

Press release
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FTA
Foreign Trade Association

SHOES DUTIES TO KEEP ON RUNNING?

The Foreign Trade Association (FTA) which represents European importers and retailers has learned that the Commission is close to concluding its review of the current anti-dumping duties against leather shoes imported from China and Vietnam. It is aiming to reach a decision before August and it is expected that it will propose that the duties continue.

Jan Eggert, Secretary General of the FTA expressed concern over the possible continuation of measures; “The retail market, especially that involving clothing and footwear, is one that is fiercely competitive. Consequently, when faced with punitive duties such as those in place against an enormous range of leather footwear coming from China and Vietnam, it is not viable to pass the cost onto the consumer, unlike with raw materials.”

Mr Eggert was reacting to the argument often used by supporters of anti-dumping measures that following the imposition of duties, consumer prices do not increase. In fact, research shows that there has been a small increase in price as a result of the measures imposed in October 2006 despite the best efforts of retailers to keep the price to the consumer as low as possible. The additional burden of increased production costs, higher taxes in China and Vietnam, and exchange rate fluctuations with China has also not helped.

“It is certain that if these duties are allowed to continue retailers and importers will be hurt and further job losses will result. Choice to the consumer will inevitably be reduced and prices will have to increase. This will be particularly burdensome in these difficult economic times” said Mr Eggert.

The FTA has been contesting the necessity for measures since the original investigation in 2005 arguing that the imports in question are not causing any injury to the Community industry – a criterion for imposing measures. It argues that there is no production in the EU of the same type of low cost footwear that is being manufactured in China and Vietnam and that for many years EU manufacturing has been limited to a high quality, high cost product produced in low numbers. It also believes that the type of consumer that buys Chinese and Vietnamese shoes is not going to start buying EU produced shoes.

Member States will have to vote on any proposal from the Commission before measures can be imposed. Should the duties continue, they could run for a further five years. Mr Eggert said "We strongly believe that not only are these imports not hurting the Community industry but that it will not benefit directly from these duties. Continuing the duties will only serve to injure European retailers and consumers. Therefore we call upon Member States to reject any proposal for their continuation."

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The FTA is the association for European commerce that specialises in foreign trade issues. It is committed to achieving its goal of a true free trade environment. For 30 years it has supported its members, consisting of national trade associations and companies from all over Europe, by providing expertise and up-to-date information and by campaigning on their behalf against protectionist measures in the European and international arena.

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