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GOVERNMENT ANNOUNCES CHANGES IN FOOTWEAR IMPORT POLICY

The Minister of International Trade, the Honourable Ed Lumley, today announced new temporary measures of protection for Canada's footwear industry. Effective today, leather footwear has been added to the Import Control List. Simultaneously, notification of this action is being made to Canada's trade partners through the General Agreement on Tariffs and Trade. Mr. Lumley noted that, with the addition of leather footwear to the Import Control List, all non-rubber footwear imports now require import permits.

In making the announcement, Mr. Lumley underlined that imports of leather footwear in the early months of 1982 had exhibited a sudden and sharp increase and that an import surge of this magnitude has serious implications for the business climate within which the industry was being asked to undertake modernization and restructuring programs. More specifically, he noted that for the first four months of 1982, imports of leather footwear increased by 19%, while overall footwear imports rose by 2%.

Increased leather footwear imports are coming from low-wage sources that had been designated as injurious sources by the Anti-dumping Tribunal, as well as developed country suppliers. Mr. Lumley noted that increases in leather footwear imports are coming at a time of particular softness in the footwear sector as the apparent Canadian market for footwear had declined by 4% compared to the first four months of 1981. Further, with these increases, overall footwear imports now account for about 67% of the Canadian market versus 63% a year ago. These increased imports have contributed to declines in production and employment of 13%.