

The ceramic tile market in Europe

EUF Meeting 2010

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Let's start from last year (September 2009) at Cersaie

- Europe
 - 2008: consumption - 8,1%
 - 2009: consumption - 20,0% (forecasts)
 - 2009: consumption - 17,0 % (final figures)

Let's go more deeply into the figures

CERAMIC TILE CONSUMPTION - EUROPE			
million sqm			
	2007	2008	2009
Austria	18,5	18,8	17,6
Belgio e Luss.	26,7	26,5	25,1
Danimarca	7,9	7,4	5,8
Finlandia	9,3	8,7	7,7
Francia	140,2	130,3	119,1
Germania	117,0	111,5	109,0
Regno Unito	76,4	67,2	54,7
Grecia	55,8	50,7	37,3
Irlanda	12,8	9,4	5,7
Italia	200,0	176,8	147,4
Olanda	30,5	30,4	27,0
Portogallo	50,3	47,8	38,0
Spagna	315,2	241,3	156,9
Svezia	13,1	12,2	10,0
Norvegia	8,4	8,0	6,7
Svizzera	15,2	15,0	15,0
Estonia	4,5	4,3	2,8
Lettonia	4,9	4,8	3,2
Lituania	8,4	8,4	4,9
Polonia	103,1	104,3	101,9
Rep. Ceca	26,8	28,4	26,0
Slovacchia	17,8	20,1	16,9
Slovenia	12,0	12,8	11,3
Ungheria	25,8	25,2	21,7
Bulgaria	28,6	30,6	25,4
Romania	44,3	49,2	36,9
Albania	10,7	11,4	11,2
Croazia	21,0	21,5	18,6
Russia	171,4	191,1	159,3
TOTALE	1576,4	1474,2	1223,2

	2008/2007	2009/2008
Var. %	-6,5%	-17,0%

- Consumption went down, but not in the same way in all the countries.
- Europe is more and more a unique market, but.....
- Some countries didn't behave well (Greece)
- Other countries for various reasons have more difficulties..... Spain has an overheated building sector
- Baltic countries have many problems.

On the other side.....

- Poland is going fairly well
- Switzerland is maintaining the level of consumption
- France and Germany are limiting the decrease

Production

- When consumption was down 17%
production was down 23%
- Why?

Easy to say: stocks were very high and manufacturers found liquidity through the stocks

CERAMIC TILE PRODUCTION - EUROPE

million sqm

	2007	2008	2009
Austria	1,2	1,2	1,0
Belgio e Luss.	4,0	4,1	4,0
Danimarca	0,9	0,9	0,9
Finlandia	1,2	1,1	1,0
Francia	33,5	31,0	29,2
Germania	66,7	58,9	57,0
Regno Unito	10,8	10,1	8,8
Grecia	10,8	10,3	9,6
Irlanda	1,7	1,5	1,3
Italia	559,1	512,5	368,0
Olanda	11,1	11,2	10,2
Portogallo	73,8	73,5	63,0
Spagna	584,7	495,2	324,4
Svezia	1,0	1,1	1,0
Norvegia	0,1	0,1	0,1
Estonia	0,9	0,9	0,9
Lettonia	1,0	1,0	0,8
Lituania	4,9	5,0	3,6
Polonia	112,0	119,0	113,0
Rep. Ceca	34,5	34,6	30,0
Slovacchia	12,8	13,2	11,5
Slovenia	9,3	9,6	8,5
Ungheria	15,1	15,6	15,0
Bulgaria	24,8	25,5	22,5
Romania	12,1	14,1	13,8
Albania	0,3	0,3	0,4
Croazia	10,8	11,2	10,8
Russia	124,0	137,0	121,5
TOTALE	1723,1	1599,7	1231,7

	2008/2007	2009/2008
Var. %	-7,2%	-23,0%

What is happening in 2010?

I can give you some figures only for Italy

- In 2009 Italian market was better than the export,
- in 2010 is worse

Italian Ceramic Tile Market 2010 (Jan-Mar)

Export and sales of Italian Ceramic Tiles (january-march 2010)						
	Value	Variation %		Average price	Variation % on jan-mar 2009	
	smq	Value	smq	Value		
Austria	2.281.053	22.905.919	-0,99%	0,31%	10,04	1,31%
Belgio e Lussemburgo	1.944.434	28.365.979	-6,38%	-6,05%	14,59	0,35%
Cipro	396.190	5.267.758	11,57%	28,04%	13,30	14,76%
Danimarca	690.811	9.683.434	-4,13%	-7,21%	14,02	-3,21%
Estonia	45.984	528.829	-30,66%	-45,40%	11,50	-21,26%
Finlandia	812.196	9.142.641	15,02%	12,41%	11,26	-2,27%
Francia	13.010.557	151.526.627	-3,48%	-1,55%	11,65	2,00%
Germania	9.742.828	117.385.017	-1,76%	-1,74%	12,05	3,56%
Gran Bretagna	1.366.795	18.576.080	-1,62%	-2,09%	13,59	-0,48%
Grecia	2.566.133	28.782.282	-9,91%	-9,02%	11,22	0,99%
Irlanda	151.739	1.919.403	-19,54%	-27,10%	12,65	-9,40%
Lettonia	47.027	613.830	-5,63%	-8,57%	13,05	-3,11%
Lituania	60.665	815.303	-38,36%	-45,49%	13,44	-11,57%
Malta	197.445	1.771.803	-14,05%	-20,20%	8,97	-7,16%
Paesi Bassi	1.067.601	15.818.957	-12,65%	-15,30%	14,82	-3,03%
Polonia	765.959	13.024.972	-25,82%	-15,81%	17,00	13,49%
Portogallo	46.069	720.208	-46,43%	-42,58%	15,63	7,19%
Repubblica Ceca	747.422	6.448.464	-3,50%	-15,09%	8,63	-12,01%
Slovacchia	355.004	3.461.713	-14,34%	-16,45%	9,75	-2,46%
Slovenia	561.521	5.782.233	-18,01%	-16,77%	10,30	1,51%
Spagna	582.458	10.815.160	4,48%	-2,51%	18,57	-6,69%
Svezia	1.687.327	20.566.500	6,16%	12,21%	12,19	5,70%
Ungheria	1.098.665	7.318.491	-10,10%	-7,37%	6,66	3,04%
TOTALE PAESI UE	40.225.883	481.241.603	-4,26%	-2,78%	11,96	1,54%
EUROPA - Altri paesi EXTRA UE	7.052.630	84.989.271	-8,78%	-9,27%	12,05	-0,54%
... di cui Svizzera	1.843.696	26.439.324	3,85%	5,89%	14,34	1,96%
... di cui Russia	828.274	18.410.690	-10,97%	-12,36%	22,23	-1,56%
TOTALE AMERICHE	12.102.884	132.779.460	20,53%	12,35%	10,97	-6,79%
... di cui Stati Uniti	7.889.917	90.386.181	18,69%	7,94%	11,46	-9,06%
TOTALE ASIA	6.843.886	78.493.749	25,10%	31,13%	11,47	4,82%
TOTALE AFRICA	2.270.746	14.840.845	0,22%	20,42%	6,54	20,16%
TOTALE AUSTRALIA/OCEANIA	970.160	12.463.779	25,27%	18,50%	12,85	-5,40%
TOTALE EXTRA UE	29.240.306	323.567.104	11,25%	9,85%	11,07	-1,26%
TOTALE PAESI MONDO	69.466.189	804.808.707	1,71%	1,93%	11,59	0,22%
VENDITE ITALIA						
Attività diretta *	35.060.348	384.189.040	-6,89%	-6,61%	10,96	0,29%

- Last year we said: we would like to go back to the consumption levels of 2006-2007 and it will take at least 5 years
- It was a forecast and ahope
- Probably we will close 2010 with a +, but probably it will take more years

What can we do?

- Europe is not as flexible as the USA
- In 2009 we went down 20% - USA went down
- but in 2010 in the first three months USA went up

US Ceramic Tile Consumption 2000-2009

(million sqm)

Year	Home sales	Import	Export	Total consumption	Variation %
2010 JAN-MAR	20,0 (estimated)	32,5 (+23,9%)	--	62,5 (estimated)	25,0% (estimated)
2009	49,5	123,9	4,3	169,1	-14,1%
2008	45,1	156,6	4,7	197,0	-20,6%
2007	50,1	202,4	4,4	248,1	-19,5%
2006	58,5	253,8	4,2	308,1	1,4%
2005	61,1	246,0	3,4	303,7	3,8%
2004	64,6	231,2	3,2	292,6	11,9%
2003	57,1	207,2	2,7	261,6	6,3%
2002	60,3	189,0	3,1	246,2	16,5%
2001	54,9	159,5	3,1	211,3	-0,4%
2000	60,4	155,2	3,4	212,2	

US Ceramic Tile Consumption 2005-2009

(million sqm)

I CONSUMI DI PIASTRELLE NEGLI STATI UNITI, PER PAESE FORNITORE, ANNI 2005-2009
(In milioni di metri quadri)

Paese fornitore	2005		2006		2007		2008		2009	
	Milioni di m.q	%	Milioni di m.q.	%	Milioni di m.q	%	Milioni di m.q.	%	Milioni di m.q	%
Italia	64	21,1	61,4	19,9	48,7	19,6	35,9	18,2	21,8	12,9
USA	57,7	19,0	54,3	17,6	45,7	18,4	40,4	20,5	45,2	26,7
Spagna	33,9	11,2	32,2	10,5	20	8,1	11,4	5,8	7,1	4,2
Messico	38	12,5	42	13,6	40,9	16,5	39,0	19,8	34,8	20,6
Brasile	42	13,8	40	13,0	27,7	11,2	15,2	7,7	10,0	5,9
Cina	20,9	6,9	32,2	10,5	32,6	13,1	28,7	14,6	27,2	16,1
Altri paesi	47,2	15,5	46	14,9	32,5	13,1	26,4	13,4	23,0	13,6
Totale	303,7	100,0	308,1	100,0	248,1	100,0	197	100,0	169,1	100,0

- In Europe we cannot expect very high rate of increase of the consumption.
- We can bet on enforcing our share of the market “stealing” market to other floors/walls materials.
- For doing this we have to bet on:
 - **innovation in products**
 - **quality**

- In Italy many years ago we used the word “**mattonelle**” (little bricks)
- It took many years to arrive to talk of “**piastrelle**” (tiles)
- Now we need to talk of “**lastre**” (slabs – plates)

- Besides the words all this means that we have to reach the appeal of natural stones, of wood, of metal, of resins etc.
- Not for the aesthetical quality that is already better, but in the perception of the products by consumers and prescribers.

Where are the manufacturers going?

- **Green** - everybody talks about Green, everybody wants to be Green
- Green is trendy, Green is the future
- In a very short time “Green” has become as important as the technical characteristics and the design aspect of the ceramic tiles

But when a ceramic tile is Green?

- What is it possible to do for being sure that a ceramic tile is Green?
- Without going too deeply into technical matters the answer is: ask for **certifications**
- Which sort of certifications?

The EU Ecolabel for floor and wall coverings



The **European Ecolabel** is a voluntary scheme, established to encourage businesses to market products and services that are kinder to the environment.

Products and services awarded the Ecolabel carry the flower logo, allowing consumers - including public and private purchasers - to identify them easily.



The EU Ecolabel for floor and wall coverings



The EU Ecolabel is part of a broader action plan on Sustainable Consumption and Production and Sustainable Industrial Policy adopted by the Commission on July 16, 2008



The EU Ecolabel for floor and wall coverings



Hard Floor Coverings

Decision No. 2002/272/CE

Coverings

Decision No. 2009/607/CE

These “Product Groups” include

CERAMIC FLOOR AND WALL TILES



LCA

Ecolabel can be awarded to products compliant with specified criteria.

Ecolabel criteria are not based on one single factor, but on studies which analyse the impact of the product on the environment **THROUGHOUT ITS LIFE CYCLE**, starting from raw material extraction in the pre-production stage, through to production, distribution and disposal.

The EU Ecolabel for floor and wall coverings

EUROPEAN UNION ECOLABEL



Awarded to goods or services which meet the environmental requirements of the EU eco-labelling scheme

Licence registration number

- Reduced energy consumption of production process
- Reduced emissions to air and water
- Improved consumer information and waste management

The EU Ecolabel for floor and wall coverings

Pollutant	Emission factor (g/m ²)		
	Ecolabel criteria	BAT (Best Available Techniques)	Untreated emissions
Fluorine compounds	0.2	0.6	4
Particulate matter	5	7.5	700



The Ecolabel Mark for HFC in Europe

	No. Licenses	No. Commercial Marks
ITALY	13	29
Other EU Countries	2 (Spain)	2 (Spain)

(updating: dec. 15, 2009)

The Italian Ceramic Tile Industry and Environmental Protection

- Strong efforts in the **Sassuolo District** since the early '70s, aimed to ensure a reliable compliance to EQS (Environmental Quality Standards), established by law.
- Commitment to continuously improve of environmental performances of ceramic tiles processes and products, in the framework of industrial and environmental politics based on environmental competitiveness.

The Italian Ceramic Tile Industry and Environmental Protection

ENVIRONMENTAL MANAGEMENT in the Italian and European Ceramic tile industry



**EU
Environmental Management
Scheme and External
Communication Procedure**



Italy: 15 units (12 firms)
Other EU: 2 units

**ISO 14001
Environmental
Management System**



Italy: 38 units (19 firms)
Other: 3 units (1 firm)

LEED – Leadership in Energy and Environmental Design

- **LEED Green Rating System** is a voluntary consensus-based standard, created in the USA and today worldwide accepted, standard for developing high-performance, sustainable or “green” buildings. Created in the USA, based on well founded scientific standards, LEED is today worldwide accepted and promotes state of the art strategies that emphasize benefits for the environment, economy, health and community.



LEED – Leadership in Energy and Environmental Design

- Applicable to newly constructed or renovated buildings, LEED promotes a whole building approach to sustainability by recognizing performances in five key areas of human and environmental health:
 - sustainable site development
 - water savings
 - energy efficiency
 - material selection
 - indoor environmental quality

Four level of LEED certification

- Building projects earn one or more points toward LEED certification by meeting or exceeding each credit's technical requirements. Points add up to a final score that reflects one of four possible levels of certification – the more points awarded the higher the building performance.
 - Certified 40 - 49 points
 - Silver 50 - 59 points
 - Gold 60 - 79 points
 - Platinum 80 points and up

In which way ceramic tiles contribute to LEED

Five areas:

- Amount of recycled material
- Use of regional materials
- Heat island effect
- Optimizing energy performance
- Content of VOC
- Innovation in design

In which way ceramic tiles contribute to LEED

- In Italy ceramic tile manufacturers are strongly committed to “green”
- But we have gone further.....



“**Made in Italy,
Guarantee of Excellence.**”

The **Ceramic Tiles of Italy** trademark is a symbol of superior quality, design excellence, durability and environmental responsibility. The Italian ceramic tile industry created this certification to recognize Italian manufacturers' continuous research and development and commitment to the very highest production standards. Tiles that bear this mark have been created with deep respect for the environment and for the workers that bring these products to life.

Made in Italy, Designed and Produced Responsibly.”

Ceramic Tiles of Italy is a registered trademark of Edi.Cer. Spa, a subsidiary of Confindustria Ceramica (the Italian association of Ceramics). Edi.Cer Spa is the organizer of Cersaie, International Exhibition of Ceramic Tile and Bathroom Furnishings - Bologna, Italy - September 28 - October 2, 2010 - www.cersaie.it
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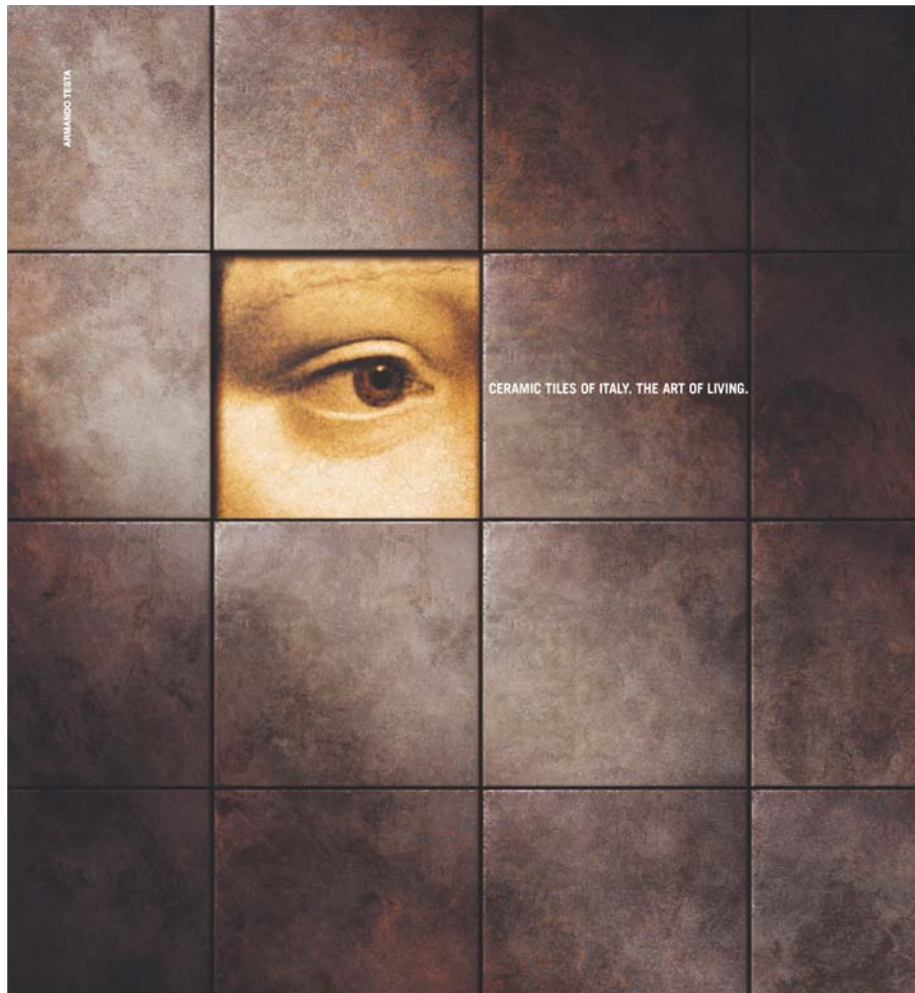
www.italiatile.com www.s-tiles.it

“”
Ceramic Tiles of Italy

Advertising “Made in Italy” 2009-2010

In 2008 Confindustria Ceramica adopted an **ethical regulation** (codice etico)

Then subsequently updated the rules for the utilization of the logo Ceramic Tiles of Italy



Advertising “The Art of Living” 2005-2008

For more information, please contact:

Confindustria Ceramica - Viale Monte Santo, 40 - 41049 Sassuolo (MO) - Italy - tel. +39 0536 818111 - fax +39 0536 807935 - www.italiatile.com - info@italiatile.com
Ceramic Tiles of Italy, promoted by Confindustria Ceramica, is a registered trademark of Edi.Cer. Spa, the organizer of CERSAIE,
International Exhibition of Ceramic Tile and Bathroom Furnishings - Bologna, Italy, September 30 - October 4, 2008 - www.cersaie.it

www.italiatile.com


Ceramic Tiles of Italy



Ceramic Tiles of Italy. A natural beauty.

Choosing Italian tiles is a question of style. Beauty alone is no longer enough, you have to create harmony which is beauty and respect together. The beauty of a product of superior technical quality along with respect for working conditions and the environment.



Ceramic Tiles of Italy

For more information, please contact: **Confindustria Ceramica** - Viale Monte Santo, 40 - 41049 Sassuolo (MO) - Italy - tel. +39 0536 818111 - fax +39 0536 807935
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International Exhibition of Ceramic Tile and Bathroom Furnishings - Bologna, Italy, September 28 - October 2, 2010 - www.cersaie.it

Advertising campaign co-financed by  Ministero delle Attività Produttive

www.italiatile.com www.s-tiles.it

Advertising “A natural beauty” 2009-2010

Made in Italy is not only innovation in product, design, aesthetics but a philosophy of production that respects the mankind and environment.

To all EUF's members

If you want to visit Cersaie (Sept. 28 – Oct. 2) we can offer you:

- 2 nights free of charge in a 3/4 stars hotel
 - Reservations before July 15
 - We will inform you through EUF secretary by June 20

CERSAIE
BOLOGNA ■ ITALY
28 SEPTEMBER - 2 OCTOBER 2010