



# **Bolster Up furniture profession**

## **The European furniture sector in the economic context and the EU industrial policy**

*Brussels, 16 September 2014*

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*Unit-F3 «Raw Materials, Metals, Minerals and Forest-based Industries»*



## **1. Economic situation:**

- **Global trends**
- **EU trends**
- **Competitiveness factors**

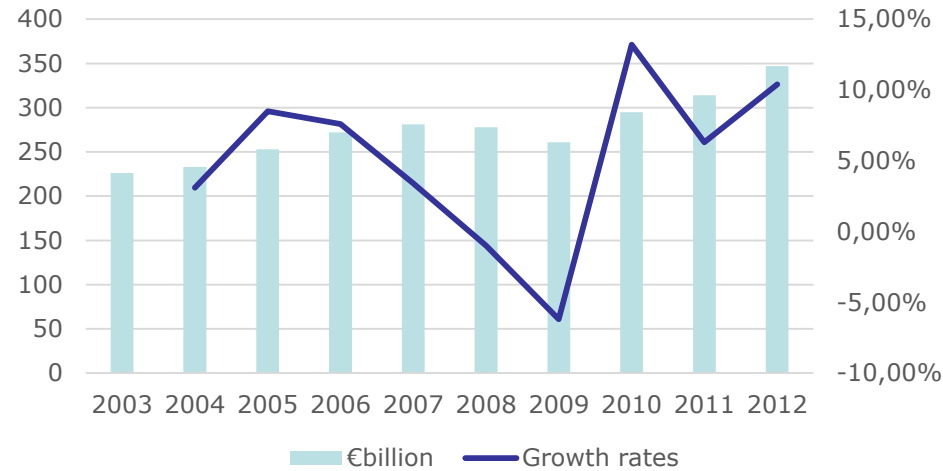
## **2. EU Industrial Policy:**

- **Context**
- **Policies: horizontal and sectoral**
- **Activities**

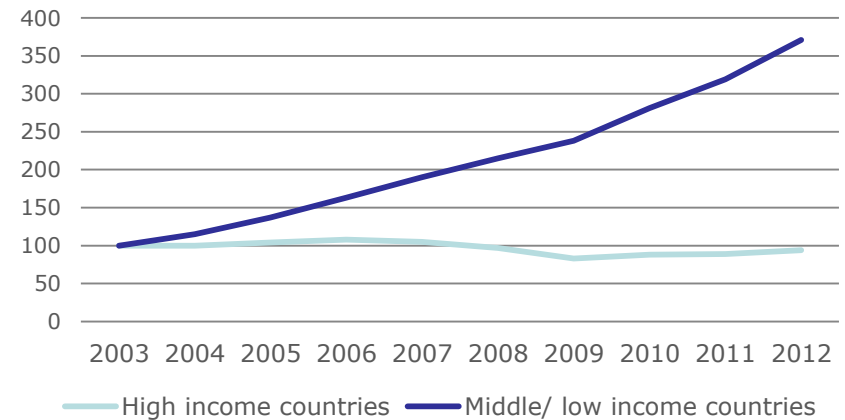
# Global consumption



### World furniture consumption



### Per capita furniture consumption: high vs middle/low income countries

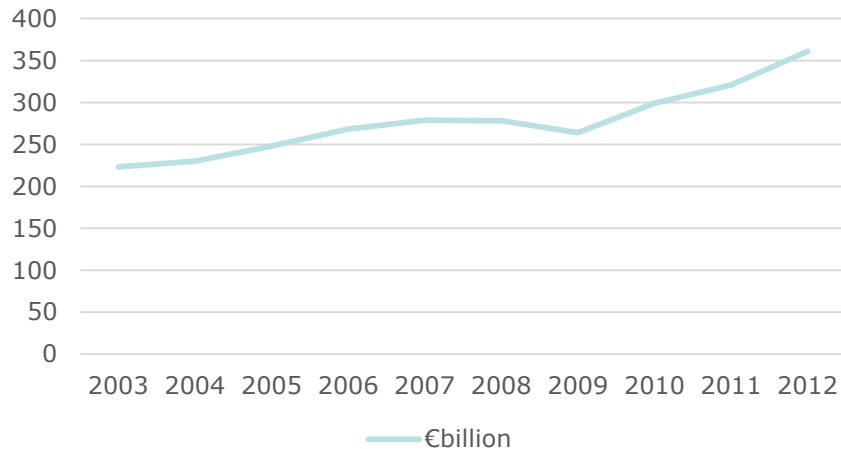


## *Two-speed growth of furniture consumption*

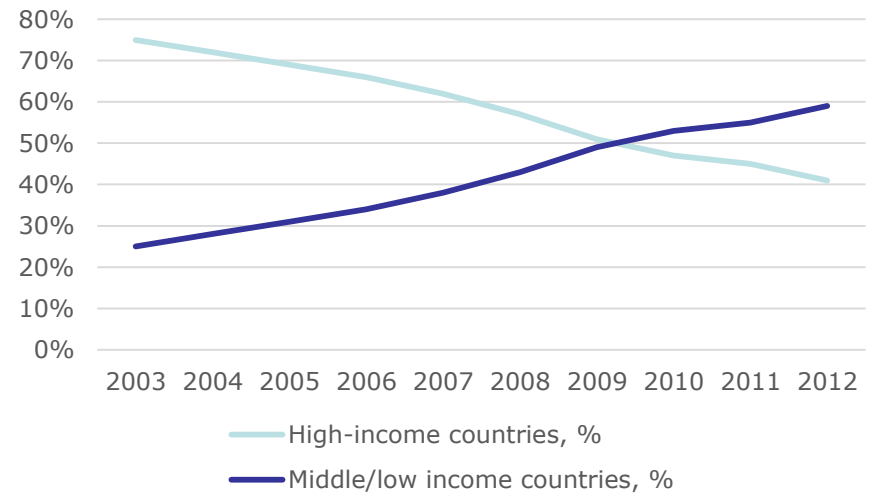
# Global production



### World furniture production



### World furniture production: high vs middle/low income countries



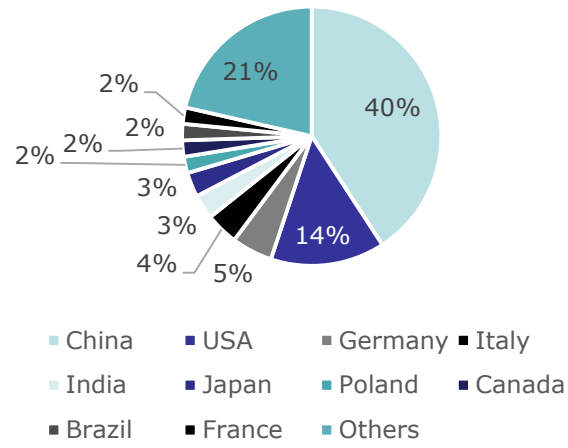
## Changing geography of global furniture production

Source: own elaboration based on CSIL data, CEPS and Economisti Associati report

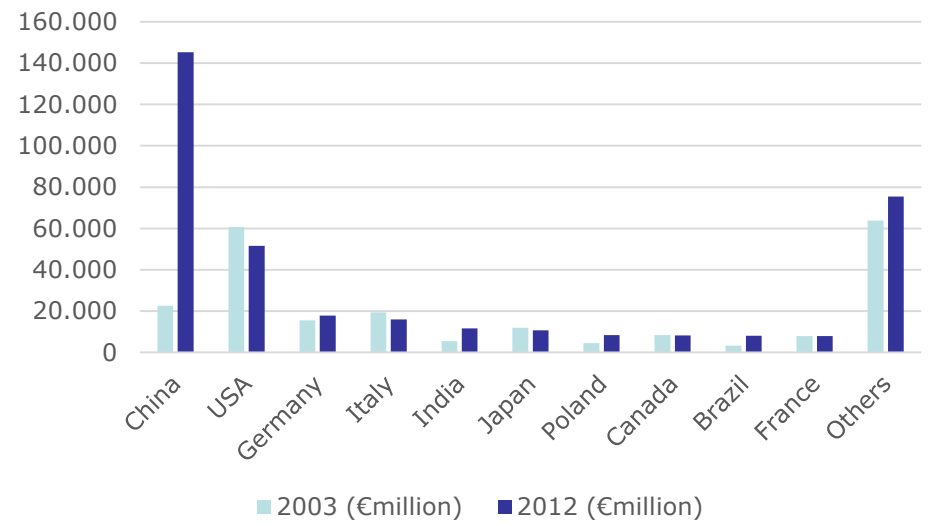
# Global production



World furniture production: Top 10 producing countries in 2012



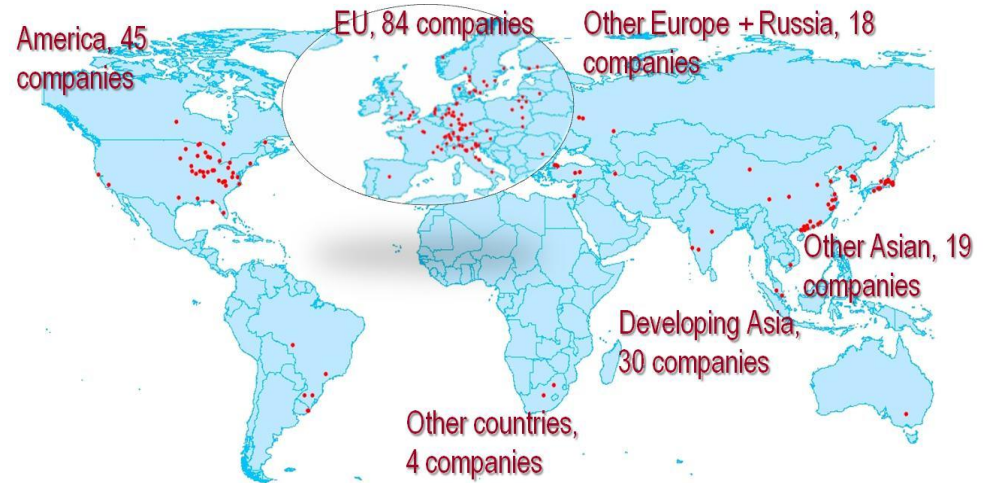
World furniture production: Top 10 producing countries



***Furniture production concentration: 80% by Top10, out of which 40% by China***

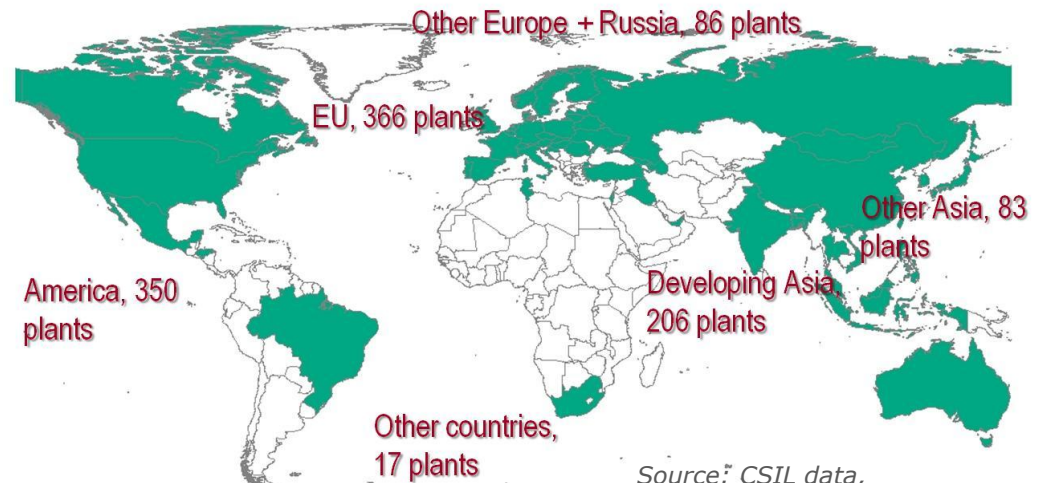
Source: own elaboration based on CSIL data, CEPS and Economisti Associati report

# Leading companies



Top 200 furniture manufacturers worldwide: location of headquarters

## *Globalisation of the sector*



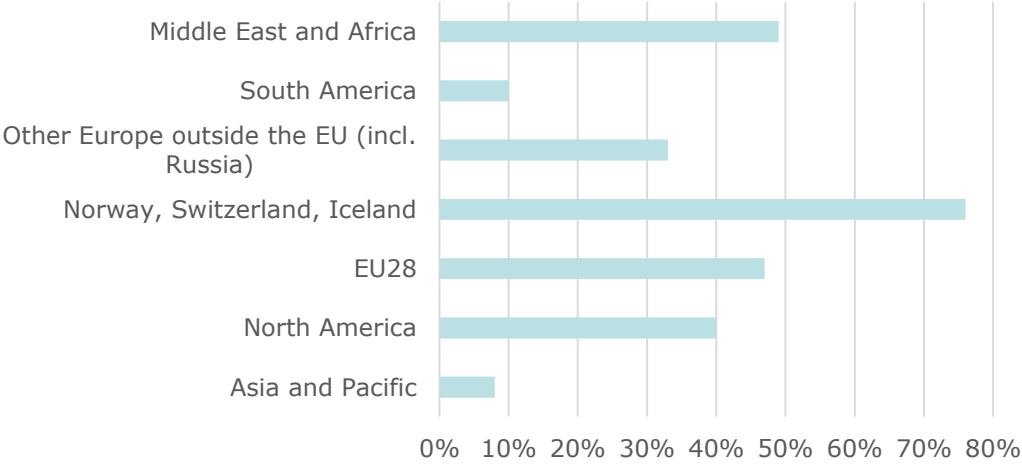
Top 200 furniture manufacturers worldwide: location of plants

Source: CSIL data, CEPS and Economisti Associati report

# Global trade

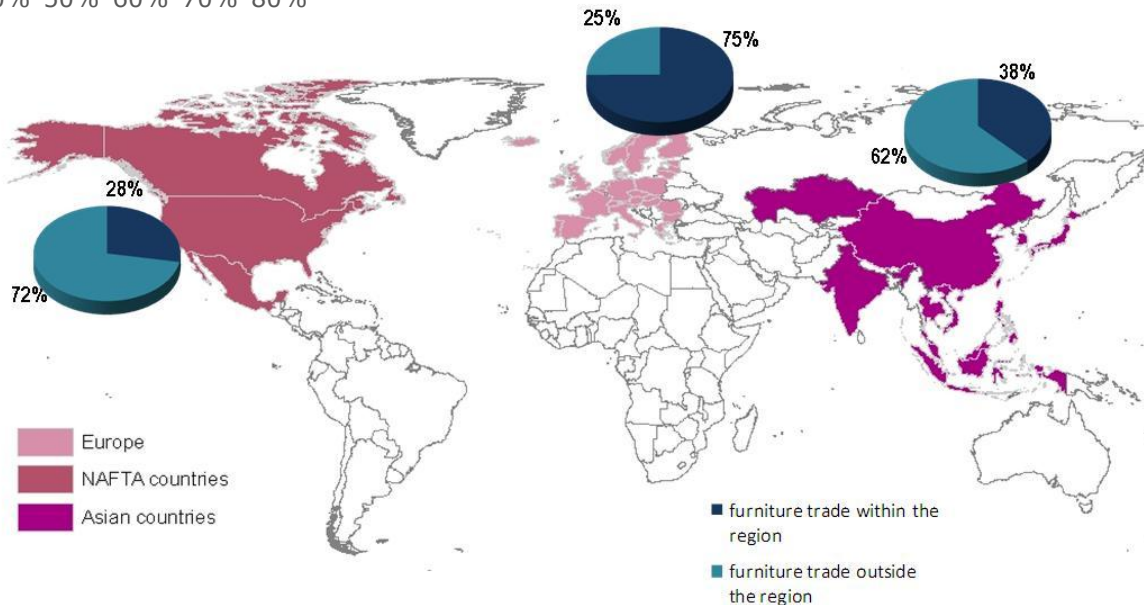


## World furniture imports/consumption ratio



**Opening up  
of the market**

## Percentage of international furniture trade carried out within each economic regions

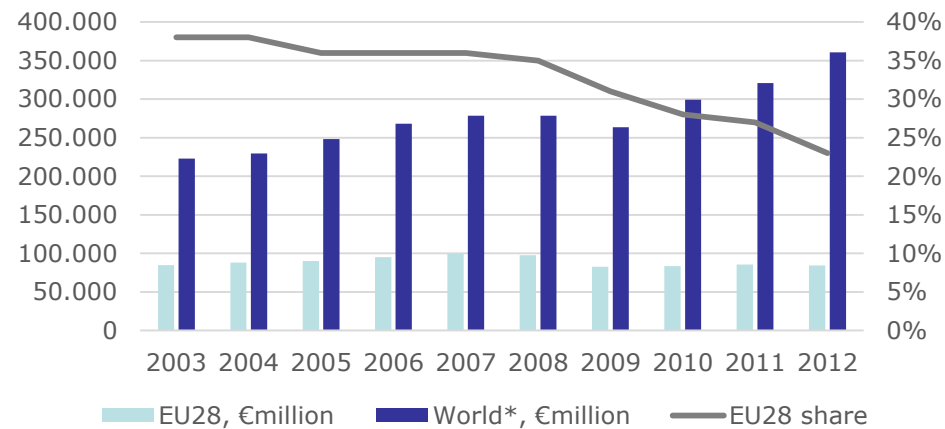


Source: CSIL data, CEPS and Economisti Associati report

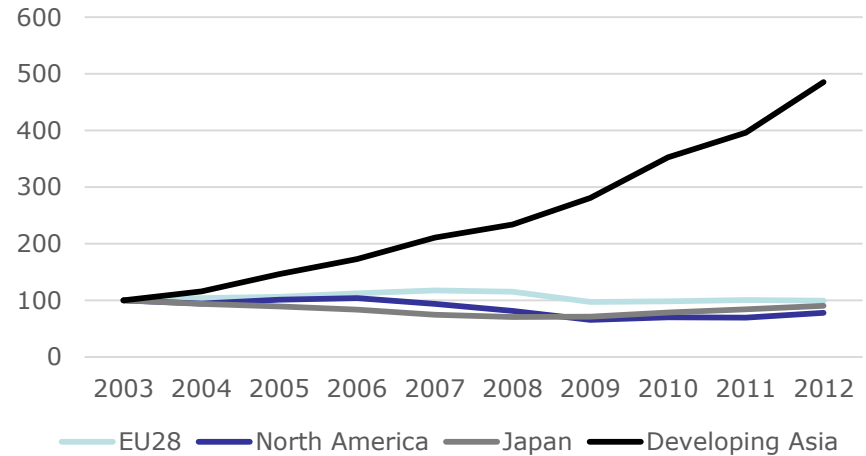
# EU production in global context



EU28 share in world furniture production



Furniture production growth: selected geographical areas



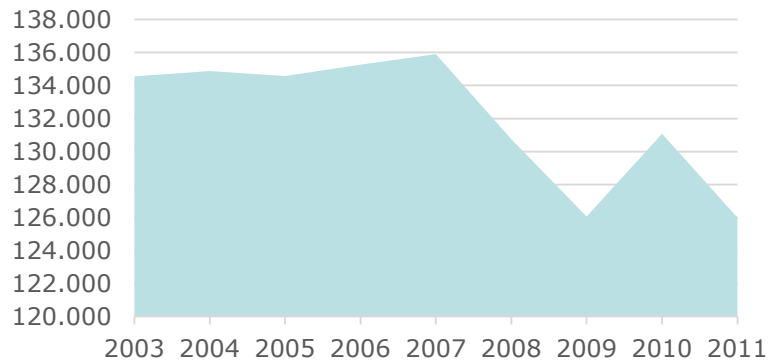
***EU produces now a quarter of world's furniture***



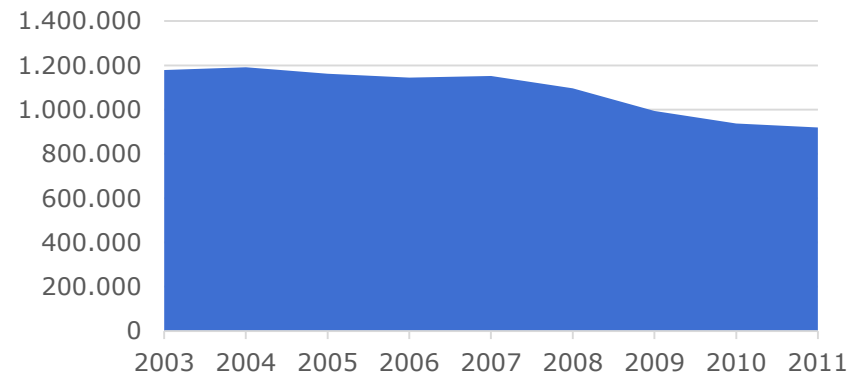
# EU key economic data



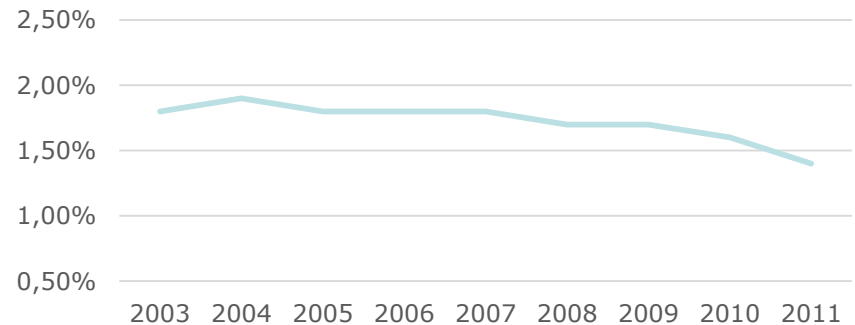
## Number of enterprises of EU28 furniture sector



## Number of employees in EU28 furniture sector



## Share of production on total manufacturing

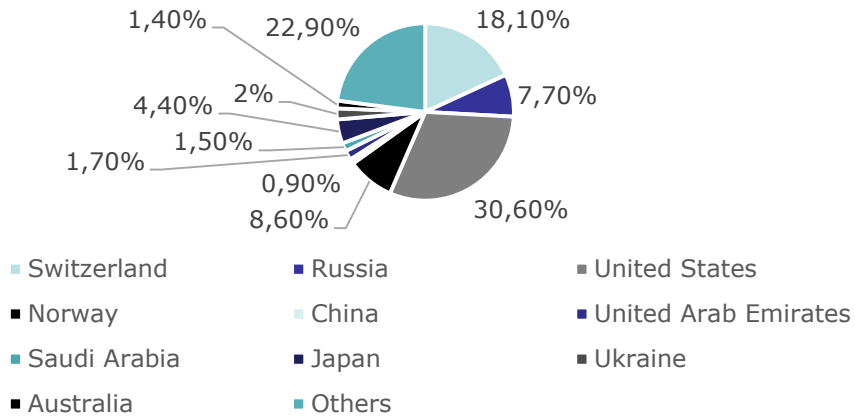


Source: own elaboration based on CSIL data, CEPS and Economisti Associati report

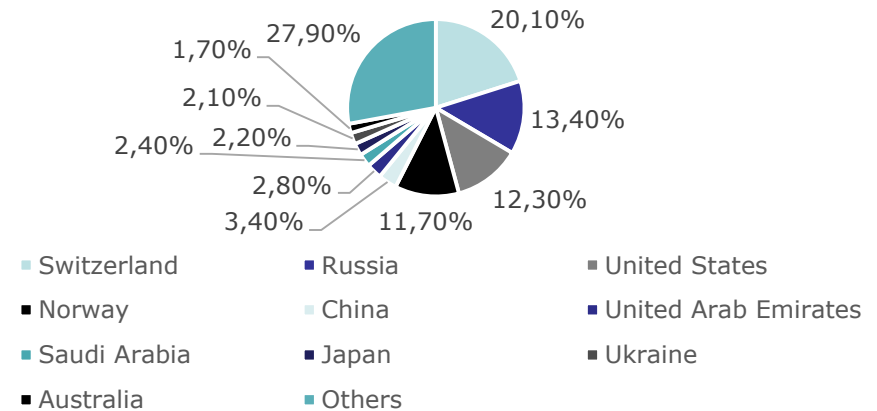
# EU trade: exports (values)



EU28 furniture exports to extra-EU countries: 2003



EU28 furniture exports to extra-EU countries: 2012



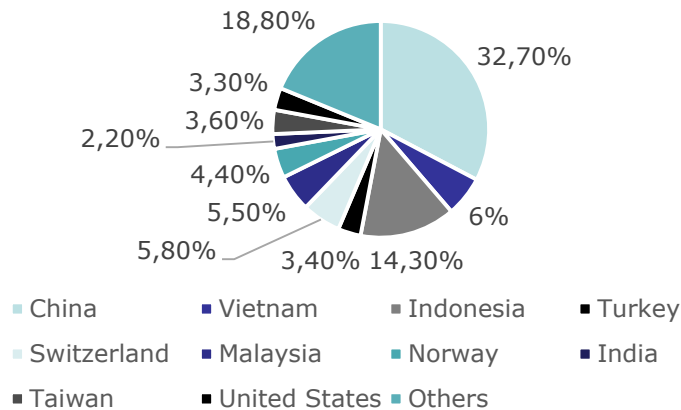
***Changing export flows with EU key trade partners***

Source: own elaboration based on CSIL data, CEPS and Economisti Associati report

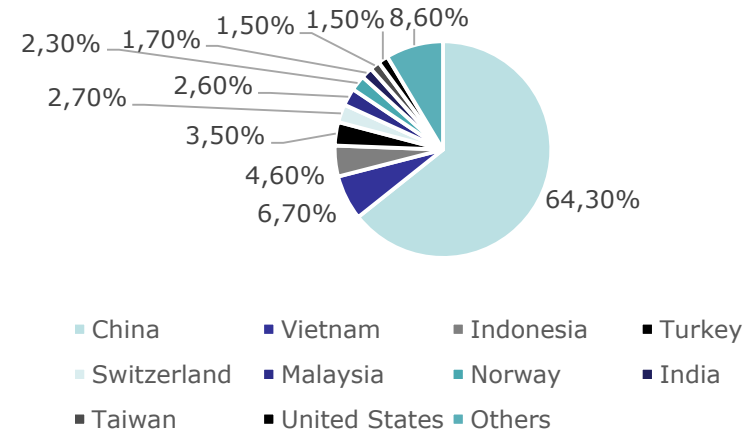
# EU trade: imports (values)



EU28 furniture imports from extra-EU countries: 2003



EU28 furniture imports from extra-EU countries: 2012



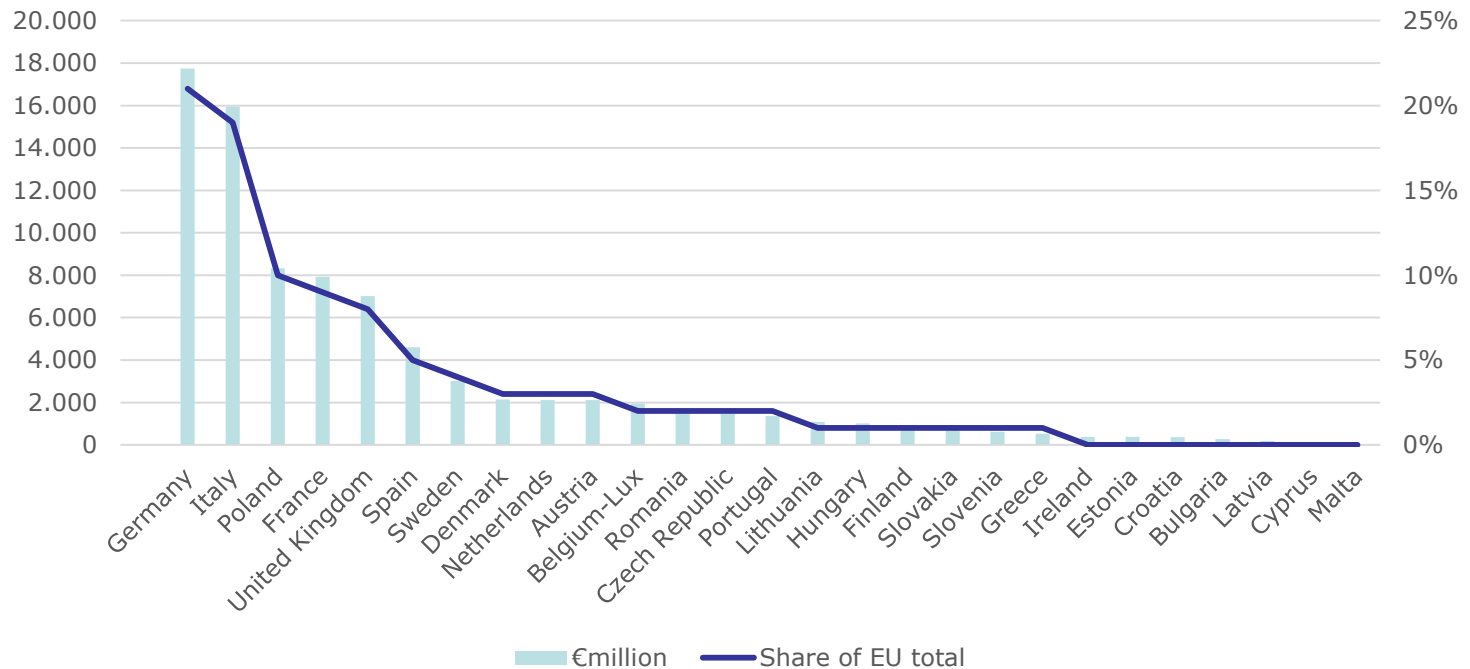
**Asia-Pacific  
accounting for  
85% of extra-EU  
imports**

Source: own elaboration based on CSIL data, CEPS and Economisti Associati report

# EU production: Member States



Furniture production in EU28, 2012



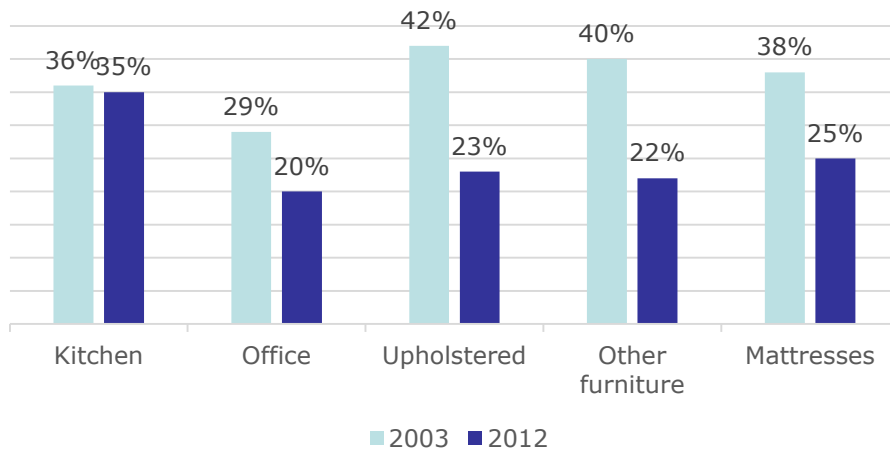
***Western Europe accounts for 80% of total EU furniture production, importance of Central Eastern Europe has been increasing***

Source: own elaboration based on CSIL data, CEPS and Economisti Associati report

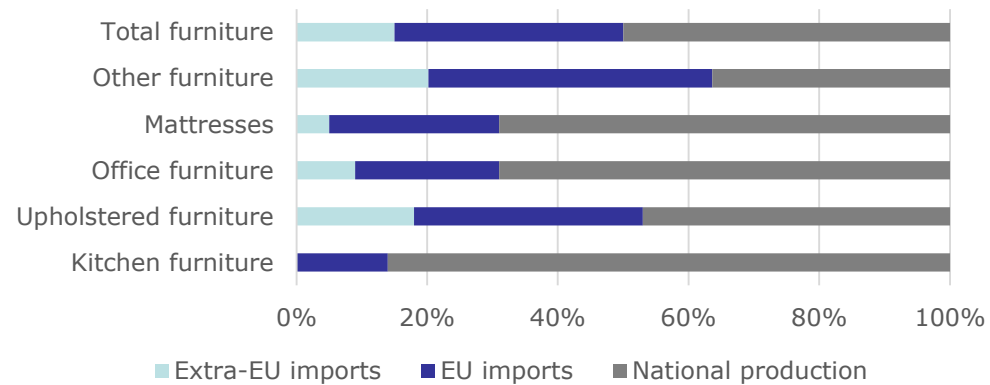
# EU production: sub-segments



EU28 furniture production by sub-segment (share of world total)



EU28 furniture market by sub-segment: breakdown of consumption by national production, EU and extra-EU imports, 2012



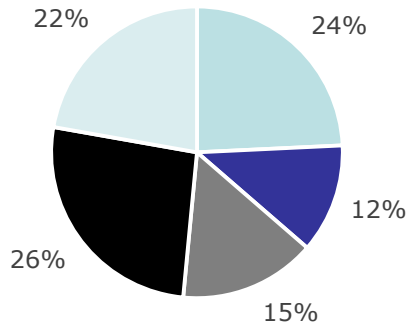
***Varying sensitivity to international competition of sub-segments***

Source: own elaboration based on CSIL data, CEPS and Economisti Associati report

# EU: company class

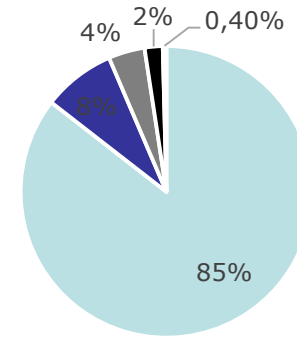


EU28 furniture sector, 2010: number of employees breakdown by company size



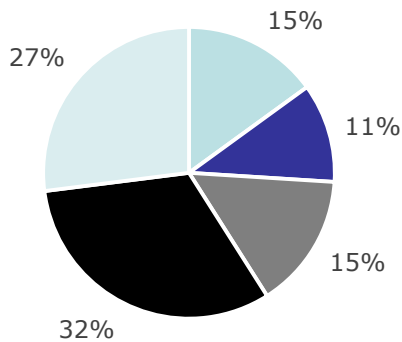
0-9 10-19 20-49 50-249 250+ persons employed

EU28 furniture sector, 2010: number of companies breakdown by company size



0-9 10-19 20-49 50-249 250+ persons employed

EU28 furniture sector, 2010: production value breakdown by company size



0-9 10-19 20-49 50-249 250+ persons employed

**Predominance of SMEs**

Source: own elaboration based on CSIL data, CEPS and Economisti Associati report

# Competitiveness

## Main factors



### Upstream of the value chain

- Availability of raw materials and components
- Labour cost and skilled labour availability
- Investment in machinery and equipment
- R&D, innovation and design

### Downstream of the value chain

- Disposable income of EU furniture consumers
- Investments in residential construction
- Changing demography



## **1. Economic situation:**

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- **EU trends**
- **Competitiveness factors**

## **2. EU Industrial Policy:**

- **Context**
- **Policies: horizontal and sectoral**
- **Activities**





## ***EU Industrial Policy & forest-based industries***

- Directorate General for Enterprise & Industry
- Objective: develop and implement EU Industrial Policy to help provide **growth** and **jobs** through enhanced competitiveness and «re-industrialisation»
- Target: manufacturing regaining 20% share of GDP
- Tools: Horizontal and sectoral initiatives



## ***EU Industrial Policy & forest-based industries***

- Policy document (horizontal): *For a European Industrial Renaissance* (COM(2014) 14 of 22.01.2014). Scope:
  - Facilitate investment in new technologies and innovation
  - Better market conditions
  - Access to inputs (finance, energy, raw materials, skills)
- Policy document (sectoral): *Blueprint for the EU Forest-based Industries* (SWD(2013)343 of 20.09.2013). Scope:
  - Woodworking
  - Furniture
  - Pulp & paper manufacturing and converting, and printing



## ***Enhance EU F-BI competitiveness by focusing on creating growth and jobs through:***

1. Stimulating growth
2. Securing an affordable raw materials supply & improving resource and energy efficiency
3. Ensuring a coherent regulatory framework in the EU & fair level playing field on global markets
4. Fostering education, skills & training
5. Promoting research & innovation



## Stimulating growth

- **Improved consumer information on furniture**
  - On-going study: furniture market situation & possible initiative on enhanced information on furniture products
  - Final result in second half of 2014
- **Implementing the EU Strategy on sustainable construction**
- **Missions for growth and SMEs internationalisation**



## Securing an affordable raw materials supply & improving resource and energy efficiency

- **Promote cascading use of wood principle**
  - Scoping study under Horizon 2020, start in 2014
- **Increase sustainable mobilisation of wood**
  - Implemented under European Innovation Partnership on Raw Materials
  - Complementarities with European Innovation Partnership on Agricultural Productivity and Sustainability



## Ensuring a coherent regulatory framework in the EU & fair level playing field on global markets

- **Cumulative cost assessment of the EU legislation**
  - Study in late 2014
  - Covering all 4 F-BI sub-sectors
  - Focus on key EU legislations impacting F-BI
- **Bilateral agreements and trade defense instruments**
- **Industrial Policy and Regulatory Dialogues on F-BI**



## **Fostering education, skills & training and promoting research & innovation**

- **EU Sectoral Social Dialogue Committees**
- **Cooperation with European Forest-based Sector Technology Platform**
- **Financing instruments: Horizon 2020, COSME**

**Thank you for your attention!**