

PRESS INFORMATION | July 2022

The future of German tiles

# WE SHOULD BE CONFIDENTIAL TO OUR STRENGTHS

Over the last ten years, the German tile industry has had to cope with a considerable decline. Now tile production of the well-known Villeroy & Boch brand has also been hit. In an interview, Dieter Schäfer, CEO of Deutsche Steinzeug AG, explains what he thinks about the future of the tile "Made in Germany".

**Mr. Schäfer, is the production of tiles in Germany economically unattractive or why is Villeroy&Boch Fliesen GmbH giving up?**

**Dieter Schäfer:** It's a real shame that a renowned brand like V&B will no longer produce its tiles in Germany or in France. Certainly, as an energy-intensive industry, we are not having an easy time of it at the moment due to the Ukraine crisis and the political dispute with Putin. But I don't see a swan song for the German tile production location.

**In your opinion, what is the reason for the failure of V&B Tile?**

**DS:** As a specialist for end products such as tableware and sanitary ware, I think V&B simply didn't understand the business of tiles as a semi-finished product well enough. For the end consumer, Villeroy & Boch is the brand for tableware and sanitaryware products. To let the tile benefit from the company portfolio as a so-called "windfall profit" was simply not enough in my eyes.

**How does that look with your Agrob Buchtal brand?**

**DS:** We have realised many Olympic swimming pools, worked with star architects such as Renzo Piano and produced the tiles for the dome of the Sony Centre at Potsdamer Platz in Berlin. The Dutch architectural firm MVRDV has just completed two residential quarters in Bordeaux and Rennes using our ceramic façade systems. We have been the supplier of heavy-duty supermarket tiles for decades, and much more. If architects, planners, developers anywhere in the world are looking for a special quality or tile, they call us.

**Is climate protection a new topic for you?**

**DS:** Our focus on climate protection and sustainability is not new. The German factories were already building fluorine emission plants when this was not a discussion at all in the rest of Europe. Our environmental regulations regarding emissions are consistently implemented. The fact that our Agrob Buchtal brand has been allowed to use our

products for renovations according to "Green Building" standards is also due to the fact that we essentially source our raw materials up to 90% from the domestic market.

**So the tile is a sustainable product, you say?**

**DS:** Because of the natural raw materials and the extreme durability, I think ceramic tile is an ideal sustainable product. However, we have indeed not yet succeeded in transferring this into the consciousness of the end consumer. The consumer chooses vinyl and is happy that he is buying a product with the "Blue Angel" certification. Who knows that the ceramic tile has no chance of getting a "Blue Angel" because it contains no harmful substances at all. That's a bit absurd, isn't it?

**What else does the "Made in Germany" tile stand for?**

**DS:** The tile "Made in Germany" stands for quality, fair wages - negotiated with trade unions - transparent prices and - very important - for regional raw materials. The trade and building sites worldwide can rely on us - even in times when the supply chains in Southern and Eastern Europe are collapsing, as has been shown.

**What, on the other hand, is the secret of the Southern Europeans' success?**

**DS:** The German industry has been dedicated to tile production for more than 100 years and was able to actively support the European reconstruction phase in the early 1950s. As a result, we naturally have a different manufacturing structure. Moreover, the factories were built back then where raw materials and employees were available. In contrast, the construction of the Italians in the 60s, with generously structured factories on vacant land, naturally allowed for a more efficient factory structure. In addition, they were able to develop excellently with the ceramic machinery industry, which is now almost completely united in Italy.

**Can German factories still produce at competitive levels?**

**DS:** No factory in Germany has to close because the salary level or the costs for energy, transport or raw materials are too high. The Italian tile industry pays salaries that are higher than in the automotive industry (e.g. Ferrari / Fiat) - and thus also significantly higher than in Germany. A large part of the raw materials is purchased in southern Europe and would have to be more expensive, as further transport routes have to be calculated. In this respect, there is no direct cost advantage in the variable costs, including wages and salaries. The extreme division of labour and regional concentration is certainly a plus point.

**What is your advice to German tile manufacturers?**

**DS:** We must finally learn to hold together against the strong competition from Southern and Eastern Europe. We should stand confidently by our strengths, but also make clear what is not economically accountable.

**Do you have a certain wish?**

A fair dealing and the understanding of our partners in the market for the current cost development and price acceptance. Then our customers can continue to count on us in the coming decades and appreciate the quality of our products and services.

The interview was conducted by Gabriele Busse, Press Spokesperson Deutsche Steinzeug. Publication free of charge. A copy of the publication is requested.

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