

GENERAL AGREEMENT ON

RESTRICTED

L/6318

18 March 1988

TARIFFS AND TRADE

Limited Distribution

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ARTICLE XIX - ACTION BY SOUTH AFRICA

Footwear

The attached communication, dated 9 March 1988, has been received from the Permanent Mission of South Africa.

The Government of the Republic of South Africa wishes to refer to its emergency action taken pursuant to Article XIX of the General Agreement in respect of certain footwear as communicated to the CONTRACTING PARTIES in document L/5725 of 9 November 1984, and to advise the CONTRACTING PARTIES that due to a further deterioration of the situation, it has decided to extend, temporarily, the suspension of the existing bindings in terms of the General Agreement on certain footwear falling within sub-items ex 64.01 and ex 64.02. This action is being taken pursuant to the South African Government's decision to increase the duties on these products for the reasons as set out below.

An analysis of import statistics on certain footwear reflected a significant increase over the period 1986 to 1987 while lower f.o.b. prices had also been recorded. The increased imports concerned mainly footwear with outer soles and uppers of artificial plastic material (tariff ex 64.01) and footwear with outer soles of artificial plastic material and uppers of textile fabric designed to be fastened with laces (tariff ex 64.02).

The increased foreign competition experienced by, and the accompanying injury inflicted upon, the local industry, were further verified by the Footwear Manufacturers' Association in a submission which reflected cancelled orders, which had to be borne by the major manufacturers. More cancellations are expected having regard to the lower free-on-board prices of imported footwear and the rising trend in imports, thus seriously jeopardising the marketing of like South African products.

Import statistics for the footwear in question for the period January to March 1987 as compared with those of January to March 1986, are as follows:

IMPORTS BY SOUTH AFRICA OF CERTAIN FOOTWEAR: FIRST QUARTERS
1986 AND 1987 (SA RAND)

Tariff No.	Description	Jan-March 1986	Jan-March 1987	Percentage increase
64.01	FOOTWEAR WITH OUTER SOLES AND UPPERS OF RUBBER OR ARTIFICIAL PLASTIC MATERIAL			
.15	of artificial plastic material			
.30	sizes 150 to 205	66 806	382 497	472,5
.40	sizes exceeding 205	1 638 321	3 750 219	128,9
64.02	FOOTWEAR WITH OUTER SOLES OF LEATHER OR COM- POSITION LEA- THER; FOOTWEAR WITH OUTER SOLES OF RUBBER OR ARTI- FICIAL PLASTIC MATERIAL			
.35	Footwear with outer soles of rubber or arti- ficial plastic			

Tariff No.	Description	Jan-March 1986	Jan-March 1987	Percentage increase
.05	<p>material and uppers of textile fabric, designed to be fastened with laces:</p> <p>sizes up to 205</p> <p><u>Note:</u> Binding only i.r.o sizes 150 to 205 and i.r.o footwear with outer soles of artificial plastic material</p>	256 104	803 164	213,6
.15	<p>sizes exceeding 205</p> <p><u>Note:</u> Binding only i.r.o footwear with outer soles of artificial plastic material</p>	1 813 781	6 219 268	242,9
.45	<p>Footwear n.e.s with outer soles of rubber or artificial plastic material</p>			

Tariff No.	Description	Jan-March 1986	Jan-March 1987	Percentage increase
.30	Sizes 150 to 205 (excl. those with leather uppers)	38 421	445 034	1 058,3
.50	Sizes exceeding 205 (excl. those with leather uppers)	1 087 610	1 702 571	56,5

The Board of Trade and Industry is therefore of the opinion that an increase in the duties on the footwear affected as an interim measure is warranted and therefore recommends that the relative duties be amended as indicated below.

Tariff No.	Description	Existing GATT binding	Revised rate of duty
64.01	FOOTWEAR WITH OUTER SOLES AND UPPERS OF RUBBER OR ARTIFICIAL PLASTIC MATERIAL:		
64.01.30	Of artificial plastic material:		
.10	With upper straps or thongs assem- bled to the sole by means of plugs, sizes up to 205	i.r.o sizes 150 to 205: 30% or 30c per pair	30% or 225c per pair less 70%

Tariff No.	Description	Existing GATT binding	Revised rate of duty
.20	With upper straps or thongs assembled to the sole by means of plugs, sizes exceeding 205	30% or 80c per pair	30% or 270c per pair less 70%
.40	Other, without inner soles or stockings of textile fabrics, sizes exceeding 145, up to 205	i.r.o. sizes 150 to 205: 30% or 30c per pair	30% or 270c per pair less 70%
.50	Other, without inner soles or stockings of textile fabrics, sizes exceeding 205	30% or 80c per pair	30% or 300c per pair less 70%
.70	Other, sizes exceeding 145, up to 205	i.r.o. sizes 150 to 205: 30% or 30c per pair	30% or 1 000c per pair less 70%
.80	Other, women's and maids', sizes exceeding 205	30% or 80c per pair	30% or 1 275c per pair less 70%

Tariff No.	Description	Existing GATT binding	Revised rate of duty
.90	Other, men's and youths', sizes exceeding 205	30% or 80c per pair	30% or 1 485c per pair less 70%
64.02	FOOTWEAR WITH OUTER SOLES OF LEATHER OR COMPOSITION LEATHER; FOOTWEAR (EXCLUDING FOOTWEAR FALLING WITHIN HEADING 64.01) WITH OUTER SOLES OF RUBBER OR ARTIFICIAL PLASTIC MATERIAL:		
ex 64.02.25	Footwear with outer soles of artificial plastic material and uppers of textile fabrics (excluding sports footwear and ballet shoes), designed to be fastened with laces, not trimmed or reinforced with other materials:		

Tariff No.	Description	Existing GATT binding	Revised rate of duty
.10	Sizes not exceeding 205	i.r.o sizes 150 to 205: 30% or 30c per pair	30% or 510c per pair less 70%
.20	Sizes exceeding 205 but not exceeding 245	30% or 80c per pair	30% or 600c per pair less 70%
.30	Sizes exceeding 245	30% or 80c per pair	30% or 1 050c per pair less 70%
ex 64.02.30	Footwear with outer soles of artificial plastic material and uppers of textile fabrics (excluding sports footwear and ballet shoes), designed to be fastened with laces, trimmed or reinforced with other materials:		
.10	Sizes not exceeding 205	i.r.o. sizes 150 to 205: 30% or 30c per pair	30% or 850c per pair less 70%
.20	Sizes exceeding 205	30% or 80c per pair	30% or 1 900c per pair less 70%

Tariff No.	Description	Existing GATT binding	Revised rate of duty
ex 64.02.35	Other footwear with outer soles of artificial plastic material and uppers of textile fabrics, designed to be fastened with laces, whether or not reinforced with other materials:		
	.10 Sizes not exceeding 205	i.r.o. sizes 150 to 205: 30% or 30c per pair	30% or 235c per pair less 70%
	.20 Sizes exceeding 205	30% or 80c per pair	30% or 320c per pair less 70%
64.02.45	Footwear not elsewhere enumerated in this heading, with outer soles of rubber or artificial plastic material:		
	.35 Sizes up to 205 (excluding those with uppers of leather)	i.r.o. sizes 150 to 205: 30% or 30c per pair	30% or 400c per pair less 70%

Tariff No.	Description	Existing GATT binding	Revised rate of duty
.55	Women's and maids', sizes exceeding 205 (excluding those with uppers of leather)	30% or 80c per pair	30% or 530c per pair less 70%
.60	Men's and youths', sizes exceeding 205 (excluding those with uppers of leather)	30% or 80c per pair	30% or 530c per pair less 70%

The South African Government is prepared to consult under Article XIX: 2 of the General Agreement with contracting parties having a substantial interest as exporters of the products concerned.