

# 2018 World Ceramic Tiles Forum

7 November - 11 November

Hotel Palácio Tangará

Panamby, São Paulo, Brazil



# 2018 World Ceramic Tiles Forum - National Context -

SPAIN



# National Context – Spain



- I. Trend in the construction sector/demand
- II. Trend in production, consumption and trade in ceramic tiles
- III. Latest developments at national level in energy supply regulation and taxation
- IV. Development in standardisation at national level
- V. Development in regulations at national level affecting ceramic tiles (notably environmental or health & safety regulation)
- VI. Other national developments

## I. Trend in the construction sector/demand



### **The construction sector shows a moderate dynamism**

Spain's **real estate market** consolidates its upward trend. The number of home purchase and sale transactions continues, increasing by 11 % year-on-year in 2018 up to August.

The construction of **new housing** is growing in some regions. Planning permission for new developments increased by a significant 25.8% year-on-year in the current year up to July. In any case it starts from very low values. In 2007 the number of finished dwellings was 641 thousands. In 2017 it grew 36 %, but it was only 55 thousands. **Renovation** of buildings and dwellings is leading the construction activity.

# I. Trend in the construction sector/demand

Spanish economy reports  
Ministry of Economy

## Construction

(Year-on-year percentage change except as indicated)

	2017	2018(1)	2017 IV	2018 I	2018 II	2018 III(1)	Previous data	Latest data	Date
<b><u>CONSTRUCTION</u></b>									
Composite Construction Indicator (2)	6.6	8.4	7.5	9.5	7.8	8.0	..	..	Q.3. 18
Production in Construction Index (4)	-1.4	2.0	-4.9	6.4	1.4	-3.4	-5.2	-1.2	Aug. 18
Social Security covered workers	6.2	6.8	7.1	6.8	6.6	7.0	6.8	7.1	Sep. 18
Floorage approvals: total	21.8	26.5	24.5	19.1	31.1	32.6	18.8	32.6	Jul. 18
Floorage approvals: housing	24.8	25.8	24.8	18.9	23.5	48.8	12.2	48.8	"
Official bidding (at current prices)	38.0	-2.3	107.0	76.8	-63.7	-12.8	-52.8	12.6	Aug. 18
Construction confidence indicator (3)	-26.9	-5.6	-15.7	-4.3	-4.1	-8.3	-10.2	2.5	Sep. 18
Mortgages. Number	8.0	9.6	0.2	4.8	12.8	14.7	2.4	14.7	Jul. 18
" . Amount borrowed	14.3	8.8	15.4	3.6	12.3	14.0	16.6	14.0	"
Housing: Prices per sq meter	2.4	3.2	3.1	2.7	3.8	-	..	..	Q.2. 18
Dwelling sales	15.4	11.1	19.0	11.6	10.3	11.7	16.2	7.4	Aug. 18
- New	10.8	11.7	23.8	11.1	13.1	10.5	11.4	9.6	"
- Used	16.4	11.0	18.0	11.7	9.7	11.9	17.2	6.9	"

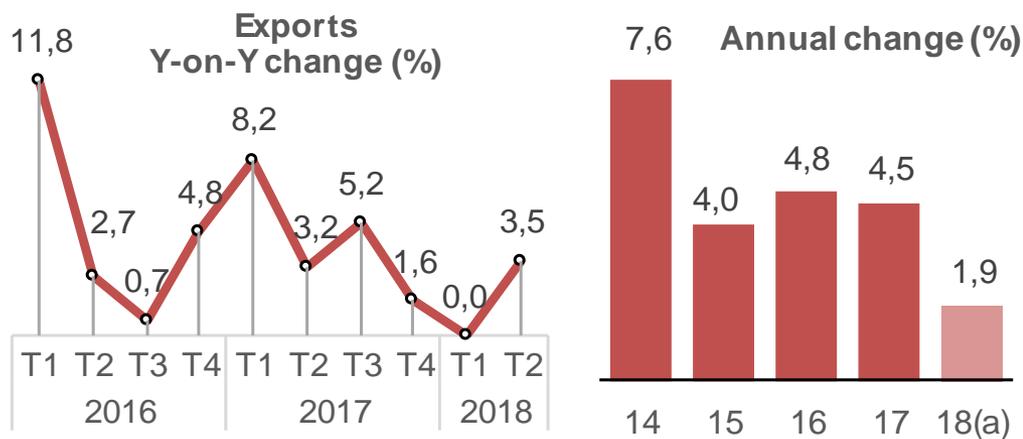
(1) Available period data. (2) Adjusted for seasonal, calendar and outliers effects. (3) Balances in percentage points. (sa). (4) Adjusted for calendar.

Sources: EUROSTAT, MESS, MFOM, AENA, RENFE, INE, European Commission and SGACPE.

## II. Trend in production, consumption and trade in ceramic tiles

**Exports** grow at a low average rate of 1-2% with decreasing trend.  
**Domestic market** grows around 6-8%, at a lower speed than 2016-17.  
**Production** follows the decreasing trend of sales and could end the year in negative growth.

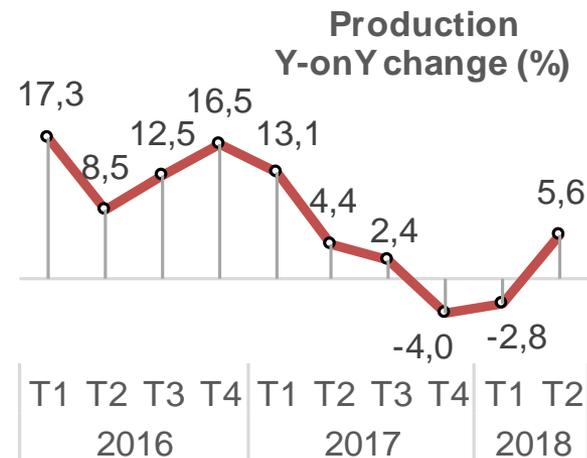
### Exports (value)



Exports 2017: 2,686 Million euros (+4.5%)

2018 data up to August

### Industry production index



Prod. 2017: 530 Mill. m2 (+7.7%)

## IV. Latest developments at national level in energy supply regulation and taxation



### **Natural Gas**

Continuous efforts are being made to boost the development of the Iberian gas hub, specially to increase its liquidity, in order to reduce costs for consumers, specially energy intensive industries.

Although the Spanish market is slowly improving, it is still considered an 'emerging' gas hub compared to other European gas hubs which are more mature (greater volumes of gas are traded and more active players participate), hence have more competitive prices.

### **Electricity and cogeneration**

Electricity prices are drastically increasing. The government is studying possible measures to try to reduce the electricity bill for consumers.

With respect to cogeneration plants, the industry is requesting a new regulation to extend the operating lifetime of existing plants which are reaching the end of their regulated lifetime.

## IV. Latest developments at national level in energy supply regulation and taxation



### **Future Law of Climate Change and Energy Transition**

This proposal for new regulation will probably be published by end of 2018. It will become the main instrument to achieve the European objectives in the area of sustainability, and those derived from the Paris Agreement.

The Law will define the medium and long term framework that guarantees a smooth transition to a low carbon economy, which is adapted to climate challenges. This regulation will allow to develop a new economic model, which is expected to generate economic growth and employment.

Furthermore, it will be a big challenge for the current Spanish production and consumption model.

V. Development in standardisation or regulation at national level affecting ceramic tiles



There's been no new developments on national standards or regulations affecting ceramic tiles during the last year.