



TRADE COMMITTEE



MINUTES: WFSGI TRADE COMMITTEE WEBINAR

Date: Thursday, 28 January 2021

Location: Phone / Internet

Attendees: Akihiko Shirane / Mizuno / ASE
Arjen Vinke / Shimano / AVE
Bill Sells / SFIA / BSS
Charles Yang / Victory / CYG
Claire Hillman / New Balance / CHN
Dmitry Vishnyakov / Nike / DVV
Gabriel Hoyos / Under Armour / GHS
JP adidas
Jack Ng / VF / JNG
Jeffrey Whalen / Nike / JWN
John Larsen / New Balance / JLN
Kevin Irish / Under Armour / KIH
Manuel Pauser / adidas / MPR
Markus Rist / IIC / MRT
Martin Langner / Canyon / MLR
Paul Gauron / New Balance / PGN
Pete Eccles / Pentland / PES
Robert Margevicius / Specialized / RMS
Sharon Reason / L&E / SRN
Shinji Matsuda / Asics / SMA
Tom Cove / SFIA / TCE
Youri Mercier / FESI / YMR
Devi Kusumaningtyas / Nike / DKS
Marcus Kuerner / adidas / MKR

Ex Officio: Edwin Vermulst / WFSGI Trade Counsel / EVT
Karolina Brazyte / WFSGI / KBE
Marc Magnus / WFSGI / MMS

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Confidentiality: For WFSGI members who participate in the case only

⇒ Please note that the presentation “210128 PRESENTATION - WFSGI Trade Committee Webinar” is an inherent part of these minutes.

PRELIMINARY INFORMATION

MMS explains that in the Update Webinar provided by the WFSGI Trade Committee on January 15, 2021, some topics were of specific interest to members. Therefore, this webinar was scheduled to discuss further especially these topics and assess any possible joint industry action.

1. INDIAN FOOTWEAR IMPORT MEASURES

1.1. Background Information

As of July 1, 2021, it will be mandatory to certify footwear imported to India. The factories producing such footwear have to be certified by laboratories authorized by the Bureau of Indian Standards (BIS).

1.2. Discussion

Participants say that the certification of the factories is not only challenging because of the nature of this regulation but also because of the current Covid-19 pandemic.

Furthermore, companies try to certify their factories in a way to cover the requirements of several countries. However, this is not possible in this case since the certification can only be conducted by the certifiers accredited by the BSI.

Also, participants recognize that the entry into force of this regulation has been postponed already, it is still too challenging to implement all requirements by July 1 of this year.

Finally, it seems that this measure is taken to protect the local Indian leather industry. Thus, imported sport footwear is not the product negatively affecting the local leather sector.

Conclusion 1.

Participants agree:

- that there is a need to advocate for global certification solutions, and not country specific ones like India requests;
- that there needs to be a request to postpone the entry into force of the regulation;
- that it is worthwhile to request an exclusion of special technical athletic footwear (STAF).

Action Plan 1.

#	Deadline	Topic	Who
1.1.	ASAP	WFSGI to prepare draft letter to be shared with group.	WFSGI
1.2.	TBD	Group to review letter	All
1.3.	TBD	Letter to be sent to Indian authorities	WFSGI
1.4.	TBD	Letter to be shared with regional sporting goods federations	WFSGI

2.1. ARGENTINA: FOOTWEAR ANTI-DUMPING REVIEW

2.1.1. Background Information

The expiry review of the anti-dumping measures on footwear imports from China has been announced on December 15, 2020. Currently the imposed measure is a variable duty to raise the price of imported footwear to a minimum price of \$13.38. Since this price is quite low, most of the sporting goods footwear imports are not affected.

2.1.2. Discussion

Participants express their concern that under the current more protectionist government, these measures could be extended.

However, some other participants see very limited interest in this trade case.

EVT reminds participants that in an Argentinian anti-dumping review the duty currently in place can only either be dropped completely or remain at the same level. There is no option to reach a lower duty in such a review.

Conclusion 2.1.

Participants agree that this issue can be brought to the attention of MOFCOM at the next occasion.

2.2. ARGENTINA: IMPORT QUOTAS

2.2.1. Background Information

There is an increasing reluctance of Argentinian custom authorities to approve imports. Local courts have already ruled against the time necessary for the approval of imports. Also, a WTO panel ruled against the import licensing scheme under Kirchner administration.

2.2.2. Discussion

Participants express their concern over the fact that their products are withheld and not being placed on the local market.

Conclusion 2.1.

Participants agree that together with the issue under point 2.1. this should be brought to the attention of the governments of important SGI sourcing countries.

Action Plan 2.

#	Deadline	Topic	Who
2.1.	ASAP	WFSGI to prepare draft letter to be shared with group.	WFSGI
2.2.	TBD	Group to review letter	All
2.3.	TBD	Letter to be sent to the governments of the sourcing countries.	WFSGI
2.4.	TBD	Letter to be shared with regional sporting goods federations	WFSGI

3. INCREASING SHIPPING COSTS

3.1. Background Information

The WFSGI Secretariat has been approached by different members of the Trade, Legal and Manufacturing Committees regarding the lack of shipping capacities and the sharply increasing costs for inland and overseas freight.

3.2. Discussion

Participants express their concerns over the increasing shipping costs and possibly anti-competitive behaviour being the reason for this.

Some participants explain that their shipments have been cancelled or even not unloaded.

YMR explains that FESI has embraced the opportunity to address this issue at European level at the Directorate-General for Competition (DG Competition).

Participants discuss the possibility to take joint legal actions. However, EVT explains that this would touch upon competition law and it has been proven difficult to convince DG Competition to take practical actions in the past. To make this happen, the petitioner needs to provide comprehensive evidence for DG Competition to become active.

Some participants also think that the issue is of concern to all industries and thus, it will be addressed by many economic players. This will most probably solve the issue and it is questionable if any actions of the SGI would speed things up.

Conclusion 3.

Participants agree that within the companies there are different entities concerned about this issue (legal, sourcing, etc.). Thus, and to discuss any possible actions, there might be a need for a discussion with a broader group. To assess this, participants will discuss with the respective colleagues. Based on this discussion, the WFSGI will be requested or not to schedule another webinar for the broader group.

Action Plan 3.

#	Deadline	Topic	Who
3.1.	ASAP	Internally assess if further discussion on industry level is of value.	All
3.2.	11.02.2021	Inform WFSGI about outcome of point 3.1.	All
1.3.	TBD	WFSGI to schedule call dependent on outcome of point 3.2.	WFSGI

4. TECHNICAL REQUIREMENTS IMPOSED FOR FOOTWEAR

4.1. Background Information

EVT has provided a table compiling information available from the WTO on technical requirements imposed for footwear. This goes beyond the currently discussed cases in India and Russia.

4.2. Discussion

Participants express their concern that governments are increasingly taking trade measures. There is a need for the industry to not only focus on single cases but also take a holistic view of the issue and address these issues with individual governments.

Conclusion 4.

It is being suggested to have a closer look at this table to decide if the group should engage in any additional cases.

Action Plan 4.

#	Deadline	Topic	Who
4.1.	DONE	WFSGI to share detailed table provided by EVT	WFSGI
4.2.	11.02.2021	Participants to review table and let WFSGI know if any cases are of concern.	All