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For immediate release

### Trade barriers influence health, access to sport and physical activities

**Bern, Switzerland, September 23, 2011 –**

Last Wednesday the World Federation of the Sporting Goods Industry (WFSGI) has hosted for the first time a session at the WTO Public Forum in Geneva, Switzerland. The session “Increasing public access to sport through more open markets for sporting goods” underlined the need to reduce trade barriers for sporting goods such as footwear, apparel and equipment. WTO/WHO member states need to take responsibility in health, but trade barriers and high duties block the access to sport and physical activity.

WFSGI Secretary General and session moderator **Robbert de Kock** invited **Frank Dassler** (General Counsel adidas Group), **Tom Cove** (President and CEO Sporting Goods Manufacturers Association USA), **Edwin Vermulst** (Trade Counsel WFSGI and founding partner of law firm Vermulst Verhaege Graafsma & Bronckers), and **Yi-Fu Lin** (Permanent Representative of Chinese Taipei to the WTO) to speak and to address the alarming message on the global trade barriers and its consequences for society.

#### **Access to sport is important for global health promotion**

We are globally faced with increasing costs for our health systems and a general decline in physical health. The whole system could be better off, if people would be more active: The positive effects of physical activity can prevent serious illnesses.

The late Armin Dassler used to say “Every dollar spent in sports is a healthy dollar”. Poor health has a far-reaching residual impact on the global economy. Worker productivity, educational achievement and socio-economic advancement are all negatively impacted when individuals suffer from obesity and sedentary lifestyle-related diseases. We need trade policy that supports global health promotion strategies. Specifically, policies that open markets and facilitate the worldwide movement of sporting goods can make a difference by encouraging physical activity. Any Government would be ill-advised to accept the role of the host of the Olympic Games or the Football World Cup while closing its trade borders to the global sporting goods industry.

#### **“Made in the World”**

The story of a product is often far more complex than the label might lead one to believe. As an example most of the sporting shoes manufactured in China are made from mostly non-Chinese materials, such as Australian rawhide and Indonesian synthetics, for a US or EU-based company doing the R&D, designing, marketing and sales in different countries all over the world. The true

“made in the world” origin of this ostensibly “Chinese” shoe, however, remains to be recognized by most of the world’s trade experts.

- With regard to a *cheap shoe* with low R&D, design and marketing costs, more than 50% *value-added was in the EU*.
- For a *medium quality shoe*, the *EU value-added was between 60%-70%*.
- For a *high quality shoe* the EU value-added could be *more than 80%*; and
- For *high technology shoes with EU-based R&D*, the *EU value-added could be even higher*.

Nine major countries have protectionist measures for sporting goods footwear in place, and China appears to be the main target. Similarly, sporting goods apparel and equipment are subject to trade-restrictive measures across the world. Overall the sporting goods industry is faced with the highest tariffs and duties compared to other industries but so far we have not been able to develop enough lobbying capacity as the other industries to fight these measures.

The “made in the world” initiative has received significant encouragement from the WTO under the direction of Director-General Lamy. Moving along the same path, a solution needs to be found for the removal of impediments to trade for “made in the world” sporting footwear, apparel and accessories as there is a clear risk that the rising trade-restrictive measures are counter-productive.

### **Zero for zero is the need of the hour**

There is little controversy within the global sporting goods industry regarding the universal elimination of tariffs on sporting goods products. *Zero for zero* may not come easy, but given its position at the forefront of globalization, sporting footwear, apparel and equipment which are very much “made in the world” cannot settle for a lesser solution.

First, government must recognize what more global trade would contribute to our economic and social development, and the multilateral trading system embodied in the WTO is at the centre of the arena. As the proponent of this sectoral proposal to liberalize trade in sporting goods, Mr. Yi Fu Lin stated “on behalf of my government and other co-sponsors, I “must urge all member states to sign-on to this proposal”. Consumers will have more access to better quality sporting goods at more reasonable prices, and in the end their greater participation in sporting activities can only be conducive to bringing about healthier human lives.

The Sporting Goods Industry is tired of being “traded off” in favor of steel, cars or other industries and governments should recognize the clear distinguish between sporting goods and generic ‘shoes’ and ‘apparel’. The one stands for healthy lifestyle, reduction of health costs, higher productivity, more fun in life. The other doesn’t! The sporting goods industry urges the governments around the world to open their markets by allowing easy none tariff access (zero for zero) for sporting goods products, including footwear, apparel and equipment.

**Download high res pictures (300 dpi) of the session [here](#).**

**Download low res pictures (72 dpi) of the session [here](#).**

**For more information** - Speeches, Pictures, Audio and video documentation – visit the WTO Public Forum section at our website: [www.wfsgi.org](http://www.wfsgi.org)

**About the WFSGI**

**Global solutions through international teamwork** – The World Federation of the Sporting Goods Industry (WFSGI) was founded in 1978 and is the world authoritative body for the sports industry officially recognized by the IOC as the industry representative within the Olympic family. The WFSGI is an independent, non-profit and non-governmental association formed by sports brands, manufacturers, suppliers, retailers, national federations and other sporting goods industry related businesses. The WFSGI plays a strategic role in the support and promotion of the sporting goods industry worldwide. The WFSGI promotes free and fair trade and provides platforms for the intergovernmental cooperation with regards to the International Organizations interested or affected by sports. Its aim is also to expand the cooperation on the protection of intellectual property rights and improve human rights issues related to working conditions. All this can be done through contacts with International Organizations such as the ILO, WTO, WHO, UN but also through International Sports Federations (FIFA, IAAF, FIVB, etc.) and the IOC, via the exchange of information and clearing house on issues and topics developed by WFSGI's various committees.

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