



# World Ceramic Tiles Forum – National Context

Japan



# National Context – Name of the country

- I. General economic situation and 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

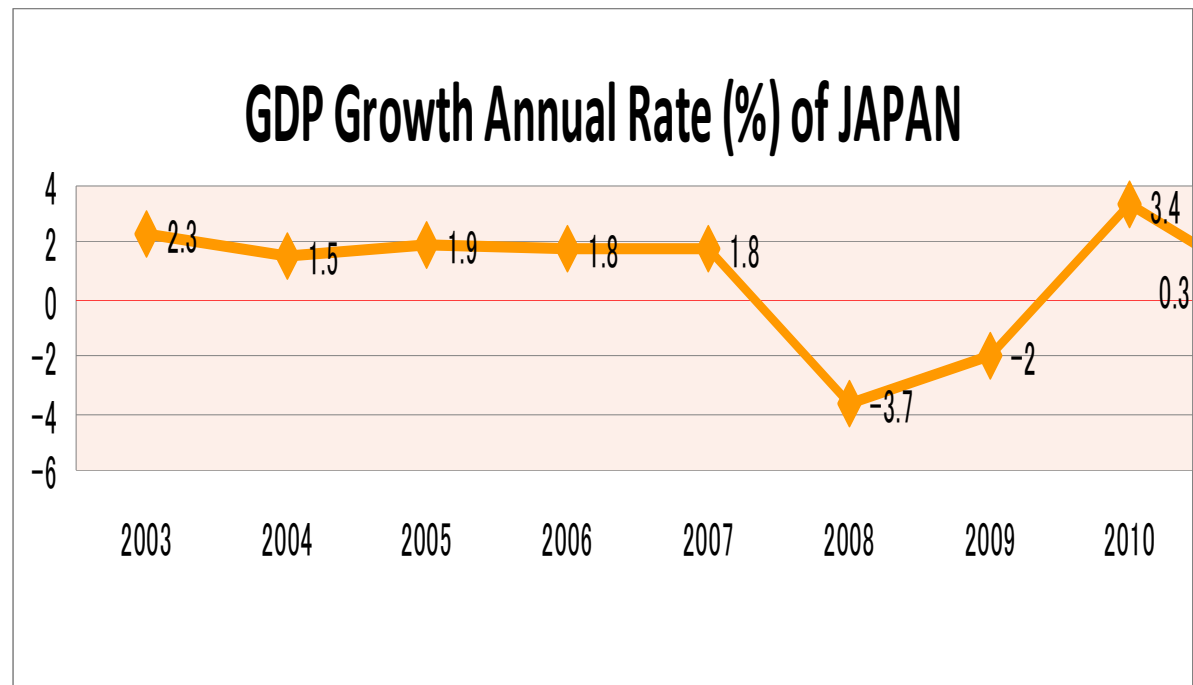
# I. General economic situation, trend in the construction sector/demand



## JAPAN 2012

|            |             |
|------------|-------------|
| Population | 127.5 mil.  |
| GDP        | \$5960 bln. |
| Exports    | \$799 bln.  |
| Imports    | \$886 bln.  |

## Recovering the economy since 2008

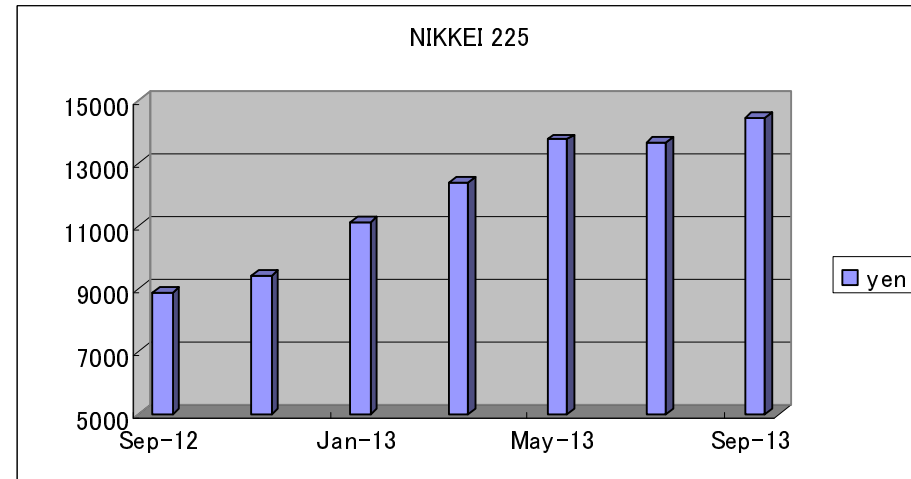
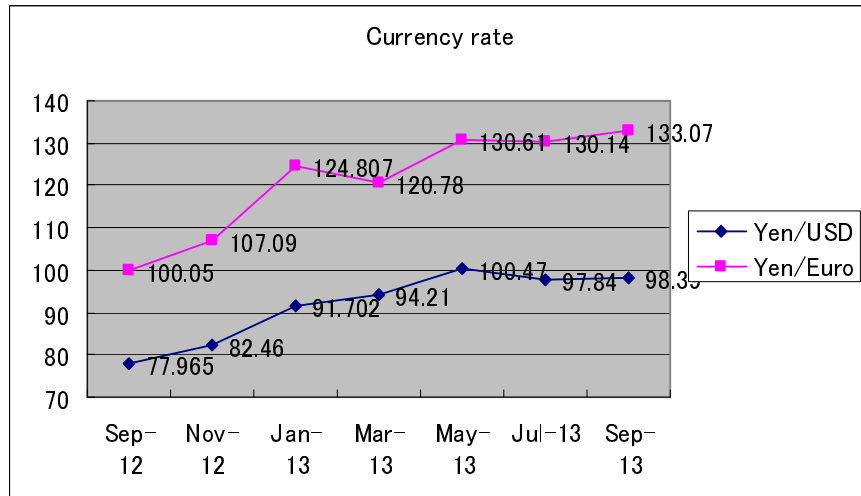


# I. General economic situation, trend in the construction sector/demand

## The New government effects weaker currency and raising stock rate

- increase 64% of stock exchange and 22% of currency rate since Oct. 2012.
- An increase of overseas business investment

Currency exchange rate since Sep. 2012



Nikkei exchange since Sep. 2012

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



## **Abenomics Japanese New Economy policy**

### **First arrow: Flexible fiscal policy**

Inflation target as increasing 2% every year

Unlimited quantitative easing

Correction of weaker yen

### **Second Arrow: Aggressive Fiscal stimulus policy**

Large scale of Public investment

Purchases and long-term holdings of construction bonds through Bank of Japan

### **Third Arrow: Growth strategy to stimulate private enterprise**

To minus of bank rate

Growing industry that is created from healthy longevity society

Growth strategy of all public participation

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



## **Concerned Fact**

### **1. Consumer tax**

- 8% from 1<sup>st</sup> April 2014
- 10% from 1<sup>st</sup> Oct. 2015( planned)

**Expected of temporal depressing of  
consumption**

### **2. National Debt**

- Over 1 quadrillion yen of National Debt
- 220% of GDP
- Increase of 95% since 1998

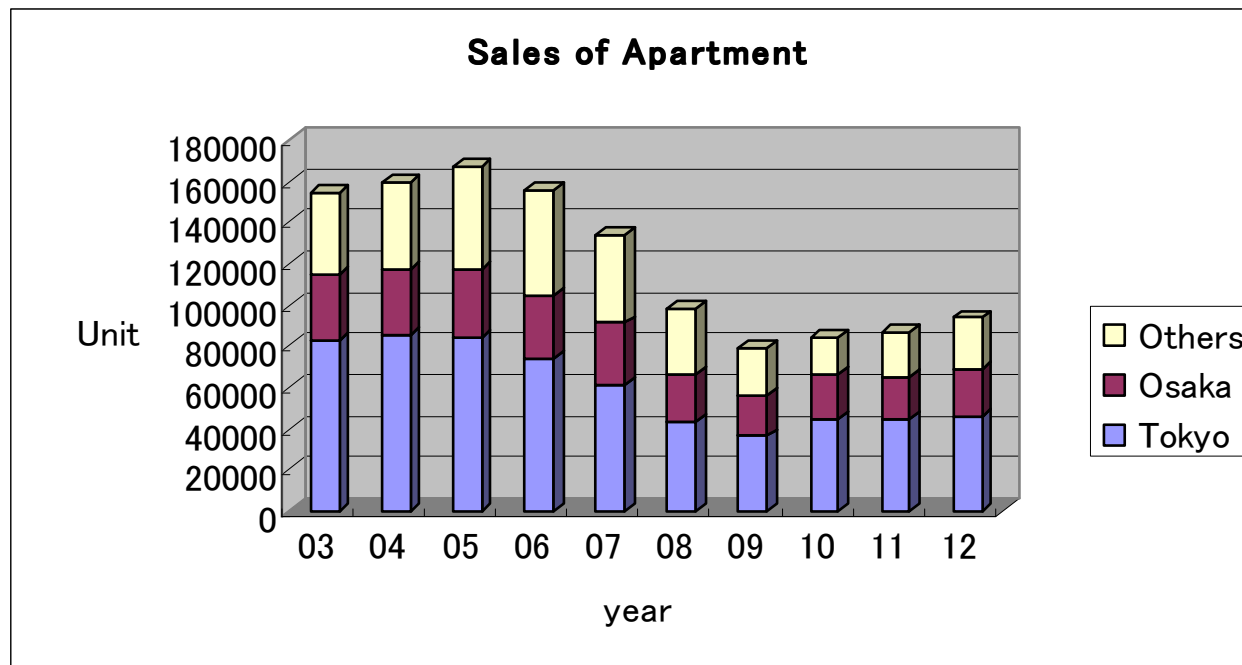
**Financial improvement is very urgent issue for  
the government**

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

### Construction Industry

#### 1. Economy policy and construction industry

- Recovering Housing start since 2009 (12% recover)
- 9.1% increase compare to last year due to the revising of consumption tax



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



### **Construction Industry**

#### **Sales of apartments**

- Increase of 77.3% year on year in metropolitan area

#### **Raising of cost of materials**

- Approximately 20% including such as concrete, iron
- Increasing the cost of tiles, too

#### **Concentration of construct in the East**

- Earthquake in in Tohoku area
- Olympics in Tokyo 2020
- Lack of technical workman and too much concentration of construction in one area

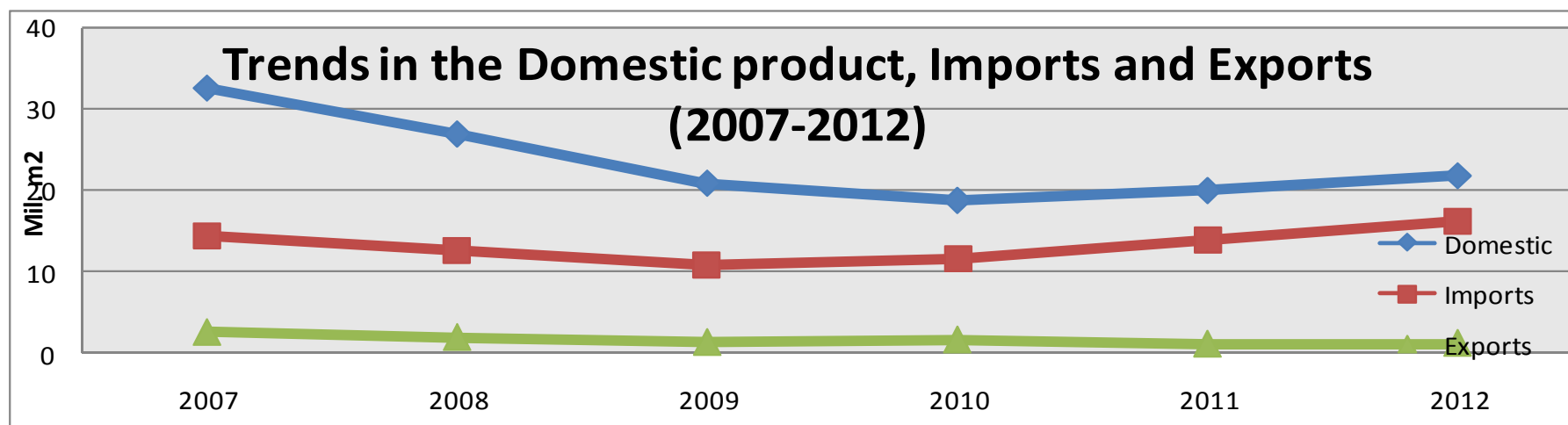
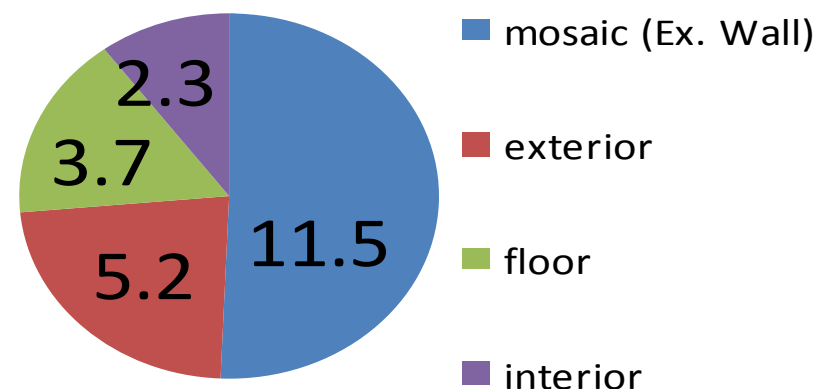


## II. Trend in production, consumption and trade in ceramic tiles

### 2012 Japan Ceramic Tile Sales

|                 |              |                        |
|-----------------|--------------|------------------------|
| Total Sales     | 579 mil. USD | 23 mil. m <sup>2</sup> |
| Domestic market | 543 mil. USD | 22 mil. m <sup>2</sup> |
| Exports         | 36 mil. USD  | 1 mil. m <sup>2</sup>  |

### Categories (mil. m<sup>2</sup>)



Reference: Trade Statistics of Japan

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



### **Problem of Ceramic Tile industry**

#### **Decrease of usage of ceramic tiles per unit.**

Cost Raising

Usage of other materials

75~50% of Usage compare to past

#### **Effect of the inspection for external wall tiles every 10 years**

Revising of construction law in 2008

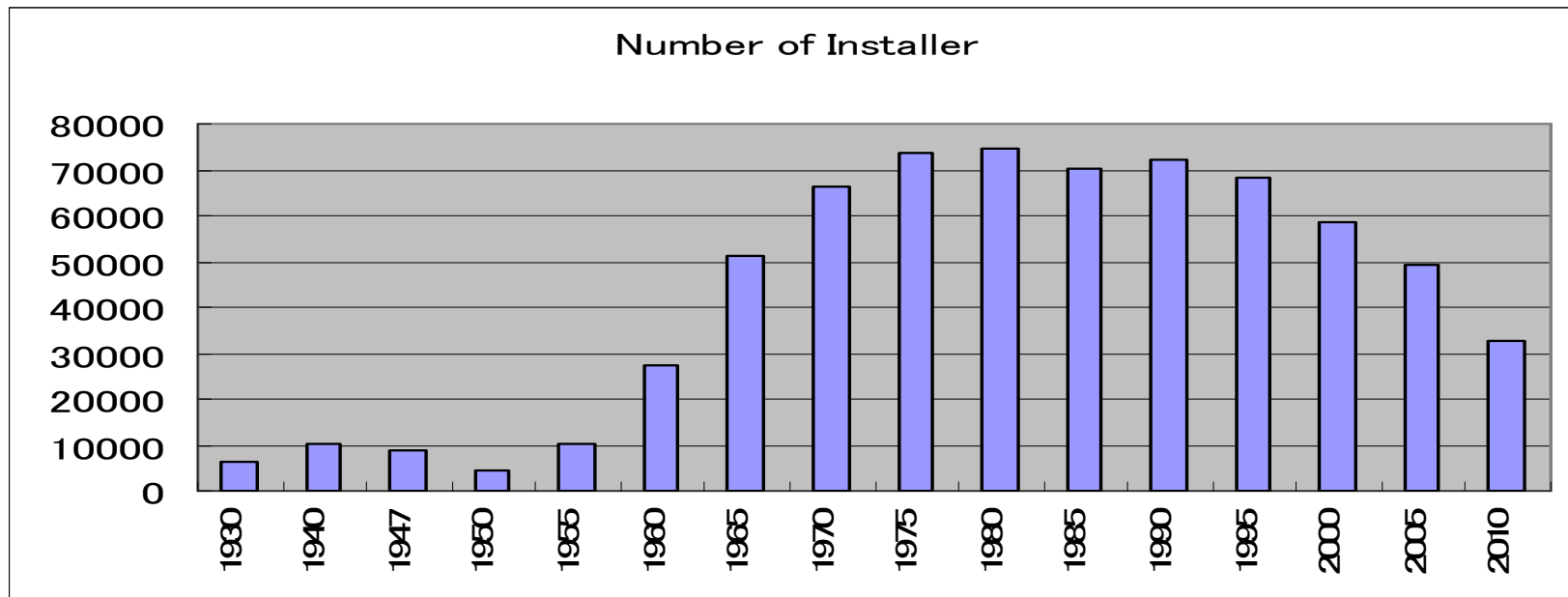
High cost for inspection every 10 years

Avoiding to use tiles by some architect

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



### Lack of Installers



- Both the prices of oil and gas are gradually increasing
- The price of raw materials, especially clay and glaze, are also increasing.

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



#### **Energy and resources problem**

- Natural Gas or LP gas is main fuel of firing.
- Gas is almost 100% imported
- The price of gas is increased compared to 2001
- Raise up the demand of fossil fuel

#### **Difficulties of obtain materials**

- Strict law for digging mountains to get material.
- Low Cost
- Environmental problem

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



#### Effect of Nuclear power station

Increase the ratio of thermal power station instead of nuclear power station

Increase the price of electricity

#### Revision of New JIS

Japanese industry standard JIS 5209 and 1509 are revising

Plan to be revised at the end of 2013

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

- 1) Q-CAT (Quality accreditation system for Combination of organic Adhesive and exterior Tile)
  - System for accreditation criteria of Tiles, Adhesive and their combination
  - Purpose: safe installation quality for exterior tile with adhesive

- Merits

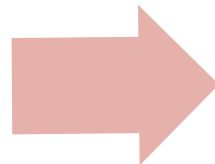
1. A Decrease in the risk of tile fall
  2. High quality of design
  3. Shortening of installation method and time
  4. Small amount of carbon dioxide emission
- Demand expansion of Q-CAT tiles and adhesives

The quantity for the application

738,486m<sup>2</sup>  
(2012)

Where the Q-CAT products can be applied

- Mortar
- Cement

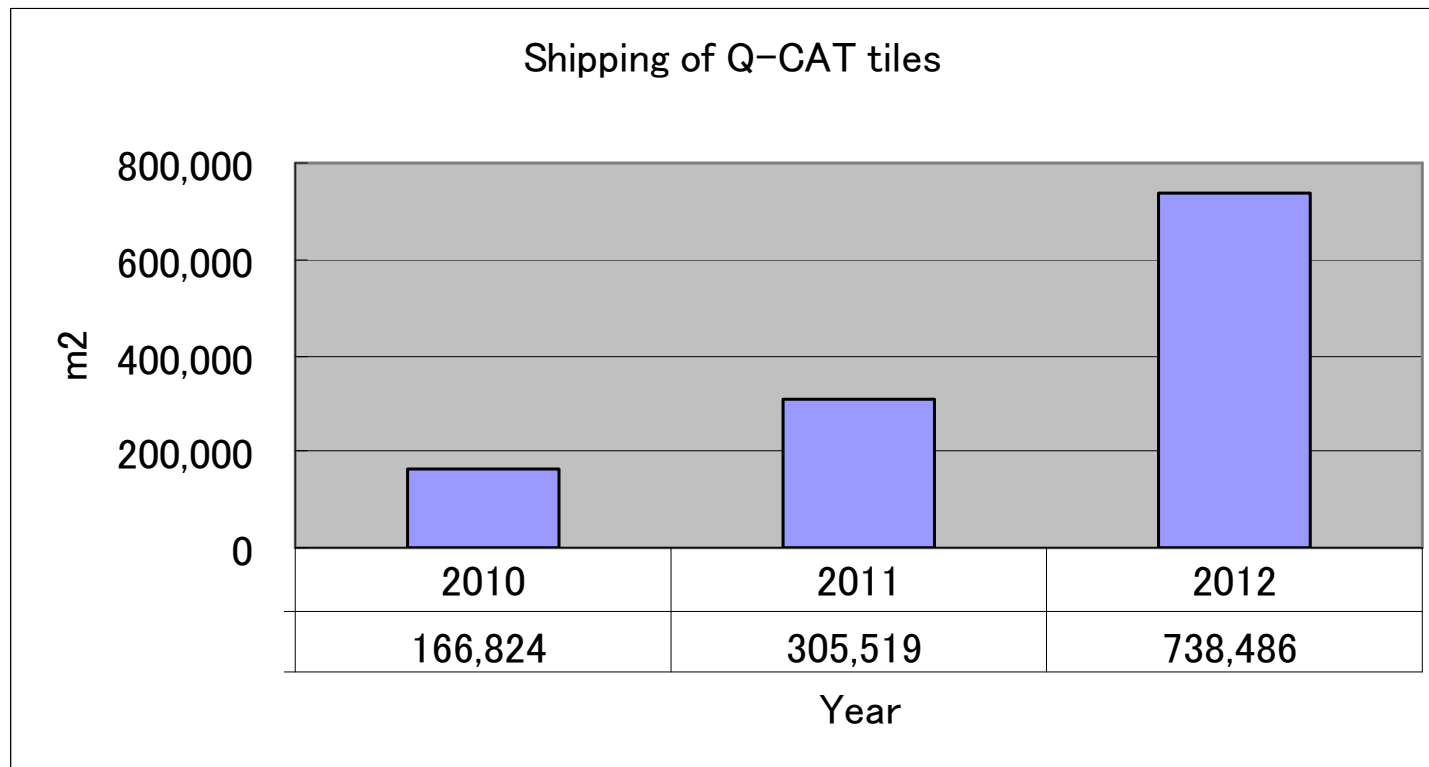


Where the Q-CAT products can be applied

- Fiber reinforced cement sidings
- Mortar
- Cement

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

### The achievements of Tile installation with Q-CAT



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



### The study of 70 years old Building

- Check the deterioration of concrete
- Concrete wall with ceramic tiles did not have deterioration
- Ceramic tile works for preventing neutralization of Concrete
- Possibility of New approach for the market





THANK YOU FOR YOUR ATTENTION