



European Furniture Industries Confederation

EFIC input on the European Commission's stakeholder consultation on the Trade and Technology Council & Transatlantic Green Trade Agenda

30 August 2021

The European Furniture Industries Confederation (EFIC) welcomes the opportunity to provide input on priority areas in the field of EU-US regulatory cooperation (including standards, conformity assessment, compatible regulatory approaches) that can be beneficial to the EU-US trade relations, notably in the area of green/sustainable trade flows, for discussion and convergence in the EU-US Trade and Technology Council. The European furniture industries are strongly oriented towards international trade, which must be open and rules-based. Between 2011 and 2020, furniture imports in the US grew by almost US\$ 13 billion in current dollars¹. In 2020, furniture exports to the US counted for 3,951 million of US\$ and furniture imports for 36,532 million of US\$.² Among the origin of furniture imports, Italy accounts for 3.1%. Among the destination of furniture exports, the UK accounts for 3.2% and Germany for 1.4%.³ International trade creates business opportunities for EU furniture manufacturers and leads to increased competitiveness and the creation of jobs.

Summary of recommendations:

1. **Cooperation areas to be prioritised:**
 - a. Sustainability and standardisation
 - b. Digitalisation and protection of Intellectual Property Rights
 - c. Tariff and non-tariff barriers
2. **Concrete outputs/deliverables connected to cooperation areas:**
 - a. Increased resilience of furniture supply chains and facilitation of new business models
 - b. Increased competitiveness of EU furniture companies
 - c. Increased openness of US market

Recommendations explained in detail:

1. **Cooperation areas to be prioritised:**
 - a. **Sustainability and standardisation:** Trade policy and increased EU-US cooperation have a large potential to drive sustainability worldwide. It is crucial to avoid that measures promoting circularity are counteracted by imports of

¹ Data from CSIL World Furniture Outlook 2021-2022 of July 2021.

² Data from CSIL World Furniture Outlook 2021-2022 of July 2021.

³ Data from CSIL World Furniture Outlook 2021-2022 of July 2021.



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unsustainably produced / non-circular products. New business models offering repaired, reused, refurbished and remanufactured products should be facilitated. To this end, promoting internationally recognized standards and labels and harmonised regulatory procedures is crucial. Standardisation and the harmonisation of technical regulations and testing requirements are key, and both the EU and the US could benefit from reinforcing cooperation in this area. While proliferation of scattered and misaligned rules and compliance schemes have detrimental effects, international regulatory cooperation has the potential to achieve a coherent and effective regulatory response. This is especially true for cross-border challenges, such as climate change and the transition to a circular economy.

- b. **Digitalisation and protection of Intellectual Property Rights:** The digital economy has become increasingly important due to COVID-19. E-commerce has proven to be a successful platform where EU companies and consumers can safely engage, and the furniture industries have particularly benefitted from it. To fully reap the benefits of this instrument, international rules on e-commerce at WTO level would be needed, which would support businesses and SMEs against the risks related to illegal trade practices. Strengthening Intellectual Property Rights and e-commerce is key for both the EU and the US. This is crucial for the EU furniture industries competitiveness, as this strongly depends on the protection of products with high intangible contents, such as brands, patents, design and copyright as the only effective tool against counterfeiting.
- c. **Tariff and non-tariff barriers:** Further negotiations on tariff and non-tariff barriers are needed as the US is an important destination for European furniture products and a key political partner. Non-tariff barriers include the fragmented U.S. public procurement system, which represents a limitation for EU companies wishing to enter the US market.

2. Concrete outputs/deliverables connected to cooperation areas:

- a. **Increased resilience of furniture supply chains and facilitation of new business models:** A truly circular and low-carbon economy has an enormous potential to boost competitiveness and increase resilience of supply chains. Circular loops decrease reliance on new materials, increase affordability and offer opportunities for the creation of new jobs. To this end, promoting common definitions related to a circular economy, removing barriers to waste ownership and encouraging a common approach to waste rules are expected. **EFIC considers this a medium-term objective.**
- b. **Increased competitiveness of EU furniture companies:** EFIC expects special efforts to be devoted to contrast e-commerce illegal practices aimed at placing on the EU and US market counterfeited products, though, e.g., improved cooperation with internet service providers. International rules on e-commerce



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at WTO level are also expected to support businesses and SMEs against the risks related to illegal trade practices. Incentivizing investments in digital technologies is also key. **EFIC considers this a medium-term objective.**

- c. **Increased openness of US market:** EU businesses and U.S. businesses should receive equal opportunities, notably in the U.S. public procurement system. Tariff and non-tariff barriers, including the fragmented U.S. public procurement system, still constitute a limitation for EU companies. The public procurement system in the U.S. offers no uniform assessment criteria and selection process for public procurement, with several differences at Federal and State level. For instance, the Buy American Act (BAA) poses challenges for furniture companies, as this non-tariff barrier regulating the public procurement system in the U.S. often prevents furniture manufacturers from having access to the U.S. procurement market. It is particularly difficult for SMEs without a branch in the U.S to access the public procurement system in the U.S. EFIC expects European companies and U.S. companies to receive even opportunities. **EFIC considers this a medium/long-term objective.**

EFIC is the European Furniture Industries Confederation, representing over 70% of the total turnover of the European Furniture Industries, a sector employing 1 million people in about 120.000 enterprises across the EU and generating a turnover of 96 billion Euros. The EFIC membership is composed of 16 national federations, one individual company member and one cluster: <https://www.efic.eu/about-our-members>

For further information, please contact:

Giorgia Murgia, Policy and Communications Officer

T: 0032 (0)2 287 08 86; E: info@efic.eu