

Average prices and operating costs for each manufacturer

1. We looked at the relationship between delivered prices (by type of brick) and operating costs (not split by brick type) for each of the four large suppliers. Figure 1 shows this relationship for Wienerberger between April 2002 and December 2006, where W_{pext} , W_{psm} and W_{pe} indicate the average monthly price for extruded bricks, soft mud bricks, and engineering bricks, respectively. W_c indicates Wienerberger's total operating costs. This notation is used in the other Figures except for the first letter, ie we use B for Baggeridge, H for Hanson and I for Ibstock.

FIGURE 1

Prices and operating costs: Wienerberger 2002 to 2006

[✂]

Source: CC analysis of data provided by Wienerberger.

2. Figure 1 shows broadly similar trends in prices and operating costs but greater fluctuations in costs (excluding the December peaks)¹ than in prices.
3. Figure 2 shows the price/cost relationship for Baggeridge between October 2001 and October 2006. The figure shows greater fluctuations in costs than in prices. Operating costs begin to rise faster than previously [✂], but prices do not seem to have responded until [✂].

FIGURE 2

Prices and operating costs: Baggeridge 2001 to 2006

[✂]

Source: CC analysis of data provided by Baggeridge.

4. The relationship between prices and operating costs for Hanson between 2001 and 2005 is shown in Figure 3. This figure shows greater fluctuations in costs than in prices. Operating costs seem to have risen more quickly from [✂] than before. [✂]

FIGURE 3

Prices and operating costs: Hanson 2001 to 2005

[✂]

Source: CC analysis of data provided by Hanson.

5. Figure 4 shows the price/cost relationship for Ibstock between 2001 and 2006. This figure shows a greater fluctuation in costs than in prices, [✂].

¹The peaks in Wienerberger's total operating costs at the end of each year appear to be due to the temporary year-end shut downs.

FIGURE 4

Prices and operating costs: Ibstock 2001 to 2006



Source: CC analysis of data provided by Ibstock.

6. On the whole the trend in prices and costs are similar. There is more fluctuation in costs but little to suggest that prices are systematically rising quicker than costs.