

World Ceramic Tiles Forum – National Context

Italy



National Context – Italy



- 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 or regulation at national level affecting ceramic tiles
- V. Other national developments relevant to the ceramic tiles sector

I. General economic situation, trend in the construction sector/demand

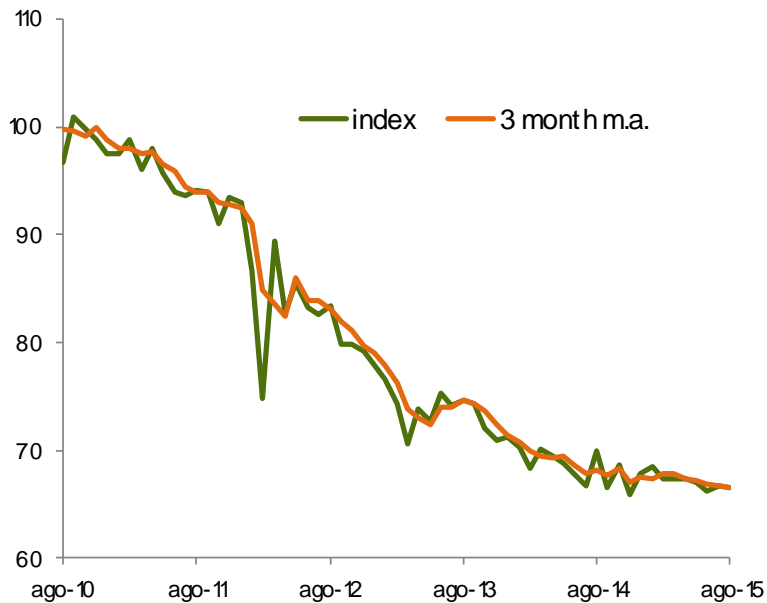


Italy: general economic situation

	2014	2015 (estimated)
G.D.P. % change over previous year	-0,4	0,8
INFLATION RATE	0,2	0,1
OFFICIAL BANK RATE (BCE)	0,13	0,05
NOMINAL WAGE INCREASE (TOTAL INDUSTRY)	1,8	2,1
UNEMPLOYED AS A % OF TOTAL LABOUR FORCE	12,7	12,1

I. General economic situation, trend in the construction sector/demand

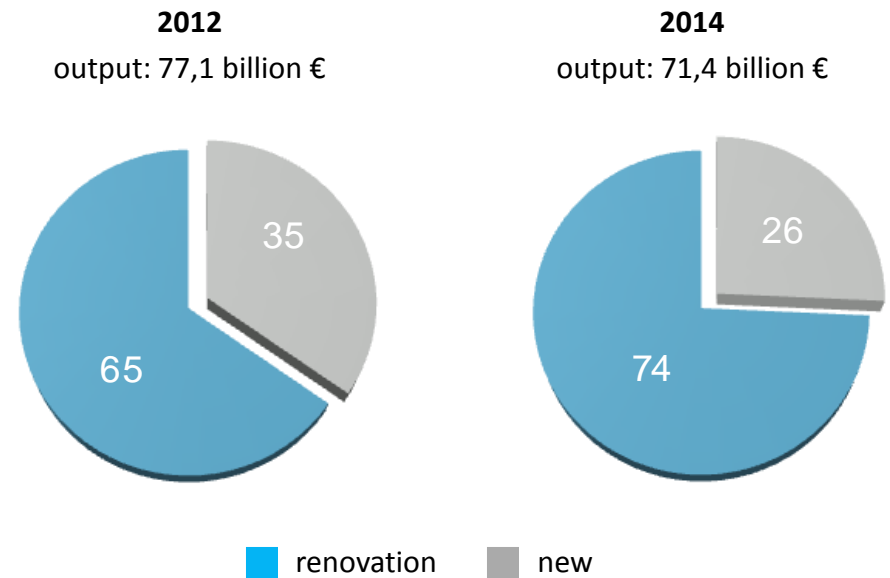
Production in construction sector - index (2010=100)



✓ after sharp decline since 2008, in the first months of 2015 construction output is not recovering yet

✓ in spite of the improved macroeconomic scenario, no recovery is expected for construction investment: a further moderate decline is expected also for 2015

Investment in residential market - % share



✓ New residential production has been severely hit by the construction crisis also in 2014 and 2015, while renovation activity continued on a positive trend

✓ Investment for both generic renovation and energy-efficiency projects accounted in 2014 for more than 70% of residential investment and this share is expected to increase in 2015

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

The Italian ceramic tile industry

	2013	2014	Var. %
Companies	156	150	-3,85%
Employees	20.537	19.430	-5,39%
Production (million sq. mt.)	363,4	381,7	5,04%
Total Sales (million sq. mt.)	389,3	394,6	1,35%
...of which Italy	86,5	80,8	-6,61%
...of which export	302,7	313,7	3,63%
Investments (million €)	224,6	286,2	27,41%
Total Turnover (million €)	4.726,0	4.914,0	3,97%
...of which Italy	856,0	804,0	-6,08%
...of which export	3.870,0	4.109,0	6,19%
Import (million sq. mt.)	13,1	15,1	15,20%
Import (million €)	109,4	114,3	4,54%
Consumption (million sq. mt.)	99,6	95,9	-3,71%
Consumption (million €)	965,4	918,3	-4,88%

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

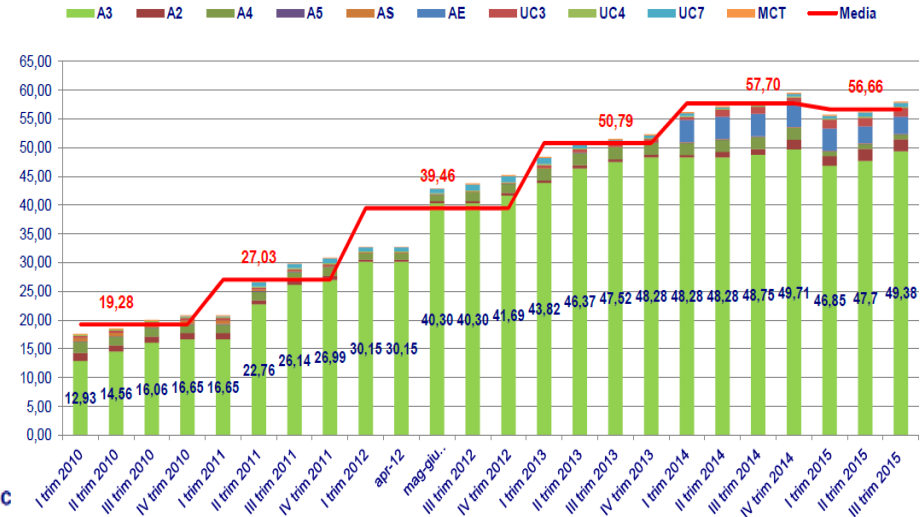
Italian ceramic tile markets (first half 2015)

Area - Continente <i>Area - Continent</i>	Valori assoluti <i>Absolute values</i>		Variazioni percentuali <i>% variations</i>	
	milioni di mq. <i>million Sq.mt.</i>	milioni di Euro <i>million €</i>	mq. / <i>Sq.mt.</i>	Valore / <i>value</i>
Europa Occidentale - UE <i>EU - Western Europe</i>	73,48	1.070,28	-0,14%	2,09%
Europa Meridionale - UE <i>EU - Southern Europe</i>	5,30	70,06	8,04%	18,24%
Europa Orientale - UE <i>EU - Eastern Europe</i>	8,71	108,19	-0,03%	3,49%
Europa extra UE <i>Other European countries extra EU</i>	18,93	191,81	-13,26%	-20,51%
Americhe <i>Americas</i>	25,43	427,74	5,87%	25,54%
Asia	19,89	265,33	11,80%	11,18%
Africa	7,13	56,85	1,61%	7,63%
Australia _ Oceania	2,90	41,05	2,19%	2,10%
Totale Export <i>Total export</i>	161,77	2.231,30	0,67%	4,96%
Vendite Italia <i>Domestic sales</i>	39,41	397,07	-0,70%	-1,40%
Totale Vendite <i>Total Sales</i>	201,19	2.628,37	0,40%	3,95%

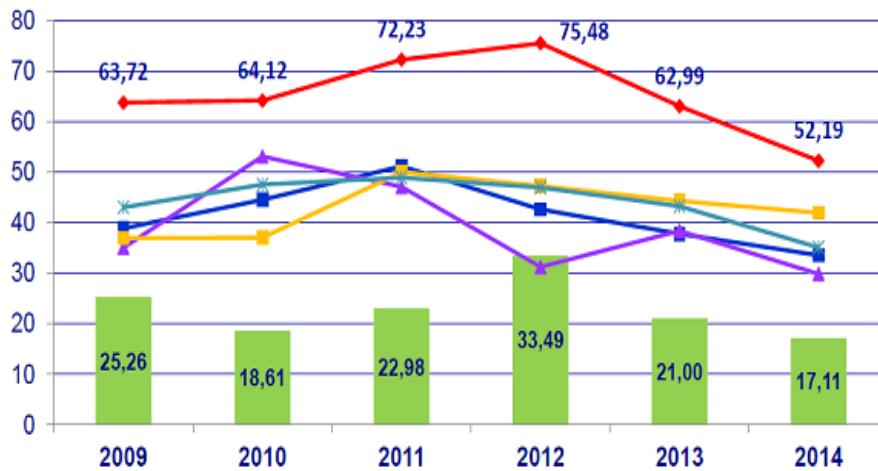
III. Latest developments at national level in energy supply regulation and taxation

Electric power

- RES charge reached more than 50% of cost paid by a company to buy electric power (see right)
- Refunds introduced in 2013 for energy-intensive companies are still blocked. The system is under scrutiny by the European Commission (Environmental and Energy State Aid Guidelines)
- The spread between Italy prices and the average of the European stock exchanges is a bit decreased, but in 2014 it amounted to € 17.11 (see below)



■ Italia - Media prezzi borse ■ Italia ■ Germania ■ Area scandinava ■ Spagna ■ Franc



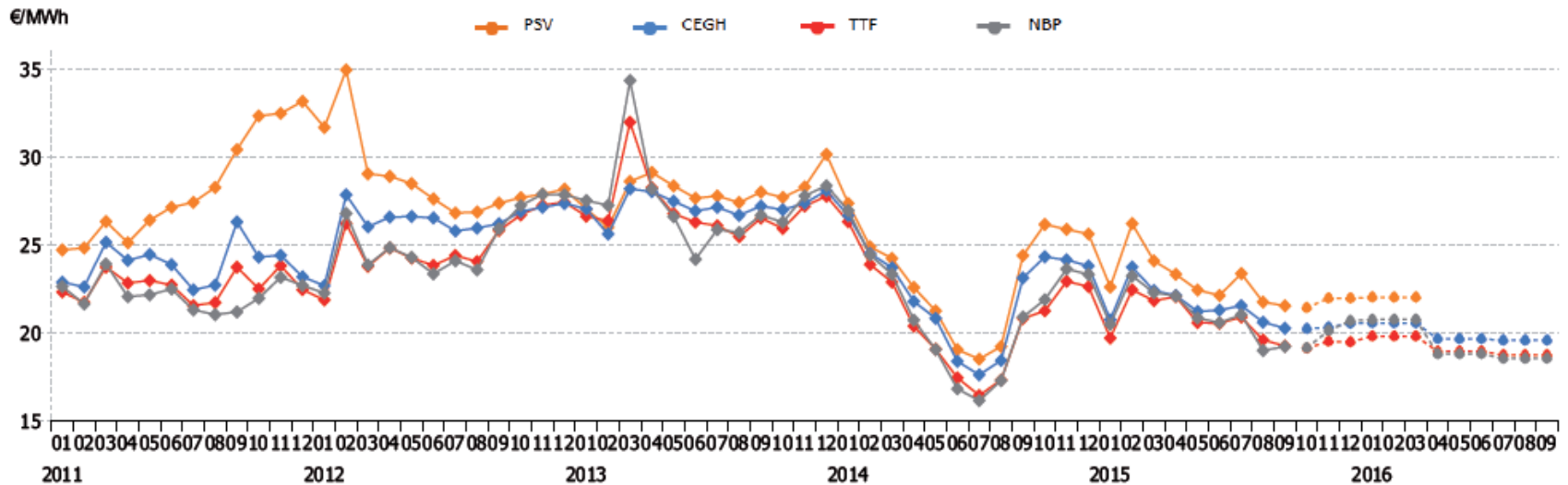
Cogeneration

- Starting from 2015 electric energy produced from CHP and self-consumed has been charged to 5% of “grid services fees” (including RES charge)
- This threatens the economic balance of the existing plants, introducing uncertainty for new investments

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

Gas market

- The costs have followed the oil trend but in less reactive way
- Energy prices are influenced by the international situation but also by structure, liquidity, and degree of opening of the market at national level
- Industrial Consortium Gas Intensive sold directly to its member 225 million m³ in TY 2014/2015



IV. Any development in standardisation or regulation at national level affecting ceramic tiles

UNI, Italy

After the publication, in 2013, of the standard ***“UNI 11493.1:2013: Floor and wall ceramic tiling. Part 1. Instructions for the design, installation and maintenance of ceramic tiling”***, the following standard is being developed:

“UNI 11493.2 - Floor and wall ceramic tiling. Part 2. Knowledge, skill and competence requirements for installers of floor and wall ceramic tiling”.

Scope: To define the requirements for the professional profile of "ceramic floor and wall tiling installer".

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ENVIRONMENTAL PRODUCT DECLARATION

CEN/TC 350 has developed the standard **EN 15804 “Sustainability of construction works . Environmental Product Declaration – Core rules for the product category of construction product”**

- In particular, EN 15804 reports core “Products Category Rules” – PCRs – for all construction products (and services).
- **Aim:** ensure that all **EPD** of construction products are **derived, verified and presented in a harmonised way.**



IV. Any development in standardisation or regulation at national level affecting ceramic tiles

CET has developed specific PCR for ceramic tiles in accordance with EN 15804

Confindustria Ceramica has launched a project to develop an industry wide EPD, based on EN 15804, regarding italian ceramic tiles.

The study will collect primary data from more than 90 companies representative of the italian production.



V. Other national developments



Italian ceramic tile production internationalization

	2014
Companies	16
Employees	3.062
Production (million sq. mt.)	76,7
Total Sales (million sq. mt.)	85,2
...of which domestic market	65,4
...of which exports + intercompany	19,8
Total Turnover (million €)	715,5
...of which domestic market	573,2
...of which exports + intercompany	142,3