World Flooring & Carpets

Industry Study with Forecasts for 2018 & 2023

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The Freedonia Group

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Growth in demand will be driven by a rebound in housing construction in many higher income countries, and by continued strong growth in building construction in developing regions.

World demand to rise 4.5% annually through 2018

Through 2018, global demand for floor coverings is forecast to advance 4.5 percent annually to 19.4 billion square meters, valued at $325 billion. Growth represents an improvement from the rate of the 2008-2013 period due to an expected rebound in housing construction in many higher income countries, including the US and some in Western Europe. In less developed countries, flooring and carpet demand will benefit from continued strong growth in building construction activity and rising per capita incomes that will allow households to purchase more expensive floor coverings. Additionally, rising motor vehicle production in many areas will boost overall demand for floor coverings.

North America, Asia/Pacific markets to lead gains

Through 2018, the fastest demand growth for floor coverings is projected for North America. A housing market recovery in the US will be the primary driver of growth, with regionwide demand for floor coverings in residential buildings forecast to rise 6.2 percent per year through 2018. The Asia/Pacific region is expected to post the second fastest gains in floor covering demand, with China alone forecast to account for 36 percent of the new demand generated during this time. This will strengthen China’s position as the largest national floor covering market. Gains in developed areas such as Western Europe, Australia, and Japan will not match those seen in North America or developing regions. However, rebounds in new housing construction in both Australia and Japan and many countries in Western Europe will boost floor covering demand relative to that in recent years.

Nonresilient flooring to be fastest growing

Flooring consumption patterns vary greatly across the world. For instance, in 2013 ceramic tile comprised approximately one-half of flooring covering demand in the Asia/Pacific region and Central and South America, while carpets and rugs predominated in North America. Resilient flooring saw its greatest penetration in Eastern Europe, where it accounted for just over one-third of regional floor covering demand.

Worldwide, nonresilient flooring products represented nearly three-fifths of floor covering demand in 2013, and these products are expected to post the fastest demand growth through 2018. Manufacturers of nonresilient flooring will benefit from rapid gains in demand in Asia, where nonresilient products account for the vast majority of floor covering sales. Demand for carpets and rugs will enjoy its fastest growth in North America due to these products’ extensive use in the residential market in the US.
ASIA/PACIFIC

Indonesia: Flooring & Carpet Supply & Demand

Demand for flooring and carpets in Indonesia totaled 380 million square meters in 2013. Per capita usage of these products is among the lowest in the world, reflecting the country’s still developing economy and high poverty levels. Floor covering demand in Indonesia grew 4.5 percent per year between 2008 and 2013. The fastest growth was in the transportation equipment and other market as motor vehicle production increased; however, this market made up only a small portion of demand. Rising building construction spending drove demand gains in residential and nonresidential building applications.

Production of flooring and carpets in Indonesia totaled 420 million square meters in 2013. Local producers benefited from increasing domestic demand, and the country maintained a trade surplus equivalent to 10 percent of production that year. Australia, Germany, Malaysia, South Korea, Taiwan, Thailand, and the US are the country’s major trade partners.

Floor covering demand in Indonesia is projected to advance 4.3 percent per year through 2018 to 470 million square meters, in line with gains during the 2008-2013 period. Most growth will be in the transportation equipment and other market as motor vehicle production continues to post strong gains (though slower than those between 2008 and 2013). Demand in residential and nonresidential building applications will be driven by rising building construction activity.

Flooring and carpet shipments are forecast to increase 4.4 percent per annum through 2018 to 520 million square meters, in line with expected demand gains. Local producers will benefit from growing demand both domestically and in nearby trade partners, and the country’s trade surplus is expected to expand during this time.

<table>
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<th>Item</th>
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<th>2008</th>
<th>2013</th>
<th>2018</th>
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<td>1313</td>
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<td>$ bldg construction/000$ GDP</td>
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<td>111.8</td>
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**TABLE VI-5**

**INDIA: FLOORING & CARPET SUPPLY & DEMAND**

(million square meters)

**CHART VIII-4**

**WORLD CARPET & RUG MARKET SHARE, 2013**

($38.4 billion)
Ceramica Cleopatra Group
36 Al Batal Ahmed Abd El Aziz Street
Mohandseeen
Egypt
20-2-3761-4000
http://www.cleopatraceramics.com

Annual Sales: $2 billion (estimated)
Employment: 14,000 (estimated)
Key Products: Ceramic and porcelain tiles, sanitaryware, bathtubs

Ceramica Cleopatra Group is a producer of ceramic and porcelain tile, sanitaryware, and bathtubs for residential bathroom, kitchen, living room, and outdoor applications. The Company is a privately held enterprise.

The Company participates in the world flooring and carpets industry through the manufacture of ceramic and porcelain floor tiles, which are engineered to be hardwearing, durable, stain and grease resistant, colorfast, fireproof, and easy to clean. These tiles, which are produced in a range of sizes and styles, include such ceramic tile collections as TRIVERO, RAIN FOREST, SHERWOOD, ALABASTRO, BUCKINGHAM, SIDAR, TAOS, FOREST, TUSCANA, PALACIO, TAIGA, TALK, SANDSTONE, CASTELLI, ANNA, DALLAS, HIDRAULIC, TINNED, SASSO, SAVANA, OCEANO, CORONA, STREET, SKY, SLATE, WAVE, ZEN, and CRISTAL. The Company’s porcelain floor tiles include MAY, FAN, HAPPY, and ASWAN offerings.

Production activities are carried out by Ceramica Cleopatra Group at four ceramic and porcelain tile facilities in Egypt operated by the Ceramica Cleopatra, Ceramica Fancy, Ceramica Eldorado, and Galleria...
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- Chemicals
- Construction & Building Products
- Consumer Goods
- Energy & Petroleum
- Industrial Components
- Healthcare & Life Sciences
- Machinery & Equipment
- Metals, Minerals & Glass
- Packaging
- Plastics & Other Polymers
- Security
- Services
- Textiles & Nonwovens
- Water Treatment

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