

5 October 1960

Committee III - Expansion of TradeANNEX BFINISHED LEATHER, LEATHER FOOTWEAR
AND LEATHER GOODS (Draft)

In discussing the possibilities of less-developed countries increasing their exports of finished leather, leather footwear and leather goods, the Committee had in mind that some less-developed countries were major exporters of raw hides and skins. Approximately three-quarters of all imports of hides and skins into Western European countries, North America and Japan originated in less-developed countries. The Committee recognized the desirability for the less-developed countries which possessed the necessary materials and skills to increase their export earnings and to diversify their economies through the increased export of finished leather and leather products rather than of raw hides and skins.

The Committee noted that in at least one large industrialized country the proportion of imports of finished leather and leather products had increased from 2.7 per cent in 1954 and 11 per cent in 1958; the imports of leather footwear had doubled between 1956 and 1958. The upward trend in imports in this market appeared to be continuing and the Committee noted with satisfaction that less-developed countries supplied at least one-sixth of these imports. It was felt that by directing more attention to style, quality and price, less-developed countries could possibly obtain a still larger share of this market for finished leather and leather products.

The Committee noted, however, that import duties on finished leather and leather products in most markets were generally high compared to the relatively low tariffs on the unprocessed product. This was recognized

on the whole to be unfavourable to the development of leather processing industries in less-developed countries. The Committee noted that with few exceptions imports of finished leather were not subject to import control. Leather footwear and other leather products, although much more restricted than finished leather, were also relatively free from import controls in most markets of industrialized countries. The Committee noted, however, that well over one-half of contracting parties, including all principal industrialized countries, imposed internal fiscal charges on finished leather, leather footwear and other leather products. In view of the findings of the Committee as referred to above and to the widespread use of substitutes for leather the Committee recognized the importance to leather producing less-developed countries of a reduction both of tariffs and internal charges in all markets.