

COVID-19: European furniture sector under pressure calls on EU institutions and Member States for coordinated response across Europe

Brussels, 23 April 2021 – The European furniture sector expresses concerns over an unharmonised response across the EU to the coronavirus pandemic, which is bringing uncertainty and difficulties. In addition to the challenges posed by the coronavirus pandemic, the furniture and bedding industries are also faced with reduced availability of raw materials, a considerable increase of raw material prices, as well as bottlenecks over logistics. The unharmonised responses of Member States in terms of lockdowns, border closures and slow vaccination programmes exacerbate the complications in the process of production and delivery, but also of furniture sales. The sector welcomes therefore the Commission's Communication of 17 March on a coordinated reopening in the Member States¹, as well as the EU leaders agreement of 25 March² for preparations to a common approach to gradual lifting of restrictions, ensuring a coordinated effort when the epidemiological situation allows, as well as the emphasis on an unhindered flow of goods within the single market.

The European furniture and bedding industry contributes greatly to EU economy. The whole sector generates a yearly turnover of 96 billion Euros and employs around 1 million workers in 120 000 enterprises across the EU. In addition, the furniture retail sector represents more than 100 000 companies. In 2020 and compared to the previous year, furniture production in EU-27 dropped by 7.4% (source: Eurostat). Generally, a reduction of orders, imports, exports and turnover was reported throughout the year, with significant differences between the different furniture segments. Private furnishings were more in demand – as traveling restrictions applied, for example – compared to hotel or contract furniture. All in all, the furniture retail sector also suffered a noticeable drop in sales.

The furniture and bedding industry value chain is complex and there is a high interdependency between different players, from suppliers, to producers, to retailers, both within the EU and beyond the EU borders. Furniture manufacturers rely on constant and predictable supplies of raw materials. In the current situation, the shortage of raw materials, the limited cargo and freight capacity and the scarcity in labour force from measures put in place to fight infection rates severely hamper the production capacity of the sector. Furthermore, the ongoing and uneven lockdowns in several EU countries often cause interruption in production processes and in some cases companies are not running at full capacity. Delays in material delivery are particularly disruptive, as they put most furniture companies under high pressure to deliver orders on time.

The European furniture sector also reports a generalised increase in prices of certain raw materials, which meet the furniture industry in a difficult point in time, where the industry is trying to recover from the impact of the coronavirus crisis. The furniture sector is closely monitoring and evaluating the situation and has called on suppliers to do the necessary to not incur into unnecessary extra costs for the supply of raw materials, as increased prices will hamper the furniture industry from a swift recovery from the impact of Covid-19.

¹ COM(2021) 129 final - https://ec.europa.eu/info/sites/info/files/communication-safe-sustained-reopening_en.pdf

² <https://www.consilium.europa.eu/en/meetings/european-council/2021/03/25/>

In addition to these obstacles, in many countries furniture retail shops have intermittently remained closed, adding to the uncertainty and difficulties. Most furniture for domestic purposes is sold via retailers, who have had difficulties due to a low predictability of the conditions across the EU Member States. Some furniture products are not typically sold via online channels.

The European furniture sector asks the EU institutions and Member states authorities to ensure:

- An enhanced harmonisation and a strong common approach among Member States with regard to a swift reopening. The sector has already proven³ that visiting a retailer can be done in safe conditions and without creating an additional risk for further spreading the virus.
- A swifter roll-out of vaccinations, clue to unlock the current crisis.
- An open single market, with no closed borders between the EU Member States, and a free movement of goods and services.
- Clear rules to the sector for the planning and organisation of European and international trade fairs, an important tool for accessing international markets and promoting furniture products.

The European furniture sector stresses the importance of a coordinated approach and a level playing field. The sector is committed to actively delivering to the goals of the European Green Deal via the transition to a more circular economy. In order to reap the full potential of this opportunity, a swift recovery from the coronavirus pandemic and a coordinated approach to eliminate the obstacles explained above is needed. The sector calls for empowerment to engage in the green and digital transition.

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³ A recent [study](#) of the Austrian Agency for Health and Food Safety shows that 68% of all infections most recently happened at home, while 15% in leisure time. According to the Austrian Retail Association, practice shows that Corona safety measures in stores do not contribute to an increase in infections. The risk of infection at work in the retail sector has not increased, on the contrary. Also, according to a study by the German Employer's Liability Insurance Association for Retail and Merchandise Logistics (BGHW), around 0.6% of employees in the German retail sector contracted the corona virus between mid-March and the end of October 2020.