

**European Furniture Industry Considerations on
EU-India Free Trade Agreement (FTA)
in view of the Council of the EU conclusion of the FTA**

30 September 2026

Executive summary

EFIC welcomes the EU-India FTA as an opportunity to strengthen trade ties with India and open new market opportunities for European furniture companies. However, the agreement must ensure fair competition, reciprocity and a level playing field and avoid imbalances that could undermine the competitiveness of the European furniture industry.

In this context, in view of the conclusion of the FTA, we call on the Council of the EU to:

1. Ensure the removal of non-tariff barriers before the FTA enters into force and concrete commitments from India on the removal of the furniture Quality Control Orders (QCOs) and an associated timeline.
2. Ensure balanced tariff liberalisation. The phased liberalisation of certain EU furniture exports to India, alongside the full and immediate liberalisation of Indian furniture exports to the EU, creates an imbalance in market access. The implementation of the FTA should therefore include continuous monitoring of trade flows, sharp surge in imports, trade balances and production impacts.
3. Address structural competitiveness differences. Differences in labour costs, regulatory frameworks and environmental standards should not result in an uneven playing field for European manufacturers. Imported products must comply with applicable EU requirements.
4. Strengthen market surveillance and enforcement. More resources are needed for adequate import controls and compliance checks with EU standards, in the context of increasing demands for European manufacturers, such as with the future delegated act for furniture under the Ecodesign for Sustainable Products Regulation.
5. Monitor the risk of circumvention and global overcapacities. Effective origin rules, monitoring of trade flows and production impacts, and adequate enforcement mechanisms are needed to address potential circumvention and changing global sourcing patterns.
6. Ensure a genuinely usable bilateral safeguard mechanism. The Chapter 7 safeguard mechanism must allow the EU furniture industry to act rapidly if Indian import volumes increase sharply and cause or threaten to cause significant market disruption.

The objective should be to ensure that the benefits of increased trade are realised without undermining the competitiveness and resilience of the European furniture industry.

Background

EFIC represents around 80% of the European furniture industry's turnover, a sector employing in the EU around 1 million people across 130,000 enterprises, mainly microenterprises and SMEs, generating



a turnover of over 100 billion EUR. The EU is a net importer of furniture products, with 24.6 billion euros in furniture imports in 2025, compared to 22.9 billion euros in furniture exports.¹

The European furniture industry supports open, but rules-based, international trade. In a context where protectionism and trade barriers are rising the EU should actively protect an open but rules-based international trade system that ensures the free flow of goods around the globe. Removing obstacles to trade towards third countries, as well as avoiding new trade barriers is important to boost the involvement of our smart and agile SMEs in the international market.

We welcome the EU-India Free Trade Agreement (FTA) as an opportunity to strengthen trade ties with India. India has seen decades of high economic growth and could become an increasingly important trade partner for the EU. An important factor weighing in India's favour is the size and potential of its domestic market, as well as the first-mover advantage for European companies establishing a presence there. European furniture exports primarily serve high-value market segments based on quality, design, innovation and customised solutions. They respond to specific Indian market demand, complement local manufacturing and support a wider network of Indian businesses.

However, the difficult regulatory landscape and the lack of ease of doing business in India remain important challenges. Strengthening the EU-India regulatory exchange is therefore necessary to address these challenges and ensure that European businesses can fully benefit from the opportunities offered by the agreement.

At the same time, the FTA must ensure fair competition and a level playing field. In an increasingly unstable global trading environment, European manufacturers face fierce competition from third countries such as China, alongside the accumulation of tariff and non-tariff barriers globally, including the tariffs applicable under the EU-US Agreement or the Canadian temporary surtax on wood products.

It is therefore essential that the agreement safeguards the resilience and competitiveness of European industrial value chains and avoids imbalances. Reciprocity is also important. A fair and balanced opening of markets should be the aim of the agreement, avoiding asymmetric concessions and ensuring that European companies can compete on fair terms in the Indian market. Harmonised standards, a predictable regulatory requirement and the removal of unnecessary trade barriers, such as the Indian Quality Control Orders for Furniture, will be particularly important for rendering the deal valuable for the European furniture industry.

Considerations in detail

- **1. A phased liberalisation of tariffs for EU exports is not enough: non-tariff market access barriers should also be removed before the agreement is concluded to ensure a fair and balanced opening of markets.**

While tariff liberalisation is important, effective market access also depends on the removal of non-tariff barriers. A fair and reciprocal market opening should therefore be the aim of the EU-India FTA, avoiding asymmetric concessions. Eliminating non-tariff barriers is crucial to creating a level playing field and enhancing the participation of our innovative and adaptable SMEs on the Indian market.

For instance, the [Indian Quality Control Orders \(QCOs\) for furniture](#), in force since March 2026, create a significant market access barrier for European furniture producers. While the EU-India FTA will provide for the immediate liberalisation of Indian furniture exports to the EU, European manufacturers continue to face substantial regulatory requirements when seeking to access the

¹ Data from Eurostat for extra-EU furniture imports and exports in 2025.



Indian market. Addressing such barriers is therefore essential to ensure that tariff liberalisation translates into genuine and reciprocal market access.

Indian Quality Control Orders have been introduced by the Indian government to establish quality standards for specific furniture products. Their purpose is to ensure that products meet prescribed quality, safety and performance requirements before they can be manufactured, imported, stored or sold in the country. The measures subject almost all finished furniture products to a mandatory certification obtained from the Bureau of Indian Standards (BIS).

While we fully support India's ambition to improve human safety and ensure that only high-quality products reach consumers, the QCO for furniture requires all products to go through a complex and cumbersome certification process, including on-site audits by BIS officials, creating a disproportionate market access barrier. The same long and cumbersome certification process also applies to the export of hinges ([Indian QCO for cabinet hinges](#)) and wood-based panels ([Indian QCO for wood-based boards](#)).

EFIC has raised this issue on multiple occasions with the European Commission, including through a Market Access Complaint submitted when the QCO for furniture was still at the draft stage. The issue has also been raised at WTO level.

While some improvements have since been made to the requirements of the furniture QCO, significant issues remain to be addressed. Although all QCOs require manufacturers – both foreign and domestic – to obtain a BIS licence before producing, when selling or importing regulated products in India, foreign manufacturers continue to face disproportionate obstacles, such as:

- 18–24 months certification timelines for factories in foreign countries, compared to 1–2 months domestically;
- cumbersome manual documentation;
- for some products, an obligation to comply with standards that diverge from internationally recognised ISO standards;
- mandatory on-site BIS inspections by BIS auditors, dependent on visa issuance and scheduling, with inconsistent outcomes;
- limited accredited test facilities in India;
- limited technical experience within BIS for newly regulated categories such as furniture, leading to slower assessments and additional clarification rounds; and
- no advance clarity on the scope or costs of certification, as companies cannot obtain finalised testing requirements before submitting their application.

We therefore welcome the commitments outlined in Chapter 6 – ‘Technical Barriers to Trade’ of the draft negotiated text of the EU-India FTA. In particular, we appreciate the inclusion of Article 6.11, establishing a Committee on Technical Barriers to Trade, and Article 6.12, establishing a Working Group on Conformity Assessment. These bodies should work towards enhancing transparency, promoting mutual understanding and reducing unnecessary compliance burdens on economic operators on both sides. We particularly welcome the explicit mention of quality control orders as an area of work under Article 6.12(1).

Nevertheless, before the formal conclusion of the FTA, concrete commitments from the Indian counterparts should be provided on the removal of the abovementioned QCOs and associated timeline. This will be essential to ensure a level playing field and avoid imbalances in the benefits derived from tariff liberalisation upon entry into force of the FTA.



- **2. Tariff liberalisation can help opening new markets, however an imbalance is created for European furniture producers with a phased liberalisation approach, whereas full liberalisation of Indian furniture brings the risk of sharp import surges and market distortions.**

The FTA foresees the liberalisation of tariffs on furniture products, with different transition periods depending on the tariff line.

EU furniture exports to India

As regards EU furniture exports to India, the draft FTA tariff schedule foresees full liberalisation upon entry into force of the agreement for about one third of furniture Chapter 94 tariff codes – mainly for seating and mattress supports – and a progressive liberalisation over 5, 7 or 10 years of most of the other furniture Chapter 94 tariff codes.

While we appreciate the immediate liberalisation of relevant furniture tariffs codes upon entry into force of the agreement, we regret that for some products a phased liberalisation applies. This is notably the case for:

- **9401.61 – Upholstered seats with wooden frames**
- **9401.69 – Other seats with wooden frames, not upholstered**
- **9401.79 – Other seats with metal frames, not upholstered**
- **9401.80 – Other seats**
- **9403.40 – Wooden furniture of a kind used in the kitchen**
- **9403.60 – Other wooden furniture**
- **9403.89 – Furniture of other materials, excluding cane, osier, bamboo or similar material**

This creates an imbalance between EU and Indian furniture producers and their access to each other's markets, given that Indian furniture producers will benefit from full immediate liberalisation, whereas for EU exports a phased liberalisation applies, putting EU companies at a disadvantage.

Indian furniture exports to the EU

As regards Indian furniture exports to the EU, the draft negotiated FTA texts foresee full liberalisation of all furniture Chapter 94 codes upon entry into force of the agreement.

While current furniture trade flows between India and the EU remain limited - Indian furniture exports to the EU amounted to about 585 million euros in 2025, making up for 2.4 % of total EU furniture imports for the same year² - India has substantial production capacities, including in furniture. According to the CSIL Furniture Outlook report, India ranks fourth in the world for furniture production, worth about 19.5 billion euros in 2025.

The full and immediate liberalisation of Indian furniture exports to the EU will improve the price competitiveness of Indian products on the EU market. This could pose a risk of sharp surges in imports, potentially negatively affecting the competitiveness of the EU industry.

This type of dynamic has already been observed in other sectors, where trade liberalisation without adequate safeguards has contributed to the progressive erosion of domestic industrial capacity. The combination of tariff reductions and global sourcing shifts away from other regions may further accelerate this trend.

It is therefore important that the implementation of the FTA is accompanied by continuous monitoring of trade flows, trade balances and production impacts, as well as effective mechanisms to address market disruption.

² Data extracted from Eurostat.



➤ **3. Structural differences between the EU and India also risk creating competitiveness imbalances.**

Beyond specific tariff and non-tariff market access barriers, differences in regulatory and production conditions between the EU and India also need to be considered when assessing the competitive impact of the agreement.

There are structural differences between the EU and India, particularly in terms of labour costs, regulatory frameworks and environmental standards.

Without appropriate safeguards, imported products may not reflect comparable production conditions, resulting in an uneven playing field for European manufacturers. As highlighted in broader EU industry analyses, imports that do not internalise environmental and social costs can create significant distortions in competition.

A level playing field requires that imported products comply with the applicable EU requirements and that differences in regulatory and production conditions do not undermine the competitiveness of European manufacturers.

➤ **4. Increased and more efficient market surveillance and enforcement mechanism are needed to ensure that the EU furniture industry is not disadvantaged compared to imports, particularly considering increasing regulatory demands on EU furniture producers, such as a future delegated act under the Ecodesign for Sustainable Products Regulation.**

It is essential that imported products abide by the same rules as those produced in the EU. European industry should not be disadvantaged compared to imports. While European furniture manufacturers strongly comply with EU regulations on product compliance, safety and environmental standards, products entering the EU market do not always meet these standards, posing significant health and safety risks to consumers in the EU.

In a context of low market surveillance and customs controls, new world trade dynamics and increasing imports from third countries, including through e-commerce platforms, it is crucial that trade liberalisation do not penalise European companies compared to third-country imports. There is therefore an urgent need for more resources to ensure adequate import controls and a level playing field when it comes to compliance with EU standards and regulations.

A level playing field requires increased market surveillance and effective action against potentially non-compliant imports from third countries. This is particularly relevant for instance in the context of the Ecodesign for Sustainable Products Regulation, which will establish precise product requirements for furniture products placed on the EU market. Without effective market surveillance, ambitious product rules risk becoming a competitive disadvantage for compliant companies rather than a driver of circularity.

Enforcement must therefore be strengthened, with improved monitoring of trade flows, enhanced customs controls and effective verification of compliance with EU regulations. Member States and EU customs authorities must be equipped with the personnel, infrastructure and risk-profiling tools needed to materially increase the proportion of imports subjected to physical and documentary checks.



➤ **5. Potential risk of circumvention due to global overcapacities and an unstable global trading environment should be monitored.**

Global overcapacities and evolving trade patterns may also increase the risk that India could become a hub for processing and re-exporting products to the EU. This includes the possibility of products incorporating inputs from third countries entering the EU market under Indian origin.

This is a phenomenon that we could already observe in other sectors, where circumvention practices are becoming increasingly sophisticated, with production and supply chains reorganised to bypass existing trade measures.

The risk of circumvention reinforces the need for effective origin rules, monitoring of trade flows and production impacts, as well as adequate enforcement mechanisms and a bilateral safeguard mechanism able to address any significant market disruption in practice, not only on paper. Rapid action should be possible where evidence of circumvention, an import surge or other forms of market disruption emerges.

➤ **6. The bilateral safeguard mechanism in Chapter 7 of the FTA must remain a genuinely usable tool for the EU furniture industry if Indian import volumes grow sharply following liberalisation.**

We welcome the inclusion, in Chapter 7 – ‘Trade Remedies’ of the draft negotiated text of the EU-India FTA, of a dedicated Section C on Bilateral Safeguard Measures (Articles 7.7 to 7.20), alongside the confirmation in Section A and Section B that the Parties retain full recourse to anti-dumping, countervailing and global safeguard instruments. This bilateral safeguard mechanism is essential for the European furniture industry given the immediate and full liberalisation of Indian furniture exports to the EU described above.

Under Article 7.8(1), the EU may act where a good originating in India is, *as a result of the reduction or elimination of a customs duty under the FTA*, imported in such increased quantities, in absolute terms or relative to domestic production, and under such conditions that it causes or threatens to cause serious injury to EU producers of like or directly competitive goods. Available measures under Article 7.8(2) are the suspension of the further scheduled tariff reduction, or the reinstatement of the MFN duty rate, capped at the lesser of the MFN rate applicable when the measure is applied or the MFN rate in effect on the day before entry into force of the FTA. The mechanism is available throughout the 22-year transition period (Article 7.7(d)), and an individual measure may run for up to two years, extendable by a further two years, subject to an overall four-year cap (Article 7.9(1)(b)).

EFIC represents around 80% of the total turnover of the European Furniture Industries. In the EU, the sector employs 1 million people in about 130.000 enterprises and generates a turnover of over 100 billion Euros. The EFIC membership is composed of 17 national associations, one individual company member and several clusters. Further information can be found on our website: <https://www.efic.eu/>

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