square or rectangular shape, of a thickness of > 4-25 cm	Calcareous
HS 25151290	Marble, travertine, merely cut, by sawing or otherwise, into blocks or slabs of a rectangular or square shape, of a thickness > 25 cm	Calcareous
HS 25161210	Granite, merely cut, by sawing or otherwise, into blocks or slabs of a square or rectangular shape, of a thickness of =< 25 cm	Siliceous
HS 25161290	Granite, merely cut, by sawing or otherwise, into blocks or slabs of a square or rectangular shape, of a thickness of > 25 cm (excl. Already with the characteristics of setts, curbstones and flagstones)	Siliceous
LANDSCAPE DESIGN		
HS 68010000	Setts, curbstones and flagstones, of natural stone (excl. Slate)	
FUNERAL & OTHER ART		
HS 68029110	Polished alabaster, in any form, decorated or otherwise worked, but not carved	Calcareous
HS 68029190	Marble, travertine and alabaster, in any form, polished, decorated or otherwise worked, carvings of marble, travertine or alabaster	Calcareous
HS 68029210	Calcareous stone other than marble, travertine and alabaster, in any form, polished, decorated or otherwise worked, but not carved	Calcareous
HS 68029290	Calcareous stone other than marble, travertine and alabaster, in any form, polished, decorated or otherwise worked and carved, carvings of calcareous stones	Calcareous
HS 68029310	Granite, in any form, polished, carved or otherwise processed, but not sculpted, of a net weight of >= 10 kg	Siliceous
HS 68029390	Granite, in any form, polished, carved or otherwise processed, of a net weight of < 10 kg; sculptures and statuary of granite	Siliceous
HS 68029910	Monumental or building stone, in any form, polished, carved or otherwise processed, but not sculpted, of a net weight of >= 10 kg	Siliceous
HS 68029990	Monumental or building stone, natural (excl. Calcareous stone, granite and slate), in various forms, polished, decorated or otherwise worked, net weight < 10 kg; carved articles of this stone	Siliceous

Source: Eurostat (2002)

APPENDIX 2 DETAILED IMPORT/EXPORT STATISTICS

EUROPEAN UNION - TOTAL IMPORTS

EU Imports of natural stone by product group, 2000-2002, € 1,000/Tonnes

	2000		2001		2002	
	Value €	Volume	Value €	Volume	Value €	Volume
Total	2,281,093	9,936,827	2,269,846	10,747,448	2,116,461	11,003,981
Extra EU	1,130,424	5,398,465	1,168,212	6,077,054	1,186,778	6,438,751
Developing countries	929,817	3,740,911	954,435	3,856,796	980,659	4,114,694
Product groups:						
Blocks	788,239	5,021,621	759,314	5,248,483	705,912	5,851,642
Flooring & Paving	238,642	514,203	246,711	506,284	229,865	477,470
Slabs	205,570	783,973	226,956	1,428,240	218,328	1,343,362
Setts, Curbstones & Flagstones	259,866	2,398,948	249,786	2,334,981	233,362	2,145,799
Funeral & other Art.	788,776	1,218,082	787,079	1,229,461	728,994	1,185,709

Source: Eurostat (2003)

EU Imports of natural stone by major source, 2000-2002, € 1,000/Tonnes

	2000		2001		2002	
	Value €	Volume	Value €	Volume	Value €	Volume
Total	2,281,093	9,936,827	2,269,846	10,747,448	2,116,461	11,003,981
Extra EU	1,130,424	5,398,465	1,168,212	6,077,054	1,186,778	6,438,751
Developing countries	929,817	3,740,911	954,435	3,856,796	980,659	4,114,694
Major sources						
Italy	527,999	956,976	511,753	894,665	413,416	682,225
India	288,237	1,088,581	274,252	1,040,016	275,940	1,051,158
China	182,013	785,394	194,967	813,475	221,105	938,436
Brazil	176,056	600,869	176,005	599,010	152,756	564,186
Spain	145,923	480,619	151,396	494,744	150,821	524,570
Norway	90,678	951,141	103,730	1,504,462	104,274	1,618,556
South Africa	104,295	504,684	102,096	466,670	103,600	480,563
Portugal	120,619	845,031	114,325	849,703	88,605	628,413
Belgium	81,433	786,056	80,689	887,040	81,365	1,468,456
Turkey	52,821	262,891	65,818	346,747	77,155	433,483
Fr Germany	63,088	327,040	63,576	272,282	53,606	227,682
France	76,717	470,312	49,418	411,811	40,527	280,953
Poland	28,527	299,570	28,073	286,164	24,608	250,260
Netherlands	31,487	151,064	30,561	151,236	22,429	88,516
Finland	28,255	145,988	27,579	137,530	20,976	104,796
Switzerland	20,929	48,287	19,234	53,370	16,855	52,996
Saudi Arabia	12,499	39,759	13,151	37,209	16,784	52,170
Greece	23,608	52,141	21,506	43,943	15,141	31,256
Czech Rep.	16,975	217,591	17,136	204,726	14,169	178,088
Iran	13,145	46,410	17,764	58,323	14,148	49,436
Egypt	9,652	53,890	10,971	67,839	13,994	88,098
Sweden	15,283	174,243	15,018	220,227	12,732	339,307
Vietnam	8,463	38,978	9,286	39,656	11,861	60,477
USA	14,376	40,638	11,649	32,798	11,479	29,527
Croatia	6,562	48,719	8,349	62,762	8,670	59,012

Source: Eurostat (2003)

EU IMPORTS OF SELECTED PRODUCT GROUPS BY SOURCE

EU Imports of blocks by source, 2000-2002, € 1,000/Tonnes

	2000		2001		2002	
	Value €	Volume	Value €	Volume	Value €	Volume
Total	788,239	5,021,621	759,314	5,248,483	705,912	5,851,642
Extra EU	626,269	3,189,286	618,838	3,334,936	595,324	3,510,840
Developing Countries	512,065	2,254,050	496,661	2,212,766	470,929	2,214,536
Top 3 suppliers						
India	171,162	798,291	145,499	695,575	137,125	676,494
Brazil	153,315	531,802	147,901	513,699	128,301	484,187
South Africa	97,035	476,301	96,728	448,033	97,627	460,991
Top 10 developing countries						
India	171,162	798,291	145,499	695,575	137,125	676,494
Brazil	153,315	531,802	147,901	513,699	128,301	484,187
South Africa	97,035	476,301	96,728	448,033	97,627	460,991
Saudi Arabia	11,336	36,585	12,091	35,790	15,972	49,988
Turkey	12,377	70,951	13,241	82,407	15,444	122,281
China	9,965	42,693	13,908	73,818	10,826	47,717
Iran	9,193	35,653	14,244	49,937	10,466	39,984
Egypt	7,288	43,318	8,768	58,845	9,725	69,920
Zimbabwe	4,565	15,722	4,923	18,631	7,295	28,050
Mozambique	9,774	38,428	9,484	36,560	5,972	23,475

Source: Eurostat (2003)

EU Imports of flooring and paving by source, 2000-2002, € 1,000/Tonnes

	2000		2001		2002	
	Value €	Volume	Value €	Volume	Value €	Volume
Total	238,642	514,203	246,711	506,284	229,865	477,470
Extra EU	64,271	174,837	68,129	172,316	75,931	196,080
Developing Countries	52,138	125,615	57,011	119,925	64,152	154,304
Top 3 suppliers						
Italy	87,837	156,530	88,460	150,579	74,452	123,466
Spain	22,687	39,160	26,545	39,016	27,089	36,549
China	14,285	46,246	15,410	36,641	18,716	50,497
Top 10 developing countries						
China	14,285	46,246	15,410	36,641	18,716	50,497
Turkey	10,211	19,358	11,999	22,893	15,440	30,209
India	12,206	25,839	12,405	25,335	13,073	31,243
Brazil	4,982	12,826	4,620	10,157	4,447	11,244
Vietnam	1,751	6,446	2,806	10,421	2,661	12,407
Israel	1,403	2,211	1,245	1,338	2,225	2,339
Tunisia	971	1,947	1,500	3,850	1,634	3,267
Egypt	119	393	261	1,184	887	3,104
Iran	1,234	2,826	1,290	2,162	787	1,515
Morocco	1,182	480	2,087	633	748	828

Source: Eurostat (2003)

EU Imports of slabs by source, 2000-2002, € 1,000/Tonnes

	2000		2001		2002	
	Value €	Volume	Value €	Volume	Value €	Volume
Total	205,570	783,973	226,956	1,428,240	218,328	1,343,362
Extra EU	67,773	379,626	87,147	853,897	90,897	896,697
Developing Countries	54,229	215,455	65,394	301,817	72,882	327,397
Top 3 suppliers						
Italy	65,638	131,696	65,367	126,144	53,588	91,410
Spain	17,554	47,557	21,620	82,624	24,998	76,315
China	7,193	20,461	11,508	43,006	20,426	81,133
Top 10 developing countries						
China	7,193	20,461	11,508	43,006	20,426	81,133
Turkey	10,392	43,956	15,403	76,856	17,251	91,954
India	10,921	41,313	13,213	51,375	11,889	48,242
Brazil	9,643	37,463	10,696	40,733	6,071	25,968
South Africa	5,323	25,222	3,780	16,235	3,558	15,395
Egypt	1,706	9,294	1,319	6,959	2,123	11,752
Croatia	1,223	8,649	1,192	8,629	1,648	11,555
Israel	1,243	3,813	1,046	3,176	1,238	3,422
Iran	707	3,265	758	3,029	1,142	4,866
Zimbabwe	204	847	944	3,545	809	2,954

Source: Eurostat (2003)

EU Imports of Setts, Curbstones, and Flagstones by source, 2000-2002, € 1,000/Tonnes

	2000		2001		2002	
	Value €	Volume	Value €	Volume	Value €	Volume
Total	259,866	2,398,948	249,786	2,334,981	233,362	2,145,799
Extra EU	141,075	1,277,996	144,763	1,283,383	144,777	1,283,805
Developing Countries	108,321	811,359	112,522	834,552	118,747	908,006
Top 3 suppliers						
China	74,151	531,005	67,598	473,991	69,723	507,163
India	17,042	129,111	22,532	168,596	24,298	173,246
Portugal	33,411	396,978	27,194	369,505	19,795	240,826
Top 10 developing countries						
China	74,151	531,005	67,598	473,991	69,723	507,163
India	17,042	129,111	22,532	168,596	24,298	173,246
Turkey	6,510	97,426	9,721	130,584	9,274	144,103
Brazil	2,923	9,165	4,650	17,734	6,096	25,132
Argentina	4,496	25,085	4,385	23,312	4,066	26,896
Vietnam	1,838	14,340	1,660	10,656	2,234	16,234
Hong Kong	268	699	727	2,911	1,267	6,240
Israel	219	329	256	197	355	445
Mexico	61	405	230	1,417	325	2,376
Tunisia	172	370	55	102	261	430

Source: Eurostat (2003)

EU Imports of Funeral and other Art by source, 2000-2002, € 1,000/Tonnes

	2000		2001		2002	
	Value €	Volume	Value €	Volume	Value €	Volume
Total	788,776	1,218,082	787,079	1,229,461	728,994	1,185,709
Extra EU	231,036	376,721	249,335	432,522	279,849	551,329
Developing Countries	203,064	334,432	222,848	387,736	253,949	510,451
Top 3 suppliers						
Italy	337,663	487,395	322,435	465,136	255,849	350,542
China	76,419	144,990	86,544	186,018	101,413	251,926
India	76,905	94,027	80,603	99,136	89,555	121,933
Top 10 developing countries						
China	76,419	144,990	86,544	186,018	101,413	251,926
India	76,905	94,027	80,603	99,136	89,555	121,933
Turkey	13,331	31,200	15,453	34,007	19,746	44,936
Brazil	5,194	9,613	8,138	16,687	7,841	17,655
Vietnam	4,291	15,495	4,405	16,805	6,297	28,438
Pakistan	4,324	5,119	4,453	4,969	4,581	6,733
Taiwan	2,746	1,660	3,189	2,069	2,897	1,970
Israel	1,959	2,347	2,540	2,895	2,498	2,833
Croatia	1,870	6,505	2,050	6,369	2,495	7,354
South Africa	1,659	2,587	1,449	2,159	2,253	3,798

Source: Eurostat (2003)

EU Imports of stone from developing countries, 2000-2002, € 1,000/Tonnes

	2000		2001		2002	
	Value €	Volume	Value €	Volume	Value €	Volume
Total	2,281,093	9,936,827	2,269,846	10,747,448	2,116,461	11,003,981
Extra EU	1,130,424	5,398,465	1,168,212	6,077,054	1,186,778	6,438,751
Developing countries	929,817	3,740,911	954,435	3,856,796	980,659	4,114,694
Major sources						
India	288,237	1,088,581	274,252	1,040,016	275,940	1,051,158
China	182,013	785,394	194,967	813,475	221,105	938,436
Brazil	176,056	600,869	176,005	599,010	152,756	564,186
South Africa	104,295	504,684	102,096	466,670	103,600	480,563
Turkey	52,821	262,891	65,818	346,747	77,155	433,483
Saudi Arabia	12,499	39,759	13,151	37,209	16,784	52,170
Iran	13,145	46,410	17,764	58,323	14,148	49,436
Egypt	9,652	53,890	10,971	67,839	13,994	88,098
Vietnam	8,463	38,978	9,286	39,656	11,861	60,477
Croatia	6,562	48,719	8,349	62,762	8,670	59,012
Zimbabwe	5,630	17,247	6,407	22,692	8,668	31,609
Israel	5,155	10,613	5,265	8,172	6,600	9,704
Morocco	5,875	30,782	7,101	34,142	6,562	38,088
Pakistan	5,682	10,610	5,889	10,250	6,300	12,666
Mozambique	9,903	38,886	9,947	37,971	5,972	23,475
Angola	4,180	20,922	5,871	33,889	5,850	33,734
Argentina	5,538	28,557	5,368	26,549	5,400	32,959
Venezuela	4,659	37,055	5,613	44,058	5,238	39,998
Tunisia	3,896	17,078	4,225	20,965	5,194	26,509
Taiwan	3,183	2,225	4,295	4,696	3,164	2,362
Hong Kong	1,634	2,236	2,154	4,473	2,968	8,613
Indonesia	2,409	3,097	2,187	2,224	2,224	2,462
Lebanon	1,143	7,180	1,477	8,727	2,147	15,065
Mexico	1,213	2,928	1,690	3,614	1,936	6,498
Syria	783	3,169	832	5,573	1,607	8,373

Source: Eurostat (2003)

EU EXPORTS-TOTAL EXPORTS

EU Exports of natural stone by product group, 2000-2002, € 1,000/Tonnes

	2000		2001		2002	
	Value €	Volume	Value €	Volume	Value €	Volume
Total	3,409,692	8,516,296	3,425,331	8,239,605	3,223,698	8,006,199
Extra EU	1,954,560	4,030,582	2,002,971	4,070,929	1,926,713	4,163,407
Developing countries	826,780	2,488,358	806,953	2,415,726	741,018	2,468,014
Product groups:						
Blocks	224,900	2,054,169	229,227	2,021,769	224,708	2,087,129
Flooring & Paving	772,702	1,144,535	776,057	1,130,609	751,945	1,062,184
Slabs	399,556	1,166,716	394,187	1,160,302	405,026	1,247,030
Setts, Curbstones & Flagstones	167,001	1,543,639	153,377	1,362,303	137,513	1,191,417
Funeral & other Art.	1,845,533	2,607,237	1,872,483	2,564,622	1,704,506	2,418,439

Source: Eurostat (2003)

APPENDIX 3 USEFUL ADDRESSES

3.1 Standards organisations

INTERNATIONAL

International Standardisation Institute (ISO)

E-mail: central@iso.ch

Internet: www.iso.ch

EUROPEAN UNION

Comité Européen de Normalisation (CEN)

European Committee for Normalisation

E-mail: infodesk@cenorm.be

Internet: www.cenorm.be

BELGIUM

Institut Belge de Normalisation (IBN)

E-mail: info@ibn.be

Internet: www.ibn.be

FRANCE

Association Française de Normalisation (AFNOR)

E-mail: info.normes@afnor.fr

Internet: www.afnor.fr

GERMANY

Deutsches Institut für Normung e.V. (DIN)

E-mail: postmaster@din.de

Internet: www.din.de

ITALY

Ente Nazionale Italiano di Unificazione (UNI)

E-mail: uni@uni.com

Internet: www.uni.com

LUXEMBOURG

Service de l'Énergie de l'État (SEE)

E-mail: see.normalisation@eg.etat.lu

Internet: www.etat.lu/SEE/

THE NETHERLANDS

Nederlands Normalisatie-instituut (NEN)

E-mail: info@nni.nl

Internet: www.nni.nl

SPAIN

Asociación Española de Normalización y Certificación (AENOR)

E-mail: info@aenor.es

Internet: www.aenor.es

UNITED KINGDOM

British Standards Institution (BSI)

E-mail: info@bsi-global.com

Internet: www.bsi-global.com

3.2 Sources of price information

<http://www.marbleandmore.com>

<http://www.findstone.com>

<http://rvkfloors.com/marble.htm>

<http://www.stone-network.com>

<http://www.stonesource.com>

<http://www.p-maps.org>

<http://www.trademap.org>

3.3 Trade associations

FRANCE

Federation Francaise de la Pierre et du Marbre

French Federation of Stone and Marble

Telephone: +33 (0) 1 44014701

Telefax: +33 (0) 1 40540328

GERMANY

Deutscher Naturwerkstein Verband E.V. (DNV)

German Natural Stone Federation

E-mail: dnv@naturstein-netz.de

Internet: www.dnv.naturstein-netz.de

GREECE

Central & Western Macedonia Marble Association

Telephone: +30 (0) 331 62816

Telefax: +30 (0) 331 24533

Commercial Agents' Association of Northern Greece

Telephone: +30 (0) 31 277798

Telefax: +30 (0) 31 285265

NETHERLANDS

Algemene Nederlandse Bond van Natuursteenbewerkende bedrijven

Dutch Association of Natural Stone Processing Companies

Telephone: +31 (0) 33 4947518

Telefax: +31 (0) 334948350

Bedrijfschap Natuursteenbedrijf

Federation of Natural Stone Companies

Telephone: +31 (0) 703366555

Telefax: +31 (0) 70 3191179

Vereniging Nederlandse Natuursteen Importeurs (VNNI)

Association of Dutch Natural Stone Importers

E-mail: info@vnni.nl

Internet: www.vnni.nl

ITALY

ASMAVE

The Consortium of Marble Firms in Verona

Telephone: +39 045 7731822

Telefax: +39 045 6861723

Assocave

Association of the Natural Stone Mining and Processing Companies in the Ossola, Verbano, and Cusio area

Telephone: +39 0324 44666

Telefax: +39 0324 41316

Assodiam

Italian Association for Diamond Tools of Controlled and Guaranteed Quality

E-mail: anima@anima-it.com

Internet: www.anima-it.com

Assolame

Italian Association for Producers and Distributors of Granite and Marble

Telephone: +39 02 3450344

Telefax: +39 02 316836

Cosmave

The Association for the Marble Development Activity in Versilia

E-mail: info@cosmave.it

Internet: www.cosmave.it

SPAIN

ASCER

Association of Ceramic Tile Manufacturers of Spain

E-mail: global@ascer.es

Internet: www.ascer.es

UNITED KINGDOM

Builders Merchants Federation

E-mail: info@bfm.org.uk

Internet: www.bfm.org.uk

The Stone Federation Great Britain

E-mail: jane.buxey@nsc.org.uk

Internet: www.stone-federationgb.org.uk

BELGIUM

Federation Belge des Assoc. de Maitres Tailleurs de Pierres

Belgian Federation of Construction

E-mail: steenhouwers@confederatiebouw.be

Internet: www.confederatiebouw.be/steenhouwers

3.4 Trade fair organisers

ITALY

Carraramarmotec

E-mail: imm@immcarrara.com

Internet: <http://www.marmotec.it/>

Marmomacc

Verona Exhibition Centre

E-mail: albano@veronafiore.it
Internet: www.marmomacc.it

SPAIN**Piedra**

E-mail: piedra@ifema.es
Internet: www.piedra.ifema.es

Funeralia

E-mail: fira@grn.es
Internet: www.funeralia.com

GERMANY**Fachmesse Naturstein****Josef Werner Schmid GmbH**

Telephone: +49 (0) 907 42039
Fax: +49 (0) 907 45454

Stone+tec**NürnbergMesse GmbH**

E-mail: info@nuernbergmesse.de
Internet: www.stone-tec.com

FRANCE**Funeraire**

Telephone: +33 (0) 1 4076 4500
Fax: +33 (0) 1 4563 7824

THE UNITED KINGDOM**Interbuild**

E-mail: info@interbuild.co.uk
Internet: http://www.interbuild.com

3.5 Trade press**BELGIUM**

Steen en Marme/Pierre en Marbe
Telephone: + 32 22230647
Telefax: + 32 22230538

GERMANY**Naturstein Monthly Magazine**

Ebner Verlag GmbH & Co. KG

E-mail: naturstein@ebnerverlag.de
Internet: www.natursteinonline.de

Stein

E-mail: redaktion.stein@t-online.de
Internet: www.stein-netz.de

ITALY**Interstone Press**

Telephone: + 39 045 8200808
Telefax: + 39 045 8200820

Universal stone

Gruppo Editoriale Faenza Editrice Spa

E-mail: info@faenza.com
Internet: <http://www.faenza.com>

THE NETHERLANDS

Natuursteen Totaal.

Edition every 3 months, part of Monthly Magazine Natuursteen

Telephone: + 31 (0) 24 360 52 53
Telefax: + 31 (0) 24 360 52 10

SPAIN

LITOS

Publicaciones LITOS S.L.

E-mail: litos@litosonline.com
Internet: www.litosonline.com

THE UNITED KINGDOM

The Natural Stone Specialist

E-mail: nss@qmj.co.uk
Internet: www.naturalstonespecialist.com

3.6 Other useful addresses

Netherlands

CBI/Accessguide (CBI's database on European non-tariff trade barriers)

Email: cbi@accessguide.nl
Internet: www.cbi.nl/accessguide

Nationaal Dubo Centrum

E-mail: infodesk@dubo-centrum.nl
Internet: www.dubo-centrum.nl

Stichting MRPI

E-mail: info@mrpi.nl
Internet: www.mrpi.nl

Centraal Bureau voor de Statistiek (CBS)

Central Bureau of Statistics, The Netherlands

E-mail: infoservice@cbs.nl
Internet: www.cbs.nl

Centrale Dienst voor In- en Uitvoer (CDIU)

Central Licensing Office for Import and Export

Telephone: +31 (0) 50 5239111
Telefax: +31 (0) 50 5260698

Chamber of Commerce and Industries for Rotterdam & the Lower Meuse

Provides information on registered business, business practices and import tariffs

E-mail: dvergeer@rotterdam.kvk.nl
Internet: www.rotterdam.kvk.nl

Directie Wetgeving Douane, Ministerie van Financiën

Customs Policy and Legislation Directorate, Ministry of Finance

E-mail: www.minfin.nl → Mail to the Ministry of Finance
Internet: www.minfin.nl

Exportbevorderings- en Voorlichtingsdienst (EVD), Ministerie van Economische Zaken

Trade Promotion and Information Department, Ministry of Economic Affairs

E-mail: eic@evd.nl
Internet: www.evd.nl

The Ministry of Housing, Spatial Planning and the Environment (VROM)

Provides information on environmental regulations

E-mail: www.minvrom.nl → mail
Internet: www.minvrom.nl

UNCTAD

United Nations Conference on Trade and Development

E-mail: ers@unctad.org
Internet: www.unctad.org

Contact point EU ECO-label

Commission of the European Communities

Telephone: + 32 (0) 2 2990324
Fax: + 32 (0) 2 2955684

EU-LDC co-operation

<http://www.eu-ldc.org>

This web-site provides information, analysis, and views on trade, investment and aid between European Union, its member states (EU) and developing countries (LDC).

Business support organisations

International Trade Centre (ITC)

E-mail: itcreg@intracen.org
Internet: www.intracen.org

AUSTRIA

Bundeskammer der gewerblichen Wirtschaft

Austrian Federal Economic Chamber

E-mail: wirtschaftskammer@callcenter.co.at
Internet: www.wk.or.at

DENMARK

Danish Import Promotion Office for Products from Developing Countries (DIPO)

E-mail: dipo@commerce.dk
Internet: www.dipo.dk

FRANCE

Centre Français du Commerce Extérieur (C.F.C.E.)

French Commercial Centre

E-mail: orientation@cfce.fr
Internet: www.cfce.fr

GERMANY

BfAI

Federal Office of Foreign Trade Information

E-mail: info@bfai.de
Internet: www.bfai.com

ITALY

Instituto Nazionale per il Commercio Estero (ICE)

Italian Institute for Foreign Trade

E-mail: ice@ice.it
Internet: www.ice.it

NORWAY

Norad

Norwegian Agency for Development Co-operation

Telephone: +41 022 314400

Fax: +41 022 314403

SWEDEN

SIDA

Swedish International Development Agency

E-mail: info@sida.se

Internet: www.sida.se

SWITZERLAND

SIPPO

Swiss Import Promotion Programme

Swiss Import Promotion Programme

E-mail: info@sippo.ch

Internet: www.sippo.ch

APPENDIX 4 LIST OF DEVELOPING COUNTRIES

Please note that the OECD list of developing countries, as applied in this market survey, may include countries that are usually not considered as developing countries.

Afghanistan	Georgia	Pakistan
Albania	Ghana	Palau Islands
Algeria	Grenada	Palestinian Admin. Areas
Angola	Guatemala	Panama
Anguilla	Guinea	Papua New Guinea
Antigua and Barbuda	Guinea-Bissau	Paraguay
Argentina	Guyana	Peru
Armenia	Haiti	Philippines
Azerbaijan	Honduras	Rwanda
Bahrain	India	Samoa
Bangladesh	Indonesia	São Tomé & Príncipe
Barbados	Iran	Saudi Arabia
Belize	Iraq	Senegal
Benin	Jamaica	Serbia and Montenegro
Bhutan	Jordan	Seychelles
Bolivia	Kazakhstan	Sierra Leone
Bosnia & Herzegovina	Kenya	Solomon Islands
Botswana	Kiribati	Somalia
Brazil	Korea, rep of	South Africa
Burkina Faso	Kyrgyz Rep.	Sri Lanka
Burundi	Laos	St. Helena
Cambodia	Lebanon	St. Kitts-Nevis
Cameroon	Lesotho	St. Lucia
Cape Verde	Liberia	St. Vincent and Grenadines
Central African rep.	Macedonia	Sudan
Chad	Madagascar	Surinam
Chile	Malawi	Swaziland
China	Malaysia	Syria
Colombia	Maldives	Tajikistan
Comoros	Mali	Tanzania
Congo Dem. Rep.	Marshall Islands	Thailand
Congo Rep.	Mauritania	Togo
Cook Islands	Mauritius	Tokelau
Costa Rica	Mayotte	Tonga
Côte d'Ivoire	Mexico	Trinidad & Tobago
Croatia	Micronesia, Fed. States	Tunisia
Cuba	Moldova	Turkey
Djibouti	Mongolia	Turkmenistan
Dominica	Montserrat	Turks & Caicos Islands
Dominican republic	Morocco	Tuvalu
Ecuador	Mozambique	Uganda
East Timor	Myanmar	Uruguay
Egypt	Namibia	Uzbekistan
El Salvador	Nauru	Vanuatu
Equatorial Guinea	Nepal	Venezuela
Eritrea	Nicaragua	Vietnam
Ethiopia	Niger	Wallis & Futuna
Fiji	Nigeria	Yemen
Gabon	Niue	Zambia
Gambia	Oman	Zimbabwe

Date of issue: January 2003.

APPENDIX 5 USEFUL INTERNET SITES

Standards and regulations

<http://www.cenorm.be>

Internet site of the European Committee for standardisation.

<http://europa.eu.int/comm/environment/ecolabel/>

Internet site for the European Eco-Label Scheme.

<http://www.nni.nl/nl/pro/normshop/>

Internet-site where European Norms can be downloaded (not free).

<http://www.ear.nl>

European authorised representative legal experts for entering the EU market.

<http://www.wssn.net>

World Standard Service is a network of standards organisations.

<http://www.cenorm.be>

Internet site of the European Committee for Standardisation.

Natural stone sites

<http://www.marbleandmore.com>

Internet portal offering up to date information on events, trade fairs and specialised magazines.

<http://www.findstone.com>

This site contains a market place for natural stone. It contains an online store, specialist advice on the use of natural stone products and a stone library.

<http://www.stonereport.com>

German providing monthly information covering the international stone sector.

APPENDIX 6 REFERENCES

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