

## CBI MARKET SURVEY

## The sanitary ware and ceramic tiles market in Greece

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 Greece. 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

For industrial sectors and the ingredients sectors, attention should mainly be paid to industrial demand (although consumption figures could be important indicators for industrial demand). In this case, the chapter title should be Industrial demand. The chapter title for consumer durables and fast moving goods should be Consumption.

## Consumption

- In the Greek sanitary ware and ceramic tiles market, about € 400 million or 542 thousand tonnes of product were consumed in 2005.
- Greece is one of the smaller markets in the EU. Like Sweden, Greece consumes about 2% of the total EU consumption.
- Total consumption grew by 13% per year. Greece is ranked 11<sup>th</sup> based on consumption, above Portugal and below Czech Republic.
- Greek consumption of sanitary ware and ceramic tiles consisted of plastic sanitary ware (7%); ceramic sanitary ware (31%); iron or steel sanitary ware (5%); unglazed ceramic flags and paving, hearth or wall tiles (7%); glazed ceramic flags and paving, hearth or wall tiles (50%)
- Glazed ceramic flags and paving, hearth or wall tiles followed by ceramic sanitary ware are the highest product segment in the sanitary ware and ceramic tiles market.
- Some leading manufacturers like LEROY MERLIN will launch its first DIY store in Greece at the end of the year. This indicates a growing trend in the retail business of sanitary ware which could further consolidate demand.
- Kitchen/bathroom products and paint/home decorating performed quite impressively compared to the other sub-sectors.
- DIY is less common in Greece than in other European countries but it is on rise. The main reason is that the modern lifestyle, especially in urban areas, does not leave enough time for do-it-yourself activities, although the entry of multinational companies that specialise in DIY (such as Praktiker), or introduce self-assembled furniture (such as IKEA), have started to encourage the Greeks to undertake home improvements and decorating.
- The Greek property has increased exponentially in the last quarter of this fiscal year. The main driver behind this buying boom is the governmental decision to increase the tax values for all property in Greece. Prior to this decision, and at present, the tax values of properties in Greece did not reflect the market/sales prices for property. As a result more people are considering investing in property highly worth while.
- The real estate market in Greece has changed dramatically in the last few years mostly due to the implementation of major projects, economic stability, its participation in the European Monetary Union, lower interest rates, reduced exchange rate risks and the establishment of new financial instruments such as leasing and real estate funds.

- Multinational groups have increased their investments for the purchase of land and construction of office buildings which will give a further impetus to the real estate sector and consequently the ceramic tiles and sanitary ware market.
- Due to its inclusion in the EU there is greater labour mobility and consequent rise in disposable incomes and aspirations. This trend will finally translate into purchase of new or remodelling of existing property.

### **Production**

- In the Greek sanitary ware and ceramic tiles market, about € 167 million or 11 thousand tonnes of product was produced in 2005.
- Total production declined by 8% per year. Greece is ranked 15<sup>th</sup> based on production, above Slovenia and below Hungary.
- Total consumption in 2005 segmented into selected product groups: Greek consumption of sanitary ware and ceramic tiles consisted of plastic sanitary ware (7%); ceramic sanitary ware (52%); iron or steel sanitary ware (18%); unglazed ceramic flags and paving, hearth or wall tiles (8%); glazed ceramic flags and paving, hearth or wall tiles (15%)
- Ceramic sanitary ware followed by iron or steel sanitary ware is the dominant product segments.
- Due to outsourcing a lot of production of sanitary ware and ceramic tiles would be redirected from the economically well off EU member states like Germany, France into Greece.

### **Opportunities and threats**

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

- + There is a large demand for glazed ceramic flags and paving, hearth or wall tiles as it's the highest consumed product category however there is not much local production of the same.
- + There is a demand for elegant modern designs that reflect the status of the increasingly affluent Greek middle class. The increase in disposable incomes and improving life styles would further increase these demands.
- + The growth rate of consumption is higher than production thus this short fall can easily be tapped by exporters from developing countries (DC).
- Local production is focused on ceramic sanitary ware and it's likely that the competition within this product category would be quite strong.
- The Greeks work on established networks of dealers and distributors and have close ties with business partners and thus a difficult network to penetrate.

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**

For Greece the most relevant trade channels are distributors and retailers. They are the frontline contact for developing business partnerships within Greece. The following website has a list of retailers as well as distributors in Greece -

<http://www.evresi.gr/data/index.php?idcat=137&action=showcat>

Some other distributors of ceramic and sanitary ware in the Greek market for exporters in developing countries include the following:

- Ottimo-Studio - <http://www.ottimo-studio.gr/>
- Stathis ceramica - <http://www.stathisceramica.gr/>
- Valena - <http://www.valena.gr/>
- e-Prisma - <http://www.e-prisma.gr>
- Unitherm - <http://www.tn-unitherm.com/profile.php?lang=2&site=2>
- Hatz - <http://www.hatz.gr>
- Morochliadis - <http://www.morochliadis.com/>

Retailers in the Greece market include:

- Amco - <http://www.amcogr.gr>
- Acquae Bagno - <http://www.acquaebagno.gr/>
- Bagno Ideale - <http://www.bagnoideale.gr>
- Ceramic - <http://www.ceramica.gr/>
- Gianastasopoulos - <http://www.gianastasopoulos.com>

The DIY retail sector in Greece remains quite fragmented sector, although a trend towards consolidation has emerged as a result of multinational companies' entry into the Greek market during the last decade.

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 Greek sanitary ware and ceramic tiles market, about € 314 million or 643 thousand tonnes of product were imported in 2006.
- Greece is one of the medium-sized importers in the EU. It imports about 4% of the total imports in the EU.
- Total imports grew by 13% per year. Greece is ranked 9<sup>th</sup> based on imports, above Poland and below Netherlands.
- Of the total percentage of imports, approximately 79% was imported from other EU countries, 3% from other developed countries, and 18% from developing countries. China followed by Turkey are the top two DC's exporting to Greece.
- Total imports in 2006 segmented into selected product groups: Greek importation of sanitary ware and ceramic tiles consisted of plastic sanitary ware (7%); ceramic sanitary ware (15%); iron or steel sanitary ware (5%); unglazed ceramic flags and paving, hearth or wall tiles (6%); glazed ceramic flags and paving, hearth or wall tiles (67%).
- Imports of glazed ceramic flags and paving, hearth or wall tiles dominate the market. This segment is likely to continue to grow.
- The share of imports from DC has been erratic; it increased from 15% in 2002 to 20% in 2004 then fell to 11% in 2006.
- The share of imports from DC is expected to rise, the stabilisation of economic factors coupled with low interest rates and inclusion into EU would only enhance its economic status further and the demand for goods from DC that are competitively priced and of reasonable quality will continue to grow.

#### **Exports**

- In the Greek sanitary ware and ceramic tiles market, about € 56 million or 45 thousand tonnes of product was exported in 2006.
- Greece is one of the smaller exporters in the EU. Like most countries, it imports about 1% of the total EU exports.
- Total exports are growing. From 2002 to 2006 exports grew at 4% per year.

#### **Opportunities and threats**

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

- + Present trends indicate a high demand for goods that are priced competitively; there is greater focus on price.
- Competition is likely to be very high both from local as well as other DC.
- Since the Greek are known to work in closed networks, it is important to penetrate these networks and establish reputation and could take significant time and effort.

- Among the DC, Chinese imports tend to dominate the market. The share of DC imports has been erratic over the last few years and this trend is likely to continue.

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**

With the current trend in economic growth the cost of labour is estimated to rise significantly. The prices of other raw materials have also increased. Due to a hike in world oil prices energy has become very costly and the sanitary ware and ceramic tile industry would be adversely affected in terms of cost due to these trends. The Greek inflation rate has slowed down to 2.9% thus one can infer that the price trends within the ceramic tiles and sanitary ware from this [http://en.wikipedia.org/wiki/Economy\\_of\\_Greece](http://en.wikipedia.org/wiki/Economy_of_Greece). For more information on tariffs and duties please refer to the following website [http://www.fita.org/countries/greece.html?ma\\_rubrique=marche](http://www.fita.org/countries/greece.html?ma_rubrique=marche).

#### **5 Market access requirements**

As a manufacturer in a developing country preparing to access Greece, you should be aware of the market access requirements of your trading partners and the Greece 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 Greece 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 Greece, visit the following websites:

##### **Trade shows**

- INFACOMA -International Exhibition of Construction - Insulation - Sanitary wear - Heating - Air Conditioning - Solar Energy and Technology - <http://www.helexpo.gr/portal/>

##### **Trade Associations**

- The Greek trade association for all Greek investment - <http://www.agii.gr/default-uk.asp>
- Greece Economic and Trade Associations - [www.gbi.gr](http://www.gbi.gr)
- Union of Hellenic Chambers of Commerce and Industry (UHCCI)-[www.e-boss.gr](http://www.e-boss.gr)
- Athens Chamber of Commerce and Industry- [www.acci.gr](http://www.acci.gr)
- Thessaloniki Chamber of Commerce and Industry of -[www.ebeth.gr](http://www.ebeth.gr)
- Thessaloniki Chamber of Small and Medium Sized companies - [www.veth.gr](http://www.veth.gr)

**Trade Press**

- [www.naftemporiki.gr](http://www.naftemporiki.gr)
- [www.imerisia.gr](http://www.imerisia.gr)
- [www.oikonomikos.dolnet.gr](http://www.oikonomikos.dolnet.gr)

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