



Blocks exhibited at Vitoria Stone Fair 2023. Photo by Cid Chiodi Filho

## BRAZILIAN PERFORMANCE IN THE INTERNATIONAL DIMENSION STONES MARKET IN 2021 AND 2022<sup>1</sup>

After an extraordinary increase of 35.5% in 2021, reaching US\$ 1.34 billion, Brazilian dimension stones exports registered a slight decrease in 2022, with almost US\$ 1.3 billion (Figure 1). This revenue was sustained by higher added-value stones, including marble, quartzite, pegmatite and other exotic materials, with average prices for slabs even exceeding US\$ 2,000/t.

In this regard, 2021 and 2022, witnessed a record number of launches of new varieties of Brazilian stones in the international market. Thus, the general average export price increased by 21.6% in 2021 and 10.1% in 2022, offsetting costs increases in production and ocean freight, occurred in the period. Despite a 12.75% decline in physical volume exported in 2022, compared to 2021, there was a drop of only 4% in revenue.

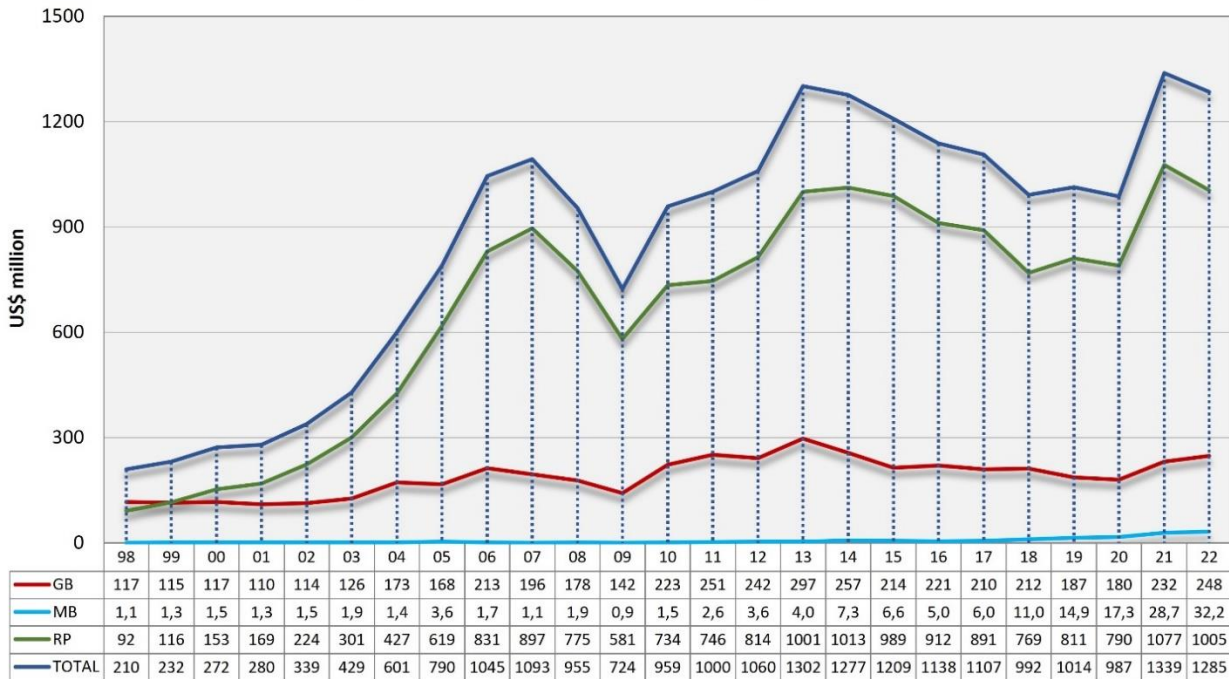
Brazilian stone production was estimated at 10 million tons in 2022, including more than 800 commercial varieties. Exports in 2022, which totaled 2.1 million tons, were shipped to 124 countries, with the main destinations being the USA, China, Italy, Mexico, and the United Kingdom. It is worthwhile mentioning that, for more than 15 years, Brazil has remained the main supplier to the USA, the world's largest importer of processed stones (Figure 2), as well as the fact that dimension stones represent the 5<sup>th</sup> most exported mineral-based product by Brazil (excluding petroleum and gas) after iron ore, gold bars, ferro-niobium, and copper ore. Likewise, both production and export levels, as well as the ability of Brazilian companies to respond to positive

<sup>1</sup> Autoria do geólogo Cid Chiodi Filho, consultor da ABIROCHAS. Artigo publicado na Revista Brasil Mineral, edição PDAC Special Issue (março/2023). <https://www.brasilmineral.com.br/magazine/2023/>

and negative market fluctuations, reinforce Brazil's ranking among the five main world players in the dimension stone industry.

**Fig. 1 - Annual evolution of Brazilian dimension stones export revenues – 1998/2022**

GB - granite blocks; MB - marble blocks; PS - processed stones

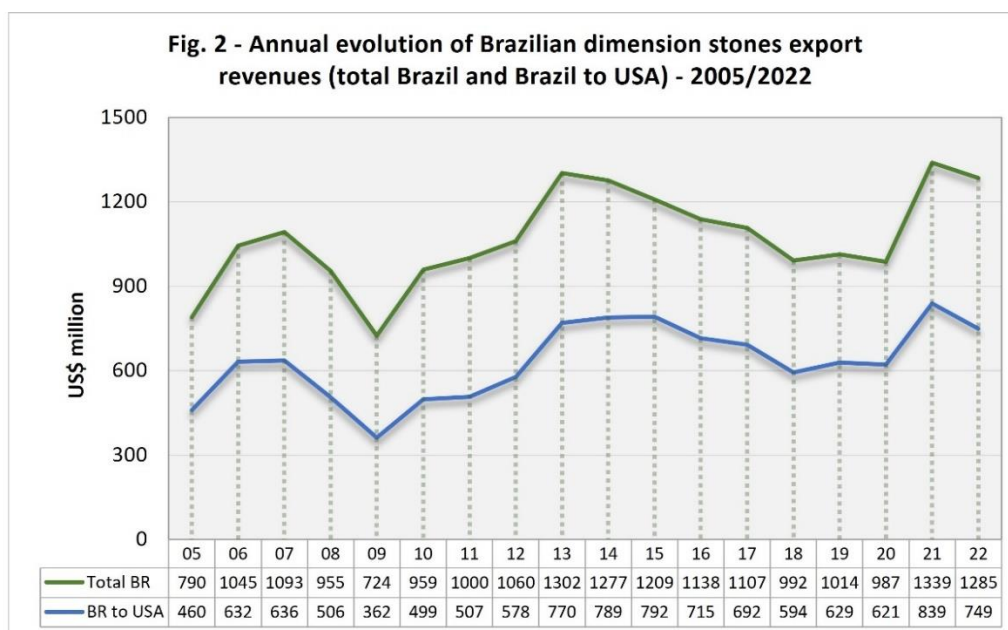


ABIROCHAS, 2022

**Figure 1 comments** - Performance of Brazilian export sales have been conditioned by processed stones.

From a longer-term perspective, Brazilian stones exports grew from US\$ 200 million in 1999 to the level of US\$ 1.3 billion in 2021 and 2022, while the share of processed stones increased from 50% to 80% of revenue from these exports. These and other advances resulted from a strategic development project, formulated, and conducted by ABIROCHAS, the Brazilian Dimension Stones Industry Association, which is the national representative sectorial entity of the industry in the domestic and international markets. The ABIROCHAS project had broad exporting companies' participation and the support from financial resources of ApexBrasil - Brazilian Agency for Export Promotion and Investments, contributing to the technological modernization of the industry and the requalification of exported products, as well as allowing it to target new commercial frontiers.

The strong increase in Brazilian exports, recorded from 2<sup>nd</sup> half 2020 to 3<sup>rd</sup> quarter 2022 (Figure 3), was backed by the gigantic incentives package contributed as a countercyclical policy by the developed economies, especially the USA, to face the negative impacts of the Covid 19 pandemic. Strongly channeled towards real estate civil construction, such investments benefited the world's main exporters of dimension stones (Figure 4). The decline in these exports, observed in 4<sup>th</sup> quarter 2022 (see Figure 3), suggests the imposition of new constraints on the international market, related to the developments of the war in Ukraine and the instability generated in the world economy.

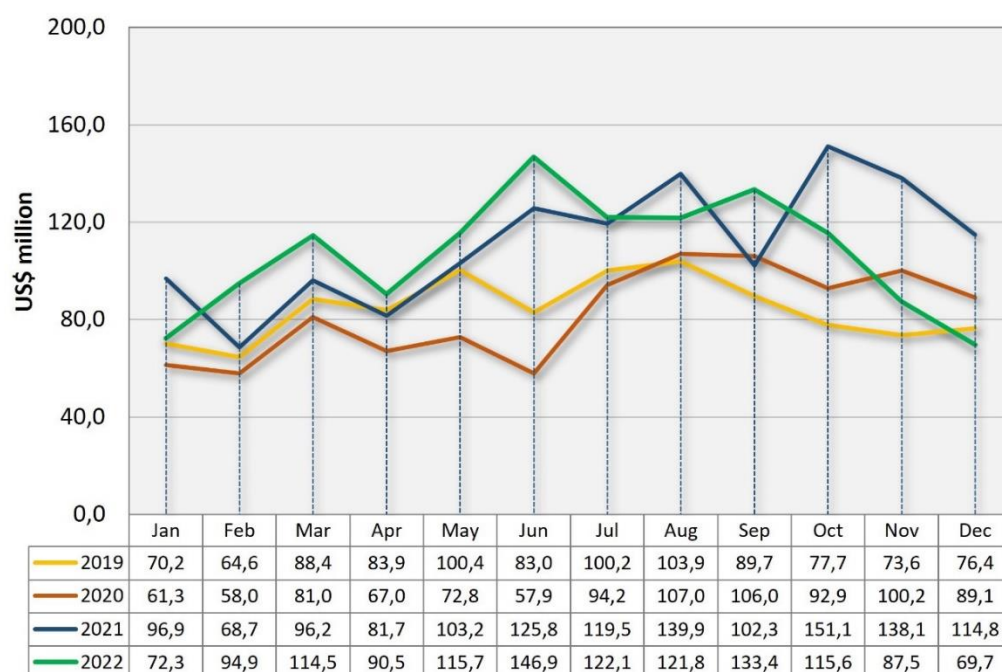


ABIROCHAS, 2022

**Share (%) of exports to the US in total Brazilian exports of dimension stones**

Year	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Share %	58,2	60,5	58,2	53,0	50,0	52,0	50,7	54,5	59,1	61,8	65,5	62,8	62,5	59,9	62,0	62,9	62,7	58,3

**Figure 2 comments** - Strong correlation between stones exports to the USA and total Brazilian exports of dimension stones. Brazil is the world's main supplier of processed rocks (SH4 6802) to the US.

**Fig. 3 - Monthly Brazilian exports of dimension stones - 2019/2022**


ABIROCHAS, 2022

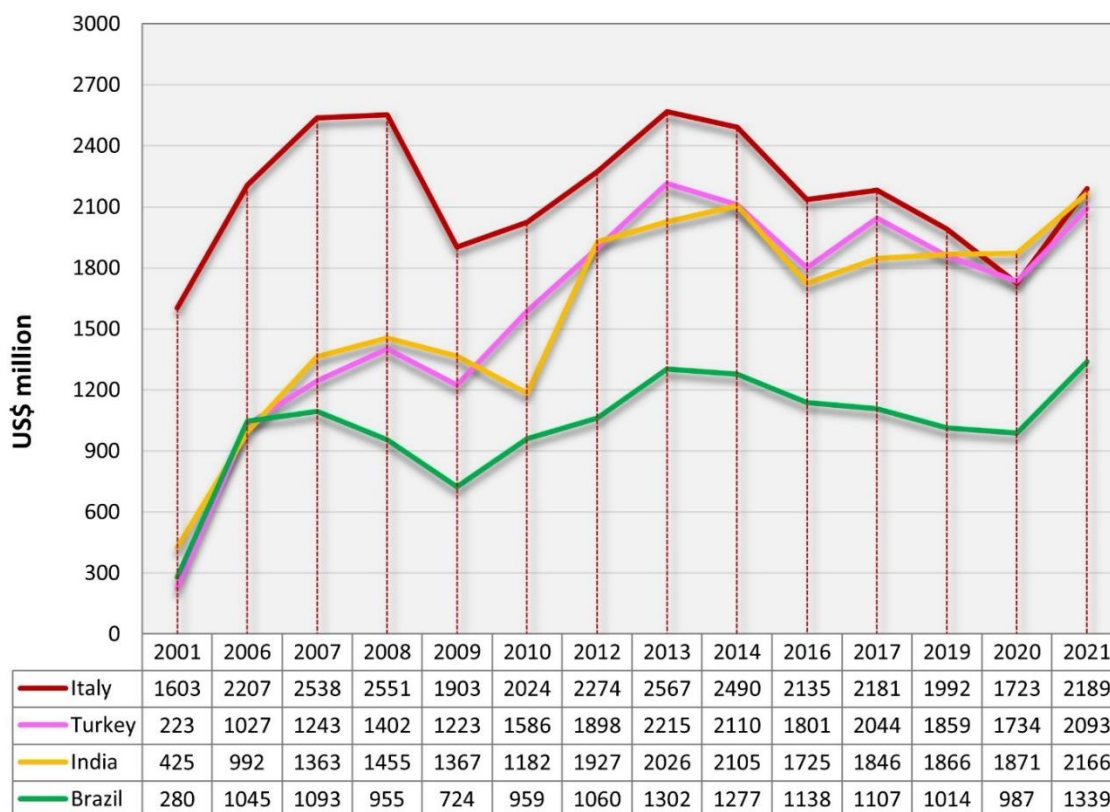
**Figure 3 comments** - Observe the increase in exports in the 2<sup>nd</sup> half 2020 and the drop in these exports in 4<sup>th</sup> quarter 2022.

Also important was the appreciation in the US dollar exchange rate – which surpassed the level of R\$ 5.00 in 2020, 2021 and 2022 –, significantly improving the profitability of Brazilian exporters. Due to exchange rates, exports made in 2013 and 2021, both around US\$ 1.3 billion, represented revenues of R\$ 3 billion and R\$ 7.23 billion, respectively (Figure 5).

Having already overcome the Brazilian “first export wave”, of blocks, and reaching the revenue goal provided by the “second export wave”, of slabs, ABIROCHAS continues to endorse the consolidation of the “third export wave”, involving the commercialization of finished products for the direct servicing of large works in the international market. This business modality, widely practiced by Italy and China, will not only diversify Brazilian stones exports to the US and other important markets, but will also further differentiate its average price compared to those of India and Turkey (Figure 6).

This is the value-added frontier envisaged for dimension stones in the international market, supported by Brazil’s exceptional geodiversity, capable of promoting qualitative and quantitative leaps in exports.

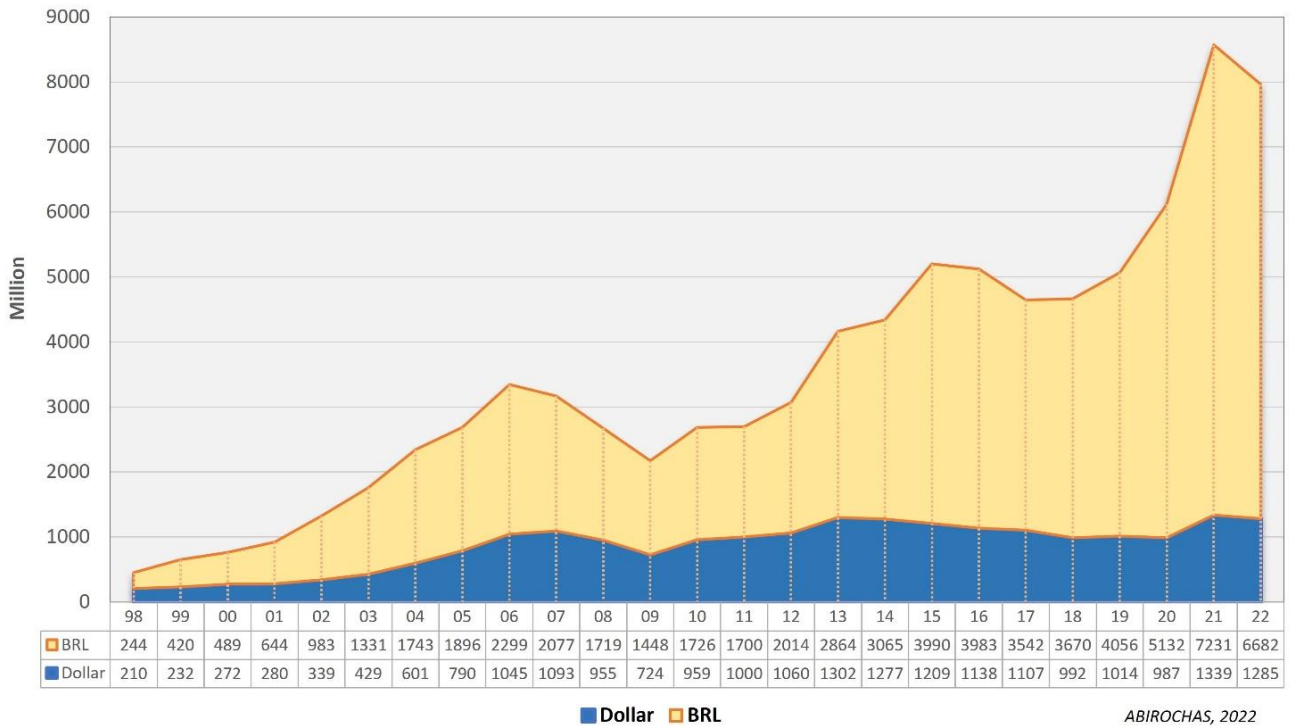
**Fig. 4 - Evolution of the world's main dimension stones exporting countries, except China - 2001/2021**



Montani, 2022; ABIROCHAS, 2022

**Figure 4 comments** - Observe the quantitative leap registered in 2021 for all major world exporters.

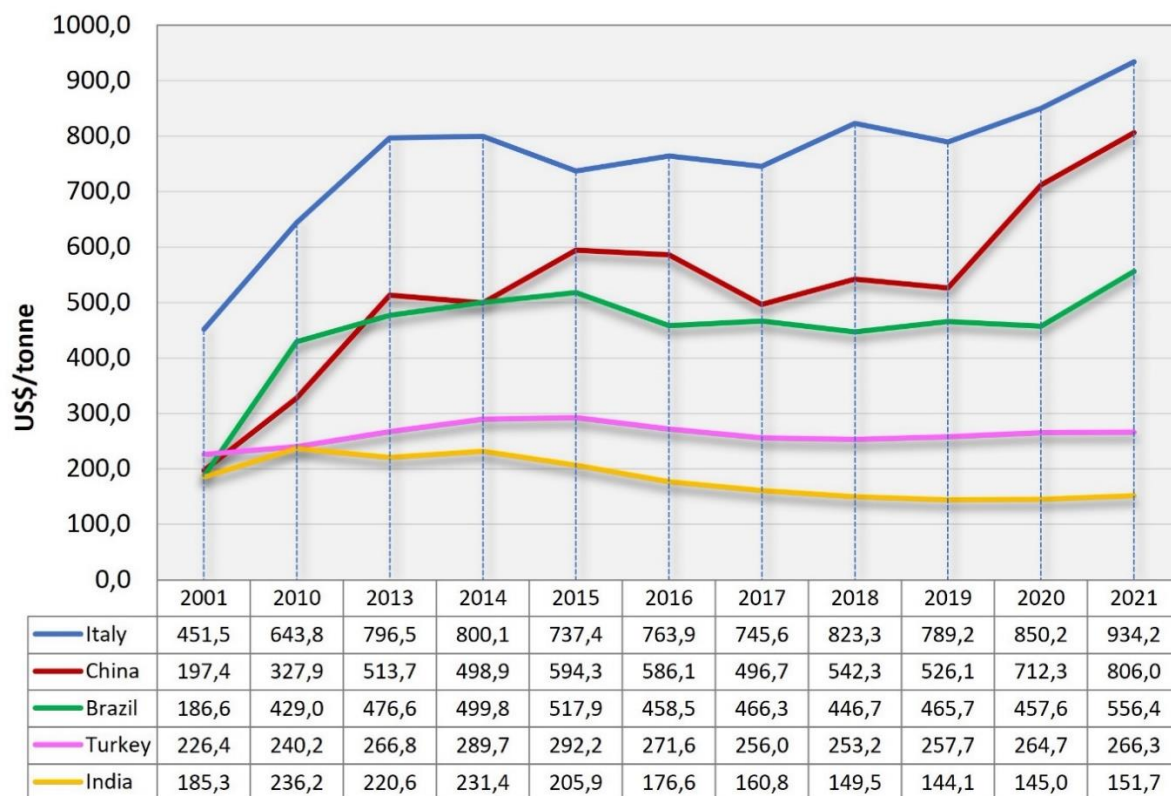
**Fig. 5 - Evolution of export revenues – importance of exchange rate policy – 1998/2022**



Year	98	99	00	01	02	03	04	05	06	07	08	09	10	11	12	13	14	15	16	17	18	19	20	21	22
\$1 → BRL	1,16	1,81	1,80	2,30	2,90	3,10	2,90	2,40	2,20	1,90	1,80	2,00	1,80	1,70	1,90	2,20	2,40	3,30	3,50	3,20	3,70	4,00	5,20	5,40	5,20

**Figure 5 comments** - Note the importance of the appreciation in the US dollar exchange rate, which rose consistently from 2018 and reached R\$5.40 in 2021, when exports totaled R\$7.23 billion.

**Fig. 6 - Average price of the world's main dimension stones exporters 2001/2021**



trademap.org, 2022; ABIROCHAS, 2022

**Figure 6 comments** - The average price practiced by India and Turkey, formed by a large share of raw products with lower added value, is much lower than those of Brazil and China and, above all, those of Italy. Exports from Italy and China are almost exclusively represented by finished products. The average prices in Brazil, formed by semi-finished processed rocks, are close to those of finished products in China.