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Price war and delay in payments are the main factors that may jeopardize the recovery.

Advances from next UNICMI Report 2015 on market metal construction and the building envelope.

In July, Ufficio Studi Economici UNICMI (manager Mr Marco Perazzi, scientific consultant Mr Carmine Garzia) will publish a Report on the Italian market of metal works and building sector, curtain walls, solar screenings, windows and metal carpentries.

On the occasion of MADE expo, Ufficio Studi Economici UNICMI provides for the first information relating to 2014 as for the window and curtain wall sector.

The crisis of the metal windows and frames and curtain walls sector leading to a turnover shrinkage accounting for about 35% from 2009 up to now, was still consistent throughout 2014.

On the **window frame** market, sales **shrank** by about **7%**. An alarming information considering the present **price war** in the window frame sector both for new buildings and renovations as well. Data proves a **fall of average prices from 8 to 10 %** as for metal windows frames from 2013 to 2014. The shrinkage depended on the consistent and aggressive discount policy enforced by the window frame manufacturers and on the demand shift to *budget* products, sold at lower prices with simpler building solutions, mainly if compared to the recent past market proposals. The market shift to the lower end prices was mainly supported by PVC products at a low price, manufactured abroad (East Europe), followed by local manufacturers (independently from the offered material), thus driving a dangerous price war. The price war further accelerated because of the strategic suppliers of aluminium window frame manufacturers (window frame system and accessory manufacturers) which, as to allow their customers to compete with PVC window frames at a very low cost, cut parts and half-finished product prices and supplemented products at lower prices.

A strong commercial activity of some metal window frame manufacturers is to be reported, aiming at **developing a direct sale channel to final customers/end users**. However in terms of volumes, aluminium window frames penetration on the renovation market will still be limited, even though at present about **40% of window frame manufacturer turnover depends on incentives on the product replacement**. However attention is to be paid if whether during the present year, aluminium window frame manufacturers manage to offer more performing or special products (such as minimal sliding windows and design products) with a higher average price thus partially recovering their turnover.



As for **curtain walls**, the market is characterised by a general stability, however information reported by the curtain wall manufacturers confirms a positive turnover mainly depending on Italian company widespread activities on foreign markets. The **export share** on the curtain wall manufacturer turnover stably accounts from **35 to 40%**. It is a rather recent internationalization process, started 4 years ago, which the companies rather rapidly enforced, with “forced steps” as to react to the demand crisis on the local markets and to be present as well on markets whose volumes are more consistent and margins higher, such as the French and English markets.

Duly taking such trends into account, UNICMI hopes that the Italian industrial window frame sector, present with the best innovating offer at MADE expo, will manage to provide for more robust answers as for targeted products, boosting high quality, long duration, innovating design and consistent performances (in terms of safety, acoustics, thermal, domotics), thus granting correct margins to all the sector operators consistently investing in research and innovation as well.

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