



# BFM Update

The Association for British Furniture Manufacturers

[www.bfm.org.uk/](http://www.bfm.org.uk/)

[www.greatbritishfurniture.co.uk/](http://www.greatbritishfurniture.co.uk/)

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## BFM Links

Press links for

- Suppliers to furniture trade
- Discounts on testing furniture
- Trade credit insurance
- Business insurance
- BFM logo

## Business Contract Opportunities

### France

#### Opportunity Title: **Chesterfield sofa**

A French household and kitchen furniture company in North-West France is interested in acquiring 1 quality dark-green leather Chesterfield sofa for a client. Sofa to be delivered to France.

Quality required  
High

Contact  
[adamason@bfm.org.uk](mailto:adamason@bfm.org.uk)

### Dominican Republic

#### Opportunity Title: **Hotel furniture**

[Muebles Yoyo](#), a furniture manufacturing company wishes to import furniture from the UK to add to its catalogue

Contact  
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## Increase in National Minimum Wage

The Government has agreed with the Low Pay Commission's (LPC) recommendations to increase the National Minimum Wage (NMW) from 1<sup>st</sup> October 2010 as follows:

Rate	Coverage	Current rate Per hour	New hourly rate from 1 <sup>st</sup> Oct 2010	% uplift
Adult	From age 21	£5.80 *	£5.93	2.24%
Youth	Age 18/20	£4.83	£4.92	1.86%
Under 18	Age 16/17	£3.57	£3.64	1.96%

Apprentice	Aged under 19 & those aged 19 and over in first 12 months of apprenticeship	-	£2.50	
* From Oct 2009, payable from age 22				

The new rates include for the first time a minimum apprenticeship rate of £2.50 per hour and reduces the age from which the adult rate is payable from age 22 to age 21.

The LPC say that the new rates 'balances the needs of workers against the challenges that remain for businesses'

For those which apply the BFM/GMB National Labour Agreement (NLA), the lower rate in the current agreement (covering labourers/packers/porters) is the same as the prevailing NMW at £5.80 per hour. To increase the NLA rate to £5.93 will represent an increase of 2.24%. The current NLA agreement relates to 2009. In February we agreed to postpone negotiations for a 2010 agreement because of the difficult economic conditions.

We are due to meet the GMB in May to review the trading situation with a view to agreeing a 6-months agreement effective from June this year, and the new NMW will no doubt influence the approach of the GMB. We will be consulting with members soon to determine the employers negotiating brief.

For a copy of the LPC's recommendations please see: [2010 LPC pay report](#)



## Economic overview update- furniture manufacturing:

The BFM has acquired from Government sources the following trading, production & consumer statistics

Index of production - furniture						
	2004	2005	2006	2007	2008	2009
Annual Index	100.6	100	98.6	100.9	95.9	82.9
% 12 month change	+0.1%	-0.6%	-1.4%	+2.3%	-5.0%	-13.6
	Q 1 2009	Q2 2009	Q3 2009	Q4 2009	Jan 2010	
Quarterly Index	82.7	82.5	82.7	83.6	84.0	
% 12 month change	-20.2%	-17.4%	-13.8%	-0.5%	+1.3%	

Retail sales - value and volume sold - - furniture (includes lighting)

## Business Links

Press links for

- Procurement - Supply2.gov
- Changes to the law affecting business
- Financial support for business

Value	2004	2005	2006	2007	2008	2009
Annual Index	102.6	100	104.6	107.1	105.7	98.7
% 12 month change	+4.7%	-2.5%	+4.6%	+2.4%	-1.3%	- 6.6%
	Q 1 2009	Q2 2009	Q3 2009	Q4 2009	Jan 2010	
Quarterly Index	92.1	90.6	100	112.2	85.3	
% 12 month change	-15.3%	-13.5%	- 1.6%	+12.2%	-13.0%	

Volume	2004	2005	2006	2007	2008	2009
Annual Index	103	100	104.6	105.4	101.8	92.6
% 12 month change	+4.7%	-2.9%	+4.6%	+0.8%	- 3.4%	-9.0%
	Q 1 2009	Q2 2009	Q3 2009	Q4 2009	Jan 2010	
Quarterly Index	88.8	84.9	94.1	102.5	80.7	
% 12 month change	-17.3%	-14.8%	-4.0%	+0.8%	-16.9%	

### Prices charged by retailer - household furniture index taken from consumer price indices

	2008 Over 2007	2009 Over 2008	Q 1 2009	Q2 2009	Q3 2009	Q4 2009	Jan 2010	Feb 2010
% change over 12 months	+5.0%	+4.2%	+4.6%	+2.3%	+4.7%	+5.4%	+6.5%	+6.9%

### Costs to furniture manufacturers - materials and fuel

	2008 Over 2007	2009 Over 2008	Q 1 2009	Q2 2009	Q3 2009	Q4 2009	Jan 2010	Feb 2010
% change over 12 months	+6.7%	+1.4	+4.7	+1.1	-0.6%	+0.6	+2.0	+2.6

### Producer prices - furniture manufacturing (prices at factory gate)

% change over 12 months	2008 Over 2007	2009 Over 2008	Q 1 2009	Q2 2009	Q3 2009	Q4 2009	Jan 2010	Feb 2010
Chairs & Seats	+3.7%	+4.3%	+6.7%	+5.6%	+3.3%	+1.9%	+1.9%	+1.9%
Wooden furniture for dining/living/bedroom	+5.8%	+3.6%	+4.6%	+3.3%	+3.5%	+2.9%	+5.0%	+5.4%
Kitchen	+3.9%	+2.8%	+5.3%	+3.8%	+1.0%	+1.3%	+1.1%	+1.1%
Mattress/mattress supports	+1.4%	+4.3%	+6.0%	+8.0%	+3.3%	+0.2%	-2.0%	-4.6%
Wooden furniture	+3.1%	+2.8%	+4.2%	+3.5%	+2.5%	+2.3%	+1.1%	N/A

used in offices

Other office and shop +1.9% +2.4% +2.4% +2.2% +1.6% +1.5% +1.4% +1.0%

## Inflation: current and 2010 forecasts

	Average 2009	February 2010	2010 Forecasts April	August	December	Average 2010
All items RPI	- 0.5%	+3.7%	4.1%	3.2%	3.1%	3.4%
CPI	+2.2%	+3.0%				

Forecasts averaged from 8 different renowned sources - as compiled by Incomes Data Services

## Commodity prices

Soon we will be adding more price data to the Commodity items on the BFM web site. Two examples are shown below:

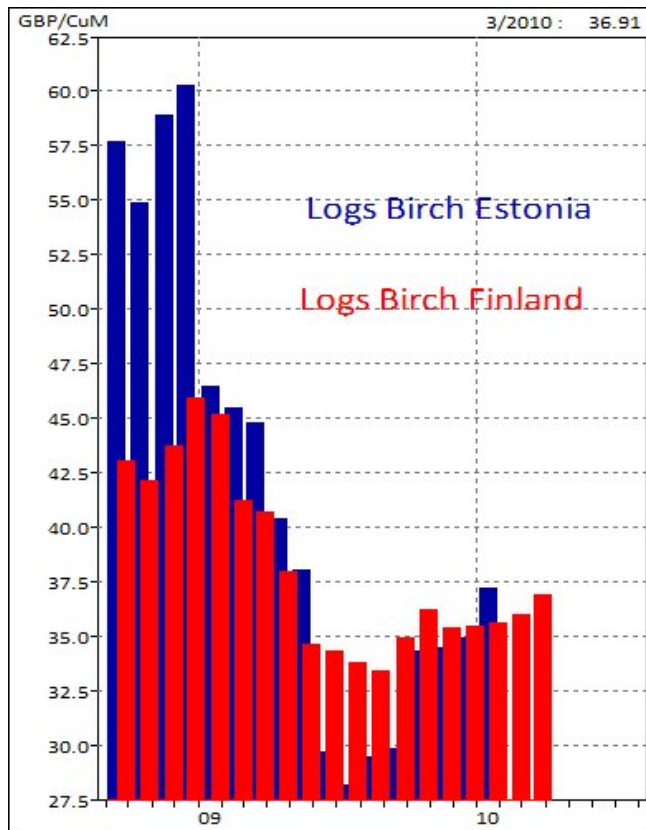
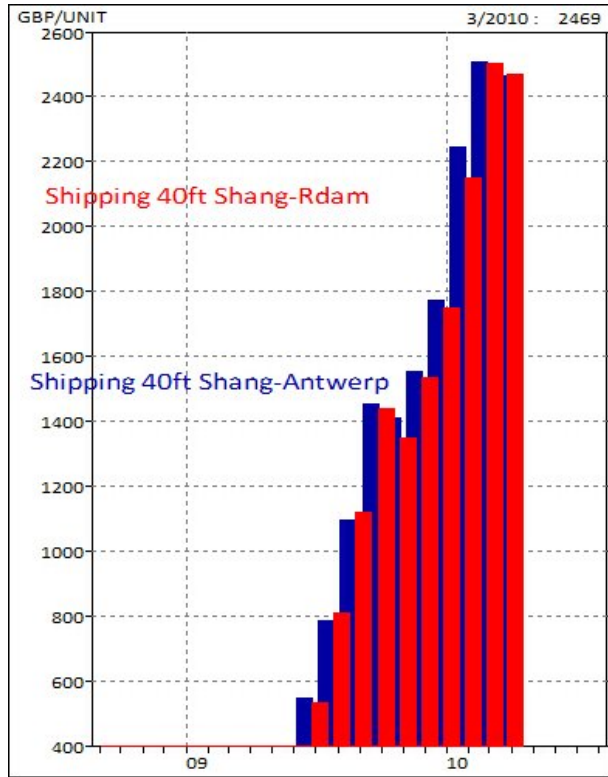
Container shipping rates – 40 ft – from Shanghai to the European base ports of Rotterdam and Antwerp. Although, the destination port is not UK, it gives a good idea of rates and trends – 20ft container rates are also available

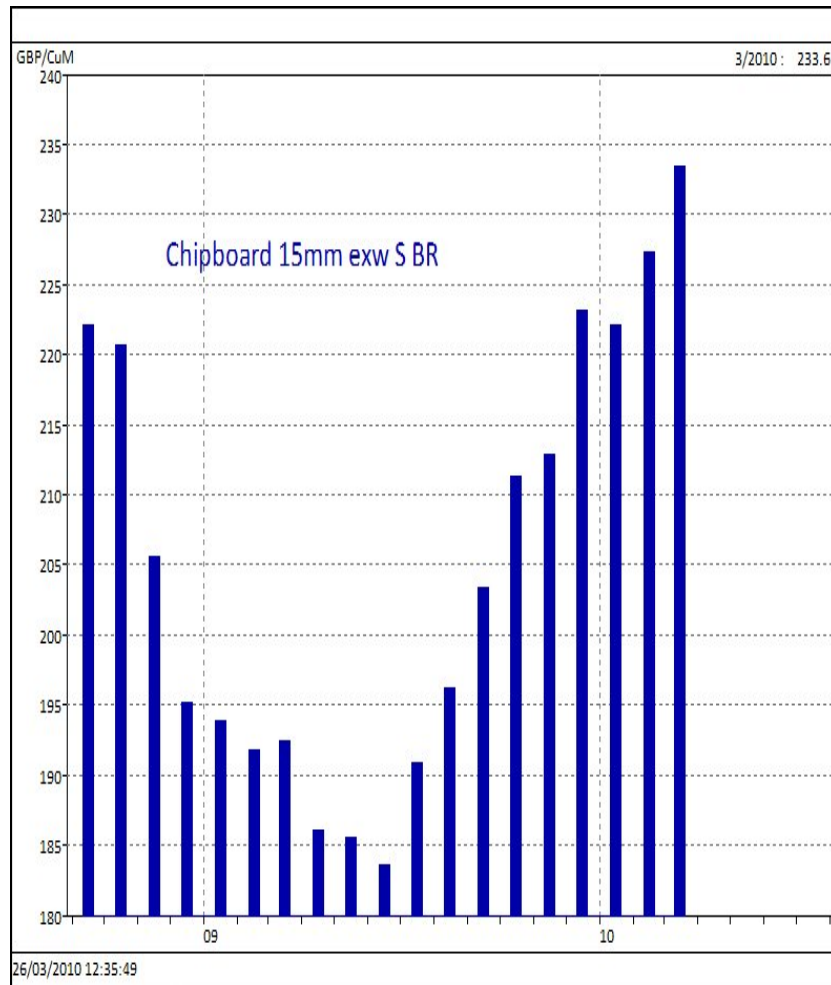
Price comparisons – in this case birch logs from Finland and Estonia

Chipboard 15mm – this data has been difficult to obtain but we do have it now from a Brazilian source



Prices on over 90 commodity items are available at BFM members area





## Agency workers Regulations

The regulations take effect on 1 October 2011 and implement the EU Temporary Agency Workers Directive. The regulations could mean extra costs for those who use agency workers.

### Equal treatment

The basic principle underlying the regulations is a right for agency workers to receive the same basic working and employment conditions - such as pay and holidays - as a permanent employee recruited by the hirer doing the same job or broadly similar. The 'hirer' is the term given to the organisation which takes on a worker through an employment agency. The agency worker does not have to point to a flesh and blood comparator doing work on better terms and conditions – a hypothetical comparison will do.

The rights on pay will apply not just to the basic hourly rate, but to all pay for work done, including bonuses that are directly related to the performance of the agency worker personally. Other bonuses however which are related to performance appraisal and similar organisational arrangements concerned with longer term aims such as motivation and staff retention are not subject to the

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principle of equal treatment. Similarly, the rights of the agency worker will not extend to other benefits that permanent staff can enjoy in the context of their longer-term relationship with their employer, such as occupational pensions and sick pay.

The agency worker is entitled to information about internal vacancies to give them the same opportunity as other workers to find permanent employment; and also to equal access to on-site facilities such as transport services.

### Qualifying period

The right to equal treatment does not apply until the worker has satisfied a 12-week period of service in the same role in one or more assignments. If there is any break during an assignment or between assignments continuity is only broken if the break is six calendar weeks or more. Continuity is also broken if the worker is given a new role comprising substantively different duties or work. Periods of absence continue to count towards the 12-week qualifying period where they relate to pregnancy, childbirth or maternity for a protected period of up to 26 weeks after a woman has had her child.

The regulations introduce 'anti avoidance' measures to prevent assignments being structured to deny agency workers from gaining rights and if a hirer and/or agency is found to be in breach of these measures, an employment tribunal may make an additional award of up to £5000.

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## Employment law changes from April

This is just a reminder that from April this year a number of changes take effect:

Time off for training – From 6<sup>th</sup> April 2010 - Employees in firms with more than 250 employees will gain the right to request time off for training. The right will be extended to all employees from 6<sup>th</sup> April 2011.

Sickness absence: From 6<sup>th</sup> April 2010 - A new statement of fitness for work is being introduced to replace existing medical statements (or 'sick notes').

Additional paternity leave and pay: Eligible employees gain the right to share their partner's statutory maternity or adoption leave. Although coming into force next month the new rules will apply for babies due on or after 3 April 2011.

All these areas are dealt with in more detail in the [BFM members area](#) of the web site

Meanwhile, a committee of the European Parliament has voted

to increase the minimum period of paid maternity leave to 20 weeks' full pay. In the UK currently, of the 39 weeks paid leave only 6 weeks are at 90% of earnings, the remainder is at a flat statutory rate. It goes before the European Parliament for approval on 18<sup>th</sup> May 2010.

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