



OPINION

European Economic and Social Committee

The European Furniture Industry

The European Furniture Industry –
Its recovery towards an innovative, green and circular economy
(own-initiative opinion)

CCMI/187

Rapporteur: **Anastasis YIAPANIS**

Co-rapporteur: **Rolf GEHRING**

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Outcome of vote (for/against/abstentions)	207/1/2

1. **Conclusions and recommendations**

- 1.1 Europe has a very dynamic furniture sector with high diversity in terms of company size and work processes and also design. The sector covers the whole life cycle and provides good opportunities to embrace sustainability and transition towards circular economic models.
- 1.2 European companies have to comply with strict environmental, product, health and safety regulations, which naturally raise operational costs. International competition is distorted by the government subsidies offered to external competitors and unfair practices used to gain market access, especially by economic entities from Asia.
- 1.3 The EESC would like to emphasise that the right balance between economic growth, sustainability and social wellbeing is the right target for the future of the EU furniture sector. The Committee considers that businesses need a coherent intellectual property legislative framework that protects their interests and is fit for the green and digital transition.
- 1.4 The EESC strongly advocates for strict compliance of all imported furniture products with EU rules, including consumer information obligations. The EESC further calls for coherent EU legislation that imposes standardised label formats for all products.
- 1.5 As the industry uses many raw materials, reliable and unhindered access to high-quality resources and solid value chains are critical for the sector. Furthermore, since the demand for wood, the main raw material for the furniture industry, is constantly increasing, the EESC deems it vital to expand and modernise forest infrastructure and its sustainability, and improve skills and technologies.
- 1.6 The EESC considers that the wood produced in Europe is a very important asset which should be used to generate high value-added products. The Committee believes that exports of raw wood material do not make any sense in economic terms and calls for trade-defence instruments that protect local furniture producers.
- 1.7 Furthermore, the Committee calls on Member States to end subsidies and other incentives for burning wood for energy and to promote the cascaded-use principle.
- 1.8 The EESC wishes to call for a tariff reduction or elimination for imported primary and secondary wood raw materials. Furthermore, the Committee requests that policy makers ensure that the sustainability criteria in trade agreements is enforced and that imports include verification criteria regarding working conditions, freedom of association and fair treatment of workers. The EESC urges that human rights should be part of due diligence procedures, fully respecting the ILO conventions on human and workers' rights.
- 1.9 The furniture sector must be a part of the New European Bauhaus¹ initiative and contribute to creating sustainable and inclusive products for the new way of living, where sustainability harmonises with lifestyle.

¹ [New European Bauhaus Beautiful, Sustainable, Together COM/2021/573 final](#)

- 1.10 The social partners agreement on the reduction of formaldehyde in panel-production is an excellent example of how voluntary social partner agreements at European level can also help to reduce health hazards. Furthermore, the Committee calls for sustainable and fully recyclable packages and is advocating for a review of Directive 94/62/EC on Packaging and Packaging Waste².
- 1.11 The EESC considers that a quick transition from the linear flow of materials and energy towards a circular model is needed in order to allow value recovery from products and ensure economic growth and job creation.
- 1.12 The Committee deems it essential that furniture producers design their products in such a way that allows value recovery and facilitates reuse, repair, refurbishing and recycling. An extended producer responsibility scheme in the furniture sector has the potential to increase reuse and recycling capacities in the Union. Furthermore, the Committee calls for a European legislative ban on furniture in landfills in order to increase the recovery and reuse of valuable materials.
- 1.13 The sector needs a highly skilled workforce and more attractiveness for the younger generation. It must strive to continuously improve working conditions, while creating training options and focusing on motivating highly skilled and digital specialists to join the industry.
- 1.14 The Committee calls on European legislators to actively support transnational initiatives that increase the quality of all forms of apprenticeship in the furniture sector. A more ambitious Erasmus for apprentices would help to better transfer the rich and diverse traditions and the innovative potential of producing furniture in Europe.
- 1.15 Education programmes, life-long learning initiatives and vocational educational training must be developed by actively involving the social partners, educational institutions and other relevant NGOs. Preparing the labour force for the future challenges of the sector is essential.
- 1.16 The EESC calls for investments in skills, design, creativity and value chain development, and for improved access to R&D&I funding programmes for furniture producers. SMEs must be provided with adequate resources to analyse their business development in a circular, innovative and sustainable way.
- 1.17 The Committee believes that creating demand for second-hand furniture and support for non-profit actors engaged in the recycling or upcycling process of used furniture can impact positively on green transition targets.
- 1.18 Finally, the EESC calls for the development of a European platform that includes companies, social partners, civil society organisations, research institutes, universities and other relevant stakeholders and promotes business development in the furniture.

² <https://eur-lex.europa.eu/eli/dir/1994/62>

2. **Introductory Comments**

- 2.1 The New Industrial Strategy for Europe³ is focussed on the irreversible and progressive transition to a sustainable economic system which leaves no one behind, embraces digitalisation and green developments, and builds partnerships between the industry, social partners, public authorities and relevant civil society organisations.
- 2.2 Europe has a dynamic furniture sector with high diversity in terms of company size and work processes. It is generally a labour intensive one, with value chains that are still local or regional, strongly dominated by SMEs and micro-companies. It employs around 1 million workers and accounts for a quarter of the total world production of furniture⁴.
- 2.3 The sector covers the whole life cycle: raw material, processing, use, maintenance, reuse, recycling, biomass for energy. It provides therefore good opportunities to embrace sustainability and transition towards circular economic models.
- 2.4 The COVID-19 pandemic has hit the furniture sector hard, especially cross-border value chains, severely affected by the large number of restrictions to the free movement of goods and people. This has shown the importance of an integrated and well-functioning single market.

3. **Competitiveness aspects**

- 3.1 Different national regulations, standards, certification schemes and labelling requirements constitute a barrier for EU producers and bring disproportionate costs for companies. Standardisation and EU-wide harmonised rules have the potential to minimise barriers and to bring certainty and a common understanding to all players on the market.
- 3.2 The recent increase in energy prices in Europe negatively impacts the competitiveness of the sector and adds to the resource availability problem and increased prices for raw materials.
- 3.3 Besides the overall growing competition in the international market, companies from third countries sometimes use unfair practices to gain market access, especially economic entities from Asia, which are on certain occasions subsidised by their governments. Furthermore, European companies have to comply with stricter environmental, product, health and safety regulations, which naturally raise operational costs. Low environmental standards in third countries also disadvantage European furniture products made from genuine wood. The EESC considers that these aspects distort the competitiveness of local companies when competing on global markets.
- 3.4 Regarding the internal market, the EESC strongly advocates for strict compliance of all imported furniture products with the EU rules, including consumer information obligations such as appropriate consumer labelling. The EESC further calls for coherent EU legislation that imposes a requirement that furniture products be accompanied by information in standardised

³ [A New Industrial Strategy for Europe COM/2020/102 final](#)

⁴ [EC - Internal Market, Industry, Entrepreneurship and SMEs](#)

label formats, e.g. country of provenience, materials used, clear indication of all product components, product safety, durability, instructions on use, cleaning and maintenance, product warranty etc. Increased market surveillance actions that assess the quality of imported furniture have to ensure consumer information and a level playing field for local EU producers.

- 3.5 The EESC welcomes the Commission initiative on electronic product passports as part of the upcoming Sustainable Products Initiative⁵. These tools, if well designed and harmonised, have the potential to drive the circular economy forward by carrying information on products along value chains and, inter alia, by stimulating circular demand and providing the necessary information to consumers for making informed choices.
- 3.6 Producers from third countries are catching up technologically, so this EU competitive advantage is losing significance. Therefore, new business models are needed that combine competitiveness with sustainability and provide market access for the local producers.
- 3.7 The sector is also very sensitive to the protection of intellectual property rights, especially since quality, innovation and design still represent the EU's main competitive advantages. The Committee considers that businesses need a coherent legislative framework that would protect their interests and is fit for the green and digital transition.
- 3.8 The EESC would like to emphasise that the right balance between economic growth, sustainability and social wellbeing is the right target for the future of the EU furniture sector in particular, and economy in general.

4. **Access to Raw Materials**

- 4.1 The furniture sector uses many raw materials in the production process (such as wood, cane, leather, metal, plastic, textiles, glass, foams etc.). Reliable and unhindered access to high-quality raw materials is critical for European producers and the EESC calls for strengthened value chains that would enable the industry to flourish. The EESC further calls for appropriate consumer labelling of non-wood materials entering the European market in order to protect the European furniture industry from cheap and often non-sustainable raw materials from third countries.
- 4.2 Wood is one of the most readily available and naturally renewable raw materials. Demand is constantly increasing, while the price for raw materials that comply with EU rules and standards is growing and creating additional pressure. In order to address the increased demand for wood in the internal market, it is vital to expand and modernise forest infrastructure and its sustainability, and improve the skills, technologies and logistics of wood harvesters.
- 4.3 The Committee expresses concern in relation to the overall decreasing availability of the industry's main raw material and price increases due to its multiple use, especially for renewable energy production. The EESC considers that the furniture and woodworking industries provide far better benefits in terms of added value and employment than the direct burning of wood, and

⁵ [Sustainable Products Initiative](#)

calls on Member States to end subsidies and other incentives for burning wood for energy and calls again for the "*promotion of the cascaded-use principle (manufacturing of products, reuse, repair and recycling, valorification of energy content)*"⁶. The EESC also suggests enhancing the promotion of European wood in the internal market by increasing the visibility and use of genuine wood products and furniture.

- 4.4 Furthermore, subsidies offered to non-EU purchasers of wood from Europe are distorting the demand side. The EESC calls for trade-defence instruments that protect local furniture producers and is convinced that exports of raw wood material do not make any sense in economic terms.
- 4.5 Regarding wood imports, it is extremely important that EU trade agreements facilitate easy access to non-EU primary wood resources. In this regard, the EESC would like to call for a tariff reduction or elimination for imported primary and secondary wood raw materials. Furthermore, certification systems for imported timber from certain countries are not fully effective. The EESC requests that policy makers ensure that the sustainability criteria in trade agreements is enforced and that imports include verification criteria regarding working conditions, freedom of association and fair treatment of workers. The EESC urges that human rights should be part of due diligence procedures, fully respecting the ILO convention on human and workers' rights. This would provide for a level playing field in the market.

5. Sustainability & Green Transition

- 5.1 The EESC considers that the EC Communication on the New European Bauhaus represents an excellent opportunity for the furniture industry to contribute to creating sustainable and inclusive products for the new way of living, where sustainability harmonises with lifestyle. The overall transition of the sector in all its aspects will only be successful if we improve the active participation of workers and their representatives.
- 5.2 The Committee notices the growing trend of consumers that are looking for environmentally friendly products which have been manufactured respecting decent working conditions. Furthermore, the furniture sector can improve its environmental impact by manufacturing more durable products and by using recycled materials or sustainable (such as oak, pine, acacia etc.) and reclaimed wood.
- 5.3 The EESC calls for a coherent European legislative framework that would prohibit all products sold in the internal market from containing dangerous flame-retardants. Hazardous substances should further be replaced by, for example, water-based foams, less hazardous glues or substances containing low volatile organic compounds. The social partners agreement on the reduction of formaldehyde in panel-production is an excellent example of how voluntary social partner agreements at European level can also help to reduce health hazards stemming from hazardous substances.

⁶ [OJ C 24, 28.1.2012, p. 18](#) EESC opinion Opportunities and challenges for a more competitive European woodworking and furniture sector.

5.4 The Committee advocates also for the compulsoriness of sustainable and fully recyclable packages and calls for a review of the Directive 94/62/EC on Packaging and Packaging Waste. The EESC also considers that tax incentives could play an important role in promoting sustainability projects.

6. **Circularity**

6.1 Following the ambitions announced in the European Green Deal⁷ and the Circular Economy Action Plan⁸, the EU economy is showing signs of embracing circularity and fostering innovation towards sustainable new economic models. Decoupling economic growth from resource use is critical to achieving climate neutrality by 2050.

6.2 The figures show that between 80% and 90% of EU furniture waste in municipal solid waste is incinerated or sent to landfill. The EESC is particularly concerned by the lack of consumer information and spare part availability, which encourages the purchase of new furniture over circularity. A European legislative ban on furniture in landfills would increase the recovery and reuse of valuable materials.

6.3 The only solution for fighting climate change and the overburdening of Earth's natural resources is a quick transition from the linear flow of materials and energy towards a circular model. Circular economy models applied in the furniture sector have the capacity to allow value recovery from products and ensure economic growth and job creation. The EESC underlines that furniture, and especially genuine wood products, is key to storing carbon and thus contributing effectively to the fight against climate change.

6.4 The Committee considers essential that furniture producers design their products in such a way that allows value recovery and facilitates reuse, repair, refurbishing and recycling. Manufacturing processes must focus on stimulating resource and energy efficiency and cutting down production costs.

6.5 An extended producer responsibility scheme in the furniture sector has the potential to increase the reuse and recycling capacities in the Union, promoting incentives for producers to take into consideration the environmental impact from the design phase to the end-life of a product.

7. **Education, digitalisation and working conditions**

7.1 A recent study shows that most employees in the furniture sector do not have tertiary education level qualifications and are not acquainted with circular economy aspects⁹. However, the need for a highly skilled workforce is high, and the sector is facing a continuous ageing workforce and has difficulties in appealing to the younger generation. In order to improve the attractiveness of the sector it is extremely important to continuously improve working

7 [COM/2019/640 final](#)

8 [COM/2020/98 final](#)

9 [Innovation in the Furniture Industry in the era of circular economy](#)

conditions (occupational health and safety) and further training options, and focus on motivating highly skilled and digital specialists to join the furniture industry.

- 7.2 Compared to other parts of the world, the cost of labour in the EU is somewhat higher, but productivity and innovation are also ahead of other regions. The EESC has already mentioned that *"in order to increase productivity and stay ahead of competition, the sector needs workers who are trained in the latest skills and technologies"*¹⁰.
- 7.3 The Committee calls on the European legislators to actively support transnational initiatives that increase the quality of all forms of apprenticeship in the furniture sector, such as for example the concept of European Core Qualifications¹¹.
- 7.4 Initial and further vocational education must be developed to foster skills and new sector-specific competences. They must include social partners, educational institutes and other relevant NGOs. The future of the labour force in the furniture sector is high technology and knowledge intensive jobs, based on sound social dialogue and on collective agreements with decent pay and working conditions, that can attract the younger generation.
- 7.5 A more ambitious Erasmus for apprentices would also help to better transfer the rich and diverse traditions and the innovative potential of producing furniture in Europe and would equally help to improve the attractiveness of the furniture sector among young people and in society as a whole. Furthermore, the EESC recommends the promotion of validation systems supporting the mutual recognition of qualifications.

8. Funding and Investments

- 8.1 European companies need access to R&D&I funding programmes that can help them scale up, become more productive and embrace circularity and new technologies. Investment is also needed in promoting circular loops, the lifespan of products, their repair or refurbishment and recycling capabilities. Furthermore, creating demand for second hand furniture and supporting non-profit actors engaged in the recycling or upcycling process of used furniture can impact positively on green transition targets.
- 8.2 Funding opportunities remain one of the most significant weaknesses in a sector dominated by SMEs. It is extremely important that SMEs have adequate resources to analyse their business development in a circular, innovative and sustainable way, and they should be supported by transitional tax incentives and lower VAT rates for refurbished and remanufactured furniture.
- 8.3 Superior features such as design, quality, function, durability or ergonomics for furniture products have the capacity to balance the price advantage offered by producers from low-wage countries. On top of that, innovation in material use and advanced technological production

¹⁰ [OJ C 24, 28.1.2012, p. 18](#) EESC opinion Opportunities and challenges for a more competitive European woodworking and furniture sector

¹¹ [European Furniture Professions](#)

facilities provides additional competitiveness leverage. Therefore, the Committee calls for investments in design, creativity, skills and value chain development.

- 8.4 Finally, the EESC calls for the development of a European platform that promotes business development in the furniture industry and a precautionary assessment of the social impact of new technology. It should include companies, social partners, civil society organisations, research institutes, universities and other relevant stakeholders and provide support for the sector's growth, as does the European Circular Economy Stakeholder Platform¹², which is an excellent example in this regard.

Brussels, 15 June 2022

Christa Schweng
The President of the European Economic and Social Committee

¹² [European Circular Economy Stakeholder Platform](#)