



**By Juhi Dion Sud,**  
Partner, VVGB Advocaten,  
Brussels, Belgium

Juhi specializes in EU and International trade law, WTO law and EU Customs law. Over the past 15 years, she has represented numerous governments, exporters, importers and trade associations in EU trade defence proceedings, customs matters and trade cases in the U.S., Canada, India and South Africa. She is recommended in the leading legal directories including Who's Who Legal, Legal 500 and Chambers.

# *TIME TO RETHINK THE OBVIOUS – URGENCY OF A GLOBAL MOMENTUM TO DISMANTLE TRADE BARRIERS FOR THE FOOTWEAR SECTOR*

---

*Tariff and non-tariff barriers have been serious challenges for the footwear sector from decades. In addition to the traditionally high tariffs and trade defence measures existing for this sector, non-tariff barriers - in the form of technical requirements and customs and licensing procedures - are on the rise. As economies around the world are struggling to return to the pre-pandemic 'business as usual' mode, and unprecedented problems affecting supply chains are emerging, there is a greater need for renewed momentum towards some sort of an international meeting ground whether it be in the form of a plurilateral agreement for reducing trade barriers or inducing wider acceptance of international standards.*

---

The experience with the COVID-19 pandemic has brought to fore, more than ever before, the reality that global economies today are highly interconnected and interdependent and international trade relies to a large extent on global value chains. While economic resurgence is the focus, nearly two years since the outbreak of the COVID-19 pandemic, it is still not business as usual. As of now serious supply chain disruptions are negatively affecting international trade in footwear products - among uncountable other sectors - as COVID waves continue to impact production in Asian manufacturing hubs amplified by logistics problems.

These unprecedented obstacles are on top of the plethora of tariff and non-tariff barriers affecting global footwear trade and force us to rethink the obvious – the need for a global momentum to dismantle trade barriers for the footwear sector.

Footwear imports have been historically subject to high import duties.<sup>1</sup> Over a decade ago, there was a significant increase in trade defence cases against footwear imports from mainly Asian countries by the European Union, Argentina, Brazil, Peru and Turkey to name a few countries. While some of these trade defence measures have been eliminated over time (such as the anti-dumping measure by the European Union and the Turkish Safeguard measure), thanks to the efforts of the footwear economic operators, in recent years, non-tariff trade barriers such as

---

<sup>1</sup> See for instance countries such as Argentina (20%-35%), Algeria (30%), Brazil (20%-35%), India (average 35%), Indonesia, South Africa (30%) have very high most favored nation ("MFN") tariffs. The EU and UK tariffs are comparatively lower than the examples provided above but still remain high especially for countries such as China that do not benefit from the Generalized System of Preferences and/or do not have free trade agreements with the two countries.

labelling requirements and national quality and conformity standards have increased. Ostensibly instituted for consumer protection, product quality and the protection of human life and the environment, some of the measures strongly indicate protectionist tendencies aimed at restricting imports to boost local footwear production. Moreover, several countries apply different types of tariff and non-tariff barriers cumulatively thereby further restricting market access. For instance:

**Argentina:** Argentina applies high MFN import tariffs on footwear, anti-dumping duties on footwear imports from China, non-automatic import licensing, specific footwear labelling requirements and sworn declaration for footwear product composition;

**India:** In addition to the already high import tariffs, India has recently introduced a law requiring most footwear products to comply with national quality standards and bear the corresponding Indian standard mark. There are 27 national standards applicable to different footwear types. Moreover, the footwear products can only be certified by laboratories authorized by the concerned Indian standardization body and all footwear factories where the footwear is produced - regardless of the geographical location - need to be verified and approved by the officials of the Indian standardization body;

**Russia:** Last year Russia introduced a labelling requirement that mandates all footwear (and apparel) producers, importers and resellers to label footwear (and apparel) with a unique QR code and to enter into an agreement with a private company appointed by the Russian government as the labelling operator. Moreover, these labelling requirements are Russia-specific and not harmonized between the Eurasian Economic Union members and Kazakhstan has adopted its own labelling system;

**Indonesia:** Indonesia has high import tariffs and instituted non-automatic import licensing for footwear in 2020.

Several other countries have or are in the process of introducing similar requirements.<sup>2</sup>

<sup>2</sup> To give some more examples, the Andean Community has introduced labelling requirements; Algeria requires mandatory compliance with the Algerian quality standards and technical norms; China requires certain footwear types to confirm to national quality standards.

Agreeably, labelling and/or quality conformity requirements are important and justified. However, recent experience has shown that mandatory national quality standards and the requirement to use national certification bodies/operators significantly increase the compliance and cost burden for imports apart from creating regulatory uncertainty and delays especially if the host country certification bodies/operators do not have enough resources. In any event, the lack of mutual recognition and harmonization implies that different standards and labelling requirements have to be complied with for exports to different countries. Moreover, national quality standards seem questionable when in fact international (ISO; UNIDO) standards exist and are recognized by several countries for footwear and some of the national standards being promoted (e.g. by India) are very old. Furthermore, tying labelling requirements to the use of domestic operators seem unnecessary.

While economic operators in the footwear sector have been and continue to address the country-specific trade barriers affecting the sector, it is perhaps necessary to push for a global meeting ground whether it be in the form of a plurilateral agreement to reduce specific non-tariff barriers or induce the adoption of international or harmonized quality and labelling standards. Such an effort is unlikely to be easy but with the MFN nature of the labelling and quality requirements, mutual interest of footwear exporting countries lies in adopting a common approach because what goes around comes around. ■

