

German parquet sales are still lagging

The European parquet market sustained its upward turn in 2005. For the first time in history sales may have passed 100 million sqm. However, the biggest single European market, Germany, is still suffering from a retrogressive construction economy. This applies especially to residential building. Figures from the Ifo Institute indicate a loss of 8.5 %, while the construction of private houses even fell by 13%.

Still, the Association of the German Parquet Producers estimates that German parquet sales for 2005 reached 19.7 million sqm, meaning a reduction of only 2.5%. As much as 16.85 million sqm (85.5%) are taken up by engineered parquet, leaving 2.85 million sqm (14.5%) to strip, mosaic and lamella parquet.

The prospects for 2006 remain low. Housing construction will experience another setback. It is doubtful if business in the renovation sector will make up for this development. The trade is demanding a reduction in surplus tax on renovation work - as has been granted in France and other European countries.

Due to increased raw material costs for oak, exotic wood species, as well as energy and logistics, parquet prices in Germany are expected to rise by 5% to 10% in 2006. A certain shortage of oak in some European countries has added to this development.

Multilayer parquet is the wooden flooring product of today as well as of the near future. This applies both to German consumption as well as to production. While solid wood products in 1995 still amounted to half of the production, their share was reduced to 1.1 million sqm in 2005, accounting for 10% of the overall production of 11 million sqm.

Growing demand was detected for wide-size products both solid planks and engineered boards. Annual sales estimates come to 2.5 million sqm, though accurate figures are not available.

Dark flooring colours are taking a noticeable share in Germany. Stained domestic European oak as well as American red oak are a major choice apart from tropical wood species. Smoked oak versions result in an even darker shade.



EFPI-President Jürgen Fruchtenicht (Amorim Wood Supply)



EFPI-Vice-President Ruud Steenvoorden (Fetim, the Netherlands)



EFPI-Secretary General Valeria Fagone

assertion: "Globalisation is an overall trend. It will happen regardless of whether any action is taken by the EFPI."

To date, the Brussels-based EFPI incorporates 8 members from 6 countries. Additional backing is being sought to create a more powerful association. "We intend to cover the whole European

map", Jürgen Fruchtenicht aims at expanding the group in 2006. In order to qualify for membership, a company has to import from outside the European Union.

Generally, the EFPI wants to facilitate the discussion of ideas among members about the promotion of wooden flooring and issues concerning international trade, and the sharing of information about EU legislation and standardisation. The association will monitor relevant developments such as customs duties, CE branding, packing material and import procedures. EFPI has also announced it will issue market statistics gathered among its members in early 2006.

EFPI Corporate Members

- Amorim Wood Supplies, Germany
- Ekowood, Luxembourg
- Euro Coverings, Spain
- Fetim, the Netherlands
- Houtwerf Zoeterwoude, the Netherlands
- Listor, Portugal
- Oscar Peschardt & Co., Norway
- Plyquet, Germany

European Federation of Parquet Importers fights trade barriers

Those who import parquet from outside the European Community have a natural interest in issues such as trade barriers and import duties. The European Federation of Parquet Importers (EFPI) has been explicitly founded to lobby against any such regulations. "Policy makers accept this consultation process because they are not experts on the branch and like to receive detailed information", says Valeria Fagone, a consultant spe-

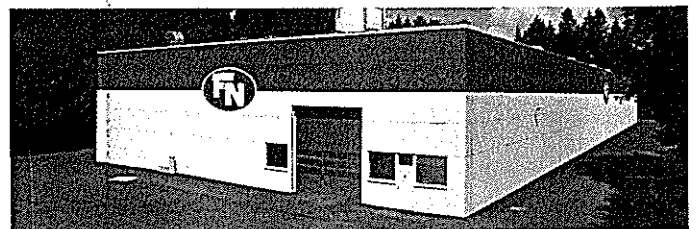
cialising in EU policies, who has been appointed Secretary General of EFPI in November 2005.

However, in the view of European based parquet producers, there are risks inherent in this approach. The EFPI may act as a 'trojan horse' and open the doors, in particular to Asian parquet exporters who may flood the European market with cheap offers. EFPI-president Jürgen Fruchtenicht counters this

Neuhofer, Austria: Success story reaches India

Sales of 90 million metres of mouldings annually have made Neuhofer, a company from Upper-Austria, a global player in the industry. This figure was achieved

with a new production line which raised the existing capacity by 30 million metres. Investment costs ran to 7.5 million euro. The new automated plant, established in



Neuhofer is conquering the Indian market with products from the new plant.