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Back to normal

At the annual conference of ISO, which took place in Belfast in June, the delegates of the national shopfitting associations reported on the current situation and expectations in the shopfitting industry in Europe and the USA.

worst result for 15 years. For 2009 a fall of even 15 percent was expected. Since the third quarter of 2008 the retailers have clearly cut back their investments. Even the Scandinavian countries, which enjoy relatively low unemployment and inflation rates and have been doing very well in the European context for a long while, now start to feel the consequences of the worldwide recession. Morten Grøn-Hansen, CEO of the **Norwegian** New Store Europe A/S reported a marked decline of the shopfitting investments in retail with an estimated 29 percent for the year 2009. Anders Jensen, president of the **Danish** Shopfitting Organisation confirmed, as far

ting branch. A number of large retail chains had halted or reduced their investment programme at the beginning of the year and small retailers currently also wait to see how the economic situation will develop. The stiffer competition in the shopfitting industry is said to have led to a drop in sales prices of 10 to 20 percent. Quoting from the core findings of the latest dlv survey, Carsten Schemberg, member of the board of the Deutsche Ladenbau-Verband said that 38 percent of the **German** shopfitters reported a bad business climate in the first quarter, yet still 19 percent consider the situation to be good. For two thirds of the members the number



▲ On the road to the reception building of the Patton Group



▲ A glance at the Patton Group's woodworking plant

It once again became clear how much the shopfitting industry is dependent on the overall economic evolution and, in particular, the degree in which the retail trade is prepared to make investments. When the retail industry steps on the brake, the shopfitters feel the effects immediately. That goes not only for Europe, but for the USA also, as Klein Merriman of the American industry organisation A.R.E. confirmed. The 78 shopfitters and service providers who are part of the organisation, witnessed an 8 percent drop in turnover in 2008, the

as his country is concerned, that the retail industry currently halts or even scraps many real estate projects. In **France** the real estate business has been witnessing a slump in the number of building permits already since 2008. However, an improvement of the situation is expected by the end of 2009, now that the French government has adopted a social housing programme. François Mathéron, the representative of the Chambre Française de l'Agencement, spoke of a declining business evolution in the shopfit-

of incoming orders appears to be declining and particularly those businesses with a high volume of turnover are very dissatisfied with the current order volume. Almost half of the member companies anticipate a decline of the business development in the course of this year. In 33 percent of the firms short-time working has been introduced and 17 percent plan to do so in the near future. In the **Netherlands** the turnover of the shopfitting industry already started to decline in the middle of 2008, Herman

Jurrius of the branch association CBM reported. Comparing the years 2007 and 2008, 47 percent of its member reported a drop in turnover. Particularly the export-oriented shopfitting firms experienced weakening business abroad. The Dutch economy is expected to shrink by 3.5 percent in the current year, in 2010 a 0.25 decline is anticipated.

A return to normality is also expected by the **British** shopfitting association SDEA. As Ronald Cohen explained in his situation report for Great Britain, the shopfitting firms on the island were ill-starred in recent months. The bankruptcy of Woolworths, for instance, forced shopfitting companies to

As far as **Northern Ireland** and Belfast, the venue of ISO's 2009 annual conference, are concerned, the decline of the pound obviously had its good sides: consumers from the Republic were flocking at the superstores across the border from the Euroland, bringing record euro-turnovers to Tesco, Asda or Lidl. In addition, Belfast boasts a new and highly-attractive shopping centre with Victoria Square, which also attracts visitors from the Irish Republic.

A visit to Victoria Square was part of the "compulsory programme" for the participants of the ISO conference. Other highlights were the visit to the Northern Irish Patton Group shopfitters, which has its

Conference would take place in Shanghai, in conjunction with World Expo 2010. ISO's secretariat, with Preben and Anna Bailey, has already been transferred to Ningbo near Shanghai at the beginning of the year in order to make the necessary advance arrangements on the spot. The participants in the conference (3-5 June 2010) are advised to arrive already on 27 or 28 May 2010, as ISO will organise in the run-up to the conference a four-day professional programme, which will include a tour of Chinese shopfitting companies and a visit to World Expo 2010. Details about the planned programme and the hotel reservations will follow shortly.



▲ P. Bailey pays homage to ex-president C. Schemberg



▲ The Giant's Causeway, one of Northern Ireland's outstanding natural features

write off sometimes six-figure outstanding debts. MFI, the largest English furniture retailer with more than 250 branches, went bankrupt too. In addition, the British economy currently suffers not only from the global recession, but also from the weakness of the British pound. In certain instances, the exchange rate of the pound against the euro has fallen to parity, whereas not so long ago a pound still cost 1.45 euro. The result is that imports from Europe and the Far East that are settled in euros and dollars have become substantially more expensive.

headquarters in Ballymena and a wood-working plant in Broughshane, as well as a tour of the famous whiskey distillery Bushmills. The ISO conference traditionally ended with a gala dinner, this time in the plush Merchant Hotel in Belfast. Morten Grøn-Hansen thanked departing ISO president Carsten Schemberg for three years of committed work at the head of the organisation. The new president for a term of three years is France's François Mathéron. At the annual convention of 2008 in Barcelona it had been decided that the 2010 ISO

"Shopfitting in our member countries is back on the road to normality", was ISO secretary general Preben Bailey's final conclusion at the end of the three-day event. Any shopfitting firm with a solid economic base, an appropriate client portfolio, a flexible organisation and experienced management will survive the current recession and be able to take advantage of the next upswing.