



FESI press release on today's decision to impose preliminary import duties on leather footwear from China and Vietnam

Brussels, 16th March 2006

Commission should revise anti-dumping decision over next few months to minimise pain for European consumers and industry

Today, the member states of the European Union approved the European Commission's proposal for provisional anti-dumping duties on leather footwear imports from China and Vietnam.

The Federation of the European Sporting Goods Industry (FESI) believes that taxing Chinese and Vietnamese shoe imports is a serious setback for the competitiveness of the European footwear industry and will lead to unjustifiable price increases for European consumers.

"The proposed duties are a subsidy to a few uncompetitive producers for which European importers, retailers and consumers will have to foot the bill," said FESI President Horst Widmann.

"The duties will do nothing to help the European footwear industry to maximise the opportunities presented by global supply chains and the freeing up of world trade in footwear," he added. "They are an attempt to continue the protection of the quota regime, which artificially kept out Chinese imports and expired on 1st January 2005. The only result is harming the majority of competitive European producers that have adopted successful business strategies to compete."

In today's meeting, EU member states and the Commission confirmed that taxing high-tech sports shoes, which are no longer produced in Europe, made no sense and again decided to exclude them. Hi-tech sports shoes have been exempted from EU trade measures for well over a decade and Commission data clearly showed that there was no dumping in this category. Children's shoes have also been excluded, sparing the poorest families from the harm of the duties.

The Commission should use the coming months, prior to the decision on definitive duties that will be made in October, to carefully review the case. The blanket refusal of Market Economy Status for Chinese and Vietnamese producers denies the reality of this market, in which both countries' manufactures have operated in highly competitive markets for over a decade. The

choice of Brazil as a comparison country to China is quite clearly indefensible. These are two of the most dubious decisions made during the investigation and must be reviewed.

“We hope that the Commission will address a number of question marks over the coming months,” Widmann said. “The alleged evidence of dumping and the definition of the Community interest in this matter need a closer look.”

“A minimum import price would also be a much better solution going forward than a percentage duty which effectively penalizes high-priced imports”, Widmann said.

Note to editor:

- A Danish study on the costs and benefits of anti-dumping measures on footwear can be found at <http://www.oem.dk/sw16207.asp>.
- Of the 2 billion pairs of shoes sold in Europe each year, more than 1 billion is imported from China and Vietnam.
- “Special Technology Athletic Footwear” (STAF) is high-tech athletic footwear with a single or multi layered sole and special technical features, such as cushioning systems, midsoles etc. This is a well-defined category incorporated into the EU customs code in 1994.
- EU imports of Chinese leather shoes increased by 240% in January-December 2005 as compared to the same period in 2004. This is the kind of natural growth rate to be expected with the lifting of quota restrictions in January 2005. Imports of footwear with leather uppers from Vietnam fell by 3,9%
- The European sporting goods industry represented by FESI directly and indirectly employs 643,000 workers in the EU with turnover of over €40 billion in economic activity in 2004. FESI members include: Adidas, Asics, Diadora, Fila, Lotto, Nike, Puma, Reebok and national sports industry federations from across the EU.