



EDITORIAL

On May 22, 2008, in Istanbul, under the attentive eye of numerous members of the Turkish furniture trade press, some 50 furniture manufacturers and representatives of industry organizations attended a seminar on the EU legislative acquis and its specific consequences for the furniture industry.

The seminar was organized by the UEA in co-operation with Mobder, its Turkish member and was co financed by the European Commission under the Business Support Program.

After an introduction and welcome by UEA president Mr. Calixto Valenti and Mobder vice president Mr. Rasit Karaaslan, Mr. Henk Visser of the European Commission and responsible for the BSP program explained the programs goals, history and future development. The UEA has a long

history in the BSP program and has been able to efficiently assist the former enlargement countries to cope with the EU legislative acquis. Mr. Pavlos Kimtsaris, UEA economist and Mr. Davut Dogan of TOBB furniture closed the first part with a presentation respectively of the EU and Turkish furniture sector.

The second part was dedicated to the EU legislation. After an overview of the EU legislative process and the institutions (Ms Maria de Ornelas, UEA), Mr. Roger Mason of the BFM (British Furniture Manufacturers) presented in detail the health and safety and environmental directive that have an impact on the production of furniture. Mr. Kimtsaris presented the product responsibility and standards in the furniture sector and Mr. Bart De Turck, UEA secretary General gave an overview on how to protect your design in the EU. Mr.;Lukes, the director of ACN, the Czech Republic furniture manufacturers Federation shared with the participants how manufacturers in his country have been coping with the demands of the newly adopted legislations and how the FACTS program helped them with this. The second part was closed with a presentation of the program activities and of the tools developed to help the Turkish manufacturers learn about the EU acquis. Visit to perform information audits will take place in thirty Mobder members. The participants received a Turkish version of the FACTS II book containing a summary of all applicable directives as well as a self auditing system to check their level of compliance. The book also contains detailed instructions for the machine safety for some thirty machines typically used in the production of furniture.

The last part of the seminar addressed the working of the business representatives organizations with amongst others presentations on lobbying by Mr. De Turck and on export promotion by Prof. Dr. Kerem Alkin of the Turkish export promotion center. Mr. Abdulcadir Coklar informed about the growing activities of Mobder. Mr. Florent Festal, IT officer of the French Furniture Manufacturers Federation illustrated how UNIFA uses the internet and he also presented the interactive auditing system and the complete FACTS II website which will come on line later this summer. Ms Genny Christova showed how their Bulgarian federation was created and supported during the first FACTS program and how it has developed in an active and important organization that is used as an example

among the Bulgarian industry federations. The seminar was closed with a general discussion on the day's subjects.

On the following day, representatives of the Turkish furniture industry federations but also representatives from other Balkan countries and candidate countries participated in the UEA council with discussions on such items as formaldehyde emissions and illegal logging and provenance of wood products.

“We already knew that the membership of the EU would mean not only advantages but also would imply responsibilities. I am convinced that with the activities such as today's and with the other activities that are being organized in the FACTS II program, our industry is making a good start and I would like to express our appreciation to both the European Commission and to the UEA for making this possible.” Mobder president Kiral Fatih said in closing the meeting.

Bart De Turck
UEA Secretary General
FACTS II Project manager



Contents

- Editorial
- FACTS I Project Results
- Tariff Liberalization in the Forest Products Sector Proposal
- NACE Revision 2
- EU terminates anti-dumping review of Chinese plywood
- Formaldehyde

NEWSLETTER 3

Responsible editor
UEA
Rue de la loi 26
B – 1040 Brussels
secretariat@uea.be

B De Turck
Bodegemstraat 43A
B - 1000 Brussels

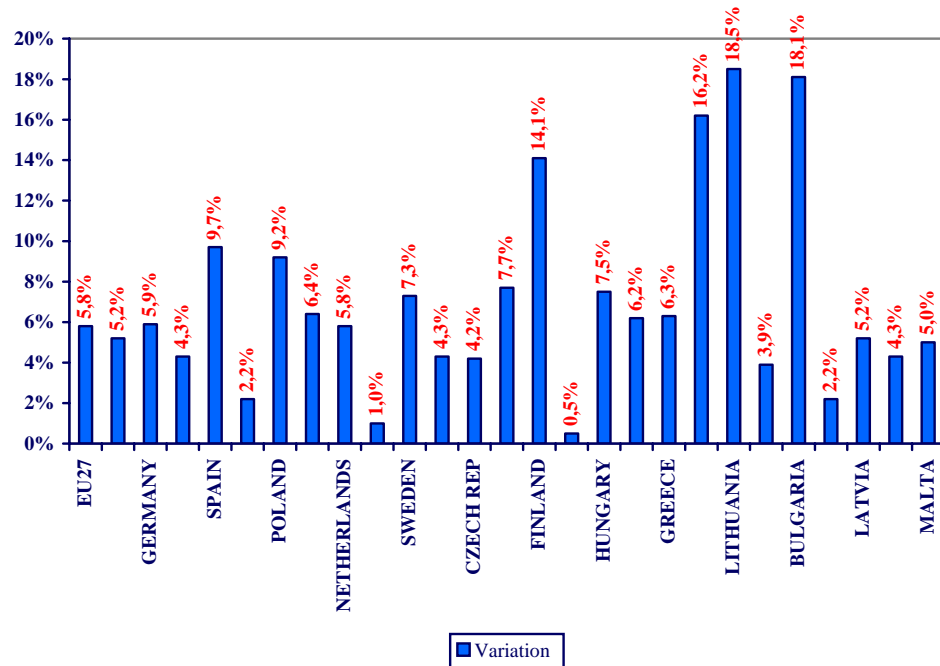
Trends in the furniture industry in 2007

In 2007, the production value of furniture recorded a substantial growth (compared to the previous year) in many countries in Europe thanks to a buoyant domestic demand in almost all the countries and to strong exports both to EU countries and to non-EU countries. Some countries

In **Italy**, the production value rose by 5.2% despite stagnating exports, the local demand driving this positive evolution.

In **Germany**, the production value reached almost 20 billion Euros (+5.8% compared with 2006). Highest growth rates were observed in the office furniture industry (+13%) and in the domestic industry (+7.7%). Production of kitchen furniture grew by 5.1%).

In the **UK**, the production value rose by 4.3% and imports continued their rising trend



such as France and Portugal recorded growth but their production stagnated if expressed in volume. On the other hand many countries recorded growth rates approaching 10% and even more for Lithuania, Slovakia and Finland.

At the EU27 level, the production value rose by 5.8% to reach 105.1 billion Euros.

The production prices increased by 2.3% at the EU level; inflation rates ranged from +0.5% to +16%, in certain new member states.

(+6.3%).

The **Spanish** furniture industry recorded one of the highest growths among the various industries in Spain. With an increase of 9.7%, furniture manufacturers fiercely compete with growing imports (+27% to 2.7 billions Euros) but are also more aggressive on foreign markets.

The **French** manufacturers are losing market shares in their domestic and export markets.

The production value increased by more than 2% but below the EU average.

As usual **Poland** is around the 10% growth rate level (+9.2%). Polish companies are among the most competitive in the low end of the market in export markets and develop ambitious export plans.

The **Netherlands** witnessed an increase in the furniture production (+5.8%).

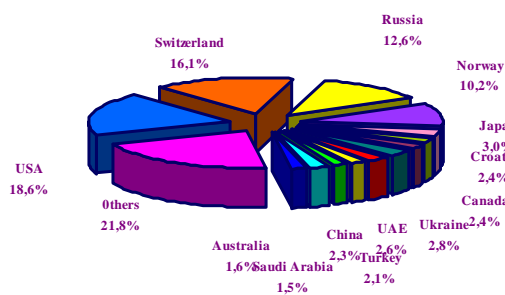
In **Austria**, the furniture industry is performing well thanks to growing local demand and exports to neighbour markets. Production rose by more than 6%.

The **Czech Republic** (+4.2%), **Belgium** (+4.3%), **Sweden** (+7.3%) & **Greece** (+6.3%) are also surfing on a positive trends.

Lithuania & Slovakia and Bulgaria have also excellent results (more than +15% growth rates).

In **Portugal**, the production stagnated.

The EU furniture manufacturers exported more than 43 billion Euros worth of furniture in 2007 (42% of their production). More than a quarter of these exports (11.1 billion Euros: +10.4%) were exported to non-EU countries.



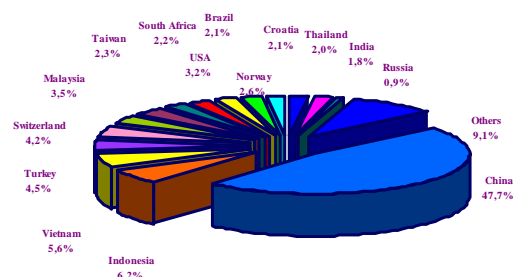
Despite a strong Euro, exports to USA increased by 4% (after 3 years of decline), to exceed again 2 billion Euros.

Other major export markets included Switzerland (1.8 billion Euros: +8%), Russia (1.4 billion Euros: +22%) and Norway (1.1 billion Euros: +16%). Other growing markets (with growth rates above 30%) include Ukraine (310 millions Euros), Arab emirates (290 millions Euros), Turkey (230 millions Euros) and China (250 millions Euros).

EU manufacturers continue to lose market shares in Japan (strong Euro and competition from China).

Once again, because of ever increasing imports from China (48% of total extra-EU imports), extra-EU25 imports reached record levels. Total extra-EU imports totalled 12,6 billion Euros (+10% compared with 2006), generating a trade deficit of more than 1.5 billion Euros.

China (+31% to 6 billion Euros), Indonesia (stagnating imports) and Vietnam (+16%) are the outsourcing platforms outside Europe. Turkey is also becoming a major supplier to the EU27 with 568 million Euros worth of imported furniture (5% of imports).



Eco-label for furniture

In December 2007, AFAQ/AFNOR (French standardisation body) published a draft for a Commission decision in view of establishing ecological criteria for the award of the Community eco-label to furniture. The UEA immediately reacted and sent its position. Currently there is no demand for an eco-label for furniture neither with the producers, retailers or consumers. Other eco-labels in the habitat area such as the one on mattresses are basically not used and fail in the sense of the eco-label as established and meant in the eco-label directive. Many furniture manufacturers are already recognized in the EMAS scheme and the promotion of the use of EMAS seems a more appropriate and comprehensive way to increase the ecological awareness of the furniture sector than an eco-label. The creation of an eco-label of wooden furniture prejudices all other types of furniture made of other materials by the giving the impression that other types of furniture cannot obtain such a label even though they may be more ecological or may be built according to sound ecological bases. If the Commission follows the reasoning that we need an eco-label for wooden furniture, we also need an eco-label for metal furniture, plastic furniture etc. In order to avoid prejudice such labels should be made available at the same time. Alternatively as furniture is a composite, assembled product, we need to return to an eco-label for all furniture with a clear life cycle analysis of different materials used whereby certain materials can lead to an eco-label and others not. This would necessitate a similar analysis of what is apparently called wooden furniture: a clear distinction between wood and different types wood products used in furniture some of which are certainly less ecological than solid wood.

Furniture standardization

The work of CEN/TC 207 (furniture) continued in 2007. The current strategy by CEN/TC 207 has led to the publication of 63 standards. The TC will continue its current

method of work in order to finalise the work programme by 2011. There is an agreement within CEN/TC 207 to be very restrictive with the introduction of new work items.¹⁴ standards are to be debated & or are under approval. Only one is under development and the work is to be finalized by mid-2011.

In 2007, 6 standards were published after adoption or revision. They are in the next table.

REF N°	TITLE
EN 14703:2007	Furniture - Links for non-domestic seating linked together in a row - Strength requirements and test methods
EN 747-2:2007	Furniture - Bunk beds and high beds for domestic use - Part 2: Test methods
EN 747-1:2007	Furniture - Bunk beds and high beds for domestic use - Part 1: Safety, strength and durability requirements
EN 15338:2007	Hardware for furniture - Strength and durability of extension elements and their components
EN 15373:2007	Furniture - Strength, durability and safety - Requirements for non-domestic seating
EN 581-3:2007	Outdoor furniture - Seating and tables for camping, domestic and contract use - Part 3: Mechanical safety requirements and test methods for tables