



TRADE COMMITTEE



MINUTES WFSGI TRADE COMMITTEE WEBINAR

Date:	Wednesday, 16 March 2022
Location:	Phone / Internet
Attendees:	Romano Bruna / Puma / RBA Amy Dow / New Balance / ADW Gabriel Hoyos / Under Armour / GHS Renato Jardim / APICE / RJM Marcella Kuzolitz / APICE / MKZ Ingrid van Laerhoven / Nike / IVL John Larsen / New Balance / JLN Patrick Malloy / New Balance / PMY Bob Margevicius / Specialized / BMS Shinji Matsuda / Asics / SMA Bill Sells / SFIA / BSS Chris Sichette / Under Armour / CSE Jeff Tooze / Columbia / JTE Jeff Whalen / Nike / JWN
Ex Officio:	Edwin Vermulst / WFSGI Trade Counsel – VVGB / EVT Karolina Brazyte / WFSGI / KBE Riccardo Parigi / WFSGI / RPI Marc Magnus / WFSGI / MMS
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Confidentiality:	Only for WFSGI member companies

NB: the presentation “220316 PRESENTATION – WFSGI Trade Committee Meeting” is an integral part of these minutes.

1. SUPPLY CHAIN CHALLENGES

1.1. Background

The WFSGI Trade Committee chairs suggested this topic to better understand the current issues members are facing. The Covid-19 pandemic was one of the recent reasons for supply chain disruption and currently factories in China are being closed again. Furthermore, participants were also invited to share lessons learnt and experiences especially from the factory closures in Vietnam.

1.2. Discussion

Participants explain that the current situation with the pandemic and war is very challenging. On a practical level there is a changing situation that they must cope with on a much more frequent basis than what the industry has been used to.

The disruption is caused by issues going beyond what a company can control. The disruption is a consequence of external forces that the industry cannot control.

In addition, participants raise the concern over increased ocean freight costs. Each company seems to struggle with this issue individually. This problem might even worsen as the oil prices are increasing.

EVT explains that currently many complaints are made regarding increased transportation costs. In the USA, the FTC – Federal Trade Commission is looking into the case. The SGI on itself will not be able to achieve any changes here but lobbying must be done jointly with other sectors. The proposal is made to ask FESI if on European level an alliance is feasible to push DG Competition to start an own investigation. If the industry itself would open a case, there is the need to prove that there is price rigging in the ocean freight sector, which is a very challenging task.

Conclusion 1.

Participants agree that the disruption caused is challenging to deal with as a group of companies. However, supply chain disruption should be considered as a possible topic of an upcoming WFSGI session at the WTO Public Forum.

Participants support to share the concerns over increased ocean freight costs with FESI.

Action Plan 1.

#	Deadline	Topic	Who
1.1.	Done	Contact FESI regarding increased ocean freight costs.	WFSGI

2. ARGENTINA AD INVESTIGATION AGAINST FOOTWEAR IMPORTS FROM CHINA, VIETNAM, AND INDONESIA

2.1. Background

JWN explains that Nike was the only sporting goods company who participated in the review of the anti-dumping (AD) investigation for footwear imports from China. The current situation is that there is a variable duty and that products with a price above US\$ 15.70 are not subject to any AD duty. This is a slight improvement as a result of the investigation since the former price to free footwear from AD duty was at US\$ 13.38. The impact on SGI footwear is thus limited.

However, there is a considerable increase of footwear imports from Vietnam. Therefore, there is a likelihood that a new AD duty investigation on imports from Vietnam and/or Indonesia will be launched.

2.2. Discussion

Participants are asked if they would be interested in participating in any investigation against footwear imports from Vietnam and/or Indonesia.

Some participants stress as an issue that there is no local SGI association in Argentina like APICE in Brazil for example.

Also, some participants explain that they do assemble footwear in Argentina for the local market and thus a participation in a case would be questionable.

Conclusion 2.

Participants agree that the WFSGI should ask the broader member base if anyone would be interested in a possible upcoming AD investigation against footwear imports from Vietnam and/or Indonesia into Argentina.

Action Plan 2.

#	Deadline	Topic	Who
2.1.	Done	Ask WFSGI members if interested in AD investigation against footwear imports from Vietnam and/or Indonesia into Argentina.	WFSGI

3. ALIGNMENT WITH NATIONAL FEDERATIONS ON ADVOCACY (TRENDS/MAJOR ISSUES)

3.1. Background

MMS explains that in the recent pasts there were more and more trade topics coming up that needed to be addressed not only at WFSGI level, but also on regional and national levels.

3.2. Discussion

JWN outlines that so far one was more likely used to trade cases around anti dumping etc. But the industry is facing an increasing number of technical barriers to trade. In that particular context it is crucial that the WFSGI is taking care of the WTO environment and regional organizations are briefing governments and regional organizations on their level.

MMS is providing the Indian Mandatory Use of Standard Mark for Footwear regulation as an actual example. The WFSGI webinars and exchanges took place mainly with a group of Indian brand representatives that have never been part of the Trade Committee. As a next step this group is assessing the opportunities to connect and align forces with local Indian industry associations. MMS stresses that there is a crucial need for the WFSGI to be put into contact with the brand representatives for such cases. If this is not done, then the WFSGI will not have the necessary local contacts. WFSGI Trade Committee member are of course free to take care of the case directly and take on the responsibility to brief and exchange with local colleagues if they prefer to do so.

4. EGYPTIAN GOEIC BRAND REGISTRATION PROCESS

3.1. Background

The so-called GOEIC registration regulations in Egypt have been updated. As of now it is necessary for trademark owner without any ISO 9001 certification, to provide such a certification within one year. Before, factories were allowed to continuously use a quality audit certificates instead of ISO 9001 certification.

3.2. Discussion

Participants explain that most factories are not ISO 9001 certified and that getting this certification is both from a resource but also financial point of view a burdensome exercise. The EU raise a complaint with the WTO in January regarding this amendment of the regulation.

RBA also mentions another change effective as of this month in Egypt: On March 1, 2022, Egypt will require all importing to be processed under a Bank Letter of Credit. She kindly offers to share with the group an article explaining the issue in detail.

Conclusion 4.

Participants agree that the WFSGI should ask the broader member base if anyone would be interested in discussing this case further.

Action Plan 4.

#	Deadline	Topic	Who
4.1.	Done	Share article provided by RBA with group.	WFSGI

5. WAR IN UKRAINE

5.1. Background

MMS explains that the WFSGI Executive Board has decided to donate CHF 50'000 of the reserves of the WFSGI to support Ukraine. In parallel the WFSGI is trying to coordinate and help members that want to donate products to do so with the UNHCR.

In that context, the question arose as well if the impact of that war on trade is relevant to be discussed in the WFSGI Trade Committee.

5.2. Discussion

Participants are aware that the sanctions put on Russia will be in place for a long time.

Conclusion 5.

Participants agree that there is no other action to take than further continue to observe the situation from a trade perspective.

6. WTO PUBLIC FORUM 2022

6.1. Background

MMS explained that this year WTO Public Forum (PF) was announced in the evening of March 15. Thus, it would be good to know from the group if a possible participation in the PF would be an option or not.

6.2. Discussion

Participants discuss that there might be travel policies in place depending on the pandemic and the war in Ukraine. Such travel policies could be an issue to travel to Geneva in September. However, they unanimously agree for the WFSGI to plan to host a session.

A possible topic could be - referring to the first agenda point – “How can trade help to achieve supply chain resilience?”

Conclusion 6.

Participants agree that the WFSGI should plan to submit a proposal to host a session at the WTO PF 2022.

7. NEXT WFSGI TRADE COMMITTEE MEETING

7.1. Background

MMS wishes to understand what participants think about any possible next physical meeting. There are currently four options on the table to meet for this group: 1. At the WFSGI Board meeting in June, the venue has yet to be defined; 2. At the WTO PF; 3. At the WFSGI annual meetings at ISPO in November 2022 and 4. any other opportunity.

7.2. Discussion

Participants explain that the annual WFSGI meetings are always guaranteeing a good participation in the WFSGI Trade Committee meeting. Also, this would provide participants with opportunities to meet and attend other events. However, participants remind that November is far away, and travel could be impacted by then. Also, in November it is more likely that the Covid infection rates are higher and thus travel is more difficult.

Conclusion 7.

Participants agree that the WFSGI annual meetings at ISPO in November 2022 would be the preferred place for a physical meeting.