

2019 World Ceramic Tiles Forum

6 November - 9 November

Westin Grand Hotel Berlin

Berlin, Germany



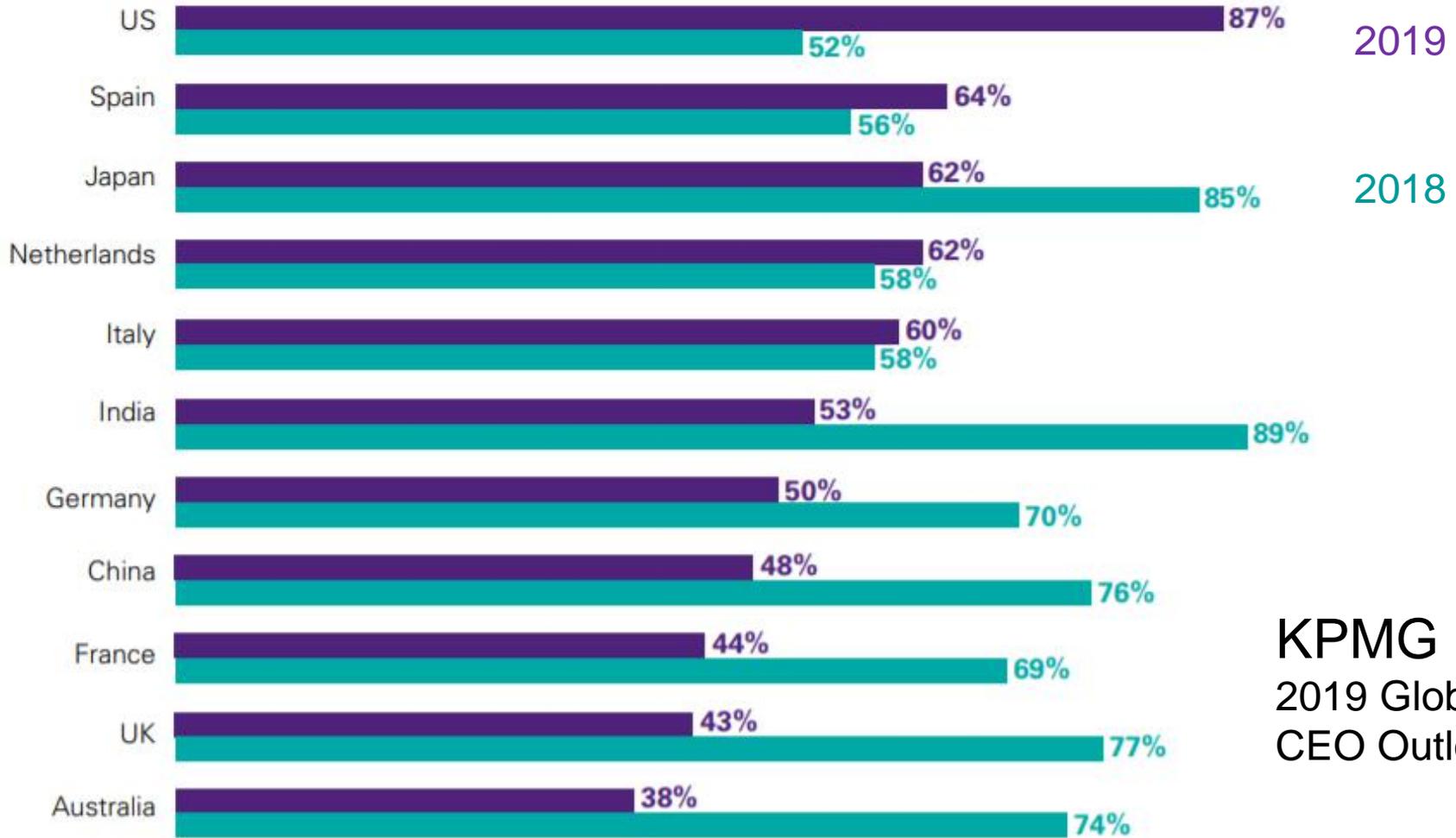
2019 World Ceramic Tiles Forum - National Context -



A preoccupation
with interest rates
and housing prices



Chart 2: Confidence in the global economy's 3-year growth prospects, by country



KPMG
2019 Global
CEO Outlook

National Context – **Australia**



- 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 (e.g. silica))
- VI. Other national developments



I. Trend in the construction sector/demand

The IMF's downgrade of 0.4 % takes the projection for Australia's growth in 2019 to 1.7% - a year ago the IMF set it at 2.8%.

Reserve Bank of Australia Key Economic Indicators, 6 November 2019

Cash Rate 0.75%↓ Economic Growth 1.4% Inflation 1.7%

Unemployment Rate 5.2% Employment Growth 2.5% Wage Growth 2.3%

Net foreign liabilities % of GDP 52.2% A\$1 = US\$0.69

There is a sizeable downturn in construction underway.

Demand for new houses & apartments still around the low levels of late 2018.

Decline in dwelling investment will continue for some time, despite recent signs of stabilisation in the established housing market.

2020 looks like being a low year for residential construction sector. *Hot 2021?*

Demand is still continuing to increase given population growth. (1.6%)

Prices have turned in Melbourne and Sydney. *Back to record levels by mid-2020?*

The long lead times on higher-density construction mean the supply response is likely to be slow.



II. Trend in production, consumption and trade in ceramic tiles, 2018



HT Code	Description	Imports K m ²	M AUD	Import sources	
				Country	K m ²
6907211001	Tiles ≤ 0.5% wabs, < 7 cm	294	\$5,3		
6907219002	Tiles ≤ 0.5% wabs, ≥ 7 cm	25,771	\$317.6	China*	29,894
6907221003	Tiles ≤ 10% wabs < 0.5, < 7 cm	19	\$0.3	Italy	3,737
6907229004	Tiles ≤ 10% wabs < 0.5, ≥ 7 cm	9,154	\$69.4	Malaysia*	3,421
6907231005	Tiles wabs > 10%, < 7 cm	29	\$0.3	Spain	1,708
6907239006	Tiles wabs > 10%, ≥ 7 cm	7,831	\$56.4	India**	627
6907301007	Mosaics, < 7 cm	253	\$5.8	Sri Lanka	461
6907309008	Mosaics, ≥ 7 cm	177	\$3.7	Indonesia*	347
6907401009	Finishing, < 7 cm	28	\$0.7	Thailand*	327
6907409010	Finishing, ≥ 7 cm	2,021	\$20.1	UAE	275
	Grand Total	45,578	\$479.6	Brazil	218

Courtesy of Peter Halliday

-8.8% on 2017

Local production 5,2 M m²

Overall ≈ 2.0 m² per person

* Regional Comprehensive Economic Partnership (RCEP) signatories

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

- **Australia 2nd largest exporter of fossil fuels.**
- **High domestic gas and electricity prices.**
- **The gas market is dysfunctional**
- **Rapid renewable energy growth**
- **Unconscionable governmental leadership**



IV. Development in standardisation at national level



BD-044 has been reconstituted. Australia has re-joined ISO/TC 189. *AS 3958 Ceramic tiles: Installation of ceramic and stone tiles* is undergoing a major revision.

BD-094 to prepare an accelerated wear conditioning (AWC) procedure (Technical Specification) that can easily be incorporated into AS 4586. AS 4586 test method revisions to consider CEN/TC 339 EN 16165 draft.

CSIRO has ceased all ramp slip testing. There are concerns about the calibration boards and other aspects of the test procedures.

Slip resistance specifications increasingly based on AWC pendulum data, rather than ex factory test data, where relevant maintenance instructions should help to ensure that products are safe throughout an economically reasonable life cycle.



V. Development in regulations at national level affecting ceramic tiles (notably environmental or health & safety regulation)

- 1) Current legislation applicable to respirable crystalline silica (RCS)
 - 1.1 - The workplace exposure standard for respirable crystalline silica that must not be exceeded is 0.1 mg/m³ (eight hour time weighted average).
 - 1.2 - Sand and cement materials are considered as hazardous chemicals for the purpose of the WHS Regulation and must be identified on product labelling and safety data sheets.
- 2) Current legislation affecting other raw materials (e.g. TiO₂) and other legislation on environment, health or safety
Awaiting advice, but likely nothing new to be reported.



VI. Other national developments



There have been a disproportionately high instance of swimming pool tiling failures that may lead to other finishes being used in pools.

Some traditional users of ceramic tiles have started specifying other materials due to tiling system failures.

Australian concrete suppliers do not provide long term shrinkage data for their concretes. Perhaps too few people are prepared to try to calculate the shrinkage and other movements in complex concrete structures, or they simply lack the skills to indicate what delays should be observed before tiling can commence, particularly in external situations.

Any research that leads to improved specifications and tiling system performance should have a positive influence on sales. Ideally, such research would be shared and might benefit from greater international collaboration. There should be four Australian tiling system consultants at **Qualicer**, the pre-eminent event for sharing tiling system research.



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Thank you for your attention!

Neglect has led to our rainforests burning!
Let's protect the tile industry: Prevent tiling failures!

What will the new
normal become?

