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AN IMPACT ANALYSIS ON NATURAL STONE AND MARBLE MARKET SIZE & SHARE IN INDIA

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Abstract

The granite and marble industry is highly fragmented and unorganised. It also has high exports for raw as well as processed blocks. Marble industry is largely concentrated in Rajasthan & Gujrat. Marble is one of the most beautiful stones on the planet. The term "marble" evokes awe and demands respect for its majesty. It's no wonder that the 'Taj Mahal,' which was built entirely of pure marble, has captivated the globe for centuries. Marble stone is highly valued in India and signifies the exquisite grandeur of any structure. Aside from reflecting the family's sovereignty in marble, the stone also reflects the rich tradition that India has been drenched with for millennia. In the minerals division, after iron metal, marble is the second-biggest foreign trade contributor in India.

KEYWORDS: Marble, Global Market, Types of Marbles, Productivity Analysis.

Introduction

The Indian stone industry has evolved into the production and manufacturing of blocks, flooring slabs, structural slabs, calibrated - ready to fix tiles, monuments, tomb stones, sculptures, artifacts, cobbles, cubes, kerbs, pebbles and landscape garden stones India possesses a wide spectrum of dimensional stones that include granite, marble, sandstone, limestone, slate, and quartzite, spread out all over the country. India is also amongst the largest producer of raw stone material and the sectors is quite developed and vibrant in the South, as well as in Rajasthan and Gujarat, with a dedicated resource of entrepreneurs. India also has an indigenous resource of machinery and tool manufacturers which cater well to the demands of this sector.

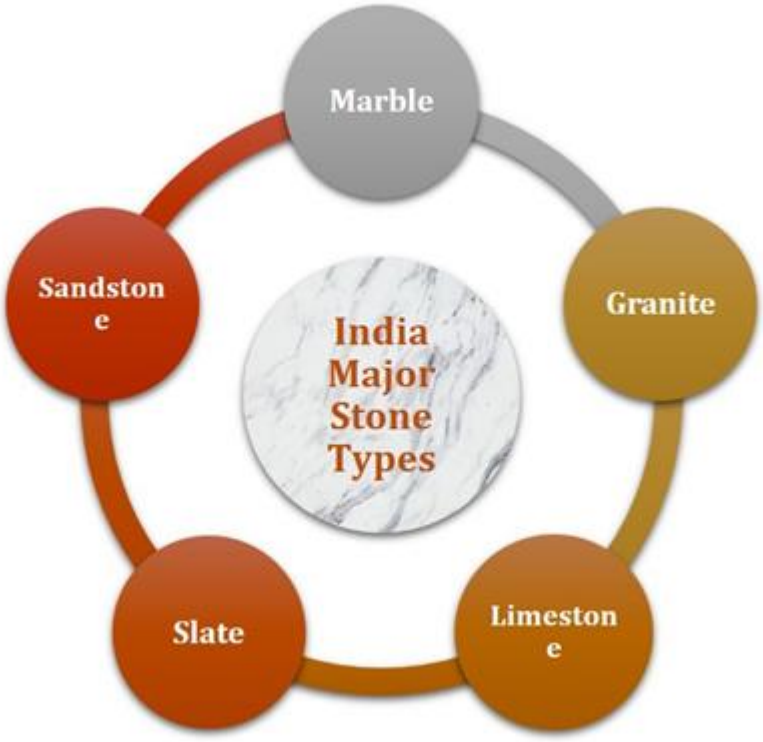
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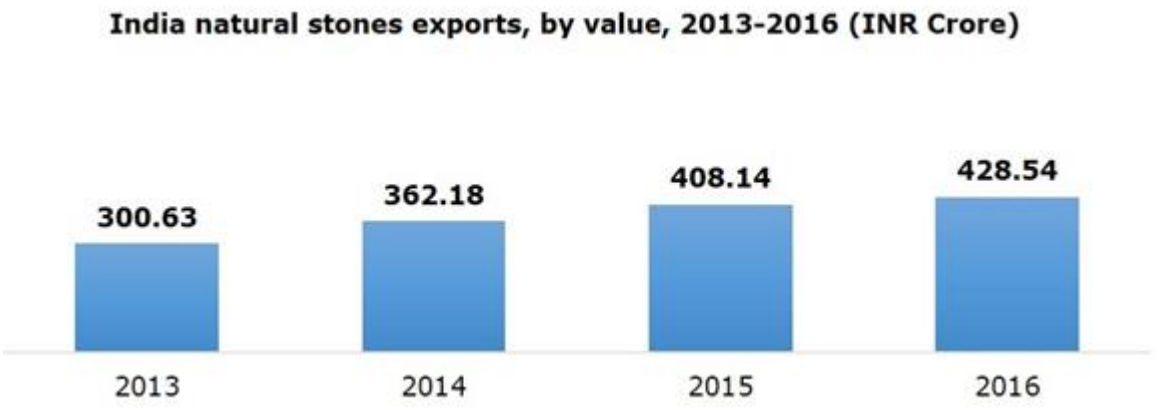
List of top 10 Ceramics And Granites Industries in India

S.NO	COMPANY NAME	COMPANY WEBSITE
1	Kajaria ceramics	www.kajariaceramics.com
2	Cera Sanitaryware	www.ceraSanitaryware.com
3	HSIL	www.hindwarehomes.com
4	Somany Ceramics	www.somanyceramics.com
5	Pokama	www.pokama.com
6	Asian Granito India	www.asiangranito.com
7	Orient Bell	www.orientbell.com
8	Nitco	www.nitco.in
9	Divyashakti Granites	www.divyashaktigranites.com
10	Inani Marbles	www.inanimarbles.com

1) India: A Premier Exporter

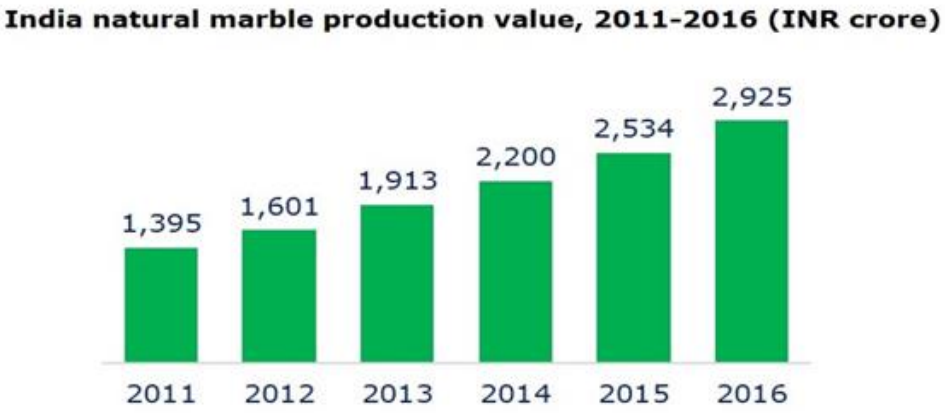


India ranks third in terms of global production of natural stones, and accounts for an 11% share of the global market. Marble, Granite, Limestone, Slate and Sandstone are the chief materials that India exports. Stone exports have gone up from around INR 300 crore to nearly 430 crore in the four years between 2013-2016. And the trend looks set to continue in the future as well, making the India marble & stone market one of the bright spots in an economy that is already looking to grow as aggressively as is possible. In addition to exports, India natural marble production stood at some INR 2,925 crore in 2016, implying that India marble & stone market may just provide the impetus to an economy which wishes to emulate China's export based growth model. The INR 2,925 crore figure in 2016 also comes on the back of some stupendous growth in the sector, given that the market was less than half of this not 6 years back, languishing at INR 1395 crore in 2011.



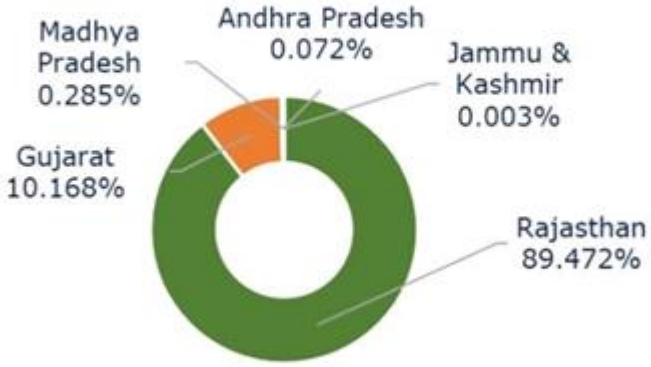
Perhaps one of the major issues faced by this sector of the Indian economy is the lack of consolidation. Experts at TechSci Research suggest that the bulk of marble production and distribution activities are being carried out by small-scale operators who may escape governmental oversight due to their small size vis a vis the sector. Therefore, many of the positive governmental regulations, changes made to the labour laws etc. may not necessarily trickle down to the people employed in the India marble & stone market.

2) Rajasthan: Biggest Marble Producing State in India



In 2016, Rajasthan accounted for more than 80% production of marble in India. The capacity for marble slab production in Rajasthan is around 1,000 million sq. ft. per annum. Gujarat, which is at second place, is not even close, with only about 10% share in the total India engineered marble production. Makrana, in the Nagaur district in Rajasthan, for example, is famous as a hub for marble production. In fact, some of the most famous monuments in India have been built using Makrana marble, including Taj Mahal, Victoria Memorial of Kolkata, Birla Temple of Jaipur, Haji Ali Dargah of Mumbai, the Jain Temple of Mysore, the Ambedkar Park of Lucknow and Jain Temple of Dilwara. Makrana has various mines in the Aravalli range, including among others, Doongri, Devi, Ulodi, Saabwali, Gulabi, Kumari, Neharkhan, Matabhar, Matabhar Kumari, Chuck Doongri, Chosira and Pahar Kua. Makrana is believed to provide a source of employment for more than 70,000 people in the region.

India engineered marble production share, by state, by volume, 2016



However there has been some pushback by people working in the India marble & stone market, post the government's decision to implement the Goods and Services Tax (GST) rate of 28% on marble. The earlier incidence of tax, marble industry leaders claim, was around 5%. Strikes are continuing to this day, which has seriously impacted the marble trade in India. The issue remains unresolved as of now though the government has been in serious negotiations with industry leaders to try and assuage fears.

3) Italy: Biggest Natural Marble Exporter to India

India natural marble imports, by value, 2012-2016 (INR crore)



Between 2012 and 2016, India imported around INR 1,400 crore per annum worth of natural marble, 2015 being the significant exception when nearly INR 2,000 crore worth of natural marble was imported. Italy has been responsible for just over half of the total imports of natural marble per annum in the India marble & stone market. For example, in 2012, India imported over INR 736 crore worth of marble from Italy and over INR 1,300 crore overall. In 2015, around INR 1,000 crore worth of marble was imported from Italy and around INR 1,900 crore overall. Suffice to say that Italy is one of the most stable and exporter of natural marble to India in the India marble & stone market. Carrara marble, for example, mined in Italy has been used in many famous Indian monuments including the Prem Mandir in Vrindavan and Akshardham temple complex in Delhi.

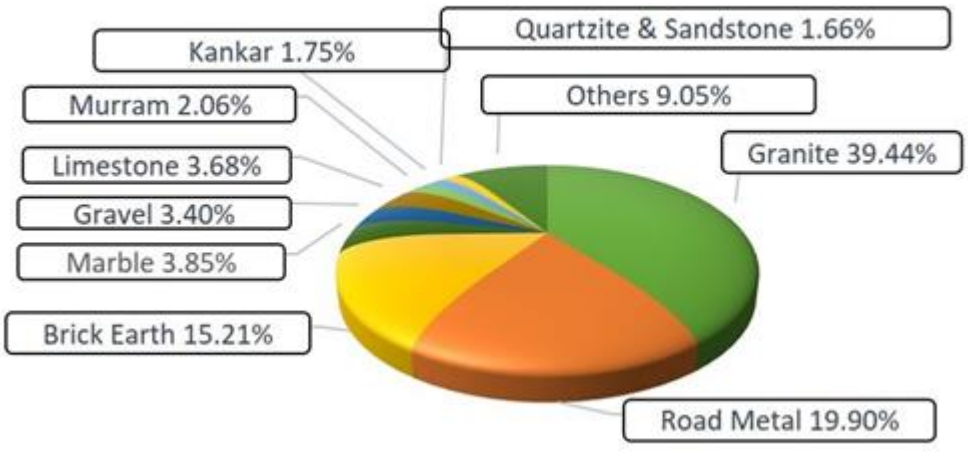
Natural marble exports, by major countries, 2015-2016, by value (INR crore), by volume (`000 metric ton)

	2015 (Q)	2015 (V)	2016 (Q)	2016 (V)
United States	16.60	92.53	24.22	107.48
Egypt	41.11	61.19	51.59	76.48
Nepal	35.64	46.91	63.56	60.49
China	93.76	90.43	64.36	61.18
Saudi Arabia	7.90	18.11	7.30	35.11
Italy	17.25	28.63	19.79	32.35
Hong Kong	30.46	30.16	22.24	25.07
UAE	8.98	21.62	8.43	24.18
Turkey	6.59	13.31	4.07	10.60
Taiwan	5.02	7.88	4.93	9.46

Italy is also the world leader in marble export, cornering a 20% share in the natural marble production market. China comes second with around 16%, India third with around 11% followed by Spain with around 6%, and Portugal with around 5%. Together, these countries account for nearly 60% of global marble production enjoyed by the India marble & stone market. However, in term of exporters, Turkey was the market leader with over 40% market share, followed by Italy, Greece and Spain. Among Asian exporters, India stood third behind Turkey and Pakistan.

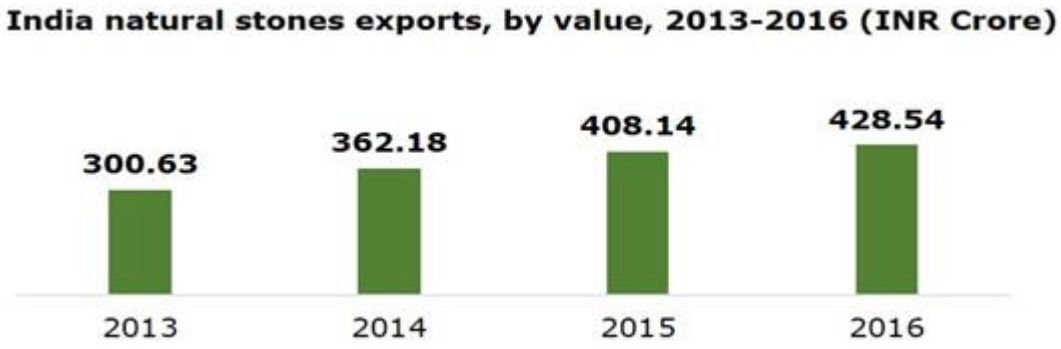
4) Other Minerals in the India Marble & Stone Market

India minor minerals market share, by mineral type, by value, 2016



Apart from marble, India also produces granite, road metal, brick earth, gravel, limestone etc. India is still the outlier compared with the rest of the world in many ways vis a vis the India marble & stone market as stones still form the mainstays of civil construction in the country. Public buildings, hotels, and temples etc. all still extensively use stones for construction. In fact, with rise in prosperity levels and an increasingly consumption based economy, stones are increasingly being used in homes, with the expanding Indian middle class becoming a primary growth driver in the India marble & stone market. For example, India has varieties of granite in over

200 shades. As of 2005, Granite reserves in India, as per the Indian Bureau of Mines, totalled 37,426 million cubic metres and ranked fifth in export of processed product. Granite production occurs mainly in Madhya Pradesh, Orissa, Tamil Nadu, Karnataka, Jharkhand, Chhattisgarh, Rajasthan and Andhra Pradesh.



Similar, slate reserves in India are found in the Indian states of Rajasthan, Haryana, Himachal Pradesh etc. In terms of Limestone deposits, Andhra Pradesh and Telangana corner the market share with over 30%. Major quarries of limestone can be found in Bethamcherla, Macherla, Neereducherla, Mudimanikyam of Kurnool, Guntur, Anantapur, Rangareddy, and Nalgonda districts. India's total limestone reserves are estimated at around 93,623 million tonnes.

Contribution of Marble Industries in the Economic Development

1. Generation of Employment

This is one of the biggest contributions of the industry from the socio-economic point of view. Today the marble industry of Rajasthan employs more than 5 Lakh persons (as stated above) in the various sectors of the industry like mining and processing and many more are getting their employment indirectly from this industry like transporters, mechanics / workshop owners, masons (for laying and fixing of stones), artisans etc. In Rajasthan the overall industrial development isnot much and the major portion of the population depends on the agriculture which in turn is very poor due to water scarcity and high dependency on

monsoon. In such conditions the contribution of marble industry though small, but is important and vital for employment generation, that too of in-situ nature. The in-situ employment is the employment for which the workers need not rush to city and can work from their own places.

2. Revenue Generation

The revenue generation from the industry is in the form of royalty on mineral dispatched, excise, sales tax and surcharge on finished products and taxation on machines and various incomes. The industry is generating huge revenue for the state in the form of mineral royalty. As per the available data marble mining in the state generated revenue of Rs.5, 65,178 thousand (approx.) in the year 2003-2004. Processing and sales of marble also generates huge revenues for the state and the Central Government in the form of Sales Tax (& surcharge thereof) and Excise respectively (excise duty up to annual sale of Rs 1 Crore have been exempted from marble w.e.f. 28.4.2002).

Sales tax is applicable on marble slabs at the rate of 12% of the total sales value with 15 % surcharge added over the tax value. Besides this, excise is levied for the sales over 1 Crore at the applicable rates. These two generated huge revenues for the Government.

Apart from this Rajasthan is also a big market for the imported marble. Government levies huge levies on the import of marble. At present Indian Government gives licenses for the import of marble at the rate of US $450 per metric Tonnes of marble slabs and US $ 300 per metric tonnes of marble blocks. These import duties are basically levied to safe guard the interest of Indian producers and to counter the dumping policies of countries like China. These import duties also contribute to the revenue generation for the Government.

3. Earning of Foreign Exchange

India produces roughly 10% of total marble production of the world and Rajasthan counts for more then 95% of total production of marble in the country. The exports of Marble from country counted to 1,05,864 Tonnes in the year 2004 and the value of these exports were Rs.1742.55 Million (approx.). Total value of exports of marble and products thereof from India in the year 2003-04 counted upto Rs. 2135 Million approximately. Major portions of these exports were from Rajasthan, this way, the industry plays an important role in the development of the state as well as the country by generating big amounts of foreign exchange

4. Rural Development

The pace of rural progress is very slow, owing to availability of only less funds for rural development. Further due to lack of infrastructure facilities such as road, rail - head, port or dry port and air terminal facilities, electricity, houses, school, availability of market and unwillingness of experts to stay in rural areas, it is difficult to start industries in the rural sector. Due to these reasons, the industries are not able to get developed in rural sector, despite of some incentives and subsidies by the government.

The marble mining is absolutely resource controlled and the resources are only in rural sectors. Even if there is a marble deposit present in the urban sector, it cannot be mined due to demographic reasons. Hence, the development of marble mining is synonymous to development of rural sector. It is evident from the fact that most of the villages situated near the mining fields of marble have progressed and have become the hub of other business activities. Moreover marble mining in Rajasthan boasts of providing employment to more than 3 Lakh persons, and all of them mainly belong to the rural sector. However, in Rajasthan the processing and marketing of the marble is mainly centralised in the vicinity of big cities, whereas in other countries the marble processing is done at the mine site only. Several mine owners are thinking on this pattern to install there processing plants at the mine site to save expenditures incurred in the transportation of the block. This will further increase employment availability in the rural sector.

Impact of Government policies on the industry

Recently, Government has introduced many new laws pertaining to the proper and sustainable development of marble industry, and these are well received by the persons related to the industry. Removal of Excise duty: One of the major changes that the Government has introduced is the removal of the excise duty on marble (upto the annual sales of Rs.1 Crore). This is a major step as so far marble was the only mineral product in the country on which excise was imposed. The removal of the excise duty will reduce the landed cost of marble to the end user and this will surely increase the demand of marble in the market.

New marble policy

The new policy for the marble mining will facilitate the search of new marble areas in the state. The new policy not only allows the grant of mining lease for marble in the state but also permits the prospecting work for the search of new areas of marble deposits. In toto it can be said that the Government had realised the importance of this industry and now seems to be committed towards the development of the industry.

Future trends in dimensional stones

In recent year in Europe the natural stones that move freely like marble, granite and all other natural stones, by the new European provisions are required to be certified with a quality standard and must carry the CE quality mark.

The new regulations propose that specific rules are defined that covers testing methods, technical terminology, stone origin and product guidelines. The latter, in particular describes the natural stone' characteristics, composition and durability and it depends upon these factors whether the quality certificate can be given.

The CE mark comes together with a certificate of conformity covering the declaration of conformity by the manufacturer. Such a declaration presumes a series of tests carried out to ascertain physical and application characteristics in addition to denomination and the use of standard technology

The product must therefore satisfy important requisites: resistance against heavy knocks, stability, fire safety standards, consumer safety, noise tolerance, hygiene, environmental and human health standards, energy resource saving and thermal insulation. The information described on product labels and documents surrounds supplier identification and responsibility, the guideline, the year it was issued on the market, characteristics and relative value, and identity of the laboratory that carried out the tests.

Conclusion

India enjoys a huge diversity of various stones and minerals and must leverage its position to establish itself as a global exporter of the same, thus benefiting the India marble & stone market. Rajasthan, especially, can develop into a global mining hub all by itself, enjoying a dominant share in the marble and sandstones markets. Various globally recognised types of marbles, including the Makrana marble, Rajnagar marble, Andhi marble etc. have already established Rajasthan as a globally known region. In addition to marble, Rajasthan also enjoys significant reserves of sandstone, granite slate etc. Over 90% of the deposits of sandstone are found Rajasthan,

spread over the districts of Bharatpur, Dholpur, Kota, Jodhpur, Sawai-Madhopur, Bundi, Chittorgarh, Bikaner, Jhalawar, Pali, Shivpuri, etc. It will be interesting to see if the Rajasthan government can develop the state into a full-fledged mining hub, rather than the small-scale operations that dot the state currently. India has a history of optimally utilising its various reserves, with Khajuraho Temple, Elephanta Caves, Taj Mahal, Konark Temple etc. all being produced from locally sourced raw materials, but for further growth in the India marble & stone market, it is essential that exports to various countries be enhanced.

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