

CBI MARKET SURVEY

The sanitary ware and ceramic tiles market in Denmark

Publication date: December, 2007

Introduction

This CBI market survey gives exporters in developing countries information on some main developments in the sanitary ware and ceramic tiles market in Denmark. The information is complementary to the information provided in the CBI market survey 'The Sanitary Ware and Ceramic Tiles Market in the EU', which covers the EU in general. That survey also contains an overview and explanation of the selected products dealt with, some general remarks on the statistics used, as well as information on other available documents for this sector. It can be downloaded from <http://www.cbi.eu/marketinfo>.

1 Market description: consumption and production**Consumption**

- In the Danish sanitary ware and ceramic tiles market, about € 186 million or 105 thousand tonnes of product were consumed in 2005.
- Denmark is one of the smaller markets in the EU. It consumed about 1% of the total EU consumption similar to Ireland and Austria. Italy and Spain, the largest consumers, respectively consume 19% and 15% of total EU consumption.
- Total consumption grew by 1%. Denmark is ranked 18th based on consumption, above Latvia and below Finland.
- Danish consumption of sanitary ware and ceramic tiles consisted of plastic sanitary ware (27%); ceramic sanitary ware (25%); iron or steel sanitary ware (23%); unglazed ceramic flags and paving, hearth or wall tiles (9%); glazed ceramic flags and paving, hearth or wall tiles (16%)
- Plastic sanitary ware and ceramic sanitary ware dominate the Danish market.
- There is a strong preference for larger tiles, as it is viewed to be more luxurious. Square floor tiles; have become popular after the introduction of integrated floor heating.
- Rectangular wall tiles are in high demand especially marble imitation. Increased demand in small rectangular, faceted 'metro' tiles and small ceramic strips in a contrasting color, for border. There is preference for lighter, off-white colors, both in floor and wall tiles. Another trend is for very small (1x1 cm), mosaic style which are attached to webbing to form a larger size tile. They are commonly made of glass-like ceramic, and available in dozens of colors.
- The Danish bathroom system consists of units that hang on the wall. There is a high demand for tops with integrated basins with marble or ceramic tops with normal inset basins.

Production

- In the Danish sanitary ware and ceramic tiles market, about € 81 million or 5 thousand tonnes of product was produced in 2005.
- Total production declined by 6% per year. Denmark is ranked 20th based on production, above Cyprus and below Austria.
- In the coming years, total production is expected to continue to decline.
- Danish production of sanitary ware and ceramic tiles consisted of plastic sanitary ware (50%); ceramic sanitary ware (2%); iron or steel sanitary ware (48%); unglazed ceramic flags and paving, hearth or wall tiles (1%).
- Plastic sanitary ware and iron /steel sanitary ware are the highest produced product segment. The Danish technology in producing plastic sanitary ware is quite high.

- Pressalit a leading sanitary ware manufacturer in Denmark is the first company that is producing a range of sanitary aware products based on Polygiene technology¹.
- Unless revived with growth boosting economic incentives it's likely that recessionary trends might set in.

Opportunities and threats

Please note that an opportunity for one exporter might be a threat to another.

- + Ceramic sanitary ware consumption is higher than local production thus providing market opportunity for exporters to plug in the shortfall in production.
- + There is a strong preference for lighter colour sanitary ware.
- Competition is likely to be very high within the product category of plastic and iron or steel sanitary ware. Exporters are better off entering in other product segments where competition from local producers is likely to be low.
- The Danish producers have fairly established a state of the art technology in manufacturing of ceramic tiles and sanitary ware, thus exporters from DC have to compete at a high level to penetrate the market.

Refer to chapter 7 of the CBI market survey 'The Sanitary Ware and Ceramic Tiles Market in the EU' for more information on opportunities and threats.

2 Trade channels for market entry

Distributors and retailers are the most relevant trade channels for Denmark. Exporters from DC could initiate contact with them for market entry. In Denmark distributors work with closed networks of suppliers, importers and dealers thus they are the key point of contact. Some distributors of sanitary ware and ceramic tiles are the following:

- Sanistaal - distributes and provides advisory services within Heating and Sanitary Equipment – <http://www.sanistaal.dk/en/>
- Boldsen – Distributor- <http://www.boldsen.dk/nyheder.aspx>

Retailers in the Denmark include:

- Haandklaederadiator -<http://www.haandklaederadiator.dk>
- Celebert - <http://www.celebert.dk>
- Mosaikhjornet - <http://www.mosaikhjornet.dk>
- Evers - <http://www.evers.dk/>
- Flisestudiet - <http://www.flisestudiet.dk>
- Dansai - <http://www.dansani.com/>
- Pressalait - <http://www.pressalait.com/pressalait/en-GB>

For additional information on the important trade channels please consult the CBI market survey 'The Sanitary Ware and Ceramic Tiles Market in the EU'. Included is information such as the price margins and how they differ per trade channel.

3 Trade: imports and exports

Imports

- In the Danish sanitary ware and ceramic tiles market, about € 195 million or 138 thousand tonnes of product were imported in 2006.
- Denmark is one of the more significant smaller importers in the EU. It imports about 3% of the total imports in the EU.
- Total imports grew by 9% average annually. Denmark is ranked 13th based on imports, above Czech Republic and below Ireland.
- Of the total percentage of imports, approximately 87% was imported from other EU countries, 3% from other developed countries, and 10% from developing countries (DC). China, followed by Turkey, is the top DC exporting to Denmark.

¹ Polygiene can completely kill the extremely resistant SARS corona virus on the surface of a molded device inside eight hours. Currently no other products have demonstrated this level of suppression when exposed to SARS. Unlike some other antibacterial agents, it is inorganic, and does not lead to allergic skin reactions.

- Total imports in 2006 segmented into selected product groups: Danish importation of sanitary ware and ceramic tiles consisted of plastic sanitary ware (21%); ceramic sanitary ware (31%); iron or steel sanitary ware (14%); unglazed ceramic flags and paving, hearth or wall tiles (13%); glazed ceramic flags and paving, hearth or wall tiles (21%).
- Plastic and ceramic sanitary ware along with glazed ceramic flags and paving, hearth or wall tiles are high imported items.
- With decline in production the local market is by and large catered to by imports and the share of DC has been growing over the years from 5% in 2002 to 8% in 2004 to 32% in 2006.

Exports

- In the Danish sanitary ware and ceramic tiles market, about € 53 million or 23 thousand tonnes of product were exported in 2006.
- Denmark, like Ireland and Greece, is one of the smaller exporters in the EU. Danish exports are about 1% of the total EU exports.
- Total exports declined by 1% on an average.

Opportunities and threats

Please note that an opportunity for one exporter might be a threat to another.

- + The Danish market is fairly developed in terms of sophistication of consumer choice and lifestyle thus there is a demand for finer quality sanitary ware and ceramic tiles.
- + There is a high demand for sleek modern designs that represent a certain class of living.
- + The share of DC exports has been steadily rising with China leading the way.
- Exporters from DC have to be particularly aware of the quality of products supplied into this market. Cheap is not always their preference.

Refer to chapter 7 of the CBI market survey 'The Sanitary Ware and Ceramic Tiles Market in the EU' for more information on opportunities and threats.

Useful sources

- EU Expanding Exports Helpdesk - <http://export-help.cec.eu.int/>
- Eurostat – official statistical office of the EU - <http://epp.eurostat.cec.eu.int>

4 Price developments

The rising cost of raw materials, labour as well as energy has kept an upward pressure on prices and this trend is likely to continue in the near future. However due to low inflationary trend [http://www.indexmundi.com/denmark/inflation_rate_\(consumer_prices\).html](http://www.indexmundi.com/denmark/inflation_rate_(consumer_prices).html) it's unlikely that the increase in prices would be significant. Some more information on tariffs, import duties and regulation are provided in the following website http://www.fita.org/countries/denmark.html?ma_rubrique=marche.

5 Market access requirements

As a manufacturer in a developing country preparing to access Denmark, you should be aware of the market access requirements of your trading partners and the Denmark government. For information on legislative and non-legislative requirements, go to 'Search CBI database' at <http://www.cbi.eu/marketinfo>, select sanitary ware and ceramic tile products and Denmark in the category search, click on the search button and click on market access requirements.

Detailed information on packaging can be found at the website of ITC on export packaging: <http://www.intracen.org/ep/packaging/packit.htm>

Information on tariffs and quota can be found at <http://export-help.cec.eu.int/>

6 Doing business

Information on doing business like approaching potential business partners, building up a relationship, drawing up an offer, handling the contract (methods of payment, and terms of delivery) and cultural differences can be found in CBI's export manuals 'Export Planner', 'Your image builder' and 'Exporting to the EU'. These can be downloaded from <http://www.cbi.eu/marketinfo> - go to search publications. For more information on doing business in Denmark, visit the following websites:

Trade associations

- Confederation of Danish Industries – <http://www.di.dk>
- Danish Ceramics Society - <http://mail.kemi.dtu.dk/daks/>
- The Danish Construction Association - <http://www.danskbyggeri.dk>

Trade shows

- TEMA – international hotel, restaurants, and catering - <http://www.bellacenter.dk>

Trade Newspaper

- Internetavisen Jyllands-Posten - The first daily Danish newspaper on the Internet with a wide range of articles from the printed edition, business-news and hourly updated news service - www.jp.dk
- Avisen - www.avisen.dk

This survey was compiled for CBI by CREM

Disclaimer CBI market information tools: <http://www.cbi.eu/disclaimer>