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## Challenges to the Tile Industry

With all that is going on in the world, some very serious matters, we feel the need to inform our customer of the current challenges specifically facing the tile industry.

Availability has been a growing concern over recent months, since the summer of 2021. Worldwide demand has simply grown beyond all expectations as we move out of the pandemic. Just as things seemed to be stabilising, the Russian invasion of the Ukraine has had a knock-on effect that will likely impact the industry for the rest of the year and possibly into 2023.

The unfortunate reality is that most tile factories use a form of natural gas supplied by Russia for production (tile production requires high temperature kilns) and many use Ukrainian clay as a key raw material. While these problems are relative given current global events that encompass food and fuel shortages, there is really no doubt that availability and price of tiles are being affected in a truly unprecedented way.

Many small to mid-sized factories have simply ceased production until further notice, unable to manufacture at current gas prices and struggling to obtain many of the core raw materials. Fortunately, Tile Studio works with UK suppliers and a number of major Italian production plants who have reserves of raw material and long-term gas contracts. These companies intend to continue producing, but they are not immune from the problems completely, far from it.

The raw material reserves will be allocated according to product demand and the production plants are currently exploring and securing other sources of supply. Prices have gone up, in some instances, five times in as many months. We are fortunate enough to carry a large amount of stock at our warehouse to counteract some of these price increases from our suppliers, to bring our customers a more consistent product pricing structure.