

Annual Report | 2020



EFIC

European Furniture
Industries Confederation

Published February 2021, Brussels.
© EFIC. All rights reserved.
Any reproduction in full or in part
must mention the title and credit EFIC
as the copyright owner.



WHO WE ARE

EFIC is the voice of the furniture industries in Europe. Founded in 2006 by seven national federations representing furniture producers, EFIC now represents more than the 70% of the total turnover of the industry. Our members come from national federations and single companies. We collaborate with many partners.

EFIC members strongly support the European project and values. We believe in the importance of working united for promoting a Furniture Growth Agenda. Most of the companies we represent are small, but with a big vision. We support a well-functioning EU Single Market, improved trade opportunities and sustainable & circular business models.

EU furniture industry in a snapshot



1 MILLION
EMPLOYEES



120
THOUSAND
ENTERPRISES
MAINLY SMEs



96 BILLION
TURNOVER



25% OF
WORLD
FURNITURE
PRODUCTION



40% OF
TOTAL WORLD
TRADE



25% OF
WORLD
FURNITURE
CONSUMPTION

FOREWORD FROM THE PRESIDENT

Mr Markus Wiesner (Wiesner-Hager)

Dear EFIC members,

2020 was a challenging year for the European furniture industry, which has been severely affected by the COVID-19 crisis. The pandemic has caused disruptions in the supply chain, shortages of raw materials, reduced working times and the cancellation of many fairs, leading to reduced demand, production, imports and exports. In these times of uncertainty, we saw the importance of EFIC to speak with one voice towards the European institutions and to provide a platform for regular exchanges on the situation at national level.

On a policy level, EFIC was active on many initiatives of the European Commission that aim at making sustainable products and services the norm in Europe, focusing mainly on the new Circular Economy Action Plan. Circularity is not only a buzzword in our industry. Our sector sees circular economy as an opportunity and many good practices and examples of circular products already exist.

We want to be part of the transition to circularity, however much needs to change to the circular logic, including existing legislation and the mindsets of consumers and public buyers. Harmonised circular economy rules at EU level are also an absolute must, to ensure a level playing field and a common understanding for all players involved. I would also like to add the need for collaboration at all

levels within the value and supply chain: we cannot make it alone.

Circular Economy drove our agenda in 2020, however EFIC was involved in and followed initiatives in other areas, too, such as standardisation activities on motorized furniture, the restriction proposal on formaldehyde and formaldehyde releasers, new Ecodesign and Labelling rules for light sources, market access cases and the upcoming review of the EU's Trade policy, initiatives taken together with Social Partners on digitalisation and the negotiations for an EU-UK partnership agreement, to name a few.

The Alliance for Flame Retardants Free Furniture did not rest either and continued advocating for a safe fire safety and for action at EU level in favour of flame-retardant free furniture, to protect human health and the environment and to remove obstacles to a circular economy.

Moving forward and looking at 2021 and beyond, the priority is addressing and solving the implications of the coronavirus pandemic. This will be an important basis for a thriving industry that can transition to a more circular economy and drive the digital and green transformation. As I approach the end of my mandate as EFIC President, I would like to thank you for the fruitful collaboration along the past years and wish you a constructive and successful 2021.





COVID - 19

EFIC standing close in challenging times

2020 was a challenging year which took an unexpected turn with the outbreak of the coronavirus pandemic. EFIC members stood close throughout the year and convened regularly to exchange on the situation at national level and on recommendations to EU institutions. On the other hand, EFIC was in close contact with the European Commission providing feedback on the state of play in the industry.

In view of the uncertainty caused by the outbreak of the pandemic, in April 2020 [EFIC issued recommendations](#) calling on the EU institutions and national authorities to take all the necessary measures to mitigate the effects of the COVID-19 crisis and to especially protect the foundations of the Single Market, securing transportation of goods and necessary equipment for workers, as well as liquidity and support schemes to minimize the financial and job losses.

EFIC also raised concerns over the social and economic consequences of COVID-19 in a [Social Partners joint statement](#) proposing measures to protect workers' health, support economic activity and the sector's recovery.

Later in the year, in its [statement on the EU Recovery Package](#), EFIC stressed how important a resilient Single Market, Circular Economy and Digitalisation are in the recovery process and reiterated the alignment of the industry with the European Commission on the need for the Green Deal to be the compass for a green recovery.

EFIC stressed the importance to repair, revitalise and preserve the Single Market to avoid future disruptions and an unlevel playing field and reiterated the potential of a truly circular and low-carbon economy to boost competitiveness and to increase the resilience of supply chains. The European Furniture Industries can significantly contribute to this process with the creation of new business models and job opportunities around repairing, reusing, refurbishing and remanufacturing services. Increased digitalisation will also impact the transition to a circular economy and has the potential to reinforce the EU Single Market. Adapting digital tools for customer management and online furniture sales will be important, as well as research and investment opportunities in this context.

Covid-19 impact on the European furniture industry

The European furniture industry is highly dynamic and benefits greatly from intra-EU and international trade. Because of the high interdependency on other European and third countries, many companies experienced **shortages of supplies** of raw materials, components and semi-finished products, which led to disruptions in production, delays in deliveries and often penalties.

As many European countries introduced partial or total lockdowns or even closed their borders, furniture companies faced difficulties with transport and logistics. The decisions taken by national governments also had an impact on the availability of the workforce, which was significantly reduced over some periods, with workers being in quarantine or working part-time. Many international fairs were cancelled, such as the Salone del Mobile Milano or Orgatec. Fairs are

an important tool to support exports and SMEs see these platforms as a strategic lever for accessing international markets.

Generally, a decrease in production, orders, imports, exports and turnover was reported throughout the year. While the situation differs from country to country and final figures will only be available at a later stage, turnover in principle decreased around 5-10%, with some companies reporting same levels of turnover as in 2019. Especially in the second semester of 2020, increases in orders and sales were registered mainly in the domestic segment of the market, while orders decreased in the office furniture segment. Imports generally decreased (with some countries reporting positive figures compared to 2019) and exports decreased between -5% and -15%.



“Businesses in the furniture sector have been steadily investing in the circular transformative path and truly believe in its potential. The Green Deal must be the compass of the EU’s recovery. This is the time to choose a green economic reboot and to reinforce sustainable business practices. Resources should be channelled towards the right green solutions, materials and technologies. Investment and economic support for research projects on competences, new technologies, infrastructure and circular business models is key,” said Markus Wiesner, EFIC President.

Markus Wiesner, EFIC President



**EUROPEAN
GREEN DEAL
& CIRCULAR
ECONOMY
ACTION PLAN**

The European Green Deal

von der Leyen Commission

#EUGreenDeal

© European Commission

European furniture industries embracing the green transition

The European furniture industry welcomes the climate-neutrality objectives of the European Green Deal and strongly supports the transition to a circular economy and the initiatives to make sustainable products the norm in Europe stemming from the New Circular Economy Action Plan, which identifies furniture as one of the priority product groups to address. The main contribution of the European furniture industries to the climate neutrality objectives of the European Green Deal and more broadly to the UN 2030 Sustainable Development Goals will be

becoming more circular and resource efficient.

For the European furniture industries, 'circularity' is not only a trendy buzzword. The European furniture industry is already transitioning to and promoting circular business models based on reuse, repair, refurbishment and remanufacturing of products. While there is a lot to be changed to achieve the circular logic, including existing pieces of legislation and consumer and public buyers' mindsets, EFIC experts stand ready to provide industry expertise to EU policymakers throughout the process.



In its position paper issued in April 2020 in response to the new Circular Economy Action Plan, EFIC acknowledges that circularity in the furniture sector is in its early days and that changes will be seen in the medium/long term and provides the views of the industry on circular production, consumption and end-of life.

A true circular economy can only be achieved through a value chain approach and collaboration and requires the involvement of many actors, including policy makers, industry, experts, academia and consumers. EFIC calls, among others, for harmonised circular economy rules at EU level and for a harmonised implementation in the EU Member States. Harmonised and standardised circular economy rules, including harmonised and streamlined ways of reporting, are crucial to ensure

a level playing field, to avoid the fragmentation of the Single Market and to ensure a common understanding for all players involved.

EFIC keeps track of national initiatives that have the potential to fragment the Single Market. In 2020, EFIC raised concerns about the French Circular Economy law (*Loi n. 2020-105 du 10 Fevrier 2020*) especially the draft decree reinforcing the use of the **TRIMAN sorting logo**, which would create a unique marking for France (packaging and label, specifically and for the French market only), having the effect of restricting the free circulation of goods. This message was reinforced in a **joint statement** issued by the American Chamber of Commerce to the EU (AmCham) which EFIC co-signed.



‘Our industry is fully aligned on the need to optimize resources, to stimulate markets for circular products and services and to reduce the environmental footprint of the EU economy. We look at circularity as an opportunity, both to grow as an industry, by constantly adapting our business models and putting on the market innovative and sustainable products, but also to contribute to alleviating the climate challenge. However, since most of our companies are SMEs and microenterprises, it is crucial that circular economy rules are harmonised at EU level.’

Markus Wiesner, EFIC President

1. Sustainable products initiative



One of the cornerstones of the new Circular Economy Action Plan is the announced Sustainable Product Policy framework initiative, with a proposal for a Directive expected in the fourth quarter of 2021. Within this initiative, the Ecodesign Directive will be broadened to cover non-energy related products (focusing on those products identified as a priority in the Circular Economy Action Plan) and complementary legislative proposals will be put forward addressing various sustainability principles to track the use of hazardous substances, to make producers responsible for products before they become waste (by promoting products as a service, repair service/or spare parts availability), introducing EU rules for requirements on mandatory sustainability labelling and/or disclosure of information along value chains (digital product

passport), establishing minimum sustainability requirements on public procurement, among others.

EFIC contributed to the stakeholder consultation on the upcoming sustainable products initiative [issuing a position paper](#) with 20 argumentation points to be taken into account by policymakers in the process and indicating that the industry stands ready to provide sector-specific expertise to policymakers. EFIC stressed once more the need for harmonised circular economy rules at EU level, the involvement of standardisation bodies and harmonised implementation of rules in the EU and globally.

It is crucial to work together with ISO TC 323 and CEN TC 207 and build up on their work on circular economy and to ensure harmonisation’, said Omar Degoli, chair of EFIC Circular Economy WG and Environmental Adviser at FederlegnoArredo.

Omar Degoli





Complexity of furniture

EFIC stressed that the complexity of furniture must be considered when developing sustainability and circular design principles for furniture via the Ecodesign Directive. Given the complexity of furniture and the many materials used in its production, circular design principles will not work in the same way for all products. The purpose of this initiative must be clarified and given that developing legislation concerning circular design criteria for

furniture is a completely new concept, it should be addressed with a step-by-step approach. Industry and standardisation bodies must be consulted in the process, as standardisation work on circularity for furniture is ongoing and many industry players have already integrated circular design in their practices. Ecodesign initiatives must also tackle the contradiction between the goal to having toxic free products and circularity objectives.

‘The combination of policy options has to consider the complexity of furniture products. The furniture value chain is complex and the range of products and materials in our sector is very wide.

Consequently, only general principles for Ecodesign/circular design as part of ‘effect goals’ should be established at EU level. The technical solutions should be entrusted to the industry in collaboration with the academia,’ said Robin Ljungar, vice-chair of the EFIC Circular Economy WG and Sustainability Manager at TMF.

Robin Ljungar

Use of chemicals

When addressing the use of chemicals as part of the upcoming sustainable products initiative, it must be considered that one of the backbones of a circular economy is keeping materials and products in the loop for as long as possible. This means that secondary raw materials must be safe. For secondary materials to be safe, substances of concern must be minimised and efficiently tracked in the supply chain. Two approaches may be needed in this context: one for existing products, ensuring an efficient control of substances (the SCIP database could be part of the solution, as well as a chemical risk assessment), and another for tomorrow's products. For tomorrow's products, the solution is a more circular design, minimising the presence of substances of concern from the production phase.

One example of chemicals that need to be addressed via the upcoming sustainable products initiative is unwanted chemical flame retardants, used by furniture or textile manufacturers to comply with outdated flammability standards in European countries (both for domestic and non-domestic furniture). The Alliance for Flame Retardant Free Furniture launched by EFIC advocates for EU-wide action against these chemicals and for a harmonisation of flammability requirements to a level where toxic flame retardants are not needed. These substances have no proven fire safety benefit, however, there is a large base of evidence on their

harmful effects on human health, increased fire toxicity, the environment and the circular economy (<https://safefurniture.eu/>).

In 2020 EFIC welcomed the European Commission's [Chemicals Strategy for Sustainability](#) as a landmark towards a more sustainable chemicals policy which will enable the green and digital transition, accelerating the shift to a more circular economy, reducing consumer, vulnerable groups and workers' exposure to hazardous chemicals.

Sustainable and safe chemicals are essential to deliver the European Green Deal goal of creating a toxic-free environment. Chemicals must be safe and sustainable from the production to their end of life. Challenges posed by hazardous chemicals must be overcome by minimising and substituting substances of concern and phasing out the most dangerous ones. Innovation is essential and sustainable solutions must be made largely available to enable a more circular economy and reduced exposure to consumers, vulnerable groups and workers.

EFIC also addressed the issue of hazardous chemicals in waste in its contribution to the Waste Shipment Regulation review and via the public consultation on concentration limit values of POPs in waste and the consultation on updated Pentachlorophenol limit values in the POPs Regulation.

'Apart from strengthening chemical policies, implementation and enforcement throughout the whole single market and, in particular, at the EU external borders are essential. Imported goods from third countries, including those purchased online, are subject to the same rules as EU products. Compliance for all products must be enforceable and controlled by market surveillance and customs authorities.

This is especially important to ensure compliance with for instance REACH, CLP and sustainable product design. The announced approach to zero tolerance to non-compliance, measures under the new Regulation on market surveillance and the EU Customs Union, but also Member States increasing their enforcement capacity will be key', said Robin Ljungar, vice-chair of EFIC Circular Economy WG and Sustainability Manager at TMF.

Information to consumers

Improving consumer awareness is key to support circularity. To help consumers in comparing products and making informed choices, adequate information tools need to be put at their disposal. An EU-level information scheme on the main characteristics of furniture products would allow consumers to compare different products on the market. Information to consumers must be useful, measurable, truly reliable, based on comparable parameters and harmonised on the basis of international/EU definitions.

Concerning the announced introduction of electronic product passports under the upcoming sustainable products initiative, if designed correctly, these tools could support the purpose of providing relevant information to consumers and have the potential to channel information among stakeholders and throughout the value chains, leading to the acceleration of the green transition and facilitation of circular business models. The product passports should be based on existing legislation. It is important to involve standardisation bodies and use standardised data based on global standards to ensure that the tools are reliable and enable a correct comparison of products. These tools must be implemented throughout the EU and achieve international approval.

Concerning linking the sustainable products initiative with the Product and Organisation Footprint methods, EFIC stressed that tools to substantiate green claims should remain voluntary, as well as the decision whether to make a green claim or not. However, if companies decide to use such tools, a certain recognised methodology should be followed (such as ISO 14024 type 1 ecolabels). While it is important to establish an EU-wide methodology to quantify

environmental impacts of products, the Product Environmental Footprint (PEF) method, which is not fully adopted, has proven to be an imperfect tool to substantiate environmental claims and to assess the quality of furniture products, as it is unfit for customer-facing communication and presents a number of complexities. The PEF is also difficult to apply in practice as the methodology is not yet fully adopted. The robustness of the tool must be measured before integrating it further into EU policies. EFIC addressed this topic in the [webinar on environmental labelling in furniture and textile products](#) organized within the Eco Cycle Innovation for Textile & Woodworking Industries project.

EFIC also reiterated on several occasions its concerns over the Ecolabel for furniture and the low uptake that it has had so far in the sector and provided input to the European Commission's Ecolabel Work Plan 2020-2024.



Waste as a resource

Waste rules across the EU must be harmonised with the aim to close loops in an efficient way. To this end, waste management and recycling infrastructures and facilities in the Member States must be enhanced, empowering the waste management sector all in all. The use of waste as a resource must be accelerated. Higher levels of the Waste hierarchy, such as preparation for reuse, refurbishment - including repair - and

remanufacturing should be strongly supported and challenges surrounding these must be addressed. A harmonised Extended Producer Responsibility (EPR) Scheme for furniture at EU level could have a major impact in addressing those challenges, preventing the fragmentation of the Internal Market that could be caused by a proliferation of EPR schemes at national level.

Level playing field and market surveillance

EFIC stresses that all players should abide by the same rules, whether products are manufactured in the EU or they are imported into the EU. Rules must be enforceable and controllable by market surveillance authorities. It is essential that third country producers importing products in the EU

abide by all upcoming EU rules related to circularity (including sustainable product design), but also REACH and CLP. The right enforcement tools must be in place and used to make sure that compliance with regulations can be properly monitored.



2.

EFIC webinar on Circular Design

On 18 November 2020, close to 200 participants gathered in a webinar hosted by EFIC on 'Circular Design for Furniture', an initiative aimed at bringing policymakers, industry representatives and other actors together to discuss the potential of circular design in the transition of the furniture industries towards a more circular economy in the context of the upcoming legislative initiatives.

The webinar was launched by the remarks of Markus Wiesner, EFIC President. He stressed that the European furniture industries are fully aligned with the European Commission's goals on circular economy and he encouraged furniture companies to look at circular economy as an opportunity. He also stressed the importance of taking a holistic approach, ensuring a level playing field and harmonisation of rules at EU level.

'We are fully aligned with the European Commission's goals on circular economy and we encourage furniture companies to look at circular economy as an opportunity', said Markus Wiesner, EFIC President.

Markus Wiesner

Paola Migliorini, Deputy Head of Unit in the Sustainable Production, Products and Consumption Unit of DG Environment in the European Commission, recalled that furniture was identified as a priority product group in the Circular Economy Action Plan and gave an overview of the legislative proposals that are expected, including the upcoming sustainable products initiative expected in the fourth quarter of 2021.

The webinar continued with an exciting panel discussion between Omar Degoli and Robin Ljungar, chair and cochair of the EFIC Circular Economy

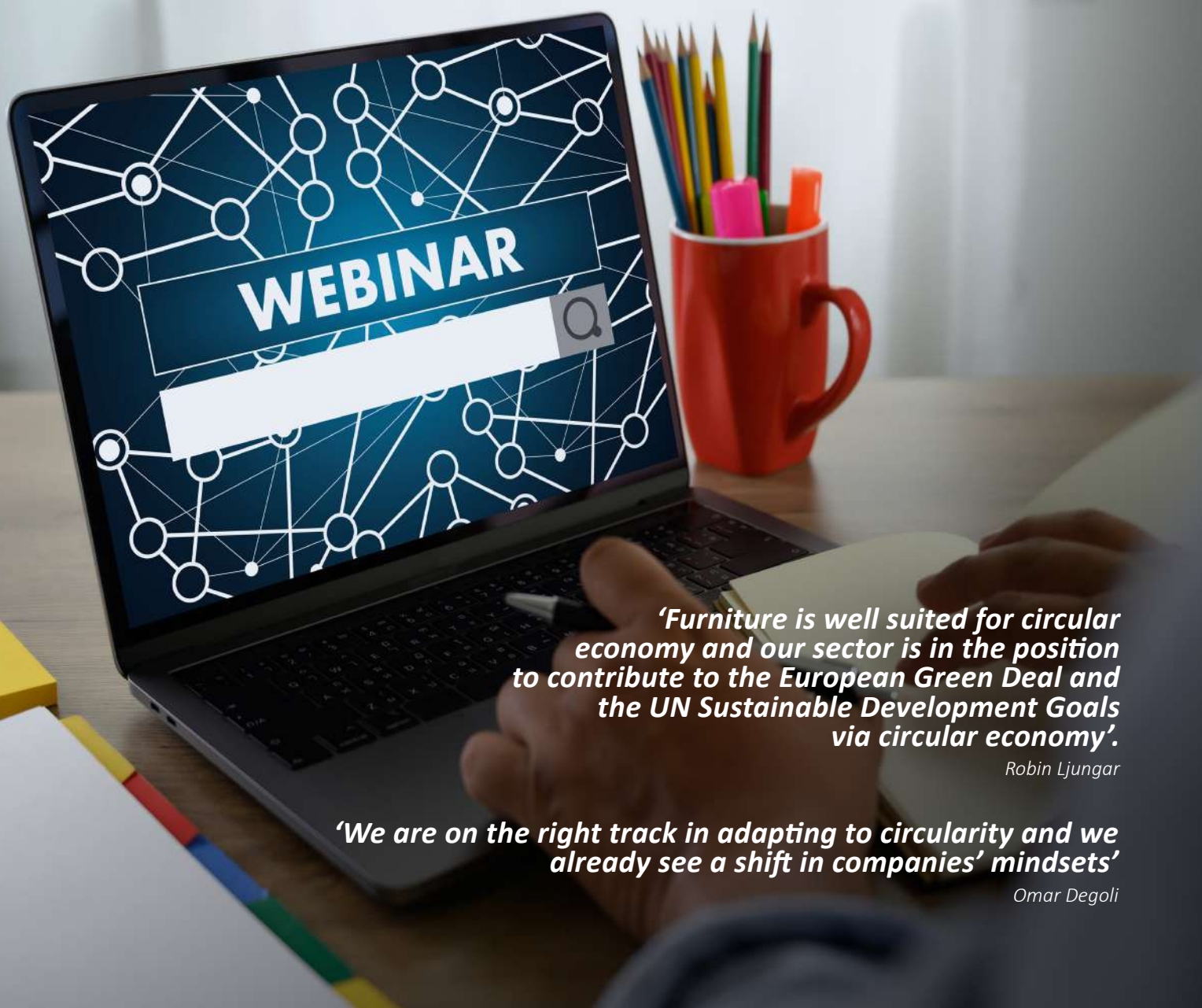
Working Group. 'Furniture is well suited for circular economy and our sector is in the position to contribute to the European Green Deal and the UN Sustainable Development Goals via circular economy', said Robin Ljungar. Optimising the use of resources and creating customer value are crucial contributions that the furniture industries can make. Different business models based on reuse, repair and refurbishment services show that circular economy is an opportunity for the furniture industries. 'We are on the right track in adapting to circularity and we already see a shift in companies' mindsets', said Omar Degoli.

The webinar was animated by the audience's engagement in open questions, such as on main drivers to circularity in the furniture sector, including demand from customers for more circular products, Green Public Procurement and Ecodesign rules. Concerning challenges in the path to circularity, the linearity of regulations, the conflict between resource efficiency and legislation on toxic free environment and limitations in the waste legislation were mentioned, among others. Industry representatives Christian Lodgaard (Flokk), Malin Nordin (Inter IKEA), Holger Hanhardt (Hartmann Möbelwerke GmbH) and Maria Porro (Porro S.P.A) debated the role of circular design in a second panel discussion and brought in their companies' experiences.

Optimising the use of resources, supporting different business models based on reuse, repair and refurbishment services and collaborating on harmonised circular economy rules at EU level bring added value and many opportunities for the sector for the years to come.

Gabriella Kemendi, EFIC Secretary General, closed the webinar by presenting the main take-away messages from the discussion, encouraging companies to embrace circularity and use it to their advantage, calling for collaboration and harmonised circular economy rules at EU level and on policymakers to rely on industry expertise in the process of creating legislation.

Read whole [press release here](#) and watch the [webinar recording here](#)



'Furniture is well suited for circular economy and our sector is in the position to contribute to the European Green Deal and the UN Sustainable Development Goals via circular economy.'

Robin Ljungar

'We are on the right track in adapting to circularity and we already see a shift in companies' mindsets'

Omar Degoli

3.

EFIC collection of best practices on circular economy

Collaboration among the value chain players will be needed in the transition to a circular economy, as well as sharing best practices that can serve as inspiration to other furniture manufacturers or that can be the building blocks of future legislation.

The growing EFIC collection of best practices shows successful examples of applying circular economy principles. Best practices feature products that have created value from waste and which have been designed for disassembly, allowing reuse, refurbishing and recycling and thus prolonging product lifetime.

1



Product: Lilla Snåland
Producer: Stolab
Why is it a success: 'From Waste to Chair' - Lilla Snåland is an upcycling stool, entirely created and designed on the concept of using waste that otherwise would be incinerated for energy production. Lilla Snåland is made using 14 pieces of waste left over from cutting the ends off the Lilla Åland seat before it is turned.
More information: Stolab

2



Product: vel_you beds
Producer: Veldeman Bedding
Why is it a success: During their life span, beds and mattresses can be upgraded and modulated as much as the customer wishes, while keeping the materials reusable, sustainable and recyclable. At the end of their lifetime, every fragment of these award-winning beds remains valuable and can be repurposed.
More information: vel_you beds

3



Product: Circular Design Guide
Producer: IKEA
Why is it a success: As one of the commitments to transform the total value chain into a circular business, IKEA is addressing circular product design through a series of product design principles. These are applicable to all products being developed for the 52 markets where IKEA operates its stores, worldwide.
More information: IKEA

4



Product: Plastic Whale Circular Furniture
Producer: Dutch Foundation Plastic Whale & Vepa
Why is it a success: Plastic Whale Circular Furniture is a project aiming at creating value from waste by producing high-end office furniture made from plastic soup of the Amsterdam Canal. Pieces of furniture created include boardroom tables, chairs, lamps and acoustic panels.
More information: Plastic Whale

4.

Climate initiatives and Timber Regulation

While circular initiatives and upcoming legislation are a top priority in the EFIC agenda, EFIC has also focused on climate-specific topics and contributed to consultations concerning EU climate ambitions for 2030 and the European Climate Pact.

EFIC also followed and provided inputs to the revision of the EU Timber Regulation (EUTR), stressing the need for a harmonised implementation of the Regulation at Member State level and for guidance on appropriate due diligence systems, among others. EFIC monitored the developments related to the EUTR in the framework of the Commission's Multi-Stakeholder Platform on Protecting and Restoring the World's Forests.

EFIC also co-signed a [study on the positive effect of F-BI industries on climate](#) and a [joint statement on compliance with Single Market rules](#) issued by the representatives of the European Forestry Value chain.

In view of the Recovery Plan announced by the European Commission in the context of the coronavirus crisis, EFIC, as part of a larger stakeholder group – the Forest-based industries, [called on Commissioner Timmermans](#) for the Forest-based industries as an ecosystem to be eligible for support by the Recovery Plan.

MACHINERY DIRECTIVE AND STANDARDISATION



1.

Harmonised standard on motorized furniture

Furniture products containing electrical components and advanced technological features are increasing on the EU market. Motorized furniture is subject to the EU Machinery Directive. This means that furniture needs to meet some essential health and safety requirements to be placed on the EU market. Currently there is no harmonised standard dedicated to motorized furniture, which brings uncertainties and difficulties to furniture manufacturers. EFIC is involved in a project that started in 2019 and which is expected to run for several years, with the aim of developing one or several harmonised standards for motorized furniture under the Machinery Directive.

Two technical working groups belonging to two different European standardization bodies are involved, namely CLC/TC 61 on “household appliances” addressing mainly the hazards of electrical nature and CEN/TC 207 “furniture” addressing the mechanical hazards posed by motorised furniture which were not adequately covered by the draft EN 60335-2-116.

At the end of the project, two harmonised standards on motorized furniture are expected to be published and used by the furniture industry to be able to meet the requirements of the Machinery Directive.

2.

Revision of Machinery Directive

EFIC is a member of the European Commission’s Machinery Working Group, via which EFIC has maintained a good exchange with the European Commission in the framework of the revision of the Machinery Directive. In its [position paper of 13 May 2020](#), EFIC advocated for:

1 Inclusion of the clarifications of the Guide to the application of the Machinery Directive, version 2.2. of October 2019, in the future revised Machinery Directive/Regulation, if this will be the case, stating that electrically operated furniture is subject to the Machinery Directive but also including a clarification that electric drives for certain furniture can be placed on the market by the drive manufacturer both as (complete) machinery and as partly completed machinery.

2 Considering introducing or adapting current provisions of the text so as to cover aspects related to second-hand products placed on the EU market, such as product safety and liability, which will be more and more prominent in the context of initiatives in circularity.

EFIC is also pleased to have been accepted in the European Commission’s Expert Group on Machinery which replaces the current Machinery Working Group and looks forward to keeping the fruitful collaboration with the European Commission in this regard.

INTERNATIONAL TRADE AND MARKET ACCESS

1.

EU Trade policy review

EFIC welcomed the European Commission's plans for a comprehensive review of the EU's trade and investment policy and the opportunity to share views on the process. The European furniture industries are strongly oriented towards international trade, which must be open and rules based. International trade creates business opportunities for European furniture manufacturers and leads to increased competitiveness and the creation of jobs.

In its [reply to the consultation on the review of the EU's trade and investment policy](#), EFIC stressed that to increase the resilience of the European furniture industries, trade policy should offer stability, predictability and openness for EU businesses, while protecting them from unfair practices and increased competition from third countries, reinforcing thus the competitiveness of the industry and ensuring that EU values and high standards are not undermined through trade. This can be achieved via increased custom controls and market surveillance to ensure that imported products comply with the same rules as EU products and by increased action to tackle market access barriers and trade facilitation, improving conditions for investment and protecting intellectual property rights.

Engagement with key trading partners should be stabilised (while addressing unfair practices) and ambitions for establishing free trade agreements with like-minded partners should be kept. Tackling unilateralism and the weaponization of trade is

key as well, leading to increased predictability and resilience.

Strengthening Intellectual Property Rights and e-commerce is key. The competitiveness of the furniture industry 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.

EU trade policy must adapt to the objectives linked to the green and digital transition and should promote environmental responsibility, sustainability, social and good governance. Increased sustainability in supply chains can certainly contribute to increased resilience in the European furniture industries. The furniture industries are deeply engaged in the green transition and promote sustainable business practices and a green recovery. Trade policy has a large potential to drive sustainability worldwide. Free Trade Agreements can be used as a leverage for third countries to ratify and implement international agreements aiming at relieving the climate crisis, respecting labour standards and unlocking circular economy potentials. The EU has the large potential of being a trendsetter for sustainability objectives and practices and standardisation is an important tool to this end.

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 are needed, which would support businesses and SMEs against the risks related to illegal trade practices, strengthening thus their resilience.

To improve market access, a level playing field must be achieved, where all players compete on an equal footing. Unfair trading practices should

not interfere with global competition. Market access can be enhanced with efforts to eliminate barriers to trade (both tariff and non-tariff barriers). To increase market access, monitoring the implementation of FTAs that are in place is necessary, as well as standardisation ambitions and regulatory cooperation with third countries.

2. Market access cases and Free Trade Agreements

The European Furniture Industries are export-oriented and rely on open and rules-based international trade. A good exchange of information on trade barriers and custom duties imposed by third countries on EU products is therefore key to enable a smooth access to market for EU manufacturers. EFIC is attending every month the European Commission's Market Access Advisory Committee meetings where key market access barriers are discussed.

Through this platform, EFIC gave feedback throughout the year to several Technical Barriers to Trade (TBT). Examples of cases tracked over the year are: the Chinese National Standards on Limits on Volatile Organic Compounds for Furniture (G/TBT/N/CHN/1094-1095-1096); an Indian budget proposal raising customs duties for furniture,

labelling requirements for maximum retail prices for furniture and developments concerning the country's intellectual property rights legislation; Lebanese restrictions to bank transfers which created bottlenecks in business activities and increased custom duties for furniture; Moroccan procedures for conformity assessment and checks at borders which had the potential to create burden to exports; Russian decree banning certain furniture from public procurement.

EFIC also monitored negotiations for trade agreements with [Australia](#), [New Zealand](#) and [Vietnam](#), asking for a liberalisation of furniture products in the negotiations for trade agreements. Concerning Vietnam, a Free Trade Agreement was concluded in June 2019, under which custom duties for furniture will be eliminated progressively.



3.

Intellectual Property Rights

Among the unfair trade practices affecting EU furniture manufacturers, counterfeiting is a major one. The competitiveness of the European Furniture Industries strongly depends on brands, patents, design and copyright as effective tools against counterfeiting and in support of innovation and creativity. [As stated by EFIC](#) in its input to the roadmap consultation on the Intellectual Property Action Plan of the European Commission, effective and predictable Intellectual Property Rights are key in incentivising investments in innovation and in enabling research and creativity.

On the other hand, the current fragmented Intellectual Property system in the EU increases costs and administrative burdens for SMEs.

Intellectual Property Rights should be better enforced, to support developments such as increased e-commerce activities that furniture industries particularly benefit from. EFIC advocates for higher protection for EU design and patents and for more controls on counterfeited goods. To face the rising imports of furniture products that do not comply with EU rules, these controls should be reinforced both inside the EU market, via market surveillance, and at EU borders, via custom controls. EFIC stressed these aspects and the need for third country producers to provide proof of environmental responsibility also in the context of the review of the [Customs Union Action Plan](#).



SOCIAL DIALOGUE

EFIC is a Social Partner in the sectoral Social Dialogue for the Furniture and Woodworking industries. As part of this platform, EFIC represents employers' views on a number of matters in the Social Dialogue meetings organised by the European Commission three times per year and regularly attends the Social Dialogue Liaison Forum meetings. In these platforms participants exchange on topics such as industry policy, the Green Deal and the transition to a circular economy, skills and education needs for workers, enhancing the attractiveness of the furniture industry for youngsters and health and safety initiatives.

EFIC advocates for a clear and comprehensive regulatory framework allowing employees of the furniture industries to adapt their skills and knowledge to the rapid changes of the industry. As EFIC stressed in its contribution to the European Pillar of Social Rights, a regulatory framework based on labour markets' needs is still missing, which prevents companies from growing. EFIC advocates for policy measures facilitating new training and upskilling opportunities, renewed support to apprenticeships schemes and modernisation of vocational education and training (VET) as key elements to support employment.

Training the workforce is essential for the furniture industries but can be a challenge in times of major technological and digital developments, changes brought by circularity and economic downturns resulting from COVID-19. EFIC advocates for policy measures aimed at improving mobility outside regular learning pathways and skills recognition across Member States, as stressed in the contributions to the Updated Skills Agenda and the Youth Guarantee consultations.

EFIC also raised concerns about the EU proposal for a Directive on adequate minimum wages in the EU, recalling Social Partners and Member States exclusive competences on remuneration and advocating for the EU to take into account existing differences among Member States in the field of wage policies.

Social Partners also issued a [joint statement on digitalization](#) as a follow-up to the Digit-Fur project. The transition to a circular and digital economy will not only impact production processes and business models, but also the workforce, bringing changes in occupations and skills.

Under the Social Dialogue umbrella, EFIC is a partner in the [Sawyer project](#), led by CENFIM. This comprehensive project investigates how circularity will affect the furniture sector and related skills needs by 2030.

THE ALLIANCE FOR FLAME RETARDANT FREE FURNITURE



In 2016 EFIC launched the Alliance for Flame Retardant Free Furniture, which gathers industry representatives, NGOs, health organisations and trade unions that share a common concern towards the use of unwanted flame retardants in furniture.

Many fire safety standards exist in the EU Member States/European countries for furniture, as part of more general product safety efforts. As a result, furniture and bedding manufacturers often need to use materials such as foam or textiles which are treated with (or contain) flame retardants to comply with old fashioned fire safety standards applicable in EU/European countries. As an example, for domestic furniture, the United Kingdom and Ireland have regulations in place requiring compliance with an open flame test (for which flame retardants are needed). For the contract market (office furniture), a number of different flammability standards apply. This shows that there is no harmonisation of flammability standards at EU/European level.

As documented by the Alliance for Flame Retardant Free Furniture (safefurniture.eu), many flame retardants are not proven to save lives and are toxic to humans (consumers and workers), animals and the environment, as they migrate out of products, endangering people's lives and health and putting both them and firefighters at increased

risk of asphyxiation and reduced visibility due to a potential increase in fire toxicity.

Toxic flame retardants are also hampering a true circular economy, posing a problem at the end-of-life of products. In April 2020, the Alliance issued its position paper welcoming the new Circular Economy Action Plan and raising concerns over **unwanted toxic flame retardants that prevent circularity and have the potential to increase fire toxicity.**

Later in the year, the **Alliance welcomed the European Commission's Chemicals Strategy for Sustainability**, which together with other upcoming initiatives such as the sustainable product policy framework can pave the way for addressing the use of unwanted toxic flame retardants in furniture, accelerating the transition to a more circular economy and offering more protection to consumers, vulnerable groups and workers.





'Fire safety is a must, but it needs to be achieved in unhazardous ways while balancing circular economy, chemical safety and fire safety objectives', said Markus Wiesner, EFIC President.

Markus Wiesner

In its [position paper on the upcoming Sustainable Products Initiative](#), EFIC stressed that one example of chemicals that need to be addressed via the upcoming sustainable products initiative is unwanted chemical flame retardants.

In 2020, EFIC also followed closely the announcement of the UK Department for Business, Energy & Industrial Strategy (BEIS) of their intention to scrap the Furniture and Furnishings (Fire) (Safety) Regulations of 1988 and to work on a new Regulation which will be complemented by standards. EFIC attended a stakeholder workshop in February 2020 where these changes were announced. At the same time, EFIC also provided input to an ongoing consultation in Ireland concerning the Furniture Fire Regulation which mirrors the abovementioned Regulations applicable in the UK.

EFIC monitored the negotiations on a future EU-UK partnership agreement throughout 2020, informing members about results of trade negotiations and preparedness in view of the end of the transition period. In view of an ambitious and comprehensive trade agreement with the UK and of negotiation rounds taking place in autumn 2020, EFIC communicated to the European Commission concerns over Brexit exacerbating [barriers to trade deriving from the existing furniture flammability requirements in the](#)

UK. To avoid this outcome, EFIC advocated for the closest possible convergence with EU rules and stressed that UK furniture manufacturers should comply with the flammability requirements in place in the Member State of destination.

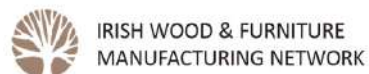
Some encouraging developments took place in 2020, including the entry into force of the decision of the State of California to enact a new ban on the use of Flame Retardants in certain consumer products (AB2998). AB2998 particularly covers juvenile products, mattresses and upholstered furniture.

It is also encouraging to see that the matter has sparked interest among MEPs, with one [parliamentary question tabled by MEP Carvalho](#) asking the European Commission how the use of toxic flame retardants will be addressed within circular economy initiatives that are in the pipeline and their effects on health, fire toxicity, the environment as well as difficult situation in the internal market due to unharmonized flammability standards.

EFIC also releases on a quarterly basis a [newsletter](#) with main new studies and findings concerning the negative effects of the use of flame retardants on health & environment and keeps an updated list of new [studies](#) on the website of the Flame Retardant Free Furniture Alliance.



EFIC MEMBERS in 2020



ARE YOU NOT AN EFIC MEMBER YET?
JOIN OUR ORGANISATION AND MAKE THE VOICE OF THE EUROPEAN
FURNITURE INDUSTRIES EVEN STRONGER!

<https://www.efic.eu/about-our-members>

