

Snow joke as growth returns

Last year ended as it had begun in the British Isles – under several centimetres of snow. That might make for some pretty pictures but it tends to shut down construction sites and bring the UK and Ireland, which just aren't geared up for snow, to a grinding halt.

Yet in spite of the problems posed by the weather, both the construction industry in the UK and the economy in general returned to growth in 2010, although the snow did take its inevitable toll on the construction sector with output falling in both the first and fourth quarters of the year.

Nevertheless, the industry performed well in the second and third quarters to grow 5.1% in the year overall, contributing to 1.4% growth in the economy as a whole.

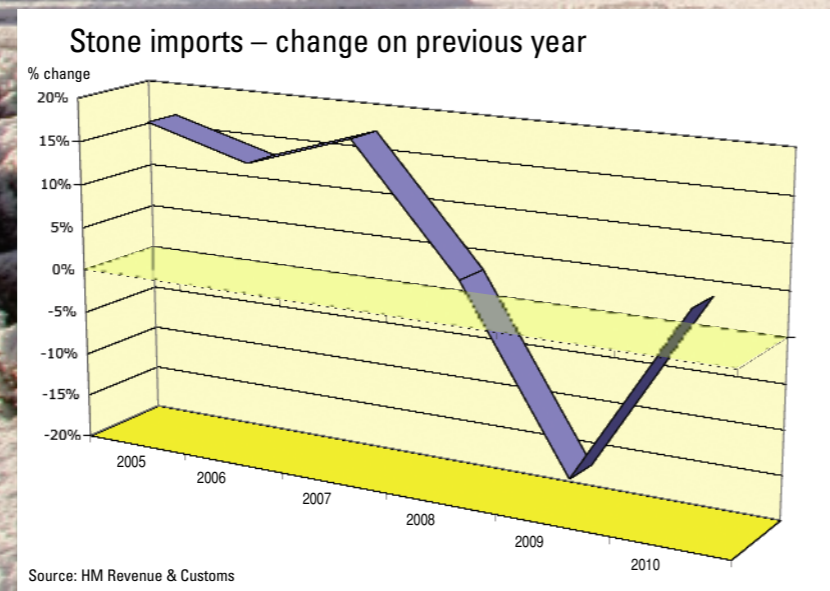
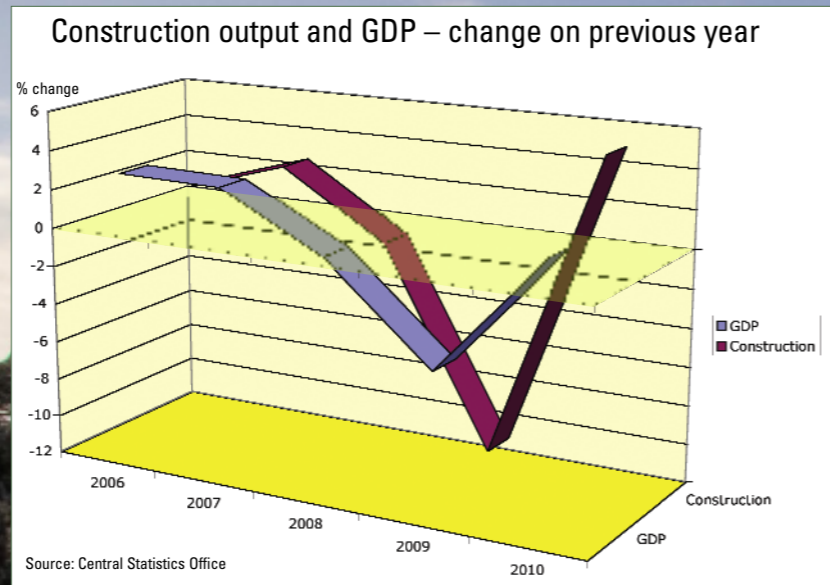
There are no equivalent figures produced in the UK for the stone industry, but with around three-quarters of the stone used in Britain being imported, import figures provide a good snapshot of trends in the industry. And they indicate growth last year was more than 4%.

The fall in construction output in the final quarter of last year could simply mean that work moves forward a month or so, as it did last year.

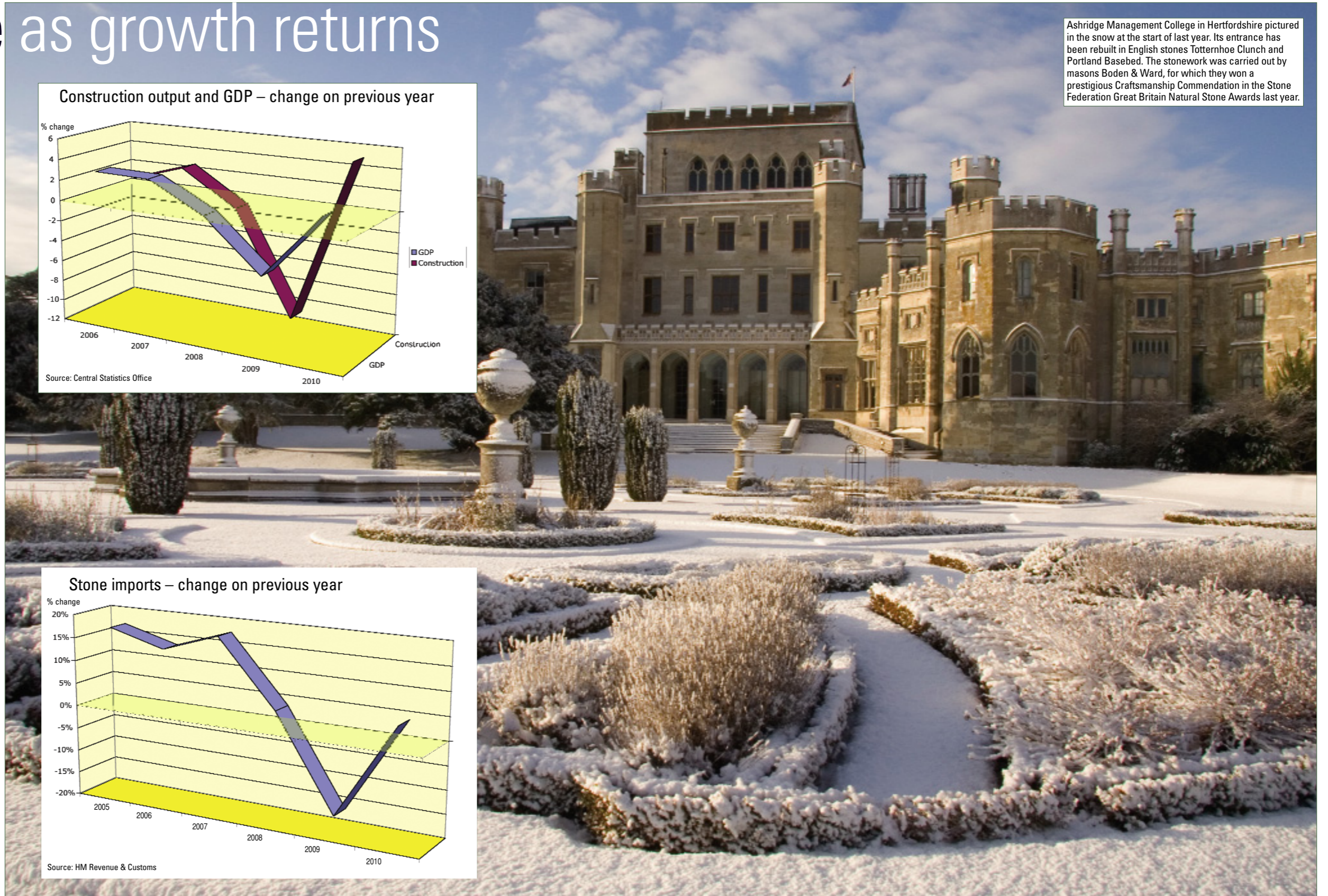
There are some major developments coming on stream this year and the Olympics are boosting demand for stone in London as hotels, restaurants and public areas such as underground stations prepare for the 2012 games.

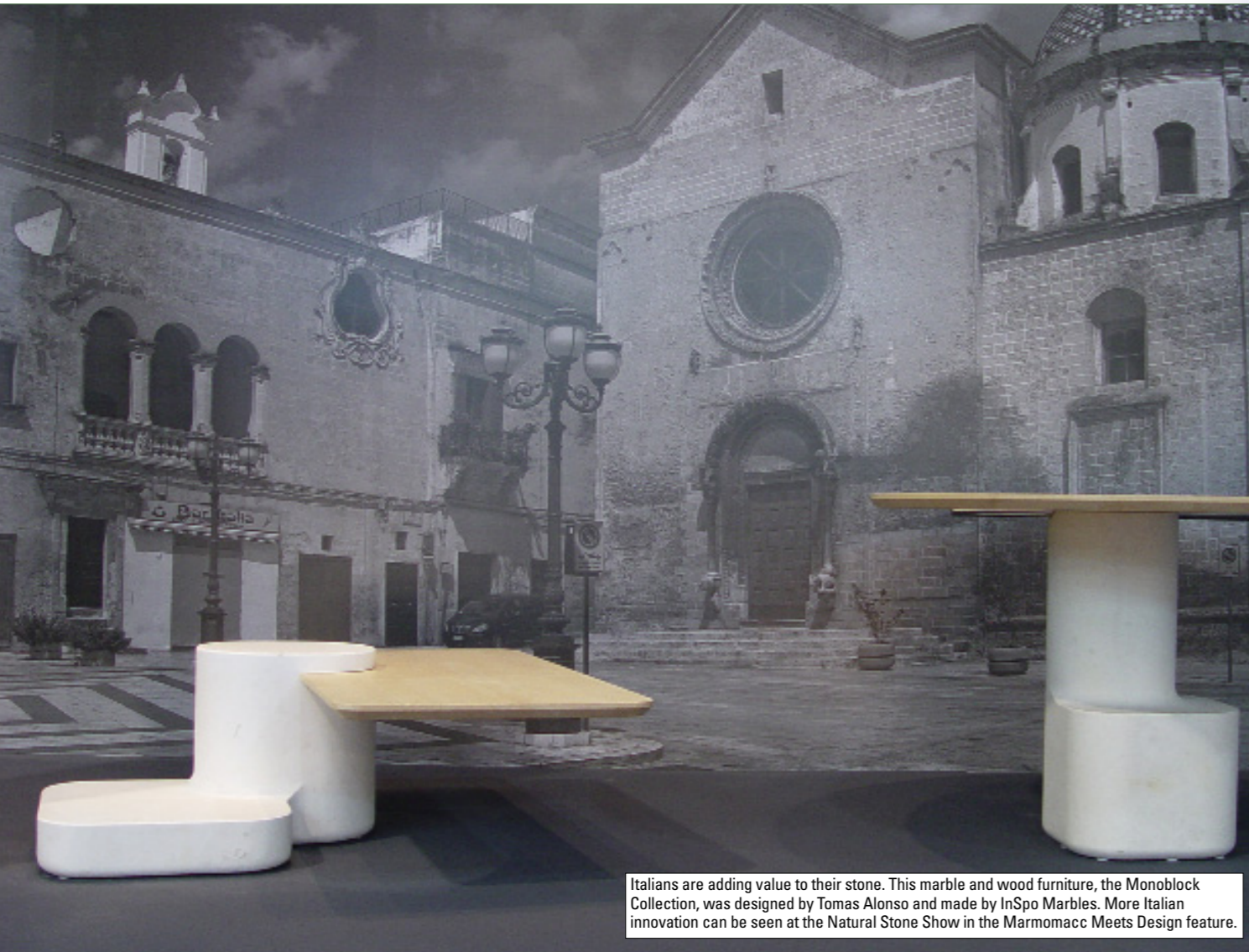
Certainly anecdotal evidence from the suppliers of machinery and consumables supports the proposition that the stone industry is gearing up for the opportunities of the year ahead.

There has not been much investment in machines by masonry companies in the UK or Ireland since the world's bank debt crisis started hitting the rest of the economy in 2008. But according to the companies selling the almost exclusively imported stone processing machinery ↵



Ashridge Management College in Hertfordshire pictured in the snow at the start of last year. Its entrance has been rebuilt in English stones Totternhoe Clunch and Portland Basebed. The stonework was carried out by masons Boden & Ward, for which they won a prestigious Craftsmanship Commendation in the Stone Federation Great Britain Natural Stone Awards last year.





Italians are adding value to their stone. This marble and wood furniture, the Monoblock Collection, was designed by Tomas Alonso and made by InSpo Marbles. More Italian innovation can be seen at the Natural Stone Show in the Marmomacc Meets Design feature.

that is used by the UK stone industry, processing companies started investing again last year to give themselves an edge in an increasingly price sensitive and competitive market place.

That price sensitivity has continued to benefit stone suppliers from the Far East. UK imports from China grew by more than 10% last year and India did even better, up more than 15%. Imports from Asia now account for 58% of stone coming into the UK by value and 68% by volume.

The value of stone imports from Asia first became greater than imports from Europe in 2007 and they have stayed ahead ever since.

Italy is the main European supplier of stone to the UK, but exports to the UK have been hit hard by the fall in the value of sterling, which has increased the price of imports in the UK.

The weakness of sterling has increased the prices of imports from Asia as well as from Europe, but the Chinese and Indians have done more to keep their prices down. Italy has practically conceded the battle on price and is looking to add extra value to the stone it is selling.

You will be able to see some of the ways the Italians are doing that at the Natural Stone Show in the Marmomacc Meets Design feature.

They are using their sophistication in design and production to create intricate stone products rather than the more prosaic polished slab, tiles, hard landscaping and memorials that tend to be bought from Asia.

The Italians have certainly increased the price of the products they are selling to the UK. The average price of stone imports from Italy last year was £990 a tonne, compared with an average price from China of £298 a tonne and from India of £223 a tonne.

That probably explains why stone imports from Italy fell by about 40% last year, according to the figures compiled



A Celtic Cross in Ireland carved from Irish Blue Limestone. Life is not easy in Ireland but there are signs of improvement.



British Purbeck limestone flooring with a flamed finish from Lovell Purbeck.

by HM Revenue & Customs.

While most stone used in the UK for most purposes these days is imported, there are about 300 active quarries run by about 200 operators producing dimensional stone in the UK.

The UK has practically no marble and there is not much granite being extracted these days because it cannot compete with the prices of Asian imports, but it does have a good selection of limestones, sandstones and slates that are used for building, interiors and hard landscaping.

It is in demand by the conservation and repair, maintenance & improvement sectors, but is also used in new build, especially in sensitive areas where planners want traditional materials used and in impressive, prestigious buildings where architects want to make a statement. British limestones, sandstones and slates are also used for interiors, especially, but not exclusively, for floors. The subtle, subdued hues of the stones of the British Isles lend themselves to unpolished finishes making statements of quiet authority.

The dimensional stone production industry in the UK is so small that it is considered too commercially sensitive to produce figures about the industry. However, the producers report reasonable

strength of demand for their products.

Walling for housing developments has fallen in line with the collapse of house-building in general, but where projects are still going ahead the weakness of sterling is making UK stone more competitive against imports.

There will be more British stone than ever before being exhibited at the Natural Stone Show this year.

In Ireland, life is hard.

For many years the Celtic Dragon enjoyed greater growth than the UK and invested heavily in equipment to extract and process its own and imported stones. Stone from the UK often went there for processing because their level of investment gave processors there a competitive advantage.

But the growth peaked in 2006 and they have been in decline since then. In 2009, construction output was just 39% of what it had been in 2006. And by the third quarter of last year (the latest figures available at the time of writing), it had fallen another 39% year-on-year.

But there are signs that the decline in construction in Ireland has reached the bottom of the curve. The economy in general also seems to be improving with the government forecasting 1.7% growth this year. ■