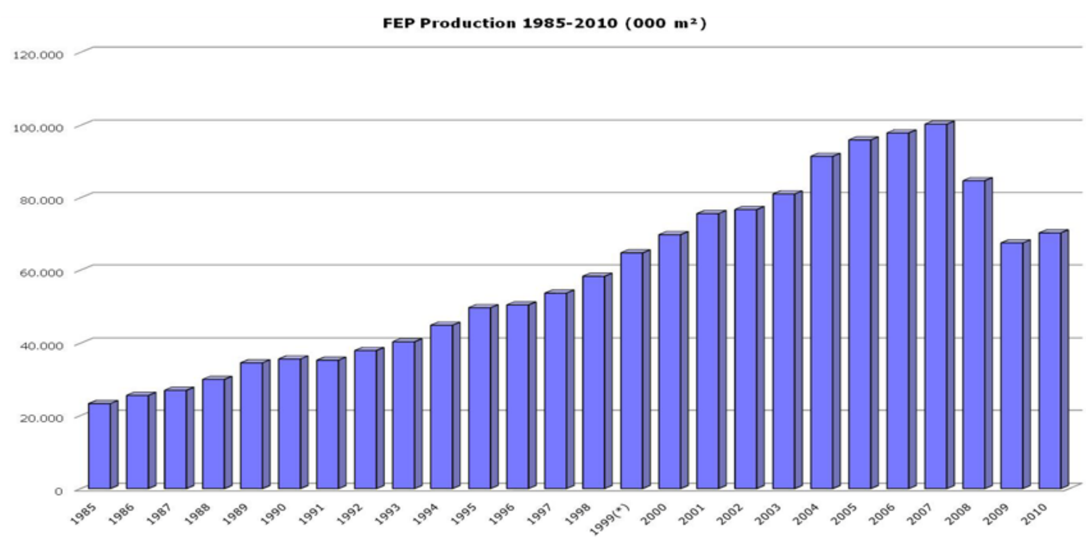
The Parquet Industry

Further amplifying the January forecast of FEP (European Federation of the Parquet Industry) issued at the start of the DOMOTEX fair, the consolidated data provided by member companies and affiliated national associations indicate a positive development in the ranks of the European Parquet Industry and a growth in both production & consumption volumes. Compared to the previous year, the total production in 2010 increased by 4.11%, whereas the overall consumption figures point to an even stronger growth of 6.81%.

The 2010 result is particularly encouraging as it comes after two difficult years during which, induced by the global Economic crisis, the parquet industry also faced difficult times resulting in declines in areas of both consumption and production. The reasons for this promising tendency reversal can be found in the general economic upswing witnessed in the past year, the strong performance of some of the largest markets and the better than expected global result of the parquet industry in the Euro Area towards the end of last year. Nevertheless, FEP wants to underscore that in certain cases the procured data are provisional and that therefore the possibility of some variation in the results should not be excluded.

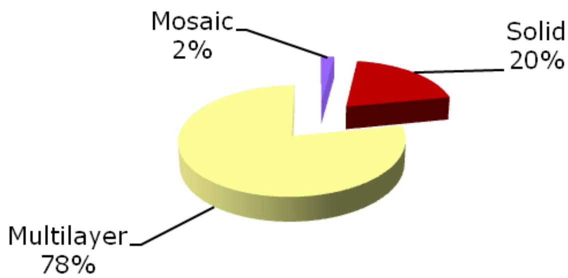
The total production in FEP territory rose to a volume of 70,300,000 m². Important increases, particularly in Germany, Austria and the Nordic countries, but also in the Netherlands, Poland, Hungary and the Czech Republic had a major impact on the positive development of the entire sector.

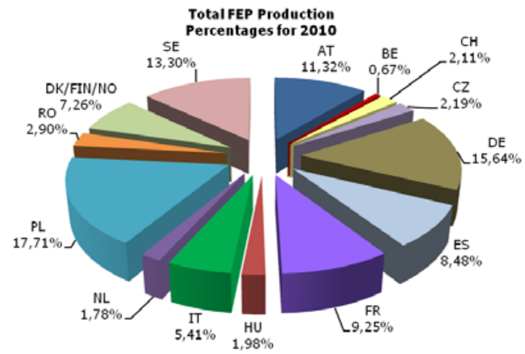


Consumption in the FEP area also grew by 6.81%, to a level of 92,945,000 m². Important increases are witnessed especially in the Nordic cluster, Germany and France.

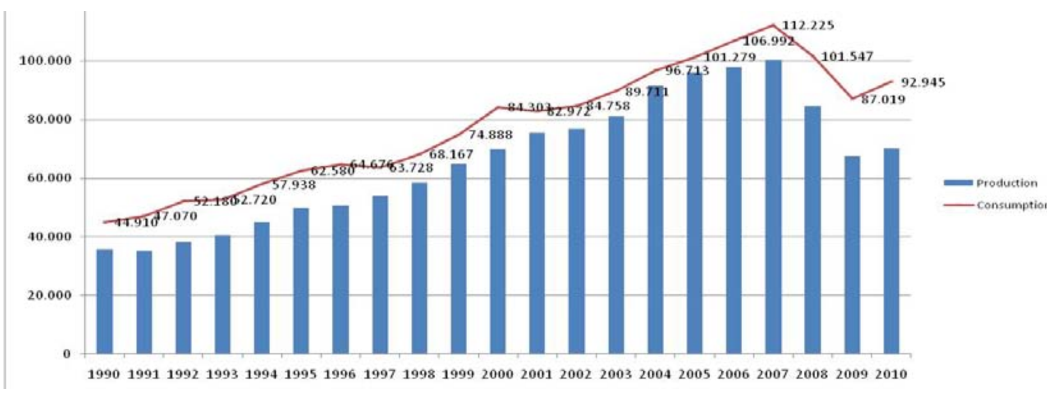
As regards the 2010 total parquet production per type, multilayer remains at a stable level with 78%. Solid, including lamparquet, is adding 1% to reach 20%, whereas mosaic is declining by 1% to now 2% of the total cake.

In absolute production figures by country, Poland is consolidating its top position with 17.71%, Germany remains second at 15.64% and Sweden comes in third with 13,30%.

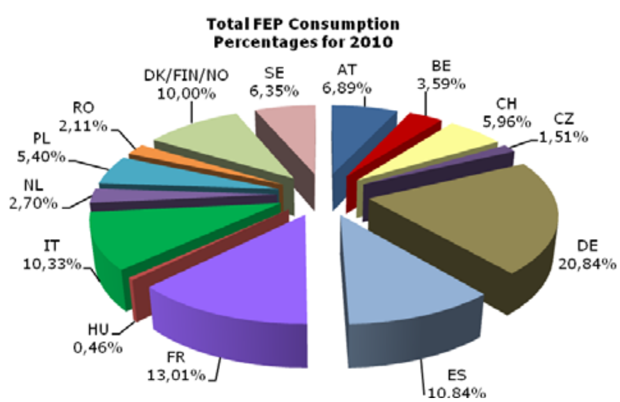




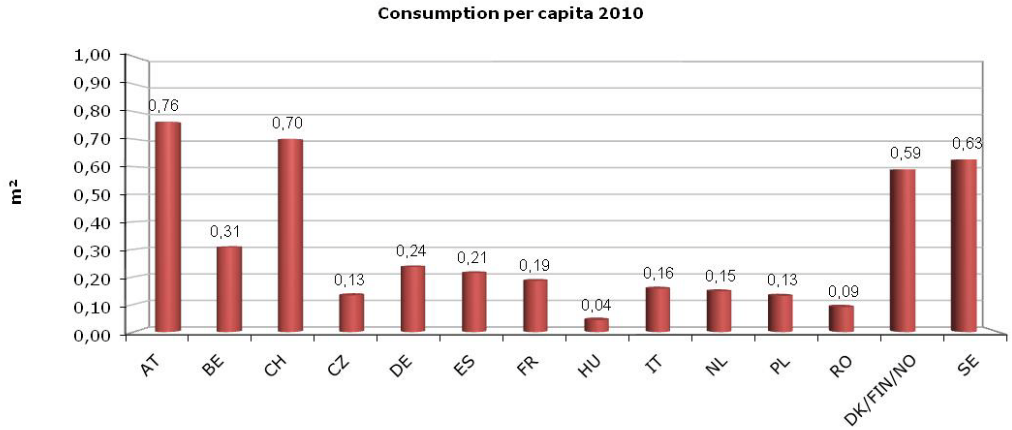
The growth in consumption in the FEP area is even more pronounced: +6.81% and in line with FEP's January forecast.



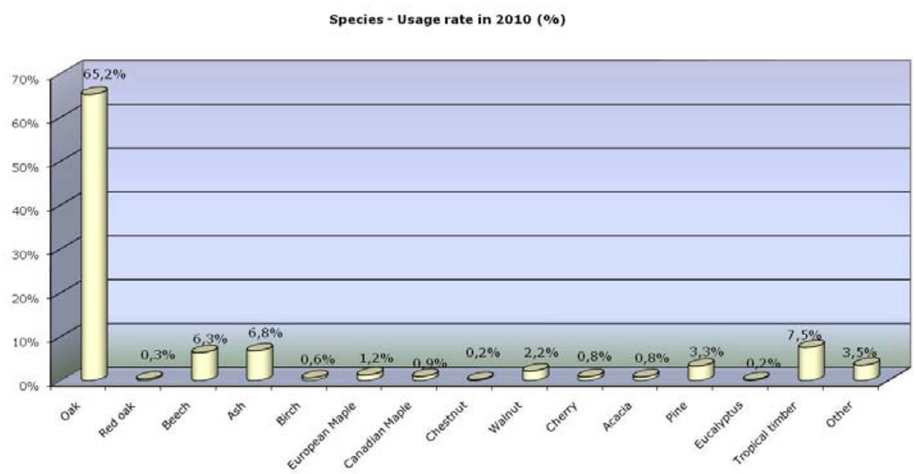
Germany is leading the pack with 20.84% (a more than 2% market share increase compared to 2009), now followed by France with 13.01% and Spain with 10.84%, only slightly ahead of Italy with 10.33%.



The per capita parquet consumption is highest in Austria (0.76 m²) and Switzerland (0.7), followed by Sweden now at 0.63 m². In the total FEP area, the consumption per inhabitant has risen from 0.21m² in 2009 to 0.23m² in 2010.



Use of wood species



The usage of wood species in 2010 as shown on the above graph indicates that oak is advancing further to reach a spectacular 65.2% of the total, tropical wood species are again regressing significantly to a mere 7.5%. Ash and beech are now again in an upward motion with 6.8% and 6.3% respectively.

Outlook for 2012

If one takes into consideration the constantly improving picture for parquet on the global EU market in 2010, the future looks encouraging. In general, the results in 2011 have been evolving positively in the past months, both as regards consumption & production and the optimism of industry captains is strengthening mainly due to the progressive thickening of the order books and the continuously improving economic climate. The same applies to the growing confidence of EU consumers.

But, is it already appropriate to shout victory? The general upswing is regretfully not uniform for all markets within the FEP area – some are doing rather well, others are however still fighting hard to at least stabilize the situation even if this is sometimes taking place at a low level. Amongst the Economic indicators that the European Commission is constantly monitoring there is one which is refusing to follow the general trend: yes, the construction sector. In addition, the raw material prices are increasing, the Euro is still (too) strong versus the USD and our industry continues the fierce fight with cheap imports on a playing field which is frequently neither level nor fair. Reason enough to remain constantly vigilant, without at the same time allowing unsound worries to impede creative thinking and interfere with the positive business attitude. The parquet industry has fought many hard battles and has always managed to secure its position amongst alternative flooring solutions and over the years even increase its share. Parquet is and remains unique. No need to change this disposition.

FEP hopes that 2011 will hence bring a further upturn for our industry. Parquet remains a much desired flooring product, a warm, environmentally friendly, sustainable and natural interior solution. In other words, it fulfils all inherent conditions demanded from a modern product if it is to meet the basic criteria of sustainable development. Behind an ever expanding, innovative and versatile product range, stands a growing number of young and competent captains of the industry – the best guarantee that the parquet business will maximise the opportunities provided by the long awaited economic recovery. Reason enough to look at the future with a strong dose of realistic optimism. In any case, the options are limited in this context and as a wise man said a long time ago: “fear is a bad advisor”! FEP will continue doing its utmost to assist and support all its members wherever possible to jointly pave the road towards a prosperous future for our entire sector.

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