

Ceramics tile sector braced for 15% dive

A GRIM short-term forecast for the UK ceramic tiles market is given in a new survey by AMA Research. It anticipates a £60m decline between 2007 and 2010. However, it foresees growth following and expects the market to be worth £416m in 2012.

Factors influencing prospects for ceramic tiles include the state of the housing market, consumer confidence and the continuing attraction of floor and wall tiles in preference to alternative products.

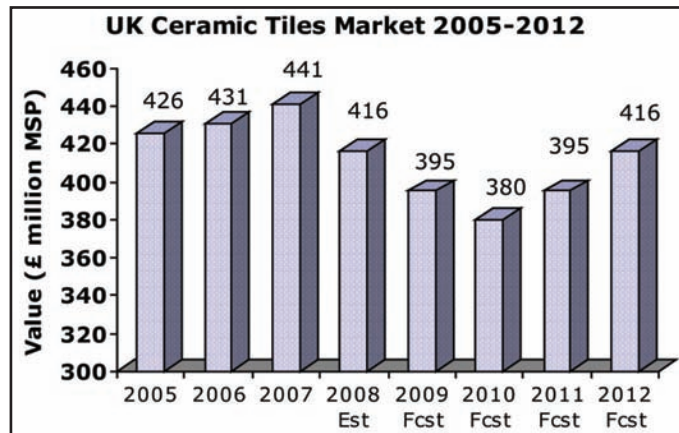
The market was estimated to be worth £441m in 2007, though 2008 saw a 6% decline, particularly in the second half of last year.

AMA comments that the UK ceramic tiles market is now more mature while remaining highly fragmented with increasing competition from imports.

In 2007, the market performed well, benefiting from a more buoyant economic climate, but 2008 saw a steep decline as economic concerns escalated.

AMA notes that ceramic tiles have grown strongly over the last decade due to various positive factors, including a strong housing and home improvement market. Consumer preferences have also changed in favour of tiles.

■ **Underfloor heating:** Floor tiles have enjoyed the strongest growth and now account for over 30% of the market by value, having benefited from the trend towards hard floorcoverings and, in particular, the



growing acceptance of underfloor heating which has undoubtedly widened the appeal of tiles.

■ **Contract:** In addition, the contract sector has been more buoyant and now accounts for over 35% of the market. Contract is likely to remain stronger in the short-medium term. In particular, the Olympics will provide good opportunities, especially in sporting and catering facilities where tile usage is high.

■ **Imports:** Over 75% of ceramic tiles supplied in the UK are imported. In fact, AMA warns that imports are likely to increase their rate of penetration into the UK market putting greater pressure on UK manufacturers.

■ **China:** The market saw a trade deficit of £33m in 2007 with a gradual switch away from traditional

sources such as Spain and Italy in favour of countries outside the EU, in particular from China.

■ **Distribution:** The dominance of distributor showrooms, independents and multiple tile specialists, with over 60% share, has impacted on ceramic tiles distribution in recent years and is expected to continue. DIY multiples and builders merchants have not gained market share, though bathroom and kitchen specialists are offering more ceramic tiles as part of their overall product package.

The 2008 UK Ceramic Tiles Market report from AMA Research is available in hard copy or electronic format for £625 and can be ordered online at

■ www.amaresearch.co.uk
■ T: 0871 3103450

IFDA accolades for Polyflor and F Ball

Independent Floorcoverings Distributors Association (IFDA) has voted Polyflor overall supplier of the year.

Mark Scull, Polyflor sales director, comments: 'It is especially satisfying as this award reflects opinion across such a large number of independent businesses, varying widely in terms of size, location and products but all vital to our own sales success.'

■ www.polyflor.com ■ T: 0161 767 1111

F Ball was voted as IFDA's flooring accessory supplier of the year. IFDA chairman, Kevan Tucker, said: 'The

support and quality of products that F Ball provides help us in turn deliver a first class service to all our customers.'

A crystal glass trophy was presented as well as a £250 cheque donated to Donna Louise Trust, a local children's hospice regularly supported by F Ball.

■ www.f-ball.co.uk ■ T: 01538 361633

BELOW LEFT: IFDA chairman Kevan Tucker presents the awards to Mark Scull of Polyflor and (RIGHT) to Richard Harris, marketing manager of F Ball and Co



Business in brief

CFA members in top 10

Four CFA members are in the top 10 of a *Building* survey of the UK's big flooring firms by turnover. They are Veitchi (£46m); Loughton Contracts (£27m); Axiom Group (£17m); and Prospect & Peachgate (£9m).

Save money on jobs

Free government advice and online tools are helping businesses save £418m a year with employment regulations, according to new research. Areas include maternity and paternity leave and pay; flexible working; 48-hour opt-out record keeping; and the national minimum wage. www.businesslink.gov.uk www.betterregulation.gov.uk

Manufacturing shock

British manufacturing shrank in November at the fastest rate since figures were first collected in 1992, according to the latest Purchasing Managers' Index. A collapse in new orders is seen as largely to blame.

Tiling firm goes online

A Leeds-based tiling and flooring company, M2direct, has moved its business online. 'We offer top-of-the-range flooring at unbelievable prices,' says chairman Lee Pargeter. M2direct supplies firms such as Conran and Gleeson Building. www.m2direct.co.uk

Bid to save staircase firm

Palgrave Brown, a Lancashire manufacturer of timber products including staircases, has reportedly gone into administration. Buyers are being sought for the business which has a £66m turnover.

Mitie revenue up 11.5%

Project management firm Mitie Group reports an 11.5% rise in revenue in the latest six month period compared with the previous year. Its profits were also up.

Aggregate staff cuts

Aggregates business Ennstone is reported to be planning to cut 10% of its UK staff.

QUOTE:

'The minimum wage was introduced when I was secretary of state for trade and industry 10 years ago. I am so proud to see the difference it has made to the lives of millions of hard working people'

- Business secretary Peter (Lord) Mandelson