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Press release

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FACING THE FUTURE WITH OPTIMISM

The European Parquet Market confirms and consolidates its progress

THE EUROPEAN PARQUET INDUSTRIES IN 2016

After a long period of a challenging market situation for the European parquet producers, the positive indicators of the recent past are now being confirmed and the market is steadily improving.

The consolidated data provided by the FEP (European Federation of the Parquet Industry) member companies and affiliated national associations confirm the January forecast issued at the DOMOTEX fair in Hannover, and point to a growth of the global European market by 1,7% in 2016. As in the past, the results show some variation from country to country.

Compared to 2015, the overall consumption figures in 2016 show an increase by 1,7%. The production in FEP territory consolidates its growth by 2,5% and exceeds significantly the 65 million square meter threshold. The European production outside FEP countries is at an estimated 14,8 million square meters. As far as production is concerned, the strategic choices made by several producers to relocate their production in European countries outside the FEP territory was once again observed.

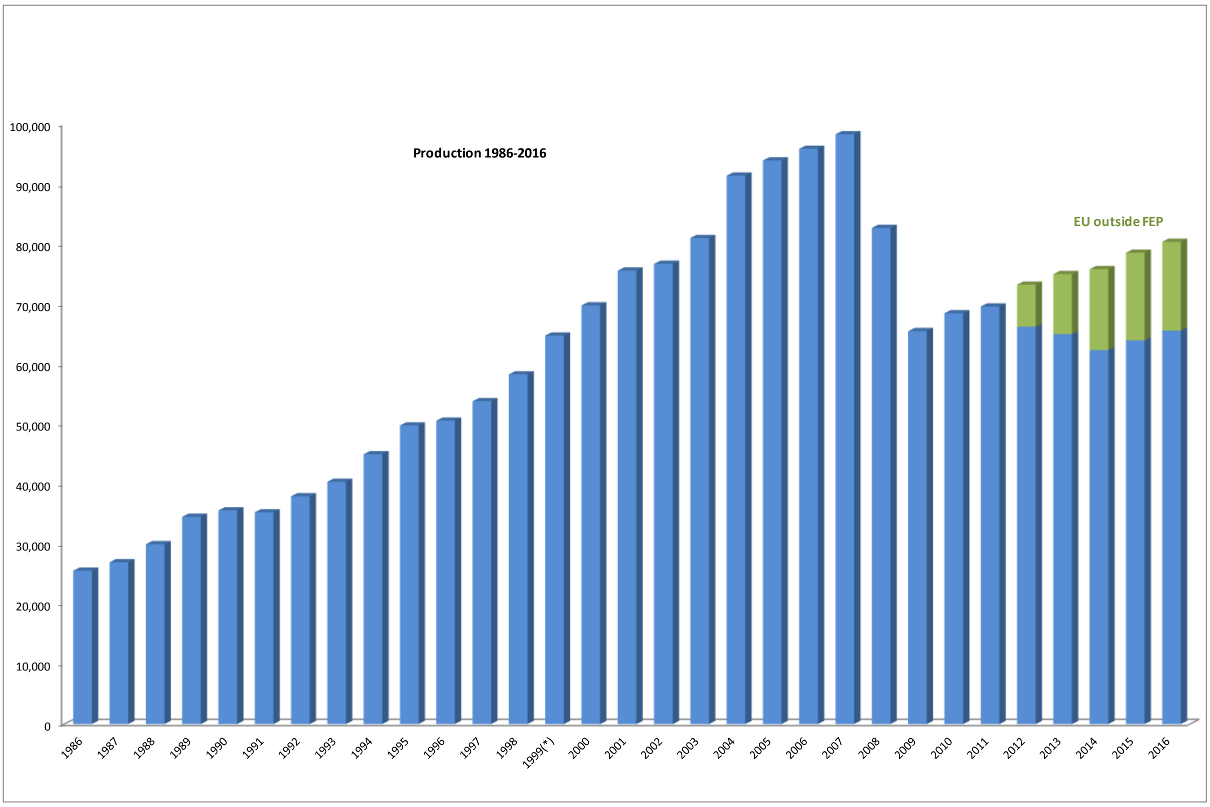
Parquet production in Europe

	FEP Countries (***)		EU - outside FEP(**)	Total	
	000 m²	+ / - %	000 m²	Total	+ / - % Total
1990	*35.634*	*3,09%*		*35.634*	
1991	*35.294*	*-0,95%*		*35.294*	
1992	*37.977*	*7,60%*		*37.977*	
1993	*40.396*	*6,37%*		*40.396*	
1994	*44.972*	*11,33%*		*44.972*	
1995	*49.798*	*10,73%*		*49.798*	
1996	*50.578*	*1,57%*		*50.578*	
1997	*53.836*	*6,44%*		*53.836*	
1998	*58.308*	*8,31%*		*58.308*	
1999(*)	*64.774*	*11,09%*		*64.774*	
2000	69.812	*7,78%*		69.812	
2001	75.621	*8,32%*		75.621	
2002	76.741	*1,48%*		76.741	
2003	81.039	*5,60%*		81.039	
2004	91.453	*12,85%*		91.453	
2005	93.977	*2,76%*		93.977	
2006	95.911	*2,06%*		95.911	
2007	98.334	*2,53%*		98.334	
2008	82.724	*-15,87%*		82.724	
2009	65.522	*-20,79%*		65.522	

2010	68.500	*4,54%*		68.500	
2011	69.630	*1,65%*		69.630	
2012	66.266	*-4,83%*	7.000	73.266	
2013	65.027	*-1,87%*	10.000	75.027	2,40%
2014	62.357	*-4,11%*	13.500	75.857	1,11%
2015	63.982	2,61%	14.600	78.582	3,59%
2016	65.603	2,53%	14.800	80.403	2,32%

(*) As of 1999, figures shown represent total market in FEP area.
No distinction is made between "traditional" and "new" member countries.
(**) Best estimates according to information received from FEP affiliates

The total production in FEP territory rose by 2,53% to a volume of 65.603.120 m². Taking into account the total production in Europe (FEP countries + EU outside FEP), this implies that production in 2016 rose by 2,32% and exceeded 80,4 million m².

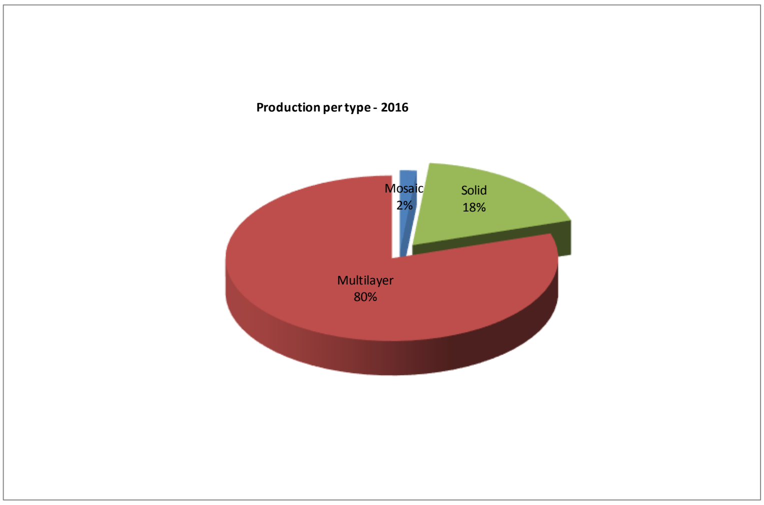


Consumption in the FEP area improved by 1,7%, to a level of 77.014.520 m².

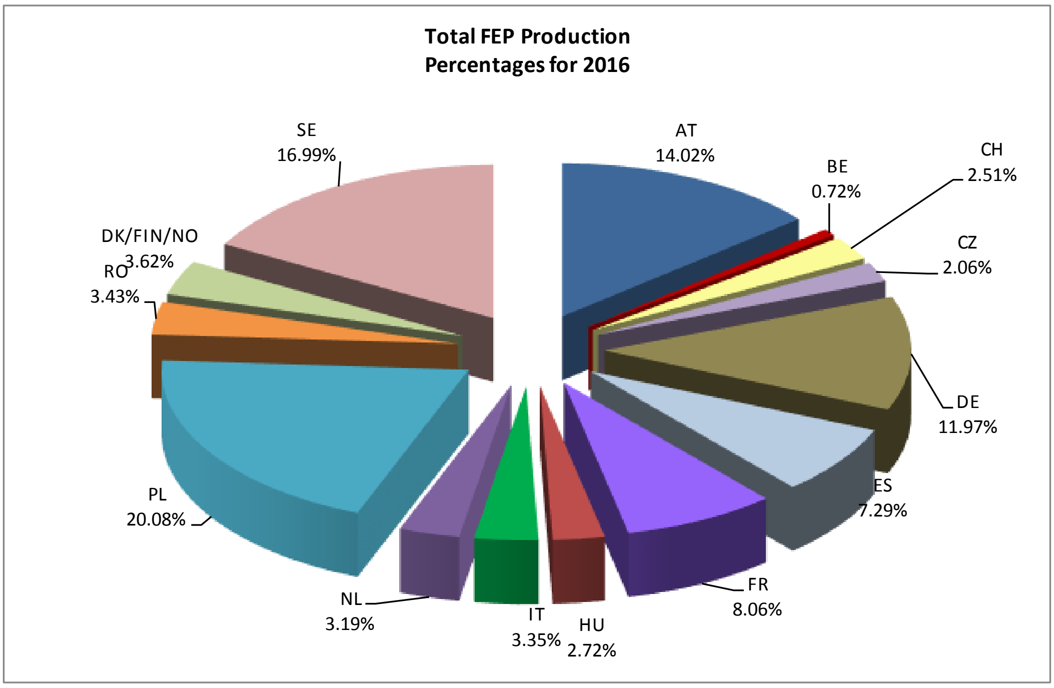
	Production development 2016/2015	**Consumption development 2016/2015**
AT	1,0%	2,0%
BE	4,0%	4,0%
CH	-3,3%	-2,2%
CZ	18,3%	3,6%
DE	2,6%	2,5%
ES	0,9%	2,2%
FR	3,0%	4,1%
HU	3,5%	1,0%
IT	-1,8%	0,8%

NL	13,4%	-4,2%
PL	1,3%	1,8%
RO	-0,2%	0,0%
SK	4,0%	1,6%
DK/FIN/NO	*1,1%*	*-1,2%*
SE	*4,7%*	*4,0%*
FEP	**2,5%**	**1,7%**

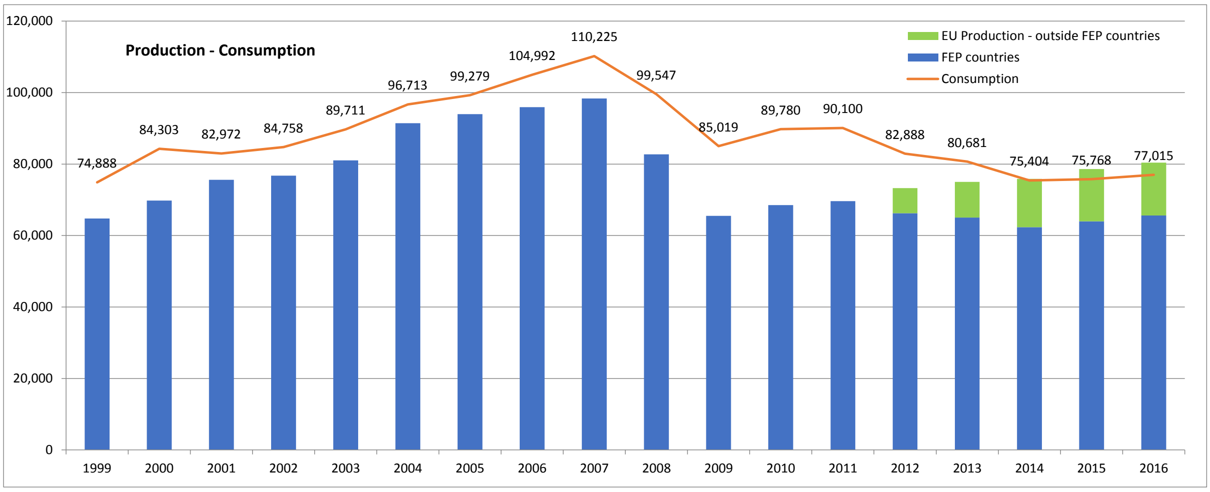
The 2016 total parquet production per type remains similar to the picture already presented from 2010 onwards, whereby multilayer comes in first with 80% (compared to 79% in 2015), being followed by solid (including lamparquet) with 18% (compared to 19%) and mosaic at 2% of the total cake.



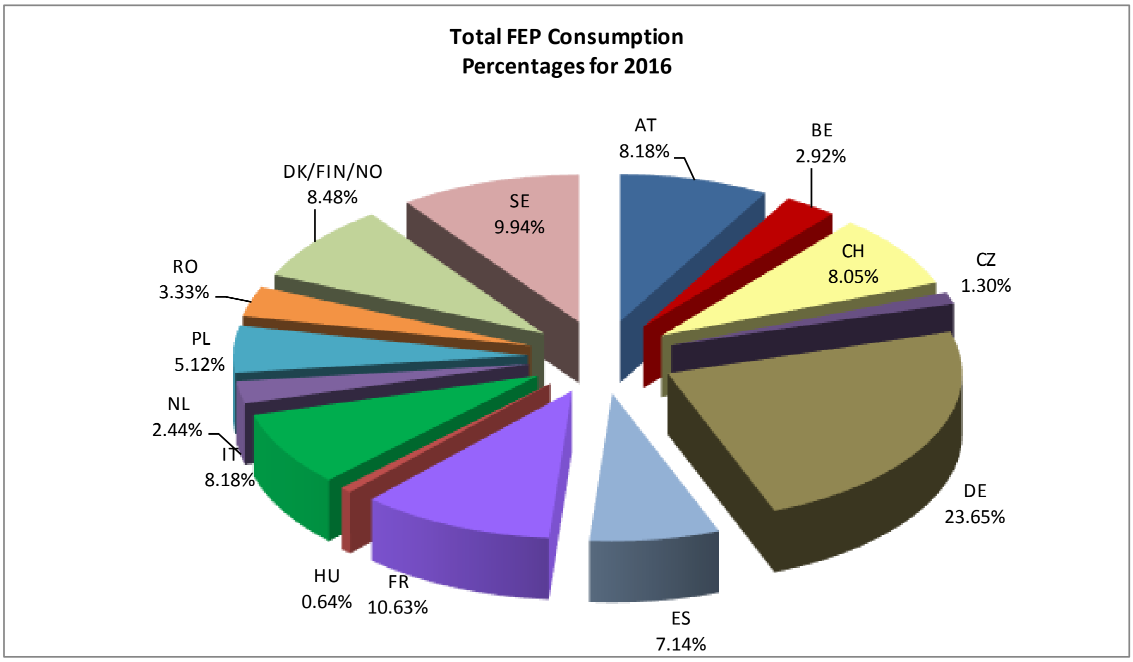
In absolute production figures by country, Poland maintains its top position at 20,08%. Sweden consolidates its second place on the podium with almost 17%. It is followed by Austria at 14,02%, while Germany comes in as fourth.



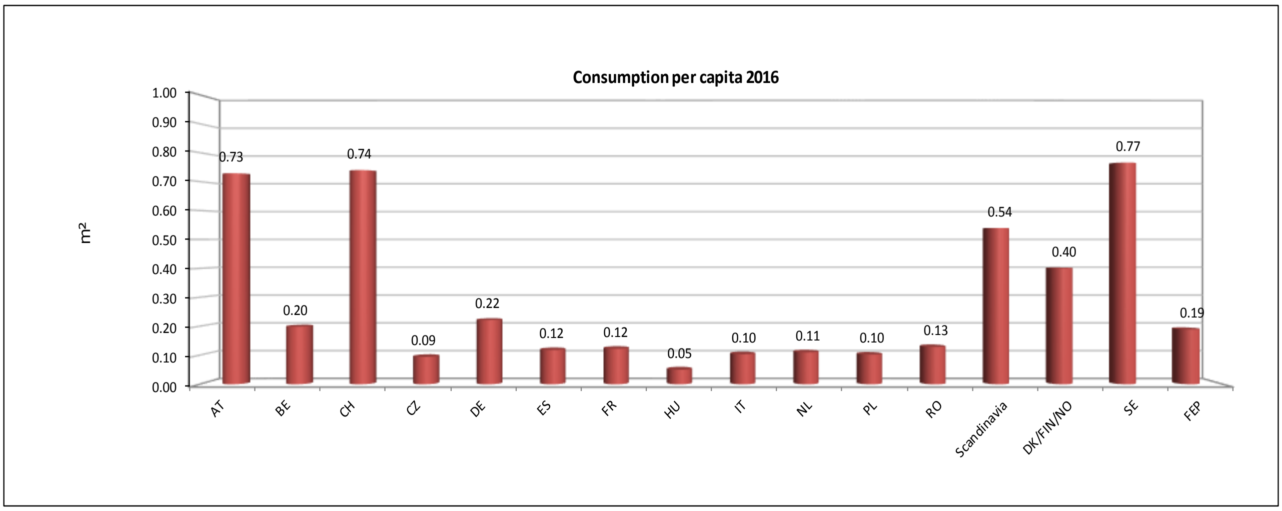
Consumption in the FEP area rose by 1,7% to reach 77.014.520 m² compared to 75.768.490 m² the year before.



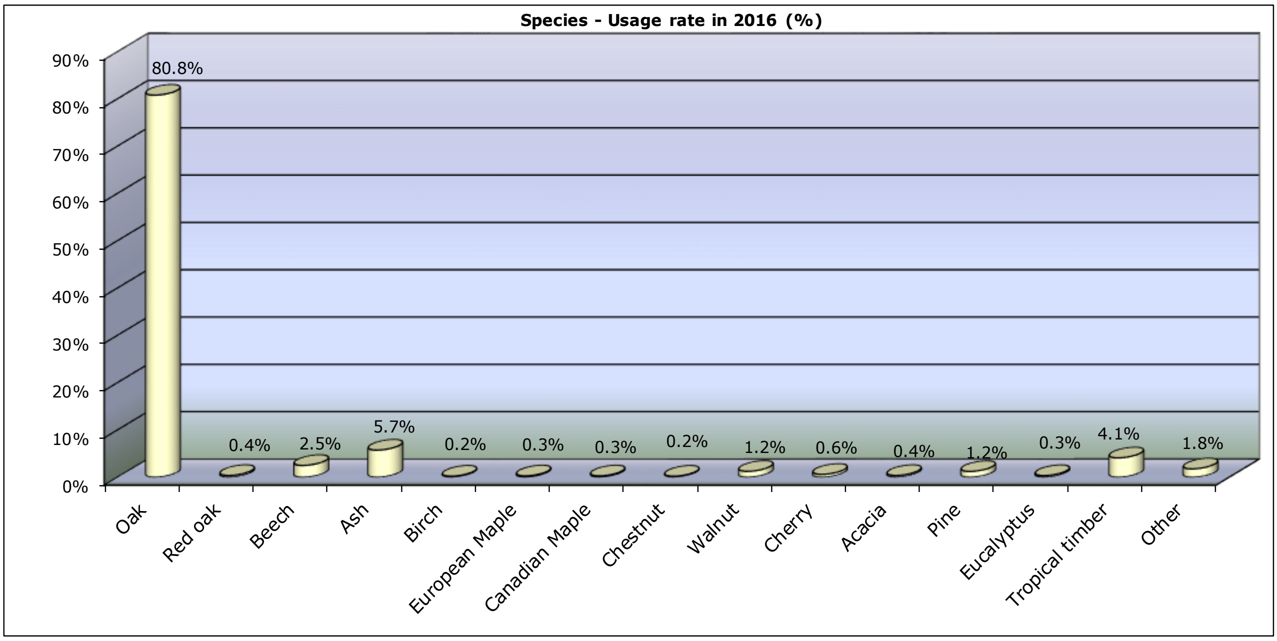
In terms of consumption per country, this is *a status quo* compared to 2015. Germany consolidates its first position with 23,65% and is followed by France at 10,63%. Sweden completes the podium with 9,94%. The Nordic Cluster at 8,48% takes the fourth seat. Italy with 8,18% takes back its fifth position from Switzerland (8,05%) and is *ex aequo* with Austria (8,18%).



As regards the per capita parquet consumption, Sweden has taken the first seat (0,77 m^2) at the expense of Switzerland (0,74 m²), which is followed by Austria (0.73 m^2). In the total FEP area, the consumption per inhabitant remains stable at 0,19 m² in 2016.



Use of wood species



The usage of wood species in 2016 as shown on the above graph indicates that oak is advancing further and reaches 80,8% compared to 77,7% in 2015. Tropical wood species use decreased slightly to 4,1%. Ash and beech remain the two other most commonly chosen species with 5,7% and 2,5% (compared to 3,8% in 2015) respectively.

Outlook for 2017 & 2018

After several years of a subdued market situation, the trend turned positive in 2016. The results after the first quarter of the current year point towards a confirmation and a consolidation of the growth in most of the countries where FEP members are present. It is also worth noting the positive developments observed in all Nordic countries.

As the economic picture at European level is improving and the construction sector is clearly seizing the opportunities provided by this encouraging development, the captains of the parquet industry consider that parquet should also be able to profit from these improvements.

As opposed to the brightening market picture, the growing shortage of oak as primary raw material source remains a major concern and has to be stressed once again.

The parquet industry representatives also point to the general uncertainties about the political changes worldwide, which could also have an impact on the European parquet sector.

Despite the harsh competition from flooring alternatives especially those with a *wood look* surface, FEP trusts that end consumers will be increasingly convinced by the inherent advantages of European Real Wood parquet products, their quality, trustworthiness, sustainable aspect and the fact that Real Wood floors are bringing nature straight into their homes thereby contributing to the mitigation of climate change.

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