European Federation of the Parquet Industry
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Press release

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THE EUROPEAN PARQUET INDUSTRIES IN 2009

2009 – A year of concern for the Parquet Producers in Europe

As already predicted in the January forecast of FEP (European Federation of the Parquet Industry) and amplified by the further worsening global market situation in the fourth quarter of 2009, the compiled figures provided by member companies and national associations indicate a decline in both parquet production volumes and consumption on the European market – this for the second consecutive time.

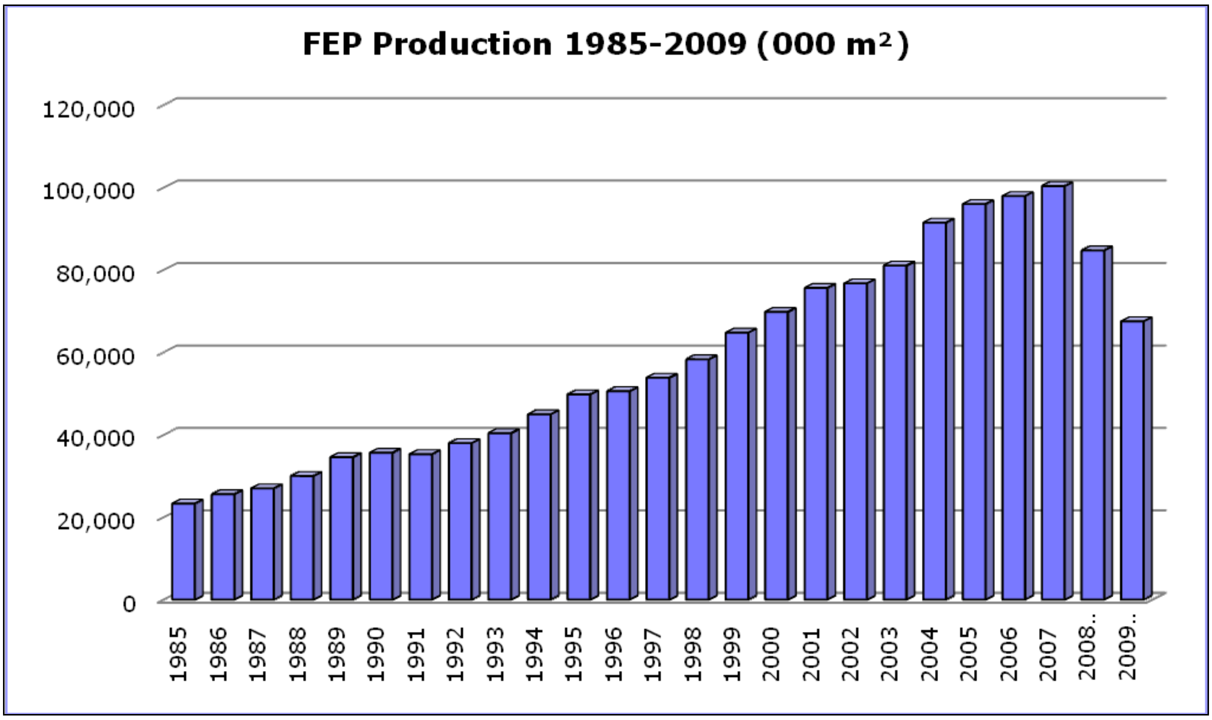
The present result did not come unexpectedly, as the industry was confronted with a further business slowdown throughout last year. The weakening performance of the traditionally largest markets, as a consequence of the global economic crisis, the unprecedented turmoil in the financial sectors and the sharp drop in local construction activities, are undoubtedly crucial factors contributing to the general market decline. FEP nevertheless wants to underline that in some cases obtained data are provisional, hence variations cannot be excluded.

The total production in FEP territory declined by 20.30%, to a volume of 67,523,000 m², comparable to the level of 2000. Steep declines, particularly in Italy, the Nordic countries, Poland and Spain, but also in the other countries to a varying extent, had a major impact on the negative development of the entire sector.

Parquet production in the FEP member countries

	000 m²	+/- 000 m²	+/- %
1985	23,300		
1986	25,580	2,280	9.8%
1987	26,991	1,411	5.5%
1988	29,997	3,006	11.1%
1989	34,566	4,569	15.2%
1990	35,634	1,068	3.1%
1991	35,294	-340	-1.0%
1992	37,977	2,683	7.6%
1993	40,396	2,419	6.4%
1994	44,972	4,576	11.3%
1995	49,798	4,826	10.7%
1996	50,578	780	1.6%
1997	53,836	3,258	6.4%
1998	58,308	4,472	8.3%
1999 (*)	64,774	6,466	11.09%
2000	69,812	5,038	7.78%
2001	75,621	5,809	8.32%
2002	76,741	1,120	1.48%
2003	81,039	4,298	5.60%
2004	91,453	10,414	12.85%
2005	95,977	4,524	4.95%
2006	97,911	1,934	2.02%
2007	100,334	2,423	2.47%
2008	84,725	-15,609	-15.56%
Total FEP production 2009	**67,523**	**-17,202**	**-20.30%**

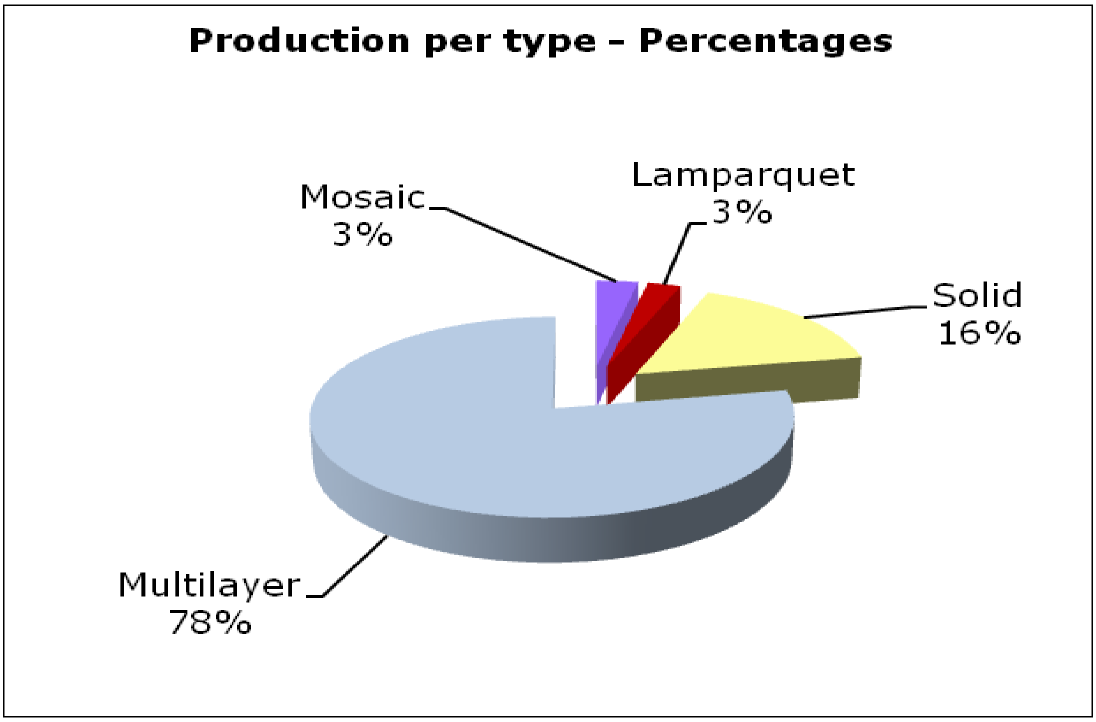
(*) As of 1999, figures shown represent total market in FEP area. No distinction is made between "traditional" and "new" member countries.



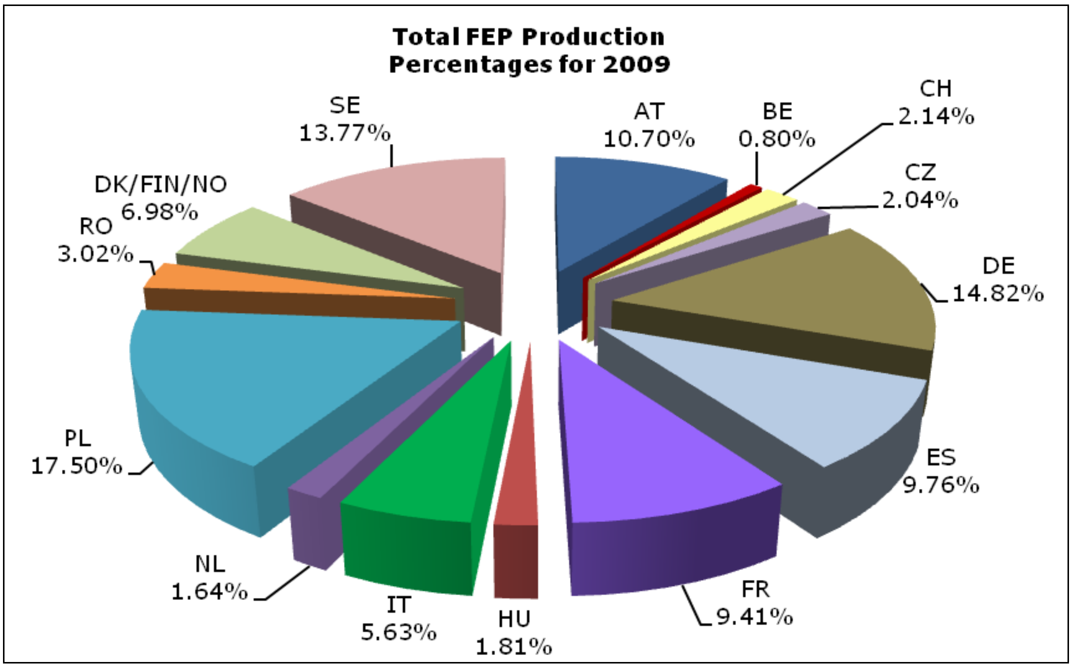
Consumption in the FEP area also fell by 15.31%, to a level of 86.005.000 m². Important declines are witnessed in all major markets, Holland and Eastern Europe, with a particularly troublesome picture in Hungary.

000 m²	**Production development 2009/2008**	**Consumption development 2009/2008**
AT	-5.00%	-4.00%
BE	-12.49%	-7.51%
CH	-12.41%	-1.78%
CZ	-15.12%	-13.22%
DE	-9.39%	-11.44%
ES	-19.90%	-19.78%
FR	-17.00%	-5.51%
HU	-44.47%	-41.43%
IT	-34.48%	-25.00%
NL	-36.10%	-14.25%
PL	-22.66%	-19.04%
RO	-20.00%	-9.98%
SK	-25.30%	-24.00%
DK/FIN/NO	-30.27%	-25.52%
SE	-22.50%	-22.06%
FEP	**-20.30%**	**-15.31%**

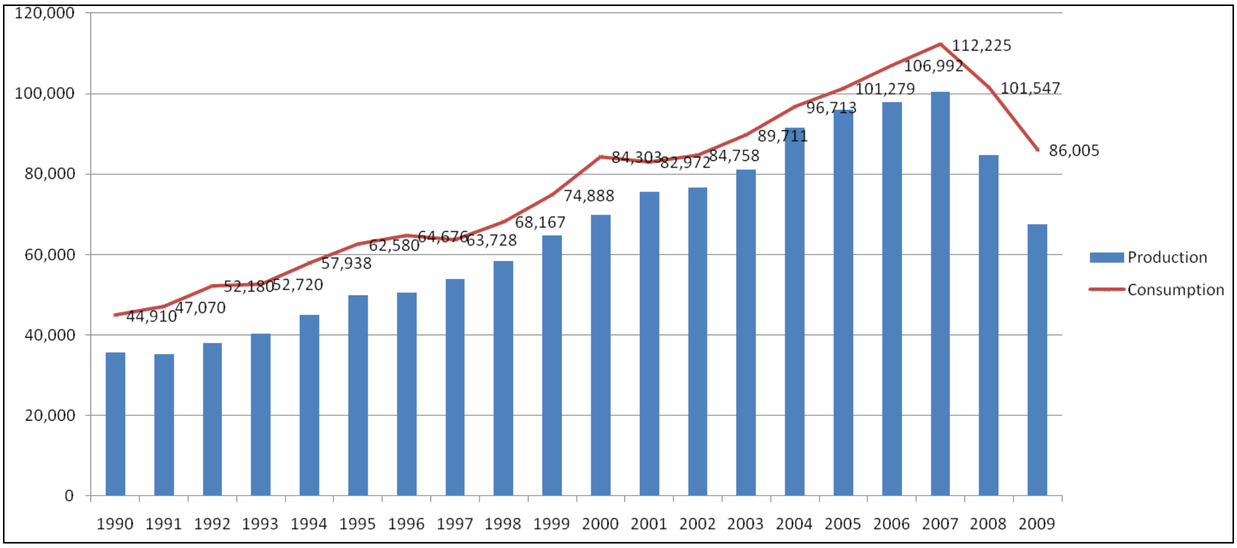
As regards the 2009 total parquet production per type, multilayer gained 1 percentage point and so does lamparquet. Solid, however, after some years of stabilisation is falling again to 16% of the total. With 3%, mosaic remains at the level of last year.



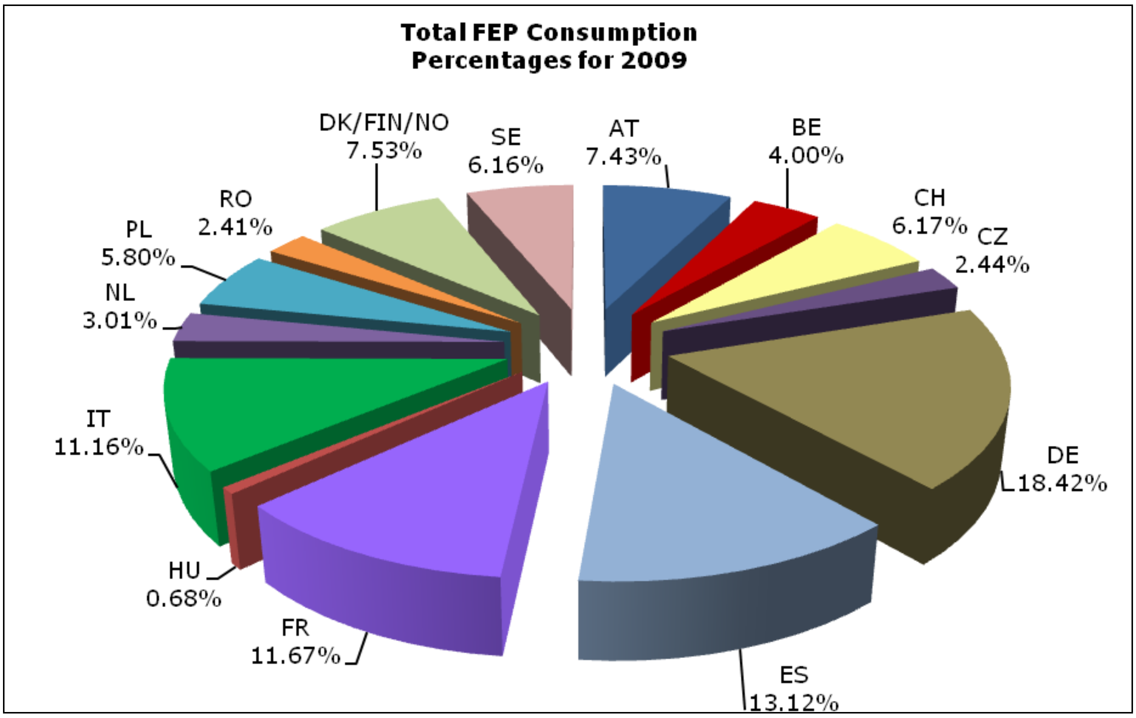
In absolute production figures by country, Poland is still on top with 17.50% with Germany climbing to second position at 14.82% and Sweden coming in third with 13.77%.



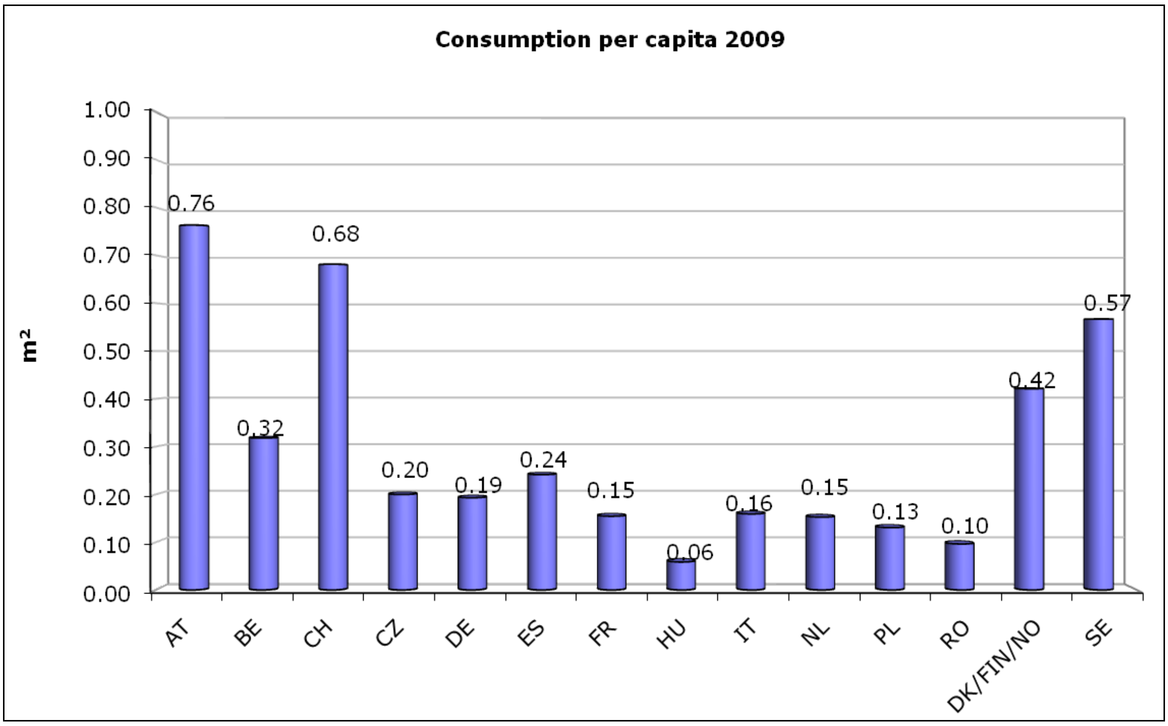
The drop in consumption in the FEP area is also clear: -15.31% and fully in line with FEP's January forecast. According to the figures received it is less harsh than the drop in production.



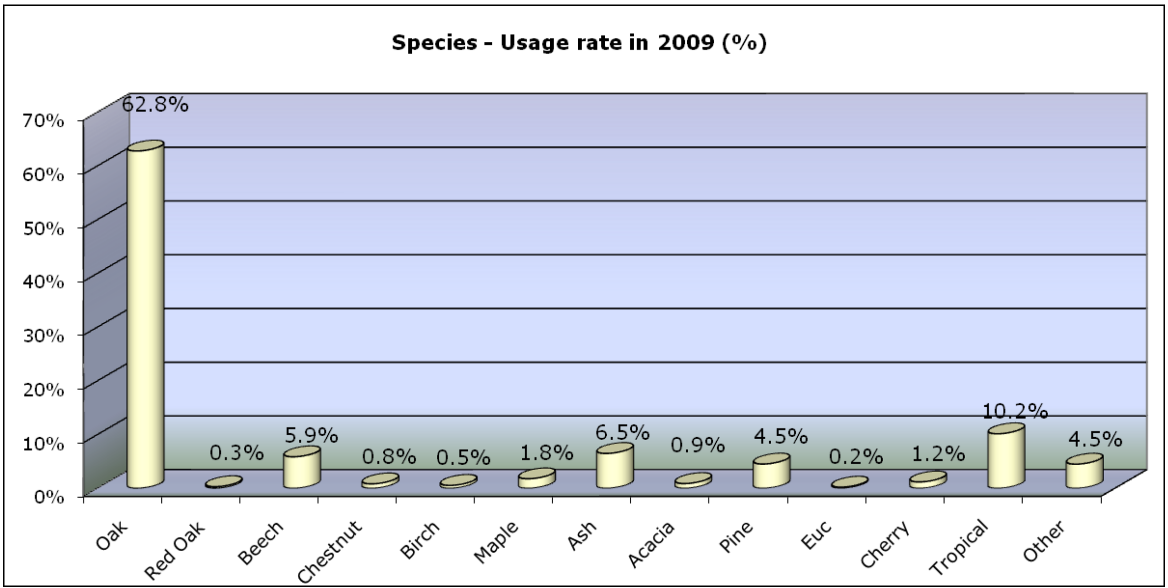
Germany is leading the pack with 18.42% of the total cake, followed by Spain with 13.12% and France with 11.67%.



The per capita parquet consumption is the highest in Austria (0.76 m²) and Switzerland (0.68), now followed by Sweden (0.57 m²). In the total FEP area, the consumption per inhabitant has dropped to 0.21 m² in 2009.



Use of wood species



The use of wood species in 2009 as shown on the above graph indicates that oak is advancing further to reach a spectacular 62.8% of the total, tropical wood species are regressing significantly to 10.2%. Ash and beech are both in a downward motion, now at 6.5% and 5.9%.

The share of parquet on the global European flooring market

Relevant indications from different sources presently available to FEP point in the direction of a global market share of parquet which is close to 6%.

Outlook for 2010

For several consecutive months the EU Economic indicators are steadily pointing upwards. Though neither the consumers nor the businesses have to date fully profited from the improving market climate – and unemployment remains high and still growing in certain areas – there are clear signs that the tide is turning and that the EU economy is gradually climbing out of recession. Indeed, the Greek crisis and fears for a partial "domino effect" at EU level are factors that are hard to judge at this stage and their possible impact could have significant effect on developments in the entire EU-27.

The spring forecasts of the European Commission paint a rather bloomy picture for the rest of the current year: the economy in the Euro zone this year should grow by 0.9% and in 2011 even by even 1.7%. These rather optimistic figures are a result of the emerging economic recovery which is slowly also apparent in other parts of the world. One should be careful though. Imponderable events in the past months have called an abrupt halt to man's measureless arrogance: volcanic eruptions, catastrophic oil spills, countries on their way to bankruptcy… Some modesty is called for and this also applies to overly enthusiastic expert forecasts.

Nevertheless, parquet remains a much desired flooring product, a warm, environmentally friendly, sustainable and natural interior solution. In other words, it fulfils all inherent conditions expected 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 decisively rebound at the first signs of the awaited economic recovery. FEP will continue doing its utmost to assist and support all our members in these challenging times, thereby jointly paving the road towards a prosperous future for our entire sector.

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More information on this issue is available from the FEP Secretariat in Brussels.
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