COMMISSION DECISION

of 10 July 1975

authorizing Ireland to take protective measures under Article 135 of the Act concerning the conditions of accession and the adjustments to the Treaties, in respect of footwear with uppers of leather falling within subheading 64.02 A of the Common Customs Tariff

(Only the English text is authentic)

(75/478/EEC)

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community;

Having regard to the Act concerning the conditions of accession and the adjustments to the Treaties, and in particular Article 135 thereof;

Having regard to the application by Ireland of 24 June 1975 thereof;

Whereas production, imports and exports of footwear have evolved in recent years as follows:

Footwear with uppers of leather

(1 000 pairs)

Year	Production	Total imports	Third country imports	UK imports	Other EEC imports	Total exports
1969	7 772	(282)	(14)	(188)	(80)	(1 776)
1970	6 982	(587)	(40)	(441)	(106)	(1 602)
1971	6 472	(1 089)	(48)	(798)	(243)	(1 970)
1972	6 602	(1 410)	—— (1)	——	——	——
1973	6 115	1 775	139	1 532	104	(2 503)
1974	5 890	2 126	137	1 769	220	2 934
1975 Jan.—March)	1 318	570	35	445	90	(633)

(1) Statistics not available.
( ) Estimate.
Source: Irish statistics.

Whereas, according to the Irish application, the situation deteriorated seriously in the first months of 1975; whereas the employment situation is now very serious; whereas of the 5 000 persons employed in the sector in 1973, approximately 1 000 have since lost their jobs and 30 % of the current workforce are currently on short-time;

Whereas production has continued to decline in general since 1969, while imports have regularly increased; whereas, as can be seen from the above table, such imports come predominantly from the United Kingdom by reason of the level of tariff dismantlement achieved by the two countries under the Agreement between Ireland and the United Kingdom establishing a free trade area; whereas total exports increased fairly regularly over the same period but have sagged in the early months of 1975 as a consequence of the effects of the contraction of external demand;

Whereas the difficulties in this sector appear to stem essentially from an industrial structure ill-adapted to international competition and in particular to that from highly industrialized countries towards which Ireland has been and is obliged to dismantle her tariff and quota protection; whereas the footwear industry in Ireland is made up of numerous small

units, often less well equipped and organized than might be, producing too wide a range of products for a very limited domestic market, which was set up initially in the shelter of a very high level of tariff and quota protection; whereas this situation is compounded by the economic recession, which has brought about not only a reduction in domestic demand but also a contraction of the traditional external outlets of the industry;

Whereas in order to stimulate domestic demand depressed by the general economic recession the Irish Government has recently abolished value-added tax on footwear; whereas this measure is insufficient to overcome the difficulties in question;

Whereas the Commission by Decision No 75/202/EEC of 13 March 1975 instituted a system of retrospective control of imports of shoes into the Community from third countries; whereas in pursuance of a suggestion from the Commission, on 12 June 1975 the Irish Government introduced national surveillance under Article 9 of Council Regulation No 1439/74/EEC of 4 June 1974 on imports of footwear falling within CCT subheading 64.02 A; whereas the data which will thus be collected will be of particular utility in following the development of the sector in question;

Whereas the requisite conditions exist in Ireland, in particular as regards raw materials and skilled labour, for the maintenance and development of a footwear industry, especially in leather footwear; whereas in such circumstances the Commission is ready to re-examine the situation in close cooperation with the Irish Government; whereas this re-examination should be carried out in the light of a plan for the reorganization of the industry in Ireland which the Irish Government is to submit to the Commission before 1 October 1975; whereas in the context of such re-examination the Commission will consider the mobilization of all means at its disposal, and in particular those available in the social and regional fields, to support the reorganization of the footwear industry in Ireland;

Whereas the factors described above which affect the footwear industry are likely to bring about a worsening of the already serious difficulties which are liable to persist in the sector;

Whereas until the re-examination referred to above takes place it is necessary by way of interim protective measure to authorize Ireland to apply a rate of duty of 10 % to leather footwear imported from and originating in the United Kingdom, the concept of origin being as defined in the provisions of the Agreement between Ireland and the United Kingdom establishing a free trade area; whereas such authorization must be limited to the period during which the reorganization plan for the sector is to be drawn up by the Irish Government and examined, that is to say until 31 December 1975; whereas the rate of duty applicable to footwear originating in third countries and put into free circulation in the United Kingdom or imported from any Member State should be that applicable under the provisions of Article 31 and 32 of the Act of Accession, namely 21·6 %,

HAS ADOPTED THIS DECISION:

Article 1

1. Ireland is hereby authorized to apply until 31 December 1975 a rate of duty of 10 % to imports from and originating in the United Kingdom of footwear with uppers of leather falling within subheading 64.02 A of the Common Customs Tariff.

2. For the purposes of the preceding paragraph, the concept of origin shall, in accordance with Article 48 of the Act concerning the conditions of accession and the adjustments to the Treaties, be as defined in respect of such goods in the Agreement between Ireland and the United Kingdom establishing a free trade area signed on 14 December 1965, and in the Agreements thereto.

Article 2

1. Ireland shall notify the Commission immediately of the measures taken in application of Article 1.

2. Ireland shall inform the Commission of the development of the situation in the sector concerned and shall forward to the Commission a plan for the reorganization of the footwear industry which it intends to have drawn up by 1 October 1975.

Article 3

1. The Commission shall review the present Decision not later than 1 November 1975.

2. Without prejudice to the review provided for in the preceding paragraph, the Commission may amend or revoke the present Decision if it finds that the conditions which led to its adoption have changed or that its effects prove to be more restrictive than its purpose requires.

Article 4

This Decision is addressed to Ireland.

Done at Brussels, 10 July 1975.

For the Commission

The President

François-Xavier ORTOLI