COMMISSION DECISION

of 22 December 1975

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

(Only the English text is authentic)

(76/176/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 Commission Decision 75/478/EEC of 10 July 1975 authorizing Ireland, under Article 135 of the abovementioned Act, to apply for the period until 31 December 1975 a rate of duty of 10 % to imports of certain footwear from and originating in the United Kingdom,

Having regard to the application by Ireland of 1 December 1975,

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

Subheading 64.02 A (1 000 pairs)

	Production	Total imports	Exports	Apparent consumption	% Import penetration	% Share of imports		
						UK	Other Member States	Third countries
1973	6 115	1 775	2 683	5 207	34·1	86·2	5·9	7·9
1974	5 890	2 126	2 934	5 082	41·8	83·2	10·3	6·5
1974 January—March	1 794	566	(831)	1 529	37·0	83·0	9·5	7·5
April—June	1 545	589	(761)	1 373	42·9	79·7	13·3	7·0
July—September	1 262	571	(713)	1 120	51·0	84·5	9·0	6·5
October—December	1 289	400	(629)	1 060	37·7	86·2	9·3	4·5
1975 January—March	1 318	569	(633)	1 254	45·4	78·4	15·6	6·0
April—June	1 126	504	(663)	967	52·1	64·7	22·1	13·2
July—September (Estimation)	(1 050) (1)	565	(516)	1 099	51·4	87·4	6·8	5·8

(1) Based on fall in employment.

Source : Central Statistics Office, Dublin.

Whereas in the period since the assessment of the situation made in the Commission Decision of 10 July 1975, the Irish footwear industry has continued to encounter serious difficulties which are liable to persist ; whereas the employment situation remains very disquieting ; whereas since then 500 persons have lost their jobs so that of the 5 000 persons employed in the sector in 1973, approximately 1 500 have lost their jobs up to October 1975, which represents a 30 % drop in the work-force ; whereas according to information supplied by Ireland the loss of a further 310 jobs is imminent ;

Whereas the footwear sector, although relatively small numerically, is composed of numerous small units situated mainly in the regions ; whereas the difficulties encountered as a result of the loss of jobs have a disproportionate effect in the regions of Ireland where the footwear sector often represents the main if not the only local source of employment ;

Whereas production declined by 30 % in the first half of 1975 compared to the same period in 1974 and declined further in the third quarter of 1975 ; whereas exports for the first three quarters of 1975 dropped by

20 % compared with 1974, whereas imports falling under CCT subheading 64.02 A only declined by 1 % during that same period, having in fact increased by 12 % during the August-September 1975 period.

Whereas although the United Kingdom remains the largest exporter to the Irish market, its share of leather footwear imports (CCT subheading 64.02 A) in the first three quarters of 1975 compared with the same three quarters in 1974 declined by 6·8 % from 82·4 % to 76·8 % ; whereas in the same period the share taken by imports from other Member States increased by 39·6 % from 10·6 % to 14·8 % while that taken by imports from third countries increased by 18·5 % from 7·0 % to 8·3 %.

Whereas the information available to the Commission shows that the situation within the Irish footwear industry has not improved since the Commission Decision and that the serious difficulties to which it referred still subsist.

Whereas it has not been possible for Ireland to have drawn up and submitted to the Commission before 1 October 1975 a plan for the reorganization of the sector concerned as provided for under Article 2, second paragraph of the Commission Decision referred to above ; whereas Ireland, in a communication dated 7 November 1975 concerning the development of the footwear sector, informed the Commission that it had commissioned a firm of management consultants to draw up the reorganization plan ; whereas in view of the complexity of the matter Ireland considers it will not be in a position to submit the plan to the Commission before March 1976 ; whereas the Commission will review the situation in the light of the reorganization plan ;

Whereas in such circumstances the full tariff reductions due to be effected under Community Law on 1 January 1976, in particular under the provisions of the Act of Accession, upon the expiry of the Commission Decision of 10 July 1975, would expose the Irish footwear sector to still more severe conditions of competition which would aggravate the already serious difficulties encountered in this sector ; whereas the prolongation of protective measures would ensure to the extent possible the most stable conditions during the drawing up and implementation by Ireland of the reorganization plan ;

Whereas the reorganization of the footwear industry in Ireland is liable to be jeopardized by abrupt tariff reductions ; whereas in connection with the Commission examination of the reorganization plan referred to above, before 1 July 1976, a new tariff reduction timetable running until 1 July 1977 might be considered ; whereas such a timetable might consist of two new steps on 1 July 1976, and 1 January 1977, in order to bring about more progressive tariff reduction ; whereas the tariff rates which might be established for the first new step on 1 July 1976 might be higher than those provided for in the Act of Accession ; whereas those for the second step on 1 January 1977 might be less than those provided for in the above-mentioned Act.

Whereas in order to enable the Commission to fully assess the economic and commercial situation of the Irish footwear sector on the occasion of the re-examination referred to above it is necessary to have available the most recent and reliable statistical data on imports of all footwear ; whereas to enable Ireland to collect such data in the most effective way it is necessary to authorize Ireland to establish an automatic licensing system in respect of imports of all footwear ;

Whereas this authorization shall be limited to the period during which the plan for the reorganization of the sector shall be drawn up by Ireland and examined by the Commission, that is to say until 30 June 1976,

HAS ADOPTED THIS DECISION :

Article 1

Ireland is authorized until 30 June 1976 to apply the following rates of duty in respect of imports of footwear with uppers of leather falling within Common Customs Tariff subheading 64.02 A :

	Imports from		Full rate
	United Kingdom	Other Member States	
From 1 January 1976	9 %	18·4 %	23·5 %

Article 2

Ireland is authorized to establish a licensing system in respect of all imports of all footwear. Such licences shall be issued free of cost and without delay.

Article 3

1. Ireland shall notify the Commission without delay of those measures taken in application of Articles 1 and 2.

2. Ireland shall forward to the Commission before 1 March 1976 the plan for the reorganization of the footwear sector which it shall draw up.

3. Ireland shall inform the Commission regularly on the development of the situation in the sector concerned, particularly with regard to the results of the surveillance authorized under Article 2.

Article 4

1. The Commission shall review this Decision not later than 1 June 1976.

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

Article 5

This Decision is addressed to Ireland.

Done at Brussels, 22 December 1975.

For the Commission

The President

François-Xavier ORTOLI