

July 4, 2006

Europe Drawing Up Plans to Deal With Cheap Shoe Imports From Asia

By JAMES KANTER

By JAMES KANTER

PARIS, July 3 — Seeking to avoid another surge of imports of leather shoes from Asia, the [European Union](#) said on Monday that it was drafting plans to impose a combination of tariffs and quotas that would last five years.

Higher tariffs would take effect when shoe imports from [China](#) and [Vietnam](#) exceeded certain amounts. But there would be "no limit on what volumes of shoes could come in," said Peter Power, a spokesman for the European trade commissioner, Peter Mandelson.

Mr. Mandelson is under pressure to draw up a policy on shoes because temporary measures he imposed in the spring — after imports from China rose 300 percent in the first 10 months of 2005 — are scheduled to expire in October.

He is also seeking a trade policy that avoids a rerun of last year's "bra wars," when Chinese-made undergarments piled up in European ports because of quotas that led to a rush of imports.

The new measures are intended to help European manufacturers contend with low-cost imports from China and Vietnam — countries where European officials have found evidence of cheap financing, tax breaks and land-rent incentives that create unfair competition.

But in an important concession to European consumers and retailers — groups that benefit from the low-priced imports from Asia — the new measures would cover only about 20 percent of the market for leather footwear in Europe.

Horst Widmann, the president of the Federation of the European Sporting Goods Industry, which includes brands like [Puma](#) and Adidas, said the proposed system was good in principle.

But Mr. Widmann complained that shoes for children could be affected by the new quotas and duties, potentially harming low-income families. He also suggested that China and Europe could come up with another solution — making all shoes subject to a minimum price.

"E.U.-China relations would be strengthened as a result" of such a solution, said Mr. Widmann, who explained that minimum prices were better than tariffs because they do less harm to importers.

Under the European plan, which is still being discussed with the member countries and is subject to approval of ministers, the European Union would put only normal duties on 140 million pairs of leather shoes from China and on 95 million pairs from Vietnam, according to figures from the Reuters news agency.

For imports above those volumes, Europe could add a duty of 23 percent in the case of China, and 29.5 percent in the case of Vietnam, Reuters reported.

The measures would cover most kinds of imported shoes but not sports shoes with special features like air-filled soles made by companies like Adidas and [Nike](#).

Mr. Mandelson has been struggling to devise a twin-track policy — attacking protectionism but imposing limited tariffs — to win support from southern countries like Italy, which are trying to preserve their light manufacturing sectors, and northern countries like Denmark, which are more focused on services and technology.

He must also mediate between clothing manufacturers in southern Europe, who frequently lobby the European Union to impose quotas on Chinese exports of inexpensive clothes, and retailers, who protest when imports are impeded.

[Copyright 2006 The New York Times Company](#)

[Privacy Policy](#) | [Search](#) | [Corrections](#) | [XML](#) | [Help](#) | [Contact Us](#) | [Work for Us](#) | [Site Map](#)
