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The UK I&I sector weathers the storm of recession

The recession has proven challenging for the majority of industries and this is no different for the UK Cleaning Products Industry. However, the Industry - estimated to have annual sales of around £3 billion of which over £740 million is attributable to the Professional, Industrial and Institutional sector (I&I) - has faced the challenge robustly.

Since the latter half of 2008 going into the current year, companies and organisational purchasers of I&I products and services have been tightening their belts due to the economic downturn. As with many sectors during this time the UK and European I&I sectors have experienced a decrease in sales. The AISE Annual Review for 2008 estimated that the total I&I value for Europe would reach €6.6 billion in 2008 but with the decline in sales throughout, this estimate for growth was not achieved.

Philip Malpass, the Director General of The UK Cleaning Products Industry (UKCPI), comments on the Industry's current trends: "The recession has affected purchases of new cleaning machinery as customers avoid large capital purchases and economise by relying on pre-existing machinery. The impact on sales of cleaning chemicals and cleaning products has not been so great but as with everything in the I&I sector these products are impacted by any reduction in downstream expenditure.

"However, over the last few months, the I&I market has started to pick up. Sales volume, whilst not yet at pre recession levels, have bottomed out to a sustainable level in the UK."

Steve Dalton of Johnson Diversey comments: "The reduction in cleaning products sold has not been reflected across every sector during the downturn. Consumer spending habits have positively impacted certain areas, with those that have proven more popular, such as cinemas, seeing an increase in visitors. Certain parts of the leisure industry have thus demanded a continued, if not increased, level of purchasing of cleaning products."

The anticipated 'flu epidemic has clearly highlighted how essential cleaning and hygiene is for public and personal health. Steve Dalton continues: "The healthcare, food retailing and schools sectors have seen the demand for specific cleaning chemicals such as hand disinfectants soar. These types of products can be seen in use in supermarkets, behind food counters for example, as part of both voluntary and enforced changes in staff procedures to encourage regular cleansing of employees' hands. The increase of sales due to the anticipated 'flu outbreak has helped lessen the effects in some areas but has not made up for the shortfall across the whole industry particularly as the handling of the 'flu epidemic has varied greatly between European countries."

Here in the UK, various best practice hygiene guidelines have been brought in to handle the current situation but Industry experts are reluctant to predict what will happen in terms of cleaning product sales once the danger of an epidemic is confirmed to be over.

Steve Elder from Ecolab says: "The UK I&I sector has survived the worst of the recession fairly well intact. There have been none of the large scale job losses that have faced other industries and it seems that we have at last reached a turning point in beginning the gradual climb back up. The key now is a return in consumer confidence to the market".

The dual concerns of finance and sustainability may soon have equal ranking once the UK is out of the downturn. Attention will turn more strongly again to the EU's promotion of Green Public Procurement (GPP) policies. However for suppliers, sustainability is not so much dependent on the substances employed but the methods of use. Much of the I&I sector is working towards tailoring more sustainable, concentrated solutions that provide 'greener' and more cost effective cleaning solutions – offering truly 'green' solutions to meet current needs and future demands.

Philip Malpass concludes: "A return to strong growth in the UK I&I sector is dependent on the continued improvement in the economic situation, growing consumer confidence and spending but also a more realistic understanding of sustainability issues.

"Despite a reluctance to make firm predictions, the UK I&I sector is well-placed to benefit from the much talked about recovery from the recession."