

British Furniture Confederation

# PLAN FOR GROWTH

2025







2024 was a consequential year for the UK Furniture & Beds, Furnishings and Flooring (FFF) sector, with new political leaders in Westminster, Holyrood, and the Senedd. The changing political environment creates uncertainty for businesses operating in the UK but also brings an opportunity for fresh ideas and establishing a clearer direction for a sector often overlooked by government.

As the FFF sector looks towards the future, it is essential to ensure that this dynamic and vital sector is supported through government policies that promote further growth and sustainability. In 2023, the sector demonstrated resilience, despite global supply chain disruptions and economic volatility. Valued at c.£41 billion, it continues to thrive across a broad marketplace, from residential interiors to large-scale commercial projects. However, the path forward demands more than resilience; it requires strategic adaptation to rapidly evolving customer needs, regulatory changes, and environmental challenges.

The British Furniture Confederation (BFC) remains committed to advocating for policies that support the sector across four key pillars: 1) Skills and Education, 2) Trade and Exports, 3) Standards and Regulations, and 4) Environment and the Circular Economy. Through our ongoing dialogue with the UK Government, devolved administrations, industry leaders, and other stakeholders, we aim to ensure that the FFF continues to flourish and be recognised for the enormous economic contribution it makes.

Trade and exports are particularly crucial to the vitality and growth of the UK FFF sector. As the UK Government develops its Industrial Strategy, it is essential that the role of international trade is at the forefront of its vision for the sector. For the sector to maximise its potential growth, policy support is needed to address trade barriers, secure access to emerging markets, and streamline regulatory frameworks in alignment with international standards. By prioritising a robust export strategy, the Government has an opportunity to enhance the UK's manufacturing base and drive economic prosperity across all regions of the UK.

The BFC is committed to working closely with the UK Government and devolved administrations to foster a thriving, resilient, and forward-looking FFF industry. The BFC Plan for Growth 2025 examines the key challenges that our sector is facing and sets out a series of recommendations for government to deliver growth.

**Jonathan M. Hindle FCSD**

Chairman, British Furniture Confederation

## Foreword





## About the British Furniture Confederation (BFC)



The BFC is an umbrella body representing the UK's leading furniture and furnishing trade associations: the British Furniture Association (BFA), the National Bed Federation (NBF), Furniture Industry Research Association (FIRA), Furniture Makers' Company (FMC), Carpet Recycling UK (soon to become the UK Sustainable Flooring Association - UKSFA), and Commercial Interiors UK (CIUK). The BFC maintains regular dialogue with government and other key stakeholders to ensure that all policies and initiatives support a thriving Furniture & Beds, Furnishings and Flooring (FFF) sector, advocating for an environment where businesses within the sector can thrive and innovate.

The UK FFF sector is broader and more integral to the economy than often perceived. Official statistics for 2023 indicate the value to the economy of the sector as a whole, including retail sales, was c.£41 billion, supporting more than 260,000 jobs across over 33,000 businesses. This diverse sector covers products for residential, commercial, hospitality, educational, and healthcare spaces, providing essential goods and services for a wide range of public and private needs.

A key part of the BFC's work is supported by the All-Party Parliamentary Furniture Industry Group (APFFIG). The BFC has sponsored the Group's secretariat since its creation in 2006. The APFFIG plays a key role in ensuring that the challenges and opportunities facing the FFF sector are discussed in the UK Parliament and civil servants and ministers are better informed. This enables the sector to shape policy decisions and ensure legislation and regulations support not hinder UK companies.

### The BFC's objectives are clear:

1. To help secure the long-term future and prosperity of the British FFF sector.
2. To raise the profile of the sector at a political level to ensure that the industry gains the recognition and attention that its size deserves.
3. To formulate strategies for dealing with key industry issues.
4. To support and inform politicians of all parties through the All-Party Parliamentary Furniture Industry Group.

As the BFC continues its work following the General Election in July 2024, it remains committed to driving growth, innovation, and sustainability across the sector ensuring the UK remains a global leader in FFF design and manufacturing.

- Total manufacturing turnover for the sector in 2023 was £9.6 billion, deriving from c.9,000 companies employing 94,000 individuals. This turnover represents a year-on-year decline of 5% on 2022. The wider sector, including retail, is comprised of over 33,000 companies, contributing over £41 billion to the UK economy
- The FFF sector is dominated by micro and small to medium size businesses. Less than 500 companies operate with turnovers in excess of £5 million, 83% of companies turn over less than £1 million. The largest percentage of companies are in the £100,000 to £250,000 turnover band.
- Consumer expenditure in 2023 for the FFF sector was in excess of £28.7 billion but this represented a fall of 6% on 2022.
- Imports of FFF into the UK in 2023 were £11.96 billion, a drop of 13% compared with 2022. China accounts for almost a third of this (£3.85 billion), with Italy (£972 million), Poland (£878 million) and Germany (£839 million) following. FFF exports from the UK grew 11% from 2022 to 2023, reaching £3.49 billion.



## Statistics

– The Furniture & Beds, Furnishings and Flooring (FFF) Sector



*Statistics are a compilation of published statistics and market information which has been sourced primarily from the Office for National Statistics (ONS), HM Revenue and Customs, Communities and Local Government and Bank of England web sites. Compiled by Furnishing Report on behalf of FIRA.*

The BFC works closely with the following organisations:









In mid 2024, the BFC undertook a survey of members of the trade associations who are in the BFC. The majority of responding businesses identified as UK manufacturers, though some members also operate as UK wholesalers, importers, or manufacturers of components or materials.

41% of respondents employed less than 50 people, and 51% employed less than 100. The questionnaire covered a range of key issues such as export support, staff training, planned business growth, and environmental initiatives, and highlighted several strengths within the FFF sector.

- Many companies reported resilience in the face of economic challenges, with 45.5% expecting sales to improve in the latter half of 2024, and only 11.5% predicting a further downturn.
- The sector is home to a number of major employers: 20% of respondents turn over £50 million annually, and 18% employ over 500 members of staff.
- 95% of respondents offer training to staff, of which 38% offer bespoke, in-house training, while 62% offer a mix of this and externally accredited options.
- The sector's commitment to the green agenda is already evident: 70% of businesses consider recycling, re-manufacturing, and other circular economy initiatives when bringing new products to market. 81% of respondents are planning to invest in sustainability and circular economy practices in the next 5 years.
- 79% of respondents have plans to invest, with 49% of this group planning investments in staff training, 46% in plant and machinery, and 39% in research and development.

## BFC Industry Survey 2024

### STRENGTHS



# BFC Industry Survey 2024

## CHALLENGES



Despite the sector demonstrating resilience and strength in the face of challenging economic circumstances, there are a number of challenges which persist. Labour shortages continue to challenge the industry, with 23% of companies identifying this as a key factor holding back their growth. Brexit has compounded these issues: only 44% of respondents export their products and 92% do not access any government funding to exhibit overseas. Businesses cite increased paperwork, supply chain disruptions, and tariffs as consistent barriers to accessing the export market. Additionally, uncertainty surrounding new regulations and inflationary pressures continue to further constrain the growth of the sector.

- Rising material costs are a major concern, with 86% of businesses reporting increases in the first half of 2024. Looking ahead, just 2% of respondents believe that material costs will go down.
- 45% of respondents reported that sales had been worse than the last half of 2023, 39% reported static sales – only 16% said they had increased. Of those respondents who export, 71% said their exports have decreased.
- There is significant concern regarding the cost, complexity, and enforcement of updated Furniture and Furnishings Fire Safety Regulations. 68% of respondents believe implementation and testing will be prohibitively expensive, while 59% do not think the regulations will be adequately enforced.
- Only 29% of respondents have seen their headcount rise over the past 12 months and 40% have remained the same; 57% of companies report that they expect to experience skills shortages within the next five years.
- Only 7% of respondents reported that their companies are growing. Key factors that respondents identified as holding back growth include sales (68%), uncertainty (68%), and the cost of living crisis (66%).



Despite several challenges, there are clear opportunities for growth within the FFF sector. Export markets, especially outside the EU, present a significant opportunity, with 44% of businesses already engaged in export activities. Given the concerns about reduced exports – 71% reported decreases – the Government should increase funding for export-related activities, such as participation in international exhibitions, and aim to streamline export documentation and reduce paperwork, which 88% of respondents identified as a beneficial intervention that would encourage them to export more.

Beyond exports, there is a broad demand across the sector for expanding access to financial assistance for FFF businesses, particularly for those investing in sustainability and innovation. With 57% of respondents calling for more grants and 45% favouring VAT reduction, this financial assistance could focus on automation, plant and machinery upgrades, and green technologies, spurring further growth and innovation in the sector.

Sustainability initiatives, particularly relating to the circular economy, are an area where companies see particular potential for innovation and growth. With the majority of the FFF sector yet to fully embrace re-use, remanufacturing, or recycling practices, there is potential to capitalise on rising demand for sustainable products and make the UK a world leader in this area. However, with 80% of respondents identifying consumer unwillingness to pay for sustainable goods as a barrier, the Government must educate consumers about the value of sustainable products and the long-term environmental benefits, encouraging demand for sustainably manufactured Furniture & Beds, Furnishings and Flooring. This could take the form of public awareness campaigns or interventions at the secondary school level. Moreover, taking forward the previous Government's work on Extended Producer Responsibility (EPR) schemes could incentivise manufacturers to design more recyclable products

The FFF sector faces significant skills shortages, with 57% of respondents expecting shortages in the next five years. The Government could provide targeted funding for apprenticeships aligned with industry needs, supporting the 45% of businesses that find current funding inadequate, and promote manufacturing as an attractive career option in schools – 36% requested more skills training support. In addition to apprenticeships, the Government could promote partnerships between the FFF sector and educational institutions to provide vocational training programmes focused on growth areas.

## BFC Industry Survey 2024

### OPPORTUNITIES



#### What can Government do to help?

- Greater coordination between industry and Government
- Enhanced export support and finance
- Robust standards and regulations

## Skills and Education

The skills gap is a critical issue facing the UK FFF sector. An aging workforce and difficulties in recruiting young talent have created a labour shortage, particularly in specialised roles such as upholsterers and furniture designers. Our 2024 Survey found that 57% of respondents expected to experience skills shortages in the next five years.

The number of new apprentices within the FFF sector has gradually increased over the last few years, from 440 people starting courses in 2017-18 rising to 700 in 2021-22. Nonetheless, the industry has taken time to embrace apprenticeships, with only 40% of businesses employing apprentices. There are a number of factors that have made it challenging to grow this number, including a lack of suitable candidates and funding issues.

The FFF sector in England is primarily supported by a handful of training providers, which often leads manufacturers to collaborate with local schools and colleges due to geographical constraints and limited access to these providers. This shortage of training options frequently forces students to travel considerable distances for day-release programmes or incurs additional costs for training providers to deliver onsite training. Moreover, apprenticeships within the industry are typically at Levels 2 and 3, requiring minimum grades of A-C in Maths and English. Whilst many potential candidates possess strong practical skills, they sometimes struggle with academic requirements making them hesitant to participate in apprenticeship schemes.

The Furniture & Interiors Education, Skills & Training Alliance (FIESTA) is working to close the skills gap, simplify the process of taking on apprentices and improve connections between employers and training providers, while the launch by the Furniture Makers Company of a new early careers website clearly demonstrates the industry's willingness to invest in skills and education. However, this must be enabled by well-informed policy and sufficient funding.

The BFC welcomed the Labour Party's announcement of Skills England, as well as its manifesto commitment to bring forward a comprehensive strategy for post-16 education, guaranteeing training, an apprenticeship, or help to find work for all 18- to 21-year-olds. It is encouraging to see greater focus on this policy area and the BFC looks forward to working with the Government to deliver on these commitments.





## Skills and Education: Calls for Action

To address the skills shortage, the BFC calls on the Government to:

1. Increase engagement between schools, the Department for Education, and the furniture & beds, furnishings and flooring industry to improve the content of the school curriculum and expose students to career opportunities in manufacturing.
2. Set an apprentice hourly salary for ages 21 and over at a materially higher rate, enabling those who are retraining later in life to consider manufacturing and enter the FFF sector via the apprenticeship route.
3. Review careers advice provision in secondary schools, ensuring that students understand the opportunities available to them in the furniture & beds, furnishings, and flooring industry and the manufacturing sector at large.
4. Increase funding bands for 16 to 19 study programmes, ensuring that training providers can recruit high-quality trainers and keep up with rising costs.
5. Establish consistent communications between Skills England and the British Furniture Confederation, ensuring that businesses are adequately consulted on what training should be available via the new Growth and Skills levy.



## Trade and Exports



Exports remain a key focus for the FFF sector, which relies heavily on international markets, particularly in the EU. According to the BFC Survey, of those members who do export, 80% do so to the EU or other European countries. Whilst post-Brexit regulations have introduced complexities, many BFC members who have previously focused on the UK home market are starting to consider exporting opportunities as a way to drive sales and boost production through their factories. 48% of companies are looking to expand exports beyond Europe to markets such as the Middle East, Far East, and North America.

The BFC welcomes Labour's manifesto commitment to make economic growth a central priority of government policy, including its plans to leverage the UK's diplomatic network to attract foreign direct investment and expand export markets. For the FFF sector, this is an encouraging step towards opening up new international opportunities for British manufacturers and designers, enabling them to compete globally. The BFC fully supports the Government's efforts to reset the relationship with the EU will result in less complexity for FFF manufacturers looking to export to the EU. The Government's growth mission has the potential to boost the UK's FFF exports, create jobs, and strengthen our position as a leader in the global market. We look forward to collaborating with the Government to ensure the industry benefits fully from these initiatives.

Trade shows and international exhibitions remain an excellent opportunity for companies to support their exporting journey. Historically, the UK Government provided vital financial support for participation in key international events, but this has been significantly reduced. Currently, assistance is limited to nominal amounts, such as £2,000, and is available only to first-time exhibitors. Expanding such financial support could be crucial for enabling UK businesses to compete on a global stage and drive forward the Government's growth agenda.

International competitors, including in Germany, France, Italy, Spain, Turkey, and Australia, benefit from considerable funding and greater flexibility in aligning with industry priorities and growth markets. These countries invest more than £20 million annually through industry-supported schemes, either directly or via industry bodies. The BFC hopes the UK Government will explore ways to provide greater support for domestic manufacturers to present at international exhibitions, following the best practices of these nations.

**In addition, the BFC calls for steps towards a more competitive, low-tax, business-friendly environment that fosters growth, encourages investment, and drives long-term economic success.**



# Trade and Exports: Calls for Action

## The BFC urges the Government to:

1. Provide more targeted support to UK manufacturers to exhibit overseas, in the form of grants and technical support, enabling domestic firms to expand into new markets and increase global visibility.
2. Appoint a Manufacturing Champion to act as the primary advocate for the UK manufacturing sector within government, engaging with industry and ensuring that its needs and challenges are appropriately addressed by policymakers.
3. Establish a central source of guidance for UK manufacturers on accessing international markets, grants, tax relief, and other financial support, enabling businesses to take advantage of opportunities to expand and drive economic growth.





## Standards and Regulations



The UK FFF sector is committed to maintaining high standards in product safety, particularly around fire safety. A much-delayed issue of major significance to the sector is the revision of the regulations for the fire safety of domestic upholstered furniture: *The Furniture and Furnishings (Fire) (Safety) Regulations 1988 (amended 1989, 1993 and 2010)*.

Following continued pressure from the APPFIG, the last Government published its consultation in August 2023 on its proposed new approach to fire safety regulation and the industry has been extremely active in its response to the proposals. The proposals included changes to the regulations' scope, essential safety requirements, conformity assessment, labelling, technical documentation, implementation timeline, and measures to reduce chemical flame retardants.

Responses were informed by extensive briefings from all furniture trade associations and their members. The BFC looks forward to working with the new Government to ensure regulations proposed are workable and do not impact British manufacturers adversely.

The BFC welcomes Labour's commitment to establish a new Regulatory Innovation Office to modernise and streamline regulation as part of the Government's growth agenda. As technology increasingly intersects with the FFF sector, from AI-driven design to smart manufacturing processes, a more agile regulatory framework will be essential for fostering innovation while ensuring compliance with safety and environmental standards. By speeding up the development of regulation, the new Office promises to make the UK a more competitive environment for both traditional and tech-driven FFF businesses.



# Standards and Regulations: Calls for Action

## The BFC calls on the Government to:

1. Work with the BFC to refine the key proposals from the response to the 2023 review of the Furniture and Furnishings (Fire) (Safety) Regulations 1988 (amended 1989, 1993 and 2010), that was published on 22 January 2025, providing clarity to the industry and offering confidence to invest in new, safer products – in line with the Government's commitment to reforming fire safety regulations and reducing reliance on chemical flame retardants.
2. Provide clarity on post-Brexit regulatory alignment, particularly regarding product safety and mutual recognition.
3. Allocate greater resources to the enforcement of product safety regulations, particularly for the updated Furniture and Furnishings (Fire) (Safety) Regulations, and ensure these new standards are implemented consistently across product types.
4. Recognise the British Furniture Confederation as an industry expert body, representing over 33,000 businesses in the UK, to be consulted by the Government as a priority on key policy and regulatory issues of relevance to the furniture & beds, furnishings and flooring sector.



## Environment and the Circular Economy



Sustainability is becoming an increasingly significant focus for the UK FFF sector, with 93% of respondents to the BFC Survey 2024 considering sustainability practices to be important. Many companies are already implementing waste reduction strategies, with 68% using eco-friendly packaging and 61% recycling post-production waste. However, barriers such as high implementation costs and customer unwillingness to pay for sustainable products are holding back wider adoption of circular economy practices.

If UK manufacturers are not safeguarded against imports from manufacturers with poor environmental standards, the financial burden of adopting environmentally sustainable practices could render UK manufacturers uncompetitive. A significant portion of the UK consumer base is highly price-sensitive, and while they may theoretically support the principles of the green agenda, they are unlikely to pay the premium required for environmentally friendly options. Instead, they will prioritise cost-effectiveness, giving little or no consideration to the environmental impact of the product when making purchasing decisions. The European Union is introducing a Carbon Border Adjustment Mechanism (CBAM) on green imports to protect its manufacturers; and the Labour Government has committed to introducing its own CBAM.

The publication of the Waste Prevention Policy for England in July 2023, more than two years after the consultation, indicated that the previous Government had abandoned its original plan to consult on an Extended Producer Responsibility (EPR) scheme for bulky waste by 2025, opting instead for a commitment to review the issue. This has left the FFF sector without clear guidance or a long-term strategy, creating uncertainty that hinders investment in sustainable solutions. And while parts of industry, such as the mattress and carpet sectors, have explored the creation of industry-led EPR programme, it is vital that the Government engages in this process to ensure that all such initiatives align with the Government's existing commitments around growth and waste reduction. Lack of clear direction has inhibited businesses in the waste and recycling from investing to meet landfill diversion targets, and effective End-of-Life recycling solutions remain undeveloped.

With the Labour Party having committed in its manifesto to reducing waste by moving to a circular economy and prioritising our sector within this commitment, we now requires clear direction from the Government on how it plans to deliver on this. While other countries have developed advanced EPR initiatives, the UK risks falling behind. Therefore, the BFC is calling on the Government to collaborate with industry to implement effective EPR and other strategies that drive meaningful change in the FFF sector.



## Environment and the Circular Economy

The BFC has a keen interest in being actively involved at the earliest stages of policy development concerning the FFF sector on both Extended Producer Responsibility (EPR), and the forthcoming digital product passports under the Ecodesign for Sustainable Products Regulation (ESPR). Initiatives such as the National Bed Federation's (NBF) "Pledge for the Planet", its eco-design assessment tool, and the Furniture Industry Sustainability Programme (FISP) demonstrate the proactive efforts that our industry is taking to support the Government's environmental goals. Indeed, Carpet Recycling UK is unique in that its remit is solely to support the textile flooring industry on sustainability and the circular economy.

A scenario where stakeholders are consulted only at the final stages of policy development should be avoided, and the BFC also has concerns regarding the representation of the FFF industry within the newly formed CE Taskforce. The single point of reference is within a limited area of the office furniture market and does not reflect the expertise, initiatives and challenges within the wider industry including manufacturers and service organisations from the office, contract, retail and bedding and floorcoverings sectors.

Early involvement of the BFC would enable them to provide valuable input based on the practical realities of the sector's operations and supply chains; support the development of robust, evidence-based policies that align with existing industry practices and tools; and facilitate smoother adoption and compliance by industry stakeholders.







## Environment and the Circular Economy: Calls for Action

To promote sustainability,  
the BFC urges the Government to:

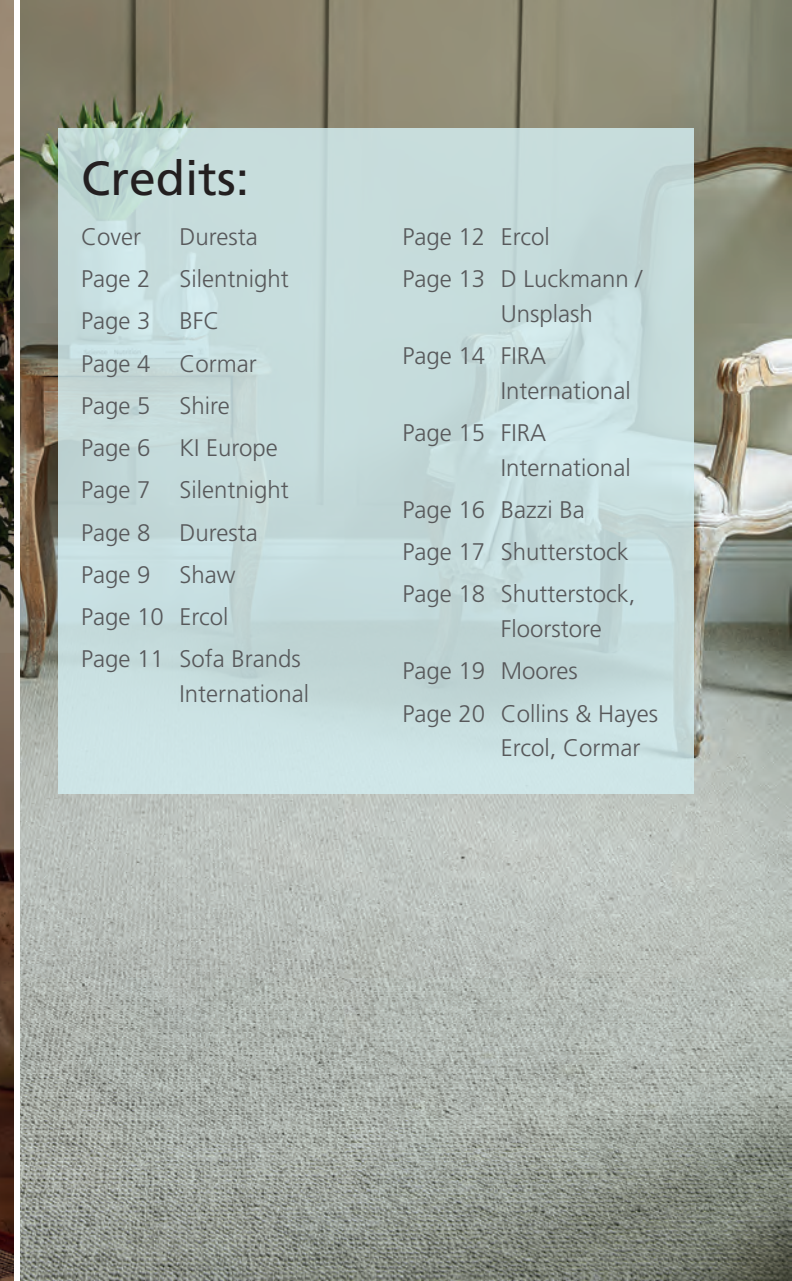
1. Ensure any Waste and Recycling Taskforce to develop recommendations for the Government on improving recycling rates and transitioning to a circular economy includes representatives from all sub-sectors of the furniture & beds, furnishings, and flooring industry.
2. Progress the introduction of a Carbon Border Adjustment Mechanism (CBAM) in close consultation with industry, ensuring that high-emission FFF cannot overwhelm the UK market and undercut domestic production.
3. Progress work on the Extended Producer Responsibility scheme for bulky waste, ensuring that industry is adequately consulted throughout, in order to provide long-term certainty to both manufacturers and companies involved in waste management and recycling.
4. Provide greater financial support for research and development into environmentally friendly materials, particularly for SMEs.
5. Allocate greater resources to the enforcement of environmental standards and ensure that environmental regulations are implemented consistently across product types.











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