BUSINESS PLAN

ISO/TC 136
Furniture

EXECUTIVE SUMMARY

The objective of the ISO/TC is reflected in the scope of TC 136: "Standardization in the field of furniture including: terms and definitions; requirements and test methods.

Being a complex market, the world trade in furniture is estimated to approximately € 73 billion (2008).

Standardization of e.g. test methods plays important roles in all stages of the production and sales process of all kind of furniture. Being a tool in quality control, the standardization in the field of furniture facilitates trade both within and between regions as well as contributing to technical development.

The major benefits of work from ISO/TC 136 are the removal of technical barriers to trade, the promotion of open markets throughout the world and the harmonisation of national or regional standards.

The objective of ISO/TC 136 is to prepare global standards in the field of furniture, concentrating more particularly on terminology, requirements and test methods.

The focus of ISO/TC 136 is on a global harmonisation in order to avoid barriers of trade. Special attention is given to safety aspects and uniformity of test methods.

1 INTRODUCTION

1.1 ISO technical committees and business planning

The extension of formal business planning to ISO Technical Committees (ISO/TCs) is an important measure which forms part of a major review of business. The aim is to align the ISO work programme with expressed business environment needs and trends and to allow ISO/TCs to prioritize among different projects, to identify the benefits expected from the availability of International Standards, and to ensure adequate resources for projects throughout their development.

1.2 International standardization and the role of ISO

The foremost aim of international standardization is to facilitate the exchange of goods and services through the elimination of technical barriers to trade.

Three bodies are responsible for the planning, development and adoption of International Standards: ISO (International Organization for Standardization) is responsible for all sectors excluding Electrotechnical, which is the responsibility of IEC (International Electrotechnical Committee), and most of the Telecommunications Technologies, which are largely the responsibility of ITU (International Telecommunication Union).

ISO is a legal association, the members of which are the National Standards Bodies (NSBs) of some 140 countries (organizations representing social and economic interests at the international level), supported by a Central Secretariat based in Geneva, Switzerland.

The principal deliverable of ISO is the International Standard.

An International Standard embodies the essential principles of global openness and transparency, consensus and technical coherence. These are safeguarded through its development in an ISO Technical Committee (ISO/TC), representative of all interested parties, supported by a public comment phase (the ISO Technical Enquiry). ISO and its Technical Committees are also able to offer the ISO Technical Specification (ISO/TS), the ISO Public Available Specification (ISO/PAS) and the ISO Technical Report (ISO/TR) as solutions to market needs. These ISO products represent lower levels of consensus and have therefore not the same status as an International Standard.

ISO offers also the International Workshop Agreement (IWA) as a deliverable which aims to bridge the gap between the activities of consortia and the formal process of standardization represented by ISO and its national members. An important distinction is that the IWA is developed by ISO workshops and fora, comprising only participants with direct interest, and so it is not accorded the status of an International Standard.

2 BUSINESS ENVIRONMENT OF THE ISO/TC

2.1 Description of the Business Environment

The following political, economic, technical, regulatory, legal and social dynamics describe the business environment of the industry sector, products, materials, disciplines or practices related to the scope of this ISO/TC, and they may significantly influence how the relevant standards development processes are conducted and the content of the resulting standards:

The furniture industry has a complex structure, including a wide range of production units, from highly mechanized factories to small-scale workplaces based on handicrafts.

A great variety of construction materials is used – wood, metals, plastics – often in combination and with additional soft components and textiles.

The furniture market is divided, in most countries in a consumer and a public sector – often with different prerequisites concerning products, marketing channels and quality requirements.

The export/import is extensive, both of components and ready-made furniture.

2.2 Quantitative Indicators of the Business Environment

The following list of quantitative indicators describes the business environment in order to provide adequate information to support actions of the ISO/TC:

Production[i]

This assessment is based on 2008 figures that have been largely derived from data supplied by CSIL (2009) and on historic data extracted from FIRA's (Furniture Industry Research Association) 2002 competitiveness analysis.

World furniture production (2008) is valued at €237 billion, with just 12 countries accounting for over 75% of output. The seven major industrial economies of USA, Italy, Japan, Germany, Canada, France and the UK, together produce €99,4 billion of furniture (46% of the world total).

China is the largest producer of furniture by some distance and, at €57,8 billion, accounts for nearly a quarter of world furniture production. However, with a rapidly growing home demand, only a third of this production is exported. Despite the market size, imports to China are negligible (€0,58 billion).

In 2000, there were three main emerging countries (China, Mexico and Poland). China has clearly continued to grow with its production recording an astounding six-fold increase, much of it driven by a rapidly industrializing economy. Poland produces almost four times as much as in 2000, yet Mexico produces almost €693 million less than in 2000. Malaysia and Indonesia were also considered to be potential rising stars in 2000, but surprisingly output has only increased by 60% and 13% respectively. The new emerging nations are now India and South Korea. It is also interesting to note that Spain now appears in the top 12 world furniture producers. The former Eastern Bloc countries of the Czech Republic, Slovenia and Romania are all beginning to make their presence felt on the world furniture market.

Table 1. Overview of the world furniture industry (2008)						
Country	Production	Exports	Imports	Consumption	Population	Consumption per capita
	€ millions	€ millions	€ millions	€ millions	millions	€
G7						
USA	36 289	2 591	15 356	49 054	305	161
Italy	18 408	8 332	1 618	11 694	60	195
Germany	16 263	7 033	7 058	16 288	82	199
Japan	7 634	566	2 819	9 888	128	77
France	7 255	2 106	5 230	10 380	62	168
Canada	7 051	2 326	3 058	7 782	33	236
UK	7 039	925	5 113	11 227	61	184
Subtotal G7	**99 939**	**23 879**	**40 251**	**116 313**	**731**	**159**
Other Countries						
China	58 061	16 864	633	41 829	1 325	31
Poland	6 999	5 009	974	2 963	38	77
India	6 920	324	299	6 895	1 149	6
Spain	6 273	1 306	2 095	7 062	47	150
South Korea	3 830	359	815	4 285	49	88
Vietnam	3 326	2 138	82	1 270	86	15
Malaysia	2 223	1 639	250	836	28	30
Czech Rep.	2 111	1 558	913	1 465	10	147
Mexico	1 871	773	600	1 696	108	16
Indonesia	1 665	1 193	111	584	240	2
Romania	1 369	1 002	430	797	22	36
Slovenia	794	941	456	310	5	62
Subtotal other	**95 443**	**33 105**	**7 658**	**69 992**	**3 107**	**23**
Non specified	41 265	16 208	23 668	48 526	2 867	17
World	**236 647**	**73 191**	**71 577**	**234 832**	**6 705**	**35**

Note: It is important to recognise the differences between these data and that supplied by ONS. The above figures exclude aircraft and car seats and, for non-European countries, sometimes exclude mattresses, mattress supports and other similar furnishings. However the above figures facilitate comparability between the performances of different countries.

Exports and imports[i]

International trade in furniture (2008) is valued at approximately €73 billion; a significant increase on the 2000 figure of €38 billion. The underlying message is clear; furniture manufacturing is becoming a global business. However, there has been a significant shift in the trading position, as illustrated in Table 3. The G7 countries used to account for 64% of all furniture production and had a significant share of the export market (46%). By 2008 there had been a major reversal of fortunes, with each G7 country experiencing a loss in market share both in terms of production and exports. G7 countries are still amongst the leading furniture producers in the world, although their position is not nearly as dominant as in 2000.

In terms of exports China is now the dominant player, with a 23% share of the export market (compared to 7% in 2000). In second and third positions respectively, Italy and Germany remain powerful exporters (although with a declining relative share). Poland's strong growth in performance has now made it the fourth largest exporter.

Table 2. Furniture market share of the major manufacturing countries				
	Production (2000)	Production (2008)	Exports (2000)	Exports (2008)
	%	%	%	%
G7				
United States	26,7	15,3	5,6	3,5
Italy	9,2	7,8	16,5	11,4
Germany	8,3	6,9	8,4	9,6
Japan	8,5	3,2	0,8	0,8
France	3,7	3,1	4,1	2,9
United Kingdom	3,5	3,0	2,3	1,3
Canada	4,0	3,0	8,8	3,2
Subtotal G7	**63,9**	**42,2**	**46,4**	**32,6**
Other Countries				
China	6,5	24,5	7,0	23,0
Mexico	1,8	0,8	2,5	1,1
Poland	1,3	3,0	4,1	6,8
Indonesia	1,0	0,7	3,0	1,6
Malaysia	0,9	0,9	3,1	2,2
India	n/a	2,9	n/a	0,4
Spain	n/a	2,7	n/a	1,8
South Korea	n/a	1,6	n/a	0,5
Vietnam	n/a	1,4	n/a	2,9
Czech Republic	n/a	0,9	n/a	2,1
Romania	n/a	0,6	n/a	1,4
Slovenia	n/a	0,3	n/a	1,3
Subtotal others	**n/a**	**40,3**	**n/a**	**45,2**
Non-specified	**n/a**	**17,4**	**n/a**	**22,1**
World	**100,0**	**100,0**	**100,0**	**100,0**

Consumption per capita[i]

Due to the influence of a range of parameters, it can be difficult to draw meaningful conclusions about the changes in per capita consumption of furniture. Inflation will, undoubtedly, have contributed to an increase in value from 2000 to 2008, and a comparison between different countries poses problems due to currency valuations and different inflation rates. Furthermore, improvements in manufacturing and changes in the supply chain will undoubtedly have had an effect on comparative pricing, with furniture probably becoming cheaper in real terms. Despite these issues, there are some significant conclusions to be drawn from the per capita consumption figures.

In 2000, the average furniture consumption per capita for the G7 countries was €148. Eight years later this average had only risen to €159 (Table 3). Notably, the USA's consumption per capita decreased to €161 (from €176 in 2000) and Japan's was down by a third to €77. Other G7 countries showed significant increases in consumption per capita (ranging from 20% to 60%) with Canada having almost doubled its consumption to just over €230 per person. Many emerging countries spent more on furniture per capita as a reflection of increased wealth. In 2000, China spent just under €6 per capita, but rapid industrial growth has seen this figure swell almost six fold to €31. Similarly, Poland has increased its consumption per capita by a factor of five, whereas those countries predicted to be larger players in furniture which have not fulfilled their early promise, (Malaysia, Indonesia and Mexico) have only doubled their consumption per capita.

World furniture consumption per capita has remained static from 2000 to 2008 (€35 per person) which suggests that, whilst people in developed countries (small increase) and the emerging countries (approximate 3 fold increase) are spending more, there are other countries whose populations are spending less. Some of these will undoubtedly be the poorer nations. However, a reduction in spend from the largest consumer in the form of the USA (currently accounting for a fifth of world consumption in furniture) has undoubtedly had a significant impact on the overall world consumption per capita figure.

Trade balances[i]

It is interesting to note that in the majority of cases the increased openness of markets has not led to a balanced change in trade. In general, when exports have increased there has not been a matching change in imports and vice versa. There were some notable exceptions to this pattern. The G7 countries have experienced an overall increase in furniture imports of 60% since 2000. For the majority of these countries there was almost, or just over, a doubling of imports during the period.

In contrast, Germany and the USA only increased imports by about 56% and 34% respectively, with Japan at 20%. However, the USA is still the largest importer, accounting for 38% of all imports attributable to G7 nations and 21% of world imports.

Italy, traditionally a strong producer and exporter, has experienced a 133% increase in imports since 2000, albeit from a low starting point. However, it still remains the lowest G7 importer and one of the strongest furniture manufacturing nations in the world. Italy is not, however, totally immune from the impact of developing countries and saw a drop in its share of the world market, in terms of production and exports, compared to 2000.

In 2000, of the G7 countries, only Canada and Italy had a positive trade balance in furniture.

By 2008, Canada was also in a negative trade position (from +€1.7 billion to -€0.7 billion) while Italy's balance had improved to over +€6 billion. Canada's demise is mirrored by its reduced export performance and Italy's positive trade gap is a reflection of its strong export performance (same % of exports to production from 2000 to 2008), continued growth in home production and the relatively small impact of increased imports.

The only other G7 country to show an improved trade gap is Germany. In 2000, Germany had started to close its trade gap over the previous 5 years. This trend has continued and the trade gap is now only €0.2 billion, compared to €1.3 billion in 2000. This position has developed despite an increase in imports and is the result of a considerable increase in furniture exports. 11% of these exports are to the UK. The UK has the second largest trade deficit in furniture behind the USA, totalling over €4.2 billion, with imports equating to 46% of home production.

Table 3. World furniture trade balances

Country	Trade balance (€millions)		Imports/consumption (%)		Exports/production (%)	
	2000	2008	2000	2008	2000	2008
G7						
USA	-9 264	-12 765	32,1	31,3	5,4	7,1
Japan	-2 027	-2 252	15,8	28,5	2,4	7,4
UK	-1 515	-4 188	35,5	45,5	16,8	13,1
Germany	-1 241	-24	32,7	43,3	26,0	43,2
France	-915	-3 125	38,8	50,4	28,6	29,0
Canada	1 834	-733	38,4	39,3	57,4	33,0
Italy	5 704	6 714	7,9	13,8	45,9	45,3
Subtotal G7	**-7 424**	**-16 373**	**24,5**	**34,6**	**18,7**	**23,9**
Other Countries						
South Korea	n/a	-455	n/a	19,0	n/a	9,4
Vietnam	n/a	2 056	n/a	6,5	n/a	64,3
India	n/a	24	n/a	4,3	n/a	4,7
Czech Rep.	n/a	645	n/a	62,3	n/a	73,8
Slovenia	n/a	484	n/a	147,4	n/a	118,5
Spain	n/a	-789	n/a	29,7	n/a	20,8
Romania	n/a	572	n/a	53,9	n/a	73,1
Mexico	579	173	17,8	35,4	35,9	41,3
Malaysia	1 112	1 389	26,0	29,9	85,0	73,7
Indonesia	1 137	1 082	4,0	19,0	78,0	71,6
Poland	1 336	4 034	46,3	32,9	84,3	71,6
China	2 600	16 231	1,6	1,5	27,9	29,0
Subtotal other	**n/a**	**25.446**	**n/a**	**10,9**	**n/a**	**34,7**
Non-specified	n/a	-7 460	n/a	48,8	n/a	39,3
World	**n/a**	**1 613**	**n/a**	**30,5**	**n/a**	**30,9**

The improvements in manufacturing output amongst the rest of the world are also reflected in trade gaps, with China reporting a positive balance of €16 billion followed by Poland and Vietnam (€4,0 billion and €2,1 billion respectively).

There are major differences between how many of the exporting countries operate. Despite its excellent overseas performance in 2008, China still only exported 30% of its production (a smaller percentage than in 2000) because of the rapid growth in its home market. Similarly, India has a high and growing home demand, but is a relatively poor exporter (exports account for only 5% of production).

Other nations with a strong export performance, such as Poland, Malaysia, Indonesia, Vietnam, Romania and the Czech Republic, send the majority of production abroad. Interestingly, the former Eastern Bloc countries also import a significant amount compared to home production (between 33% and 62%), a pattern that is replicated, although to a lesser degree, by Malaysia, Indonesia, South Korea and Mexico (all places that suggested considerable export potential in 2000). China, India and Vietnam all import relatively little.

3 BENEFITS EXPECTED FROM THE WORK OF THE ISO/TC

Standardisation - particularly of test methods with connected performance, safety, ergonomics and environmental requirements – has played and will constantly play important roles in all stages of the production and sales process. Standardisation is an effective tool in the design process, in information and protection, purchase and environmental consideration etc.
By providing instruments for quality control and assessment, ISO/TC 136 contributes globally to technical development and market efficiency.
The major benefits of work from ISO/TC 136 are the removal of technical barriers to trade, the promotion of open markets throughout the world and the harmonisation of national or regional standards.

4 REPRESENTATION AND PARTICIPATION IN THE ISO/TC

4.1 Countries/ISO members bodies that are P and O members of the ISO committee

4.2 Analysis of the participation

ISO/TC 136 has 31 P-members and 31 O-members from Africa, Asia, Australia, Europe,North America and South America with a dominance of actors from Europe and North America, which also are dominant markets.

5 OBJECTIVES OF THE ISO/TC AND STRATEGIES FOR THEIR ACHIEVEMENT

5.1 Defined objectives of the ISO/TC

The objective of ISO/TC 136 is to prepare global standards in the field of furniture, concentrating more particularly on terminology, requirements and test methods.

The focus of ISO/TC 136 is on a global harmonisation in order to avoid barriers of trade. Special attention is given to safety aspects and uniformity of test methods.

5.2 Identified strategies to achieve the ISO/TC's defined objectives

ISO/TC 136 has carried out the greater part of their activities on its work programme.

The actual structure was established 1999. There are a limited number of items on the work program. The goal is to speed up the handling of the work items. A work group (project group) should be established for one or a few items, then, after finalising the work the work group should be disbanded.

In order to reflect the situation of the actual standardization system, an analysis on the future structure of ISO/TC 136 structure is advisable. This action could lead to a more effective and flexible TC structure.

6 FACTORS AFFECTING COMPLETION AND IMPLEMENTATION OF THE ISO/TC WORK PROGRAMME

A continued active commitment on the part of the stakeholders is essential for the completion and implementation of the work programme.

7 STRUCTURE, CURRENT PROJECTS AND PUBLICATIONS OF THE ISO/TC

This section gives an overview of the ISO/TC's structure, scopes of the ISO/TCs and any existing subcommittees and information on existing and planned standardization projects, publication of the ISO/TC and its subcommittees.

7.1 Structure of the ISO committee

7.2 Current projects of the ISO technical committee and its subcommittees

7.3 Publications of the ISO technical committee and its subcommittees

Reference information

Glossary of terms and abbreviations used in ISO/TC Business Plans

General information on the principles of ISO's technical work

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[i] Source: *Data and text are taken from the FIRA publication "Competitiveness of the UK Furniture Manufacturing Industry - 2010", with minor changes*