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Talking Shop

Back to basics Imerys on raw material expansion

AC talks to Franck Tarena (FT) - Strategy, New business, Innovation & Marketing Director and Luc Bourgy (LB) - Technology Manager Raw Materials and Ceramics Applications at raw material giant, Imerys Ceramics, about the latest trends in raw materials.

Can you give us an outline of what the current product offering from Imerys Ceramics is in terms of the market, and where you are producing from at present?

FT: Imerys Ceramics sell products that are bringing definite and clear advantages to its customers. For the tile market, we therefore focus on the decoration layer (frits, glaze and engobes) with high quality kaolins, ball clays and feldspars. Some products have become the market reference like the Kaolinor 1C for glaze.

For traditional ceramics, our target markets are the sanitaryware and tableware where the quality of our products (minerals, bodies and kiln furniture) is making a clear difference on the final product characteristics and on the efficiency of our customers' operations. We aim at becoming the supplier of choice in Asia for those segments as we are in our "historical countries", where we have been operating for a very long time. Our assets in the region are high quality deposits in Thailand (kaolin in Ranong, ball clay in Lampang) and blending platforms in India and Indonesia. Combined with the high quality products we are bringing from our American and European mines, we are able to offer a very attractive product range to local tableware and sanitaryware makers.

How do you see output for 2017, and will this be an improvement of the previous 12 months?

FT: The Ceramic market worldwide is dynamic with growing demand and new plants being installed or expanded in several countries, so we expect 2017 to be better than 2016.

Does the pressure of a share price make it more difficult for you to develop new greenfield sites for minerals, and as such are you more focused on acquisition as a means to earnings and portfolio growth?

FT: Imerys Ceramics has opened completely new blending platforms in Egypt, India, Brazil and Indonesia, this is the evidence that internal growth is a full component of our strategy. Acquisition is also a lever that we are ready to use, however we are very selective; until now we have not identified acquisition



Franck Tarena



Luc Bourgy

targets meeting our requirements but our teams are constantly scouting for opportunities.

Geographically, where do you see the most potential for growth and where are you focusing efforts? (by country, not continent please) Are there some regions where presently you do not have a presence but are concentrating on establishing a local supply base?

FT: Asia is growing fast and Imerys Ceramics have industrial assets in India, Thailand and Indonesia, so we are set to capture growth there. Similarly Brazil and Mexico have high growth potential and we are already present there with plants. We therefore do not see a major gap in our operations that requires to be corrected, however if a good opportunity arises, we will do our best to catch it.

What are the criteria that you use in terms of establishing whether or not a market is "ready" for your products?

LB: Each market has his specificity. Some products of our portfolio are recognized worldwide for their technical value but they are not necessarily adapted to each market. Then, by market intelligence, we question ourselves if we are able or not to bring the adequate value proposition. We want to bring something different to the market.

That's why our technical teams are continuously looking at ways to develop solutions to fit ceramics manufacturers' needs as well as to meet the requirements of new technologies and production techniques coming into the market. In order to boost the properties of our minerals and foster innovation, we have set up major ceramic technology centers in Europe and Asia. Blending platforms and R&D facilities located near ceramic clusters enable our technicians to provide technical assistance and develop tailor-made formulations to sustain our customers' development.

We are delivering our products and solutions to customers located in more than 80 countries. Our goal is to offer a unique experience to all of them, whatever their location: close to our operations or very far from them. Our customer service has developed working processes and tools that enable to guarantee a consistent level of

service. The long-term objective is to customize the service-level to fit with varying customers' expectations and always ensure that our customers feel the value of being served by Imerys Ceramics.

How has the digital printing situation affected product mix and demand? Is it possible that it could actually have an ultimately long-term positive effect based on the need for even whiter-tiles on which to print?

LB: The digital printing technologies affected positively our high value product demand. Thanks to Imerys' experience in digital printing in the paper industry we have been able to develop a good understanding of the requirements and to assess how our products respond to these technologies in ceramic. We succeeded in adapting our products and developing new ones according to new requirements. On the long term, it should have a positive effect on the demand on highly processed and controlled products.

What are your further plans for developing the Imerys Ceramics brand and product range, and what is the company mission in terms of production capacity both in terms of volume and location?

FT: For the branding, our goal is that when you buy a product from Imerys Ceramics, you know that you get a full mineral solution: understanding your need, selecting the appropriate product from our range or developing a dedicated product, manufacturing in tight specifications, managing the delivery to your plant in many cases and following-up to ensure that the solution meets your expectations at all times; so many steps through which Imerys Ceramics' teams support our customers during their journey.

To ensure customer satisfaction, we have a dedicated technical support, a global network of R&D centers and regional laboratories, a sustainable production process respectful of the environment and the local communities. All the above are aiming at offering a unique customer experience. It is with this goal in mind that this year we will revamp our website to better serve our customer and explain our vision to new ones.

We are manufacturing three types of products all used by the ceramic manufacturers: raw materials, ready-to-use bodies and kiln furniture. We are bringing to the market new solutions for all three categories every year: minerals with added functionalities, bodies enabling our customers to develop new products or increase efficiencies, kiln furniture with improved design to expand lifetime. Our current focus is to develop a full product range dedicated to the 3D printing of ceramic pieces. We have already several products on the market for the tableware industry; the sanitaryware market should also be served very soon.

Imerys has been rolling out an Operational Excellence Program for several years. This program aims at raising operational standards in all functions in an ever more complex environment. We are tackling challenges and issues in a more coordinated way with workgroups that are cross-functions. By building a comprehensive view of the situation from different perspectives, we are able to bring more to our customers. This program will also strengthen the position of our industrial assets and allow us to be more flexible and better adapt to market conditions. This is today more the focus than enlarging capacity as we are well set to serve the markets we target with mines and plants in Americas, Europe, Asia and Oceania.



DIGITAL PRINTING TECHNOLOGIES WERE A POSITIVE FOR DEMAND OF HIGH VALUE PRODUCT

Do you foresee a time when you could get even more vertically integrated to incorporate a share of a consistent finished body supply, and a delivery right through to a suite of finished products? i.e from mine right through to market?

FT: Let me be very clear, we do not want to compete with our customers; we focus on delivering high added value minerals, prepared bodies and kiln furniture; we will not go further down the industry chain. What we aim at is offering solutions to our customers, for them to focus on their business: designing and producing attractive and cost-effective finished ceramic products.

What are the biggest challenges facing the minerals trading sector at present, and how are you working to combat those?

FT: Consistency is the key, when you operate only one mine, you are exposed to the variation of the deposit. Imerys Ceramics is leveraging its diverse and numerous assets base to ensure that the products we deliver are meeting the requirements of the customers all year long. For small mineral players, this is a big challenge especially when high quality deposits are becoming rare.

What will the imposition of Brexit mean for you as a European company with UK-based assets and are you fearful of other sweeping political moves throughout North America?

FT: We will see how the situation develops but for the time being, nothing has changed for us. The UK products are already largely distributed out of Europe and for the intra-EU trade, let's wait to see if and how the regulations change.

Finally, what is the plan for the rest of this year and where would you like to see yourselves in 12 months' time?

FT: We are debottlenecking some operations here and there and when finished, we should be in better position to accelerate our growth.

We also have several on-going exciting projects in product development; some should hit the market in the next 12 months, this is obviously a clear focus of our Innovation team for the rest of the year and beyond.