Industrial footwear in Hungary
Proexport – Colombia
Equipo de Trabajo
Dirección de Información Comercial
Jorge Luis Gutiérrez – Director
Fernando Piñeros – Subdirector Proyectos Especiales
Bibiana Gutiérrez – Analista de Inteligencia de Mercados

bgutierrez@proexport.com.co
www.proexport.gov.co
www.proexport.com.co

Calle 28 No. 13ª – 15, Piso 35
Tel: (571) 5600100
Fax: (571) 5600118
Bogotá, Colombia

GRUPO CONSULTOR
EUNITE, Nederland

Todos los derechos reservados. Ni la totalidad ni parte de este documento puede reproducirse o transmitirse por ningún procedimiento electrónico o mecánico, incluyendo fotocopias, impresión o grabación.
Estimado Empresario:

La búsqueda de acuerdos comerciales que nos permitan como país ampliar los escenarios y mercados de exportación, nos reta como PROEXPORT a apoyar en forma directa a los empresarios en sus iniciativas exportadoras, ofreciendo servicios dentro de un modelo del gestión comercial y compartiendo un conocimiento más detallado sobre los mercados y sus oportunidades.

Para lograr lo anterior, PROEXPORT, con inversión de recursos propios y de cooperación técnica no-reembolsables del BID-FOMIN, emprendió una labor de recolección y análisis de información de primera mano en los principales mercados de interés a través de la contratación de consultorías internacionales especializadas en investigaciones de mercados. Los resultados de estos trabajos permitieron analizar y conocer la dinámica comercial de los sectores en los cuales existe un potencial para nuestras exportaciones, así como detallar aspectos de competitividad, información valiosa para la orientación de las iniciativas exportadoras de nuestros empresarios.

La información que contiene este estudio, sobre la dinámica del sector, la demanda y consumo, la situación competitiva de los productos, estructura y características de la comercialización y logística de acceso al mercado, es una contribución e invitación a profundizar y conocer aspectos que nos permitan avanzar en la realización de negocios en escenarios internacionales.

Cordialmente,

[Signature]

Luis Guillermo Plata P.
Presidente PROEXPORT
Contents

1. Introduction ........................................................................................................ 7
  1.1 Introduction ......................................................................................................... 7
  1.2 Methodology ....................................................................................................... 7
2. General sector data ........................................................................................... 9
  2.1 Current market developments within the specified sector .................................. 9
  2.2 Sector’s participation in total GDP ..................................................................... 10
  2.3 Sector’s participation in employment .................................................................. 11
  2.4 Developments in production .............................................................................. 12
  2.5 Sales-, import- and export activities ................................................................... 13
  2.6 Available data about the sub-sectors ................................................................. 16
  2.7 Recommendations ............................................................................................ 17
3. Market composition and characteristics ....................................................... 19
  3.1 Market size ......................................................................................................... 19
  3.2 Analysis of the apparent consumption dynamics .............................................. 20
  3.3 Governmental plans and programs .................................................................. 20
  3.4 Demand in the market ....................................................................................... 22
  3.5 Recommendations ............................................................................................ 23
4. Competition analysis ....................................................................................... 25
  4.1 Main trademarks available in the market ......................................................... 25
  4.2 Features of the commercialized products ....................................................... 28
  4.3 Marketing and advertising strategies ................................................................. 29
  4.4 Participation in the market and segments that are served .................................. 30
  4.5 Quality of the product ...................................................................................... 30
  4.6 Expansion plans ................................................................................................ 31
  4.7 Pricing strategy .................................................................................................. 31
  4.8 Recommendations ............................................................................................ 33
5. Distribution channels ...................................................................................... 35
  5.1 Distribution channels ....................................................................................... 35
  6.1 Preferential tariffs .............................................................................................. 41
  6.2 Tariffs imposed by major competitors .............................................................. 42
  6.3 Norms of origin ................................................................................................ 43
  6.4 Barriers .............................................................................................................. 45
  6.5 Licences .............................................................................................................. 46
  6.6 Quotas ............................................................................................................... 46
  6.7 Approvals & 6.8 Technical standards ............................................................... 46
  6.9 Packaging .......................................................................................................... 54
  6.10 Required documentation for import ................................................................. 55
  6.11 Import modalities or regimes involved in the process ...................................... 64
6.12 Requirements for import of samples and accompanied luggage .................................. 64
6.13 Website links to rules and regulations ....................................................................... 65
6.14 Flow chart of the process and related costs .............................................................. 66
6.15 Recommendations .................................................................................................. 67

7. Physical Access ........................................................................................................... 69
  7.1 Available transportation infrastructure  By road ..................................................... 69
  7.2 Identification of ports, airports, roads- border passes- railways, waterways .......... 70
  7.3 Description of status, operation, security, costs, distances, transportation
     arrangements and intercommunity customs .............................................................. 79
  7.4 Identification of other handling and distribution infrastructure ............................. 79
  7.5 Identification of carriers that transport goods imported from Colombia ............... 83
  7.6 Alternatives of transport and carriers providing services from Colombia ............ 84
  7.7 Costs of transportation from Colombia and main competing countries for the
      three types of cargo (loose cargo, general cargo, refrigerated cargo) in each
      modality of transport ............................................................................................. 85
  7.8 International Freight and Transportation Costs ....................................................... 85
  7.9 Other costs involved in international physical distribution ..................................... 86
  7.10 Physical distribution services address book ......................................................... 86

8. Recommendations to the exporter ............................................................................... 87

Annexes ......................................................................................................................... 89
  Annex 2: Certificate of Origin Form A ........................................................................... 122
  Annex 3: DV1 Form ....................................................................................................... 123
  Annex 4: Single Administrative Document (SAD) ......................................................... 125
  Annex 5: Photomaterial/ price information .................................................................. 126
  Annex 6: Companies directories .................................................................................. 133
1. Introduction

1.1 Introduction

The hereby presented report was elaborated on behalf of PROEXPORT Colombia. The primary goal of this report is to provide potential Colombian exporters of footwear and industrial footwear with relevant information on the Hungarian market.

The report contains data about specific segments of the market, its size and consumption specifics, major competitors, distribution chain, as well as practical information on import to Hungary.

1.2 Methodology

The report is conceived as a compilation of edited information from numerous sources. The most important information was taken from the Ministry of Economy and Transport of Hungary, the Central Statistical Office of Hungary and the Hungarian Development Bank. Taking into consideration other individual researchers the used data is all the latest which is available.

Enormous help was given by the Scientific Society of Leather, Shoe and Allied Industries and by the Association for Leather and Shoe Industry. As well as by the international organizations that deal with the economic position of the shoe industry in Hungary. The International Monetary Fund (IMF) made a survey in 2004, which contained useful data for this report and the World Trade Organization’s trade policy reviews in the years 1998, 2003 and 2004 were also beneficial. Additional information was acquired via the Internet and drawn from major daily and weekly newspapers (Heti Világgazdaság /HVG/, Népszabadság, Magyar Nemzet).

Note: All numbers stated in this report are in either EUR or in Hungarian Forint (HUF). The conversion rate on 27 September 2005 for HUF to EUR or USD are stated below.

<table>
<thead>
<tr>
<th>Name currency</th>
<th>Buy</th>
</tr>
</thead>
<tbody>
<tr>
<td>EUR</td>
<td>246,74 Ft</td>
</tr>
<tr>
<td>USD</td>
<td>204,9 Ft</td>
</tr>
</tbody>
</table>

Table 1.2.1 Price of currencies compared to HUF

Source: Hungarian National Bank, 27-09-2005
2. General sector data

2.1 Current market developments within the specified sector

The political and economic transition after the fall of socialism in the late ‘80s triggered a deep crisis in the structure of Hungarian industry. Symptomatic of this transformation was that the changes in inter-company relations not only brought an end to surplus demand, but that the quality of goods and services also improved significantly, factors that resulted in a substantial increase in consumption. In the case of the Hungarian shoe industry, this system of reaction did not or could not function properly.

When analysing market developments after the transition we can differentiate between the commodity and service markets and the system of inter-company relations. In the slowly changing economic systems (both in the developed market economies and in the controlled economies) the differences between these two structures which depend on each other and also their different functioning are quite evident.

Following the collapse of the socialist economic system, the commodity and services markets (and behind them the machinery, equipment, buildings and transport facilities required for production, as well as the workforce and the accumulated expertise) took on more of a stabilising role in the economy, while inter-company relations proved to be the driving force behind the transformation. Namely, in the initial years after the transition the number of new companies quickly increased and the sizes of companies establishing mutual relationships also underwent fundamental change. These events resulted in a radical alteration in inter-company relations and in sales channels between producers and consumers.

There is a positive reaction between the system of inter-company relations and the commodity markets. According to this assumption, for companies interested in increasing their market share and sales and which restructured their inter-company relations during the transition, not only does surplus demand and the lack of product ranges cease on the commodity and services markets, but the quality of commodities and services also improves, and these result in a significant increase in consumption. Though corporate relations changed more quickly and more intensively in the domestic shoe industry than on the commodity market, the above mentioned positive reaction exerts a much weaker effect.

Following the total failure of the industrial policy broken down to industry sectors and the most important product groups during socialism and the underlying system of badly organised subsidies, state levies and development policies, the
economic regulation bodies and the strategy planners of the developing market economy followed a policy of non-intervention. However, the institutions of economic regulation visibly did not function neutrally. Weaknesses in customs and tax control and opportunities to circumvent the instruments that served the temporary protection of the domestic industry, e.g. the volume quotas for shoe imports, noticeably favored (though this was not planned) the market players who created and maintained this state of low level reaction.

The output of Hungary’s shoe industry has been in steady decline, falling by 8-10 % per year as businesses try to deal with competition from low-cost importers from the far east. The trend by manufacturers to shift their production to the southern and eastern parts of Europe, where labor is cheaper, is a real threat to the industry in Hungary. In 2004 the gross production value of the shoe industry was about € 20 million. Hungarian firms turned out 15.1 million pairs of shoes last year. They exported 13.1 million pairs, and sold nearly 2 million pairs on the domestic market.

After that the above mentioned changes applied to the shoe industry too. The main producers became the foreign Marc-Sabaria, Saltis, Sabona, Richter, Legero, Ruggeri, Olip, Hartjes, and Szapport. The main Hungarian factories, like Sabaria, Tisza, Duna, etc. could only survive with the cooperation of Western investors and customers.

Three broad segments define the footwear market: (1) dress; (2) casual/athletic/outdoor; and (3) special purpose (including military, police and other "duty" footwear, industrial work boots and specialized sports footwear). More than 60 % of the sold products belongs to the first segment, 25 % to the second, and the remaining little bit more than 10 percent to the third.

2.2 Sector’s participation in total GDP

The participation in total GDP has decreased very fast in the last 15 years. Some foreign green field investors chose other developing countries to expand their production (for example Salamander moved from Hungary to Bulgaria in 1999) and the Hungarian leather and shoe factories have weakened in the international competition too.

The deepest crisis came in the late 90s, when cancellation of U.S. orders from two of Hungary’s largest shoe companies created an unstable export field. According to market authorities, the shoe industry in Hungary never really recovered from this blow, because it was followed by harsh competition from Far-Eastern and Turkish exporters. Market experts therefore doubt if the Hungarian footwear sector will survive. The only solution could be the introduction of protectionism in this sector, which has already started a debate within the European Commission.
In 2004 the sector’s participation in total GDP used to be 0.173%. In the mid-ninetieth this percentage was around 0.4%. This decline has deeply affected those areas of Hungary, where the majority of the population had been involved in the shoe industry, for example the southern region of Bonyhád in the province Tolna. While the unemployment rate in the whole country is 5.6%, in these regions it is 8.9% according to a survey of the Hungarian Development Bank in January 2005.

### 2.3 Sector’s participation in employment

Central efforts failed to reduce the wide inter-regional employment gaps having emerged after the regime change. The backlog of the deprived regions increased and the situation of local labor markets characterized by high unemployment and low employment rates, deteriorated even further. The latest data suggest a turn: regional differences in employment and unemployment have narrowed somewhat at the level of counties (Hungarian provinces, there are 19 counties as units of administration) and micro-regions in the period following the first quarter of 2003.

#### Earnings

In 2003, the average monthly gross earnings of the approximately 2.6 million fulltime employees of enterprises with a minimum of 5 staff, public institutions and the designated non-profit institutions increased by 12% on annual average, to €562.48. In the public sector, central wage increases brought up the wages of the approximately 500 thousand employees by 17.5%, to a monthly gross average of €659.41. In the competitive sector, the corresponding figure was €520.76. The monthly net earnings average were €363.85; earnings rose in real value by 109.2% (2002: 113.6%).

#### Table 2.3.1 Gross average wages

<table>
<thead>
<tr>
<th>Year</th>
<th>Clothing industry</th>
<th>Processing industry</th>
<th>Total in the competitive area</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>€/capita/month</td>
<td>€/capita/month</td>
<td>€/capita/month</td>
<td>Processing industry</td>
</tr>
<tr>
<td>1996</td>
<td>123.39</td>
<td>193.42</td>
<td>197.86</td>
<td>63.8</td>
</tr>
<tr>
<td>1997</td>
<td>150.36</td>
<td>236.13</td>
<td>241.03</td>
<td>63.7</td>
</tr>
<tr>
<td>1998</td>
<td>173.04</td>
<td>275.37</td>
<td>285.79</td>
<td>62.8</td>
</tr>
<tr>
<td>1999</td>
<td>194.92</td>
<td>312.95</td>
<td>317.37</td>
<td>62.3</td>
</tr>
<tr>
<td>2000</td>
<td>219.13</td>
<td>361.33</td>
<td>362.52</td>
<td>60.6</td>
</tr>
<tr>
<td>2001</td>
<td>256.38</td>
<td>414.63</td>
<td>421.61</td>
<td>61.8</td>
</tr>
<tr>
<td>2002</td>
<td>283.83</td>
<td>465.97</td>
<td>477.84</td>
<td>60.9</td>
</tr>
</tbody>
</table>

Source: Central Statistical Office, Hungary
The average earnings of non-manual workers was almost twice that of manual workers (at € 792.37 vs. € 374.59). The most important earnings factor is educational attainment: degree-holders earned 3.6 times more than those having finished primary education only.

Hungary has a population of over 10 million people of whom 6.8 million persons are of working age (ages 15–64, according to the standard used in international comparisons). Of this group 61% (2002: 60%) was present in the labor market, 57% as employed and 4% as active job-seeker. Considering the Hungarian definition of working age, 65% of a working-age population of 6.3 million was economically active. The number of employees was 4,148 million persons of which 112,3 thousand worked in the clothing industry in 2002 according to the latest data. 7% of the total amount of Hungarian employees were involved in the clothing industry. Despite numerous attempts to receive information regarding the share on employment of the industrial footwear sector, one can only conclude that such detailed statistics are not kept and available data only refer to the footwear sector as a whole or to the clothing / leather industry, whereby the latter sector provides for more recent data. Even experts were not confident to provide estimations regarding the share on employment, due to the fact that the domestic industry is rather unstable at current.

Table 2.3.2 Employment in the clothing industry in Hungary

<table>
<thead>
<tr>
<th></th>
<th>Data of enterprises with &gt; 10 workers</th>
<th>Data of enterprises with more &gt; 5 workers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of employees</td>
<td>123,7</td>
<td>124,8</td>
</tr>
<tr>
<td>(in '000)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Index (previous year=100)</td>
<td>96,3</td>
<td>100,9</td>
</tr>
<tr>
<td>Percentage inside the industry (%)</td>
<td>15,7</td>
<td>15,9</td>
</tr>
</tbody>
</table>

Source: Central Statistical Office, Hungary

2.4 Developments in production

In Hungary there is a highly qualified, but nevertheless relatively cheap labor force. Production capacities of footwear companies could quickly be doubled. During the restructuring of companies involved in footwear production, their labor force was trimmed. Therefore production companies nowadays are able to be flexible units that can react swiftly to the wishes of their customers. The
Industrial footwear in Hungary

geographical location of Hungary in the heart of Europe is undoubtedly an asset, because it makes quick transportation of goods possible without the necessity to store the goods for long periods and thus bind financial means.

For the future development of the footwear industry the creation of a distributing net locally and abroad is very important. Many producers build their own retail net, or they obtain contractual shops. Strong competition has grown during the last two years in the nets of foreign supermarkets, but even here Hungarian producers have gained their stable position among contractors.

The footwear industry had to meet more keen competition on the EU internal market from 1.1.2005 due to cancellation of quantitative quotas for import of some sorts of footwear from China. Based on the analysis of direct export to EU countries in 2003 the share of regulated items amounted to 73.2 % in the leather footwear, 56.6 % in plastic footwear and approximately 41.0 % in textile footwear.

In the framework of the worldwide globalization, the manufacture of consumer goods is being transferred into countries which are rich of raw material and have a cheaper workforce. Those countries are mainly located in Asia. With respect to the fact that China will start liberalization of trade with other countries after accession to the WTO, their market will be opened for firms from the EU as well, which will enable them to sell their products there.

2.5 Sales-, import- and export activities

In the last six years, while the shoe production comprised between 13 and 17 million pairs per year, the shoe import increased with 82 % (from 23.2 million pairs to 42.9 million).

The Hungarian imported footwear market shows a very split picture. On one side it is comprised of high quality shoes, which are sold at a high price, and low quality import, which is sold at a relatively lower price. This also shows in the table with import data presented below. When focussing on the value of the footwear brought in, totally different countries become visible in the list of largest exporters than when the focus lies with the quantity of the imported goods.

Within the import branch, four countries are of great importance value-wise; Italy, Germany, Austria and Romania. They possess the largest share of the value of imported footwear brought into Hungary. However the share of China and Hong Kong in the footwear market has been rising at a very high pace at the expensive of the more established footwear producers like Italy and Germany.

Hong Kong is by far the largest exporter of footwear to Hungary, quantity-wise, because annually 16 million kg of shoes from Hong Kong are brought into
Market Researches in Eastern Europe

Hungary. This is 13 million kgs more than the second largest importer of footwear per quantity; Italy. Both Hong Kong and China exports products belonging to the TARIC-codes 6401, 6402 and 6403 in large quantities to Hungary. The largest volumes are exported in category 6402, but price-wise, the largest value was received for goods of category 6403.

<table>
<thead>
<tr>
<th>Measures</th>
<th>Import Value (‘000 EURO)</th>
<th>Import Qty (1000 kg)</th>
<th>Market share in imports (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reporters</td>
<td>Hungary</td>
<td>Hungary</td>
<td>Hungary</td>
</tr>
<tr>
<td>Years</td>
<td>2004</td>
<td>2004</td>
<td>2004</td>
</tr>
<tr>
<td>Partners</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Romania</td>
<td>22 226.660</td>
<td>1 735.7</td>
<td>12.13</td>
</tr>
<tr>
<td>China, People's Republic of</td>
<td>17 271.570</td>
<td>3 130.3</td>
<td>9.42</td>
</tr>
<tr>
<td>Hong Kong</td>
<td>15 090.060</td>
<td>16 130.8</td>
<td>8.23</td>
</tr>
<tr>
<td>India</td>
<td>7 806.210</td>
<td>291.5</td>
<td>4.26</td>
</tr>
<tr>
<td>Vietnam</td>
<td>7 146.380</td>
<td>597.8</td>
<td>3.9</td>
</tr>
<tr>
<td>Ukraine</td>
<td>5 030.620</td>
<td>345.8</td>
<td>2.74</td>
</tr>
<tr>
<td>Italy</td>
<td>44 125.949</td>
<td>3 431.9</td>
<td>24.1</td>
</tr>
<tr>
<td>Germany</td>
<td>34 112.539</td>
<td>1 869.7</td>
<td>18.62</td>
</tr>
<tr>
<td>Austria</td>
<td>23 625.949</td>
<td>1 552.7</td>
<td>12.89</td>
</tr>
<tr>
<td>Spain</td>
<td>6 806.280</td>
<td>367</td>
<td>3.7</td>
</tr>
</tbody>
</table>

Source: DG Trade

The export data of footwear from Hungary to third countries is given below. As becomes apparent from this graph, the main countries Hungary is exporting to are Germany, Italy and Austria. Germany is by far the largest recipient of Hungarian footwear with 3 million kgs of footwear being sold to Germany annually at a total value of € 108 million.
Table 2.5.2 Export value and quantity of “Footwear, gaiters and the like” (CN 64)

<table>
<thead>
<tr>
<th>Measures</th>
<th>Export Value ('000 EURO)</th>
<th>Export Qty ('000 kg)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reporters</td>
<td>Hungary</td>
<td>Hungary</td>
</tr>
<tr>
<td>Years</td>
<td>2004</td>
<td>2004</td>
</tr>
<tr>
<td>Partners</td>
<td></td>
<td></td>
</tr>
<tr>
<td>United States</td>
<td>6 344.640</td>
<td>231.5</td>
</tr>
<tr>
<td>Romania</td>
<td>4 723.070</td>
<td>601.7</td>
</tr>
<tr>
<td>Ukraine</td>
<td>2 437.450</td>
<td>260.3</td>
</tr>
<tr>
<td>Switzerland</td>
<td>2 184.430</td>
<td>113.3</td>
</tr>
<tr>
<td>Bulgaria</td>
<td>1 972.520</td>
<td>151.2</td>
</tr>
<tr>
<td>Germany</td>
<td>108 374.227</td>
<td>3 814.2</td>
</tr>
<tr>
<td>Italy</td>
<td>47 654.488</td>
<td>3 177.5</td>
</tr>
<tr>
<td>Austria</td>
<td>46 541.270</td>
<td>2 519.4</td>
</tr>
<tr>
<td>Netherlands</td>
<td>3 944.100</td>
<td>351.1</td>
</tr>
<tr>
<td>Spain</td>
<td>1 838.740</td>
<td>212.7</td>
</tr>
</tbody>
</table>

Source: DG Trade

When both tables with import and export data are compared, it shows that Hungary is a net importer of footwear. It annually imports 12 million kgs of footwear more than it exports from the country.

*Industrial footwear*

The industrial footwear sector is a far smaller market than that of general footwear. Only 10,000 kgs of industrial footwear are imported into Hungary on a yearly basis. The main countries exporting their industrial footwear to Hungary are France and Italy.

Table 2.5.3 Waterproof footwear incorporating a protective metal toecap, with outer soles and uppers of rubber or of plastics (CN 640110)

<table>
<thead>
<tr>
<th>Measures</th>
<th>Import Value ('000 EURO)</th>
<th>Import Qty ('000 kg)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reporters</td>
<td>Hungary</td>
<td>Hungary</td>
</tr>
<tr>
<td>Years</td>
<td>2004</td>
<td>2004</td>
</tr>
<tr>
<td>Partners</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Romania</td>
<td>6.360</td>
<td>2.2</td>
</tr>
</tbody>
</table>

*Proexport Colombia*
Market Researches in Eastern Europe

<table>
<thead>
<tr>
<th>Country</th>
<th>Value</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>Thailand</td>
<td>0.420</td>
<td></td>
</tr>
<tr>
<td>China, People's Republic of</td>
<td>0.340</td>
<td></td>
</tr>
<tr>
<td>France</td>
<td>20.700</td>
<td></td>
</tr>
<tr>
<td>Italy</td>
<td>14.180</td>
<td></td>
</tr>
<tr>
<td>Netherlands</td>
<td>2.920</td>
<td></td>
</tr>
<tr>
<td>Belgium</td>
<td>2.090</td>
<td></td>
</tr>
<tr>
<td>Germany</td>
<td>1.540</td>
<td></td>
</tr>
<tr>
<td>Austria</td>
<td>1.210</td>
<td></td>
</tr>
<tr>
<td>Czech Republic</td>
<td>0.820</td>
<td></td>
</tr>
</tbody>
</table>

Source: DG Trade

The export of industrial footwear from Hungary to third countries is negligibly small; in 2004 the only country Hungary exported industrial footwear to was Sweden. In 2003 the export of Hungarian industrial footwear was non-existent.

2.6 Available data about the sub-sectors

Personal protective equipment (PPE), a category which comprises industrial footwear as well, has gained in popularity in the past decade in Hungary. A recent survey showed that 89.5% of workplaces questioned generally uses PPE when it is provided. Only 6.3% of respondents said it was not being used. The most common important reason for not using the provided PPE was that it is uncomfortable to wear (in 23.7% of cases) or neglect on the part of the worker (30.3%).

Table 2.6.1 shows that industrial footwear is one of the most common means of personal protection next to the more general category of body protection. It is particularly used in the construction business, during mining and quarrying and in jobs related to agriculture, hunting, forestry and fishing.

Table 2.6.1 Workplaces of different industries where PPE was needed for some jobs

<table>
<thead>
<tr>
<th>Industry</th>
<th>Head</th>
<th>Eye</th>
<th>Ear</th>
<th>Body</th>
<th>Lung</th>
<th>Hand</th>
<th>Foot</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture, hunting, forestry, fishing</td>
<td>65.0</td>
<td>90.0</td>
<td>75.0</td>
<td>100.0</td>
<td>55.0</td>
<td>95.0</td>
<td>95.0</td>
</tr>
<tr>
<td>Mining and quarrying</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
<td>57.8</td>
<td>100.0</td>
<td>94.7</td>
</tr>
<tr>
<td>Chemical products</td>
<td>78.0</td>
<td>97.6</td>
<td>87.5</td>
<td>97.6</td>
<td>88.0</td>
<td>97.6</td>
<td>95.2</td>
</tr>
<tr>
<td>Metal manufacturing</td>
<td>65.4</td>
<td>96.3</td>
<td>93.9</td>
<td>95.0</td>
<td>63.4</td>
<td>95.1</td>
<td>87.9</td>
</tr>
</tbody>
</table>

16 Proexport Colombia
### Industrial footwear in Hungary

<table>
<thead>
<tr>
<th>Industry</th>
<th>Head</th>
<th>Eye</th>
<th>Ear</th>
<th>Body</th>
<th>Lung</th>
<th>Hand</th>
<th>Foot</th>
</tr>
</thead>
<tbody>
<tr>
<td>% of workplaces</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Food, beverages and tobacco</td>
<td>62.7</td>
<td>81.3</td>
<td>83.7</td>
<td>93.0</td>
<td>51.1</td>
<td>93.0</td>
<td>76.7</td>
</tr>
<tr>
<td>Textiles, clothing, leather</td>
<td>29.6</td>
<td>62.9</td>
<td>55.5</td>
<td>66.6</td>
<td>25.9</td>
<td>51.8</td>
<td>33.3</td>
</tr>
<tr>
<td>Wood products and furniture</td>
<td>71.4</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
<td>85.7</td>
<td>100.0</td>
<td>85.7</td>
</tr>
<tr>
<td>Pulp, paper, paper products, printing</td>
<td>38.0</td>
<td>85.7</td>
<td>66.6</td>
<td>80.9</td>
<td>23.8</td>
<td>80.9</td>
<td>71.4</td>
</tr>
<tr>
<td>Construction</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
<td>92.8</td>
<td>57.1</td>
<td>100.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Energy, electricity, gas and water</td>
<td>96.2</td>
<td>100.0</td>
<td>88.8</td>
<td>98.1</td>
<td>33.3</td>
<td>100.0</td>
<td>90.7</td>
</tr>
<tr>
<td>Retail and wholesale</td>
<td>29.6</td>
<td>48.0</td>
<td>28</td>
<td>85.4</td>
<td>7.5</td>
<td>81.8</td>
<td>58.1</td>
</tr>
<tr>
<td>Hotel and catering</td>
<td>0.0</td>
<td>33.3</td>
<td>0.0</td>
<td>88.8</td>
<td>0.0</td>
<td>100.0</td>
<td>88.8</td>
</tr>
<tr>
<td>Transport and communications</td>
<td>60.0</td>
<td>77.5</td>
<td>62.5</td>
<td>82.9</td>
<td>36.5</td>
<td>87.8</td>
<td>78.0</td>
</tr>
<tr>
<td>Banking, finance and insurance</td>
<td>40.0</td>
<td>80.0</td>
<td>40.0</td>
<td>40.0</td>
<td>20.0</td>
<td>40.0</td>
<td>20.0</td>
</tr>
<tr>
<td>Business services</td>
<td>11.1</td>
<td>44.4</td>
<td>0.0</td>
<td>66.6</td>
<td>11.1</td>
<td>55.5</td>
<td>33.3</td>
</tr>
<tr>
<td>Health</td>
<td>9.0</td>
<td>90.9</td>
<td>18.1</td>
<td>90.9</td>
<td>63.6</td>
<td>100.0</td>
<td>18.1</td>
</tr>
<tr>
<td>Education</td>
<td>0.0</td>
<td>16.6</td>
<td>0.0</td>
<td>16.6</td>
<td>16.6</td>
<td>16.6</td>
<td>0.0</td>
</tr>
<tr>
<td>Research and development</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: International Labour Organization

#### 2.7 Recommendations

The Hungarian footwear industry has seen a steady decline for the past decade. This has mainly to do with the fierce competition coming from Asian countries and predominantly China. The footwear sector in Hungary is therefore becoming more and more export reliant. Which could open up new opportunities for new foreign suppliers, though they will also be subjected to the harsh competition coming from the East.
3. **Market composition and characteristics**

3.1 **Market size**

Up to the year 1989 the Hungarian shoe market consisted of 17 main state owned factories and some so called “private sector” enterprises, who suffered a lot from authorities, who did not support these initiatives.

Inside the economical cooperation of the socialist states (COMECON) the share of technology and goods represented only a small import, first of all from Czechoslovakia and the People’s Republic of China.

Table 3.1.1 Leather and shoe production 1993-2002.  
Volume indexes of production and sales (1992=100%)

<table>
<thead>
<tr>
<th>Year</th>
<th>Production</th>
<th>Sales in inland</th>
<th>Export sales</th>
<th>Sales total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1993</td>
<td>101,6</td>
<td>93,6</td>
<td>110,8</td>
<td>101,2</td>
</tr>
<tr>
<td>1994</td>
<td>106,4</td>
<td>96,6</td>
<td>114,3</td>
<td>104,4</td>
</tr>
<tr>
<td>1995</td>
<td>89,1</td>
<td>69,7</td>
<td>115,7</td>
<td>88,8</td>
</tr>
<tr>
<td>1996</td>
<td>83,7</td>
<td>59,7</td>
<td>118,4</td>
<td>83,7</td>
</tr>
<tr>
<td>1997</td>
<td>94,5</td>
<td>56,8</td>
<td>149,8</td>
<td>94,0</td>
</tr>
<tr>
<td>1998</td>
<td>98,9</td>
<td>59,0</td>
<td>156,3</td>
<td>98,0</td>
</tr>
<tr>
<td>1999</td>
<td>99,5</td>
<td>56,4</td>
<td>164,6</td>
<td>99,5</td>
</tr>
<tr>
<td>2000</td>
<td>99,8</td>
<td>54,4</td>
<td>165,0</td>
<td>98,5</td>
</tr>
<tr>
<td>2001</td>
<td>98,7</td>
<td>48,3</td>
<td>173,5</td>
<td>98,0</td>
</tr>
<tr>
<td>2002</td>
<td>93,6</td>
<td>43,3</td>
<td>169,0</td>
<td>93,1</td>
</tr>
</tbody>
</table>

*Source: Statistical Yearbook, 2002, page 421*

After the political changes the economy also suffered a drastic decline as mentioned above in chapter 2. The high range of unemployment in the sector and the transition into being a market economy instead of a planned economy implicated a fast decrease in output and also in consumption, which did not turn around until the late ‘90s.

Today there are 1575 enterprises producing footwear products, of which 1275 employ less than 10 workers (micro size), in 179 companies between 10 and 49 people work (small size), 83 enterprises have between 50 and 250 employees (medium size) and only 20 are so called large companies with more than 250 workers.
The market is very complicated to characterize. A lot of (foreign) takeovers have taken place: first the German and Austrian enterprises bought the Hungarian factories, like Humanic did with the Hungarian Szivárvány, or the Salamander with Főnicia. Later the hyper market chains found their way to the Hungarian market and followed a less professional footwear policy by offering shoes of a lesser quality at low prices. Where it specifically concerns industrial footwear 121,763 pairs of industrial footwear (CN 640110) were produced in 2002.

3.2 Analysis of the apparent consumption dynamics

Table 3.2.1 Shoe production and sales

<table>
<thead>
<tr>
<th></th>
<th>1999</th>
<th>2000</th>
<th>2001</th>
<th>2002</th>
</tr>
</thead>
<tbody>
<tr>
<td>Production</td>
<td>15.636</td>
<td>16.552</td>
<td>17.326</td>
<td>14.893</td>
</tr>
<tr>
<td>Export</td>
<td>16.719</td>
<td>18.335</td>
<td>20.437</td>
<td>22.283</td>
</tr>
<tr>
<td>Import</td>
<td>37.878</td>
<td>41.350</td>
<td>42.932</td>
<td>43.325</td>
</tr>
<tr>
<td>Apparent</td>
<td>35.522</td>
<td>39.567</td>
<td>39.821</td>
<td>35.935</td>
</tr>
</tbody>
</table>

Source: Central Statistical Office and Foreign Trade Statistics

As table 3.2.1 shows apparent consumption has seen a downward trend in the past years. This is mainly due to a fall in local production. Many Hungarian shoe factories seized to exist, because they simply could not face the harsh Asian competition anymore.

Local production is a relatively small part of overall trade flows (18.5%), compared to the amount of imported shoes being brought into Hungary (53.8%). The total import of shoes exceeds national consumption, which means that a large part of import and a relatively large share of local produce are being exported abroad to third countries. Import of shoes has started to play a more and more significant role over the past few years. As discussed in Chapter 2, this import is largely coming from Asian countries and China in specific.

3.3 Governmental plans and programs

Currently there are no programs planned by the Government concerning the footwear industry. The government announces tenders which can be viewed at this web page: http://www.dgmarket.com/eproc/CountryDetail.do~hu.

There is a strengthening lobby from the domestic manufacturers to stricken the restrictions towards importers, mainly from Asian countries. Besides the footwear industry there are general governmental plans that can influence business in Hungary and thus the footwear industry;
• Legal and institutional frameworks of company bankruptcy are among the most criticised spheres of the Hungarian business environment. The government focuses on re-codification of the bankruptcy law so as to strengthen creditors' position, limit interest in dragging bankruptcies out and make it possible for viable parts of the firms to continue economic activity.

• As regards the labor market, the government will focus mainly on: support of active measures to prevent long-term and repeated unemployment of certain population groups; reform of tax and benefit system aimed at increasing motivation to work; an increase in employment of older workers; and modernization of the educational system in accordance with changing demands of the labor market.

• With regard to the financial sector, an amendment to the Act on Collective Investment is under preparation, which should boost further development of investment companies in Hungary. The amendment regulates formation of a new kind of fund of qualified investors, whose securities could be held by the so-called qualified investors only – banks, brokers etc., who are capable of calculating the rate of investment risk themselves.

**Industrial footwear**

In the industrial footwear sector many government initiatives originate mainly in Brussels. The European Agency for Safety and Health at Work annually organizes a European Week for Safety and Health at Work. The Safety week is an information campaign designed to raise awareness and promote activities to make Europe a safe and healthy place to work.

This year the Safety week will take place from 24-28 October and it will run in all memberstates. The official launch data was on 20 April 2005 on the International Noise Awareness Day. This is not a coincidence, because the annually changing theme this year is: "Stop that Noise!", to make everyone more aware of the dangers of noise nuisance.

A global industrial footwear tender issued by the government in the amount of € 650.400 has been awarded to;

Vektor Munkavédelmi, Műszaki Fejlesztő és Gyártó Szövetkezet,
Att: Kérdő Sarolta,
Soroksári út 164,
HU-1095 Budapest
Tel.: 281-1945
Fax: 281-1947
E-mail: vektor@vektorsz.hu
Market Researches in Eastern Europe

This government tender was party subsidized by the European Union and was granted to Vektor, because they were able to offer the lowest price. Vektor will produce waterproof calf boots specially designed for the government. This tender was granted late June 2005.

3.4 Demand in the market

The Hungarian clothing and footwear industry witnessed double digit growth rates throughout the past five years, growing from € 80 million in 1999 to € 137 million in 2004, which represents a compound annual growth rate of more than 11% in current value terms. This strong development can primarily be attributed to the increase in disposable income, which enabled many Hungarians to increase their spending on clothing items. Although this positive tendency is likely to continue, experts believe that the industry has started to consolidate. As a result growth rates are likely to slow down in the coming years.

The rise of the prices of shoes will tribute to this slow down of footwear consumption. During the socialist times there was lack and a strong overdemand for footwear. Today the authorities face another problem, production is not decreasing while the market is still overcrowded. These developments lead to an overproduction and underconsumption in the Hungarian footwear market.

The average consumption in shoes was three pairs per capita in 2004, while in Western-Europe this number is many times higher. The following figure shows the money spend on shoes per household and a slight decrease in this expenditure has been visible over the past years. Since 1993 overall expenditure on shoes as a part of total household expenditure has dropped 0.53%.

In general it is the female part of the population that is concerned with buying both shoes for herself as for her children, husband, father etc. Women are therefore the biggest Hungarian shoe consumers.

Table 3.4.1 The average expenditures of Hungarian households (per year per capita)

<table>
<thead>
<tr>
<th>Year</th>
<th>Male shoes (€/capita)</th>
<th>Female shoes (€/capita)</th>
<th>Children shoes (€/capita)</th>
<th>Total expenditure (€) per household per capita</th>
<th>Shoe/ total expenditure in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>1993</td>
<td>4.30</td>
<td>4.53</td>
<td>2.72</td>
<td>573.08</td>
<td>2,02</td>
</tr>
<tr>
<td>1994</td>
<td>4.78</td>
<td>5.06</td>
<td>3.11</td>
<td>672.02</td>
<td>1,93</td>
</tr>
<tr>
<td>1995</td>
<td>5.24</td>
<td>5.56</td>
<td>3.44</td>
<td>798.47</td>
<td>1,78</td>
</tr>
<tr>
<td>1996</td>
<td>6.23</td>
<td>6.77</td>
<td>3.94</td>
<td>931.89</td>
<td>1,82</td>
</tr>
<tr>
<td>1997</td>
<td>7.40</td>
<td>7.35</td>
<td>4.49</td>
<td>101.35</td>
<td>1,80</td>
</tr>
<tr>
<td>1998</td>
<td>8.75</td>
<td>9.06</td>
<td>4.74</td>
<td>1256.91</td>
<td>1,79</td>
</tr>
<tr>
<td>1999</td>
<td>10.03</td>
<td>10.24</td>
<td>5.30</td>
<td>1447.44</td>
<td>1,77</td>
</tr>
</tbody>
</table>
Industrial footwear in Hungary

<table>
<thead>
<tr>
<th>Year</th>
<th>2000</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>9.72</td>
<td>12.86</td>
<td>13.87</td>
<td>15.85</td>
</tr>
<tr>
<td>Imports</td>
<td>10.92</td>
<td>13.64</td>
<td>14.90</td>
<td>16.41</td>
</tr>
<tr>
<td>Share of sales</td>
<td>5.08</td>
<td>5.25</td>
<td>6.00</td>
<td>6.49</td>
</tr>
<tr>
<td>Import Value</td>
<td>1642.20</td>
<td>1941.26</td>
<td>2120.49</td>
<td>2443.44</td>
</tr>
<tr>
<td>Index</td>
<td>1,56</td>
<td>1,64</td>
<td>1,64</td>
<td>1,59</td>
</tr>
</tbody>
</table>

Source: Central Statistical Office Hungary

Where it concerns industrial footwear in specific, a different consumer image becomes apparent. A survey amongst workers doing hazardous labor showed that when respondents felt that certain personal protective equipment was needed, it was usually (in 92.8% of cases) provided by the employer.

Overall, lung protection was provided in 98.4% of those workplaces where the respondents felt that the PPE concerned was needed, foot protection in 96.1%, hand protection in 95.6%, body protection in 95.5%, head protection in 95.3%, and eye protection in 94.4%. After examining different sectors, however, it become apparent that foot and body protection were more consistently needed than was any other type of protection, and lung protection was felt to be needed the last.

Unfortunately, no statistics are available about the number of companies that, when necessary or obliged, provide their employees with protective footwear. But as shown above, more than 90% of workers in hazardous professions, wear some kind of protection. Taking this in account, the conclusion can be drawn that the majority of such companies has a policy of providing their employees with protective equipment.

3.5 Recommendations

This chapter has shown that the demand for footwear in Hungary is low compared to other European countries. A lower disposable income within the country is a major cause of this. The market is getting more and more overcrowded by cheap import from Asian countries, while the demand for footwear has been stable for quite some time. These market circumstances might make it difficult for new foreign footwear producers to enter the Hungarian market.

Concerning industrial footwear, the overwhelming majority of workers wears some kind of personal protective equipement when needed. Companies are obliged to provide their workers with protective equipment when needed and the majority of employees actually wears PPE. However, equipment protecting foot and body is more popular than equipment protecting inner organs.

---

2 This does not include the medical sector.

Proexport Colombia
4. Competition analysis

4.1 Main trademarks available in the market

In this part the biggest players amongst the Hungarian footwear manufacturers are listed. Most of them are owned by foreign shoe companies, but their production partly takes place in Hungary.

Attempts were made to get as much information about the companies as possible, however, due to a lack of official statistical information and (trade) registers in Hungary, as well as unwillingness amongst companies to reveal their company details and to cooperate, it was not possible to collect detailed information, like the exact number of employees and turnover for most of these companies.

Vektor
Vektor Munkavédelmi, Műszaki Fejlesztő és Contact person: Kérdő Sarolta
Gyártó Szövetkezet, Soroksári út 164, HU-1095 Budapest
Tel.: +36 1 281 1945
Fax: +36 1 281 1947
E-mail: vektor@vektorsz.hu
http://www.vektor-safety.hu

The company Vektor, which exists since 1987, is one of the biggest Hungarian industrial footwear producers. The company is a medium size company (50-250 employees) with a production plant in Budapest. Products manufactured concern a wide range, including both indoor and outdoor use.

Etche Sécurité
Contact person: Jean-Louis Plantey
64130 Mauléon - France
Tel.: +33 (0)5 59 28 05 41
Fax.: +33 (0)5 59 28 30 10
E-mail: etche@etchesecurite.fr
Web site: www.etchesecurite.com

Etche Sécurité is a French producer of industrial footwear. This trademark is frequently imported into Hungary and has a good reputation amongst the Hungarian users of industrial footwear. Etche Sécurité designs and manufactures rubber technical safety boots and shoes for professional protection and has been doing so for 40 years. Their products are specifically designed to combat the
risks inherent in every profession. Etche has its own team of technical experts that defines the most appropriate mulations of synthetic and natural rubbers.

![CHIMIE - MIC CHIMIE](image)

**Giasco**
via G.B. Zaupa, 50
36072 CHIAMPO (VI) - Italy
Tel. +39 0444 624477 r.a.
Fax +39 0444 623085
E-mail: giasco@giasco.com
Website: www.giasco.com

The 40 year old Giasco is a popular Italian brand of safety shoes and protective clothing, that is already 15 years sold all trough Hungary. The assortment comprises a full assortment of both rubber, plastics and leather protective footwear.

**GABREX Ltd. Export-Import**
Napsugár u. 11-13, 1025 Budapest - Hungary
Tel.: (+36 1) 325 9000
Fax: (+36 1) 325 7414
E-mail: gabrex@mail.datanet.hu / Web site: http://www.gabrex.hu/

Gabrex offers a broad range of personal protective equipment, that can be used for all kinds of professions. The company is among the market’s leaders on the Hungarian market, together with Vektor and Giasco. The products are produced in and distributed from the production plant of Gabrex in Budapest.
Salus Ortopédtechnika Kft Nagykereskedés
Than Károly u.20
1119 Budapest - Hungary
Tel: +36 1 205 5973, 206 7900, 204 4151, 203 5281, 203 2509
Fax: +36 1 205 7995
E-mail: salusnk@axelero.hu / Website: http://www.salus.hu/

Salus is a medium-sized Hungarian company (50-250 employees) that produces not only personal protective equipment, but also wheelchairs, protheses and other medical aids. Concerning industrial footwear, the company offers mainly products for the medical sector. The company exists since 1994. For photomaterial of the products of Salus, we refer to the annexes.

Q.P. Kft. /GAZEK Munkavédelem
Kossuth u. 59/1
7720 Pécsvárad
Hungary
Tel: +36 72 466 530
Fax: +36 72 565 095
E-mail: info@gazek.com
Website: www.gazek.com

Gazek is a Hungarian company that produces and manufactures protective equipment for all kinds of uses and profession. The company is based in Pecsvarad, in the South of Hungary. Currently, the company employs 45 persons. For photo material of the company’s products, we refer to the annexes.
4.2 Features of the commercialized products

The Hungarian manufacturers rely on their quality and well known brands. The foreign importers (mostly from Asia) rely on their low prices. Both do not do much commercialization.

Shoe sizes may differ from one country to another, therefore the sizes of (industrial) footwear are given below:

Size marking

The International Standards Organisation (ISO) published, in 1994, standards concerning the Mondopoint shoe sizing system, covering length and width grading and method of marking. However, this size system has not been accepted by the market. Two different size systems for footwear are used in the EU in general, sometimes in combination: the English size system and the (mainly) used French or (continental) European sizing system. In general, single unit sizes are demanded for textile and plastic shoes, whereas leather and synthetic leather must also be made in half sizes. The normal size range for ladies’ shoes is 36 to 41 and for men’s shoes 40 to 45. Width sizes are given in capitals A until K, of which A is smaller than K and G represents the standard width size. Differing widths are rarely offered, except by more expensive European brands and by manufacturers of children’s shoes.

Corresponding shoe sizes schedule:

**Ladies 5**

<table>
<thead>
<tr>
<th>Metr. (mm)</th>
<th>215</th>
<th>220</th>
<th>225</th>
<th>230</th>
<th>235</th>
<th>240</th>
<th>245</th>
<th>250</th>
<th>255</th>
<th>260</th>
<th>265</th>
<th>270</th>
</tr>
</thead>
<tbody>
<tr>
<td>Metr. (cm)</td>
<td>22½</td>
<td>23</td>
<td>23 ½</td>
<td>24</td>
<td>24 ½</td>
<td>25</td>
<td>25 ½</td>
<td>26</td>
<td>26 ½</td>
<td>27</td>
<td>27 ½</td>
<td>28</td>
</tr>
<tr>
<td>Engl. (inch)</td>
<td>2</td>
<td>3</td>
<td>3 ½</td>
<td>4</td>
<td>4 ½</td>
<td>5</td>
<td>5 ½</td>
<td>6</td>
<td>6 ½</td>
<td>7</td>
<td>7 ½</td>
<td>8</td>
</tr>
<tr>
<td>Fr. (stitch)</td>
<td>34</td>
<td>35</td>
<td>36</td>
<td>37</td>
<td>38</td>
<td>38</td>
<td>39</td>
<td>40</td>
<td>41</td>
<td>41</td>
<td>41</td>
<td>42</td>
</tr>
<tr>
<td>US scale</td>
<td>3 ½</td>
<td>4 ½</td>
<td>5</td>
<td>5 ½</td>
<td>6</td>
<td>6 ½</td>
<td>7</td>
<td>7 ½</td>
<td>8</td>
<td>8 ½</td>
<td>9</td>
<td>9 ½</td>
</tr>
</tbody>
</table>

**Men 7**

<table>
<thead>
<tr>
<th>Metr. (mm)</th>
<th>240</th>
<th>245</th>
<th>250</th>
<th>255</th>
<th>260</th>
<th>265</th>
<th>270</th>
<th>275</th>
<th>280</th>
<th>285</th>
<th>290</th>
<th>295</th>
<th>300</th>
</tr>
</thead>
<tbody>
<tr>
<td>Metr. (cm)</td>
<td>25</td>
<td>25 ½</td>
<td>26</td>
<td>26 ½</td>
<td>27</td>
<td>27 ½</td>
<td>28</td>
<td>28 ½</td>
<td>29</td>
<td>29 ½</td>
<td>30</td>
<td>30 ½</td>
<td>31</td>
</tr>
<tr>
<td>Engl. (inch)</td>
<td>5</td>
<td>5 ½</td>
<td>6</td>
<td>6 ½</td>
<td>7</td>
<td>7 ½</td>
<td>8</td>
<td>8 ½</td>
<td>9</td>
<td>9 ½</td>
<td>10</td>
<td>10 ½</td>
<td>11</td>
</tr>
<tr>
<td>Fr. (stitch)</td>
<td>38</td>
<td>38 ½</td>
<td>39</td>
<td>40</td>
<td>41</td>
<td>41 ½</td>
<td>42</td>
<td>42 ½</td>
<td>43</td>
<td>44</td>
<td>45</td>
<td>46</td>
<td>47</td>
</tr>
<tr>
<td>US scale</td>
<td>6</td>
<td>6 ½</td>
<td>7</td>
<td>7 ½</td>
<td>8</td>
<td>8 ½</td>
<td>9</td>
<td>9 ½</td>
<td>10</td>
<td>10 ½</td>
<td>11</td>
<td>12</td>
<td>13</td>
</tr>
</tbody>
</table>
Importers usually purchase a minimum of 12 to 18 pairs of shoes per model. The size assortment for an order of 12 pairs (the so-called Pirmazenser size range) is typically as shown in the table below.

### Table 4.2.1 Overview of footwear labels and of the Pirmazenser size range

<table>
<thead>
<tr>
<th>Size</th>
<th>Ladies</th>
<th>Ladies</th>
<th>Men's</th>
<th>Men's</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>36</td>
<td>36½</td>
<td>37</td>
<td>37½</td>
</tr>
<tr>
<td></td>
<td>38</td>
<td>38½</td>
<td>39</td>
<td>39½</td>
</tr>
<tr>
<td></td>
<td>40</td>
<td>40½</td>
<td>41</td>
<td>41½</td>
</tr>
<tr>
<td></td>
<td>42</td>
<td>42½</td>
<td>43</td>
<td>43½</td>
</tr>
<tr>
<td></td>
<td>44</td>
<td>44½</td>
<td>45</td>
<td></td>
</tr>
</tbody>
</table>

- Ladies’ sizes
- Ladies’ half sizes
- Men’s full sizes
- Men’s half sizes

<table>
<thead>
<tr>
<th>Number of pairs</th>
<th>Ladies’ full sizes</th>
<th>Ladies’ half sizes</th>
<th>Men’s full sizes</th>
<th>Men’s half sizes</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>1</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>2</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>2</td>
<td>1</td>
<td>1</td>
</tr>
</tbody>
</table>

Source: Novesta internet pages - www.novesta.cz

### 4.3 Marketing and advertising strategies

Unfortunately it is very difficult to find out what the exact strategies of footwear producing companies are, for they keep them secret. The shoe traders mainly use all possibilities of written and visual media to spread their products.

The company Marc made special efforts to conquer market share in the years 1999-2001. That was the last and visible marketing strategy. Their slogan was: “Marc, what feet deserve”.

The shoe industry is very much saturated nowadays, large funds are required to focus the consumer’s attention on new trade marks.

Industrial footwear producers take a different approach to the consumer market. Because their customers are less price sensitive than general footwear consumers, they place a lot of emphasis on the quality of their shoes and the additional benefits.

Industrial footwear and general footwear fairs are an additional way for industrial footwear producers to introduce themselves to the market and their potential clients. The following fairs may therefore be of importance to future Colombian exporters:

- Budapest International Leather and Shoe Week, from the 19th March till the 21st. Also located in Budapest.
• International Congress on Leather and Allied Industries organized by the Scientific Society of the Leather, Shoe, and Allied Industries. Only takes place once every four years and will be held for the 14th time in 2006.

### 4.4 Participation in the market and segments that are served

The companies did not present their market share and there are no statistics about this. In general the biggest market share is owned by the companies listed in chapter 4.1.

The above mentioned companies were all requested by e-mail and telephone too, but they refused to give any data with respect to their market share and segments served. The written sources and internet pages did not contain useful information regarding this subject.

### 4.5 Quality of the product

European manufacturers have to cope with the low prices of Far-Eastern countries. Chinese traders find their advantage in quantity and cheap labor force. Europe could be successful in offering high quality, something Far-Eastern producers do not concentrate on. Concerning industrial footwear, that has to comply with certain quality levels\(^3\), European manufacturers could have an advantage over Chinese companies.

All the retail traders, wholesalers and manufacturers involved in the Hungarian shoe market and industry make special efforts to use the standards of the European Commission’s White Book on Standards and Quality (1993). The requirements on quality can be found in this final report in chapters 6.7-6.10.

Because of the large variety of shoes and the large variety in consumer preferences, it is difficult to mention anything about the typical characteristics of the Hungarian (industrial) shoes. They vary from slippers, to boots, to pumps and to sneakers.

Most shoes designed to protect against heat and chemicals are made of (nitrile) rubber for resistance to heat, heat flow and flames. Besides this, they protect against commonly used chemicals.

Most shoes designed for outdoor use (foresters, policemen, construction workers, highway safety personnel etc.) are made of leather, with steel toe caps. Mostly, they have rubber or PVC soles.

\(^3\) See paragraph 6.7
Generally, all industrial footwear, including shoes for the medical sector, where floors tend to be slippery, have an anti-static sole to provide adhesion on all surfaces.

Examples of various shoe sizes are given in section 4.2, for photo material and prices, we refer to the annexes.

### 4.6 Expansion plans

The most important purpose of foreign green field investors is to diminish their costs and maximize their profit. After 1990, the number of employed persons in Hungary has decreased with one million people from 4.8 million to 3.8 million. The unemployment and the additional advantage of low wages attracted foreign investors.

The local authorities offered tax free operations for the companies for a period of 10 years, and they could establish their enterprises without extra costs. After 2000 these advantages weakened because other cheaper countries came closer to Western-Europe like Slovakia, Poland and even farther located Ukraine. The companies moved towards the East and today Hungary is also an exporting country, only not in the footwear sector.

As the Hungarian footwear and industrial footwear sector is already struggling to compete with fierce competition from Asia as well as Western Europe, national companies have, as for now, no expansion plans abroad. However it is very apparent that the clothing and footwear manufacturing in Hungary is undercapitalised. It is badly in need of investment, without which it is not only unable to generate profit, but is very unlikely to survive in the fierce competition coming from the Asian countries.

### 4.7 Pricing strategy

Hungarian consumers and firms are very price-sensitive. In the consumer market, however, increasing incomes and the wealth of products in the market have led to a shift toward prestigious name brands -- over low-cost competitors -- for certain high-end goods. Non-European firms are up against European competitors, who have lower transport costs and (usually) lower import duties, as well as Hungarian firms that have home field advantage. A number of larger Non-European companies have lowered costs and improved sales prospects by doing some low-cost assembly or value-added production within the territory of Hungary.

The Hungarian economy has traditionally been a cash economy, although credit card use has grown exponentially as bank regulations for the issuance of credit
cards have been relaxed to near-Western standards. A few years ago, it was rare for a Hungarian consumer to use a credit card to make a purchase; today, virtually all professionals in major cities have at least one.

The biggest issue on the footwear market is the low prices of the Asian footwear which is pushing out the Hungarian and Western-European manufacturers. As a reaction they either focus on foreign markets or push down their own prices. An example of current prices of shoes made in Hong Kong and sold in Hungary is displayed below:

**Table 4.7.1 Prices of shoes imported from Hong Kong**

<table>
<thead>
<tr>
<th>Customs tariff number</th>
<th>Unit of measure</th>
<th>Cost of material 80 %</th>
<th>Import of 2000 under the 80 % of material cost</th>
<th>Import of 2001 under the 80 % of material cost</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>USD / pair</td>
<td>'000 pairs</td>
<td>'000 USD</td>
</tr>
<tr>
<td>64021210</td>
<td>'000 pairs</td>
<td>0,185</td>
<td>5,82</td>
<td>43,24</td>
</tr>
<tr>
<td>64021900</td>
<td>'000 pairs</td>
<td>80,949</td>
<td>49,00</td>
<td>10,00</td>
</tr>
<tr>
<td>64029100</td>
<td>'000 pairs</td>
<td>29,258</td>
<td>21,00</td>
<td>20,00</td>
</tr>
<tr>
<td>64029910</td>
<td>'000 pairs</td>
<td>358,822</td>
<td>75,00</td>
<td>1626,00</td>
</tr>
<tr>
<td>64029931</td>
<td>'000 pairs</td>
<td>21,384</td>
<td>2,00</td>
<td>0,90</td>
</tr>
<tr>
<td>64029939</td>
<td>'000 pairs</td>
<td>238,454</td>
<td>48,00</td>
<td>27,00</td>
</tr>
<tr>
<td>64029950</td>
<td>'000 pairs</td>
<td>868,642</td>
<td>91,193</td>
<td>7,00</td>
</tr>
<tr>
<td>64029991</td>
<td>'000 pairs</td>
<td>201,391</td>
<td>64,00</td>
<td>15,00</td>
</tr>
</tbody>
</table>

4 EUR 1 = USD 1.23

---

32 Proexport Colombia
Industrial footwear in Hungary

<table>
<thead>
<tr>
<th></th>
<th>Cost of material 80 %</th>
<th>Import of 2000 under the 80 % of material cost</th>
<th>Import of 2001 under the 80 % of material cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>USD/pair</td>
<td>1,23</td>
<td>0,32</td>
<td>0,18</td>
</tr>
<tr>
<td>'000 pairs</td>
<td>1029,339</td>
<td>292,762</td>
<td></td>
</tr>
<tr>
<td>'000 USD</td>
<td>212,00</td>
<td>47,00</td>
<td></td>
</tr>
<tr>
<td>USD/pair</td>
<td>1,65</td>
<td>0,21</td>
<td>0,16</td>
</tr>
<tr>
<td>'000 pairs</td>
<td>788,861</td>
<td>317,531</td>
<td></td>
</tr>
<tr>
<td>'000 USD</td>
<td>130,00</td>
<td>44,00</td>
<td></td>
</tr>
<tr>
<td>USD/pair</td>
<td>2,8</td>
<td>0,16</td>
<td>0,14</td>
</tr>
<tr>
<td>'000 pairs</td>
<td>622,280</td>
<td>213,082</td>
<td></td>
</tr>
<tr>
<td>'000 USD</td>
<td>106,00</td>
<td>45,00</td>
<td></td>
</tr>
<tr>
<td>USD/pair</td>
<td>2,19</td>
<td>0,17</td>
<td>0,21</td>
</tr>
<tr>
<td>Total:</td>
<td>4239,380</td>
<td>798,000</td>
<td>14068,839</td>
</tr>
</tbody>
</table>

Source: The Hungarian Footwear Association

### 4.8 Recommendations

Most of the trademarks that used to be very popular in the Hungarian footwear market are now being pushed out by cheap footwear produced in Asia. It will be very difficult for Colombian exporters to penetrate this market, unless they can keep production and transportation costs extremely low.

Industrial footwear might however offer opportunities. Hungary has some well established industrial footwear manufacturers and brands, as well as foreign manufacturers present on the market from nearby countries like France, Italy and Romania. Quality of the footwear is the most relevant aspect in the case of industrial footwear. If Colombian protective equipment of high quality and standards can be offered at moderate prices, it may stand a chance within the competitive Hungarian market.
5. Distribution channels

5.1 Distribution channels

Hungary has a developed, European-style distribution system and a strong and growing cadre of professional sales agents and distributors in most market segments. Hungary is geographically small, with 20 percent of the population and most decision-makers concentrated in the capital city of Budapest. It is a market where good personal relationships are crucial, and everyone seems to know everyone else. Foreign firms attempting, from a distance, to build the close network of contacts and relationships, needed to penetrate this market, will usually find it to be a time-consuming and costly process. Therefore, we recommend basing your approach on finding and supporting a Hungarian partner.

One way into the market is to find a distributor with an existing distribution system who may welcome a new foreign product that supplements an existing line. The best distributors work closely with their foreign suppliers to develop strategies tailored to the nuances of the local market, drawing on the distributor's knowledge of local pricing strategies, promotion techniques, and competition. In most cases, one distributor can provide coverage throughout the entire country for a related line of products. However, a strategy of using multiple distributors that cover only specific regions may also be considered.

Figure 5.1.1 Distribution Channel

Source: EUNITE BV
The figure above shows the basic relationships between the manufacturers, importing manufacturers, importers/wholesalers, agents and retailers, whether or not organized into buying or selling groups. Depending on its position in the market, the functions of a particular distribution organization will be linked with up- or downstream organizations with the same kind of specialization.

It is also possible for a given organization to take over (some of) the functions of the latter, in order to improve competitiveness (vertical integration). For instance, manufacturers, agents and retailer organizations, like department stores, may also function as importers/wholesalers. Each of these groups has a different approach to business and to the market, with its own specific interpretation of the marketing mix. It is essential for the potential exporter to know into which product/market combination his products fit (or “which kind of business he is in”) as well as being familiar with the marketing and distribution characteristics of these product/market combinations. These may differ significantly from combination to combination. Different sales intermediaries have their place between producers in export countries and consumers in EU countries, for instance.

Importers/wholesalers

The role of importers/wholesalers is gaining importance as the traditionally strong Hungarian footwear industry is losing ground to other, mainly Asian, countries, due to the high production cost. Most importers/wholesalers cater to independent footwear retailers as well as to the department stores, mail-order companies, selling and buying organizations and, to a lesser degree, to footwear multiples. The wholesaler purchases from manufacturers in and outside Hungary (and EU) and holds stock at own risk. The mark-up of wholesalers is approximately 20-30 percent. The fact that many independent retailers as well as purchasing combinations and multiple stores, are becoming more cautious about preordering, preferring to sell from stock, is reinforcing the position of the wholesaler. On the other hand, large retail companies are increasingly purchasing abroad, thereby bypassing the intermediaries. The choice of whether to sell directly to a wholesaler or through an agent depends on the type of supplier organization concerned and its product/market combinations. All the factors relating to pricing, collection forming, sampling, fashion trends, delivery times, delivery frequency, product quality, exclusiveness, labels and packing and promotion may play a role in this respect. Mainly products like slippers, roped soles footwear and items with textile uppers are traded through the wholesale channel, but also leather and sports footwear.

Important importers and wholesalers are:

**Vankó Kereskedelmi EC**
8600, Jegenye sor 6.  
Siofok, Hungary  
Tel.: +36-84-322-138
Industrial footwear in Hungary

Fax: +36-82-323-248
E-mail: vanko@ax.hu

This company has a distribution centre in Siófok, in region Somogy, Southwest-Hungary. Its brand is mainly bought by end users and retail traders. The company is mainly known in the region it distributes from, but they are planning to expand into whole Hungary. The company is a middle-sized company, it employs more than 10 employees.

Dorgó Bt.
Budapest, Hungary
Tel.: +36-1-266-01-78
Fax: +36-1-266-01-78
e-mail: zsok@freestart.hu

This company is a micro-sized company (not more than 10 employees) that sells shoe products like working and healthy shoes. It has one distribution centre in Budapest. Its brand is mainly bought by end users. The company has strong trade partners and sells mostly Hungarian and other EU member states’ goods.

Importing manufacturers

Manufacturing companies play a pivotal role in the distribution system. Most footwear manufacturers wholesale their own goods to retailers, and some even function as retailer as well. Manufacturers with their own stores are for example Humanic. The Austrian-Hungarian company Humanic, a world leader when it comes to producing footwear, is also an important retailer, operating through its own stores. As many EU producers, these producers have moved production (or part of it) abroad, to remain competitive. Footwear producers generally sell their products (mainly brands) themselves and therefore they have a direct relationship with the distribution network. According to the importance of the distributor and the size of the company, it is the sales manager (or the managing director himself) or the sales representative of a region empowered by the manufacturer, who ensures business dealings between production and distribution.

Unfortunately, the below mentioned companies did not want to provide company information, as they consider this confidential. Therefore, only contact details are mentioned.

Humanic Kereskedelmi Kft.
Contact person: István Nagy
Address: 1074. Budapest, Rákóczi út 50.
Tel: +36-1-461-8040
Email: expansion.HU@lsag.com
Market Researches in Eastern Europe

Website: www.humanic.at

Humanic was one of the first foreign investor in Hungary at the time it bought the stocks of the Szivárvány warehouses in 1992.

Lloyd Hungary Kft.
Tel: +36-1-350-28-71
Email: gl-budapest@germanlloyd.org
Website: www.lloyd-shoes.de

Importing retailers and supermarkets

The bigger retail organizations (multiples with more than 20 outlets, department and variety stores, buying organizations, mail-order houses) do their own importing.

Tesco (British ownership)
Tesco opened its first shop in Hungary in 1994. Now, the company operates 44 super- and hypermarkets all over Hungary.

TESCO-Global Áruházk. Rt.
Address: 2040 Budaörs, Kinizsi út 1-3.
Tel: +36-06-23-449-200
Fax: +36-06-23-449-201

Two Hungarian hypermarket operators owned by French firms, Auchan and Cora, are among the market’s leaders

Auchan
Auchan Hungary Kft. entered the Hungarian market in 1998. Auchan, the second largest hypermarket, currently has nine supermarkets in Hungary and plans to open another 15 stores by 2010. Auchan is predominantly concentrated in Budapest, but it does have two hypermarkets outside the capital – one in Székesfehérvár and one in Kecskemét.

Auchan Hungary Kft.
2040 Budaörs, Sport u. 2 - 4.
Tel.: +36-06-23-887-700
Fax: +36-06-23-887-799
e-mail: auchan@auchan.hu

Cora
Cora Hypermarkets entered the Hungarian market in 1996 and are now present in 7 cities all over Hungary.

38 Proexport Colombia
Buying Groups

The role of buying groups is very important in the footwear market. Buying groups are individual dealers/wholesalers/retailers that join together and cooperate as a single buying and marketing force. Membership of such a group by an individual company offers the opportunity to source around 50-90 percent of its footwear requirements, depending on the buying group, at a considerable discount.

By becoming a member of such an organization, the individual retailer aims to reduce his costs. The original function of the buying groups is therefore to reduce costs by centralizing buying and logistics. Participating in a buying group can however, involve a restriction of choice, if the group aims at maximizing the volume of orders placed with the producers.

The sales agent is an independent intermediary between the (foreign) producer and the retailer or retail organization, receiving a commission from the former. The agent (or sales representative) covers a limited geographical area. The level of the commission depends on a number of factors, including the turnover rate of the product concerned, but it averages an estimated 10-15 percent of turnover. Most agents represent more than one producer, although competition is avoided.

More and more agents are starting to sell from stock, to meet their clients' short-term demands. Stock is often held on a consignment basis. If the agent builds up his own stock, he is in fact functioning as a wholesaler. The role of agents as described above is often indicated as selling agents. They operate mainly in the segments high price/quality and in the middle/high price, classical, branded, fashion footwear.

Another type of agent is the so-called buying agent. The buying agent is located in the supplying country, settles business on the instructions of his principals, mainly retail organizations and works on commission basis, too. Contacts with sales intermediaries can be made in several ways, such as consulting trade representatives' associations, chambers of commerce, fashion centers, trade publications, trade directories etc.

The cadre of agents has expanded rapidly in recent years. Foreign firms will find agents to be very strong technically. However, many will need help in developing
marketing and customer service strategies. Margins for distributors are similar to those prevalent in Western European countries. Field sales representatives usually earn a base salary of about € 819.67 per month plus commission (anywhere from 5 to 10 percent depending on the product), and travel benefits (company car, travel allowance).

Due to the fact that most agents/dealers are working alone and are not registered and the number of agents active on the market changes frequently, it is very hard to provide detailed information about the most important agents on the market, as this information will be outdated in a short period of time.

6.1 Preferential tariffs

All goods entering the EU are subject to import duties. External trade conditions are mostly determined by EU regulations. Hungary also uses the EU’s Harmonized Tariff Schedule (Nomenclature) on the TARIC (Integrated Tariff of the European Community) which is issued by the Commission and the Member States for the purpose of applying Community measures relating to import and exports. The level of the tariffs depends on the country of origin and the product. If there is not a special trade agreement in force, the general import tariff (conventional duty) applies.

In January 2005 Commission Regulation (EC) No 1810/2004 entered in force and is binding in all Member States. In its Part “Schedule of Customs Duties”, Chapter 64 deals with; “Footwear, gaiters and the like; parts of such articles”. The subcategories 640340, 640110 contain industrial footwear products relevant for this report.

Colombia is included in the general system of preferences – GSP. This agreement allows products originating in the countries concerned to be imported at preferential tariffs or, for the least developed countries, duty-free. A “Certificate of Origin Form A” has to be filled in by the exporter and issued by the competent authorities. Tariff contingents and tariff ceilings do not exist anymore.

According to international agreements Colombia is included in the SPGE group of preferences and therefore benefits from 0% tariff preference on the basis on Regulation (EC) No 2501/2001 and Commission Regulation (EC) No 2331/2003. Until July 1st 2005, this meant that Colombian exporters could introduce so-called “non-sensitive” products at a 0% tariff rate and “sensitive” products, such as all products under nomenclatures code 640340, 640440 at a 3.5% reduced rate.

However since July 1st 2005, Colombia is a member of the GSP Plus program, which assists the countries of the Andean Community, such as Colombia, in their battle against drugs. The GSP Plus will officially enter into force on the 1st January 2005, but has already started to run in its preliminary form for 14 countries on the 1st July 2005. Exporters based in one of the GSP Plus programs are also exempt from duties on sensitive products. Therefore all footwear can be imported into the European Union from Colombia duty free.
6.2 **Tariffs imposed by major competitors**

An example of import tariffs for footwear in Hungary according to EU tariff schedule (TARIC):

<table>
<thead>
<tr>
<th>Tariff code</th>
<th>Description of footwear type</th>
<th>General tariff</th>
<th>Tariff in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>64.01</td>
<td>Waterproof footwear. (including footwear with steel noses)</td>
<td>17</td>
<td>11.9</td>
</tr>
<tr>
<td>64.02</td>
<td>Footwear with uppers of rubber or artificial plastic material.</td>
<td>17</td>
<td>11.9</td>
</tr>
<tr>
<td>64.03</td>
<td>Footwear with leather uppers.</td>
<td>8</td>
<td>4.5</td>
</tr>
</tbody>
</table>

**With the exception of:**

<table>
<thead>
<tr>
<th>Tariff code</th>
<th>Description of footwear type</th>
<th>General tariff</th>
<th>Tariff in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>64.03.5911</td>
<td>Footwear, not covering the ankle, upper and outer sole of leather, with vamp of straps or with pieces cut out, heel including soles more than 3 cm.</td>
<td>5</td>
<td>1.5</td>
</tr>
<tr>
<td>64.03.9198</td>
<td>Footwear, covering the ankle, outer sole of rubber, plastic or synthetic leather, upper of leather, inner soles 24 cm or more, for women.</td>
<td>5</td>
<td>1.5</td>
</tr>
<tr>
<td>64.03.9938</td>
<td>Footwear, not covering the ankle, upper of leather, outer sole of rubber, plastic or synthetic leather, with vamp of straps or pieces cut out, inner sole 24 cm or more, heel incl. soles 3 cm or less, for women.</td>
<td>5</td>
<td>1.5</td>
</tr>
<tr>
<td>64.03.9998</td>
<td>Footwear, not covering the ankle, upper of leather, outer sole of rubber, plastic or synthetic leather, inner sole 24 cm or more, for women.</td>
<td>7</td>
<td>3.5</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Tariff code</th>
<th>Description of footwear type</th>
<th>General tariff</th>
<th>Tariff in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>64.04</td>
<td>Footwear with textile uppers.</td>
<td>17</td>
<td>11.9</td>
</tr>
<tr>
<td>64.05</td>
<td>Footwear with synthetic leather uppers.</td>
<td>3.5</td>
<td>0</td>
</tr>
</tbody>
</table>

**with exception of:**

<table>
<thead>
<tr>
<th>Tariff code</th>
<th>Description of footwear type</th>
<th>General tariff</th>
<th>Tariff in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>64.05.2091</td>
<td>Footwear, upper of textile, outer sole of wood or cork.</td>
<td>4</td>
<td>0</td>
</tr>
<tr>
<td>64.05.2099</td>
<td>Other footwear, upper of textile, outer sole of other material.</td>
<td>4</td>
<td>0</td>
</tr>
<tr>
<td>64.05.9010</td>
<td>Other footwear upper of other material, outer sole of rubber, plastic or (synthetic) leather.</td>
<td>17</td>
<td>11.9</td>
</tr>
<tr>
<td>64.05.9090</td>
<td>Other footwear, upper and outer sole of other material.</td>
<td>4</td>
<td>0</td>
</tr>
</tbody>
</table>

*Source: EU tariff schedule - TARIC*
The tariffs for different countries are according their membership in the group. In some cases there are exceptions and the preferences are not valid for certain countries, in which case the full amount of these tariffs has to be paid. The types of tariffs for countries similar to Colombia or for potential competitors to Colombia are described in the following table.

**Table 6.2.2 Tariff schedule with full high tariffs for 3rd countries with preferential tariffs**

<table>
<thead>
<tr>
<th>Country</th>
<th>Group of preferences according to intern. agreements</th>
<th>Tariff for third countries in %</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>17 (max. tariff) 8 (max. tariff) 7 (max. tariff) 5 (max. tariff) 4 (max. tariff) 3,5 (max. tariff)</td>
</tr>
<tr>
<td>Colombia</td>
<td>SPGE</td>
<td>0 0 0 0 0 0</td>
</tr>
<tr>
<td>Argentina</td>
<td>SPGL</td>
<td>11,9 4,5 3,5 1,5 0 0</td>
</tr>
<tr>
<td>Bolivia</td>
<td>SPGE</td>
<td>0 0 0 0 0 0</td>
</tr>
<tr>
<td>Brazil</td>
<td>SPGL</td>
<td>11,9 4,5 3,5 1,5 0 0</td>
</tr>
<tr>
<td>Chile</td>
<td>CL</td>
<td>0 0 0 0 0 0</td>
</tr>
<tr>
<td>China</td>
<td>SPGL⁵</td>
<td>17 8 7 5 4 3,5</td>
</tr>
<tr>
<td>EU countries</td>
<td>EEA</td>
<td>0 0 0 0 0 0</td>
</tr>
<tr>
<td>India</td>
<td>SPGL</td>
<td>11,9 4,5 3,5 1,5 0 0</td>
</tr>
<tr>
<td>Indonesia</td>
<td>SPGL</td>
<td>17 8 7 5 4 3,5</td>
</tr>
<tr>
<td>Mexico</td>
<td>MX, Latin America</td>
<td>0 0 0 0 0 0</td>
</tr>
<tr>
<td>Peru</td>
<td>SPGE</td>
<td>0 0 0 0 0 0</td>
</tr>
<tr>
<td>Russian Federation</td>
<td>SPGL</td>
<td>11,9 4,5 3,5 1,5 0 0</td>
</tr>
<tr>
<td>USA</td>
<td>No Preferences</td>
<td>17 8 7 5 4 3,5</td>
</tr>
<tr>
<td>Venezuela</td>
<td>SPGE</td>
<td>0 0 0 0 0 0</td>
</tr>
</tbody>
</table>

*Source: EU tariff schedule – TARIC*

### 6.3 Norms of origin

To be able to benefit from the GSP Plus 0% duties on sensitive and non-sensitive products it is necessary to prove that the product that is being imported is really from Colombia or another GSP (Plus) country. Some products clearly originate in a given country, e.g. because they are grown there from local seed. These are called “wholly obtained” goods. But increasingly in today’s world, others are not produced in a single country.

In general terms, products are **wholly obtained** in a particular beneficiary country (or in the EC, in the case of cumulation) if only that country has been

---

⁵ The preferential tariffs for footwear are not applicable to these countries.
involved in their production. Even the smallest addition or input from any other country disqualifies a product from being "wholly obtained".

In practice, except for naturally-occurring and related products, situations where only a single country is involved in the manufacture of a product are relatively rare. Globalisation of manufacturing processes has resulted in many products being made from parts, materials etc. coming from all over the world. Such products are not of, course, wholly obtained, but they can nevertheless obtain originating status.

The condition is that the non-originating materials used (in practice: the materials imported into the beneficiary country) have undergone "sufficient working or processing". It must be stressed that only the non-originating materials need to be worked or processed sufficiently. If the other materials used are by themselves already originating (either by virtue of being wholly obtained, or by having been worked or processed sufficiently), they do not have to satisfy the conditions set out.

What can be considered as sufficient working or processing, depends on the product in question. For the products that belong under Chapter 64, all footwear, the requirements are that the working or processing carried out on non-originating materials, which confers originating status is manufacture in which:

"Manufacture from materials of any heading, except from assemblies of uppers affixed to inner soles or to other sole components of heading 6406."

<table>
<thead>
<tr>
<th>HS heading</th>
<th>Description of product</th>
<th>Working or processing, carried out on non-originating materials, which confers originating status</th>
</tr>
</thead>
<tbody>
<tr>
<td>ex Chapter 64</td>
<td>Footwear, gaiters and the like; parts of such articles; except for:</td>
<td>Manufacture from materials of any heading, except from assemblies of uppers affixed to inner soles or to other sole components of heading 6406</td>
</tr>
<tr>
<td>6406</td>
<td>Parts of footwear (including uppers whether or not attached to soles other than outer soles); removable in-soles, heel cushions and similar articles; gaiters, leggings and similar articles, and parts thereof</td>
<td>Manufacture from materials of any heading, except that of the product</td>
</tr>
</tbody>
</table>

Source: DG Trade

There are three principal forms of proof used in the context of the EC GSP:

44 Proexport Colombia
• The certificate of origin Form A\(^6\), used as proof of origin at import into the EC and in regional cumulation.
  - Regional cumulation can be present between the countries of one of the regional groups recognised by the EC GSP4.\(^7\) Materials originating in one country of the group which are further worked or processed in another beneficiary country of the same group are considered to originate in the latter country.
• The Invoice Declaration, which can be used for goods whose total value does not exceed € 6000 (Article 89).
• The Movement Certificate EUR1, which may be used as may an invoice declaration, when goods are exported to beneficiary countries from the EC in the context of bilateral cumulation. (Article 90a).
  - Under bilateral cumulation, materials originating in the EC, within the meaning of the EC GSP RoO, and further worked or processed in a beneficiary country, are considered to originate in the beneficiary country.

The period of validity of a proof of origin is 10 months.

6.4 Barriers

Levying of any customs duty or charge having an equivalent effect and the application of any quantitative import restriction or measure having an equivalent effect are prohibited in trade with third countries.

For exporters in developing countries legislative standards enforced through EU legislation and possibly through EU member states, increasingly pose obstacles when exporting to the EU. Although standards are developed in order to protect consumers, environment or improve the harmonization of the internal EU market; they are often seen as technical, non-tariff barriers to trade or as a green wall protecting the fortress of Europe when looking at environmental standards.

When looking at the situation of exporters in developing countries who would like to access the EU market, there are many differences to overcome. Differences between the EU and third countries in their technical regulations and conformity assessment procedures are based on legitimate origins, such as differences in

\(^6\) We kindly refer you to the annexes for an example of Form A
\(^7\) The regional groups (listed in Article 72) are:
- Group I: Brunei-Darussalam, Cambodia, Indonesia, Laos, Malaysia, Philippines, Singapore, Thailand, Vietnam;
- Group II: Bolivia, Colombia, Costa Rica, Ecuador, El Salvador, Guatemala, Honduras, Nicaragua, Panama, Peru, Venezuela;
- Group III: Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan, Sri Lanka.

Proexport Colombia
local preferences regarding health, safety and the environment, and differences in levels of income and labour conditions.

Moreover, exporters in developing countries often are critically constrained by the lack of important issues such as:
- Access to credit and insurance and investment climate
- Human and physical capital, management and marketing skills
- Sufficient facilities for transport and storage infrastructures
- Transparent legal and regulatory framework
- Awareness and knowledge
- Participation in the development of standards
- Certifying bodies, test laboratories, standardization institutes etc.

Therefore, the standards in the EU could be seen as obstacles when accessing the EU market, though official barriers do not longer exist.

6.5 Licences

The Hungarian Ministry of Environment and Water does not require special licenses from footwear producers, unless the footwear is made out of the skin of animals belonging to protected species. For a complete overview of those animals, we kindly refer you to the following website:


6.6 Quotas

Quotas have been assigned by the European Union to specific countries for specific products, which allow for the controlled import of specific products.

There are however no quotas for any of the products under Chapter 64 originating from Colombia. There are no quotas on the import of footwear in general, with the exception of the quota applicable to footwear originating from China.

6.7 Approvals & 6.8 Technical standards

Hungary has harmonized its standards with European norms. Products certified in Hungary or another EU member state can be marketed in Hungary.

The organization that develops and maintains standards within Hungary, is The Hungarian Standards Institution. Their website (www.mszt.hu) outlines the Legislation in Force, International Contract Documents, as well as harmonized
standards in accordance to particular government orders. The annual plan for the Hungarian Standards Institution is the harmonization of current standards in Hungary with those of the EU, and maintaining the standards in relation to new government policies.

All the approvals needed for import of footwear to Hungary can be done by the Scientific Society of the Leather, Shoe and Allied Industries in Hungary or by an equal institution in the land of origin.

For the testing the following items are needed:

- min. 3 pairs of footwear from 3 different sizes
- technical description, technical conditions of footwear
- photograph of the relevant footwear items
- an instruction for the use and service of footwear in Hungarian language
- test reports about hygienic properties of materials of footwear (can be done in Columbia)
- name of the footwear or number of type of footwear

The importer gets the invoice before the testing and has to pay it in advance. The price for testing can range from € 400 to € 4000 depending on the type of materials being tested.

**Industrial footwear**

As of 1st July, 1995 the EU introduced harmonized standards for footwear, i.e. EN 345-1+A1:1998 for safety footwear and EN 347-1+A1:1998 for footwear without safety toe caps for professional use.

All safety shoes and footwear without steel toe cap have to be approved according to EN 345-1+A1:1998 and EN 347-1+A1:1998 and meet the EU directive 89/686 concerning personal protection. According to this directive, all footwear for professional use must be approved according to the common European standards.

<table>
<thead>
<tr>
<th><strong>CSN EN 347 standard</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Specifies working boots for professional uses marked by letter &quot;O&quot;. The basic feature of working boots is that boots have no in-built toe puff.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>The working boots are further divided into the following categories:</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>O</strong> - boots comply with basic requirements only</td>
</tr>
<tr>
<td><strong>O1</strong> - antistatic properties, outsole resistant to oils and fuels, energy absorbed in heels</td>
</tr>
<tr>
<td><strong>O2</strong> - same as O1 + water penetration and absorption</td>
</tr>
<tr>
<td><strong>O3</strong> - same as O2 + puncture-proof and tread pattern</td>
</tr>
</tbody>
</table>
### CSN EN 346 standard

Specifies protective boots for professional uses marked by letter "P". The basic feature of protective boots is an in-built toe puff with standing 100 J impacts.

<table>
<thead>
<tr>
<th>The protective boots are further divided into the following categories:</th>
</tr>
</thead>
<tbody>
<tr>
<td>PB - boots comply with basic requirements only</td>
</tr>
<tr>
<td>P1 - antistatic properties, outsole resistant to oils and fuels, energy absorbed in heels</td>
</tr>
<tr>
<td>P2 - same as P1 + water penetration and absorption</td>
</tr>
<tr>
<td>P3 - same as P2 + puncture-proof and tread pattern</td>
</tr>
</tbody>
</table>

Boots for professional usage must comply with the demands specified in the standard CSN EN 344. Moreover they also need to obtain a CE-mark, which will be explained below.

Council Directive 89/686/EEC of 21 December 1989 on the approximation of the laws of the Member States relating to personal protective equipment applies to specialist industrial footwear. Based on this regulation specialist footwear used at work has to obtain a special certificate to be admitted to the European market. The certificate is issued by special authorities in all countries of European Union.

This marking needed for all industrial footwear to be admitted to the EU-market is called the CE marking. The CE Mark is a conformity marking consisting of the letters "CE". The CE Marking applies to products regulated by certain European health, safety and environmental protection legislation. The CE Marking is obligatory for the products it applies to: the manufacturer affixes the marking in order to be allowed to sell his product in the European market.
CE is an abbreviation for 'Conformité Européenne', French for 'European Conformity'. The CE Mark indicates that the product it is affixed to conform to all relevant essential requirements and other applicable provisions that have been imposed upon it by means of European directives, and that the product has been subject to the appropriate conformity assessment procedure. The essential requirements refer, among other things, to safety, public health and consumer protection.\(^8\)

The CE-marking is quite complex and we therefore advice potential Colombian exporters to thoroughly examine all the requirements, possibly with the support of a specialized European agency. To give a small indication of what is needed, please view part of the working paper, article 8, on the Directive below. To decide which category is applicable to certain products, check the table with leg and foot and anti-slip protection.

**Figure 6.7.1 EC-mark requirements**

---

*Article 8*

*Procedures before placing on the market and/or putting into service of PPE*

The manufacturer or his authorised representative shall, before placing PPE on the market and/or putting PPE into service:

(a) On the basis of a risk analysis, determine the relevant Category of the PPE in view of the nature and level of risk(s) against which the intended user will be protected.

(b) Establish a list of the Basic Requirements applicable to the PPE to be manufactured and to which the PPE must comply.

(c) for Category 1 PPE,

   apply the procedure of internal control of production provided for at Annex V;

(d) for Category 2 PPE,

   apply

   (i) the EC type-examination procedure provided for at Annex VI
   or

   (ii) the full quality insurance procedure provided for at Annex IX

---

\(^8\) For the full text of the directive and the detailed requirements, please see the annexes.
(e) for Category 3 PPE,
apply
(i) the EC-type examination procedure provided for at Annex VI; coupled with either
the provisions as set by Annex VII; or,
the production quality assurance procedure provided for at Annex VIII (a); or,
the product quality assurance procedure provided for at Annex VIII (b)
or:
(ii) the full quality assurance procedure provided for at Annex IX.”

(f) Draw up the technical documentation referred to in Annex III so that this can, if necessary, be submitted to the competent authorities. The technical documentation must enable the traceability and the conformity of the product with the requirements of the Directive to be assessed.

(g) draws up an EC Declaration of Conformity using the form laid down in Annex XII declaring that the PPE placed on the market is in conformity with the provisions of this Directive with a view to its submission to the competent authorities on a reasoned request;

(h) affix the CE marking to all PPE according to the obligations specified in Article 12;

(i) provide user information with each PPE in accordance with the requirements at Annex II, 1.4. This user information is considered an integral part of the PPE itself.

(j) PPE sold in bulk shall be accompanied by at least one information leaflet per smallest commercial package intended to be placed on the market and/or put into service by the manufacturer or authorised representative where this package is intended for one user.
8. EQUIPMENT FOR LEG AND/OR FOOT AND ANTI-SLIP PROTECTION

<table>
<thead>
<tr>
<th>TYPE OF PPE</th>
<th>Certification category</th>
<th>Reason</th>
</tr>
</thead>
<tbody>
<tr>
<td>8.1 All equipment and/or accessories (whether or not detachable) designed and manufactured specifically to protect the foot and/or the leg and to provide anti-slip protection</td>
<td>II</td>
<td></td>
</tr>
<tr>
<td>Excerpt:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8.2 Equipment and/or accessories (whether or not detachable) designed and manufactured to provide protection against electrical risks for work involving dangerous voltages, or used to provide insulation against high voltages</td>
<td>III</td>
<td>3.3.7</td>
</tr>
<tr>
<td>8.3 Equipment and/or accessories (whether or not detachable) designed and manufactured for use in high-temperature environments the effects of which are comparable to those of an air temperature of 100°C or more and which may or may not be characterised by the presence of infra-red radiation, flames or the projection of large amounts of molten material</td>
<td>III</td>
<td>3.3.4</td>
</tr>
<tr>
<td>8.4 Equipment and/or accessories (whether or not detachable) designed and manufactured for use in low-temperature environments the effects of which are comparable to those of an air temperature of -50°C or less</td>
<td>III</td>
<td>3.3.5</td>
</tr>
<tr>
<td>8.5 Equipment and/or accessories (whether or not detachable) designed and manufactured to provide only limited protection against chemical attack or ionising radiation</td>
<td>III</td>
<td>3.3.3</td>
</tr>
<tr>
<td>8.6 Sports equipment (in particular sports shoes) and/or accessories (whether or not detachable) designed and manufactured to protect against external impacts</td>
<td>I</td>
<td>3.1.5</td>
</tr>
</tbody>
</table>

Source: Official site of the EU: www.europa.eu.int

The skin of all footwear is marked with a stamp. This is a mandatory requirement specified by the EU. This stamp states the name of the manufacturer, part number, date of production, country of origin, numbers of standards observed, and category to which the footwear has been approved. Each pair of footwear is accompanied by instructions for use, telling the users what kind of footwear they buy and how to treat it.
Labelling

Regular footwear

The placing on the market of footwear, or its main parts when marketed separately, must comply with the following European Union (EU) labelling regulations.

Contents

The labelling must describe the materials of the three main parts of the footwear (the upper, the lining and sock, and the outer sole), stating in each case whether the material is “leather”, “coated leather”, “textile” or “other”. If no single material accounts for at least 80% of the product, the label should convey information on the two main materials used.

For this purpose it can be chosen between the use of pictograms or written indications in the language/s established by the Member State where intended to be marketed.

Table 6.7.2 Overview of footwear pictograms

![Pictograms for Materials](Source: Novesta internet pages – www.novesta.cz)

Placement

The labelling must be conveyed on the footwear. It has to be placed, at least, on one article of footwear in each pair. This can be done by printing, sticking, embossing or using an attached label. The labelling must be visible, securely attached and accessible, and the dimensions of the pictograms must be sufficiently large to make it easy to understand.

52 Proexport Colombia
Compliance responsibility

The person in charge of supplying the labelling and assuring its accuracy will be:

1. the manufacturer, when he is established in the EU, or
2. his authorised agent, when the latter is not established in the EU, or
3. the person responsible for first placing the footwear on the EU market, if neither the manufacturer nor his agent are established in the EU,
4. the retailer will remain responsible for ensuring that the footwear sold by him bears the appropriate labelling.

At the moment, eco-labels are to a limited degree applied to footwear. The increasing market share of self-service outlets, like grocers’ supermarkets and variety stores, has enforced the inclusion of information on packaging or product.

Industrial footwear

Personal Protective Equipment (PPE), such as industrial footwear, needs to bear one or more identification or recognition marks directly or indirectly relating to health and safety.

The identification or recognition marks directly or indirectly relating to health and safety affixed to these types or classes of PPE must preferably take the form of harmonized pictograms or ideograms and must remain perfectly legible throughout the foreseeable useful life of the PPE. In addition, these marks must be complete, precise and comprehensible so as to prevent any misinterpretation; in particular, when such marks incorporate words or sentences, the latter must appear in the official language(s) of the Member State where the equipment is to be used.

If PPE (or a PPE component) is too small to allow all or part of the necessary marking to be affixed, the relevant information must be mentioned on the packing and in the manufacturer's notes.

Table 6.7.3 PPE marking

<table>
<thead>
<tr>
<th>Feature</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Natural rubber</td>
<td>Resistant to extremely low temperatures -40°C</td>
</tr>
<tr>
<td>Water resistant</td>
<td>Oil resistant outsoles</td>
</tr>
<tr>
<td>Slip resistant</td>
<td>Antistatic footwear</td>
</tr>
<tr>
<td>Energy absorption in the heel region</td>
<td>Electrically insulating footwear for low voltage installation works</td>
</tr>
</tbody>
</table>
Steel toe box | Protection against risk of cutting with a motor saw
---|---
Puncture resistant | Heat resistant soles - 250 °C
Low temperature resistant | Increased resistance of outsole to abrasion

Source: EUNITE the Hague

**Additional information for Hungary**

Surveillance and inspection of the conformity of products to the information provided on their labels are to be carried out at different stages of the supply chain which, in case of imported products, ranges from customs clearance to retail outlets.

*Competent authority / competent bodies*

Gazdasági és Közlekedési Minisztérium - GKM (Ministry of Economy and Transport)
Fogyasztóvédelmi és Kereskedelmi Főosztály (Department of Consumer Protection and Trade)

Vigadó utca 6.
H-1051 Budapest
Tel: (+36) 1 235 4677
Fax: (+36) 1 235 4421
E-mail: ferencne.nemeth@gkm.hu
Website: http://www.gkm.hu

**6.9 Packaging**

Care must be given to the packaging of products if one intends to export to the EU countries. It is obvious that the packaging must be travel-resistant. As required, products should also be protected against the elements, changes of temperature, rough handling and theft. Besides these basics issues, some importers may have specific demands concerning packaging, like information concerning the order printed on the boxes (order number, box number, name department or contact person etc.).

**54 Proexport Colombia**
For environmental reasons packaging made from materials like PVC is less popular with consumers and in some cases is or will be forbidden by governments. Exporters in developing countries should be prepared to discuss this issue with potential clients and should anticipate the cost of special packaging in their selling price, if required.

The European Directive on Packaging and Packaging Waste (94/62/EC) establishes overall legislation for the treatment of packaging waste, consisting of quantitative objectives to be achieved by each of the EU member states. The member states have the responsibility to translate the Directive into national legislation.

It is becoming increasingly difficult and expensive to dispose of waste in Europe. In principle, the importer is held responsible for disposal of the packaging waste for all goods from outside the EU. It is therefore crucial, when planning exports to the EU, to take the packaging of your products (both sales packaging and transport packaging) into consideration. To fulfil the requirements of the target market, good communication with the importer about packaging is necessary.

Leather shoes are generally packed in individual boxes per pair and with 12 to 18 pairs in a carton, but cheaper plastic and textile shoes may also be packed in plastic bags or in bulk. Here too, importers will most likely specify their packaging requirements.

### 6.10 Required documentation for import

When importing products from a third country, like Colombia, into the European Union six different documents are required:

1) Commercial invoice

The commercial invoice is a record or evidence of the transaction between the exporter and the importer. Once the goods are available, the exporter issues a commercial invoice to the importer in order to charge him for the goods.

The commercial invoice contains the basic information concerning the transaction and it is always required for customs clearance.

It is similar to an ordinary sales invoice, though some entries specific to the export-import trade are added. The minimum data generally included are the following:

- Information on the exporter and the importer (name and address)
- Date of issue
- Invoice number
• Description of the goods (name, quality, etc.)
• Unit of measure
• Quantity of goods
• Unit value
• Total item value
• Total invoice value and currency of payment. The equivalent amount must be indicated in a currency freely convertible to EUR or other legal tender in the importing Member State
• The terms of payment (method and date of payment, discounts, etc.)
• The terms of delivery according to the appropriate Incoterm
• Means of transport

No specific form is required. The commercial invoice is to be prepared by the exporter according to standard business practice and it must be submitted in the original along with at least one copy. It generally needs not to be signed. In practice, the original and the copy of the commercial invoice are often signed. The commercial invoice may be prepared in any language. However, a translation into English is recommended.

2) Customs Value Declaration

The Customs Value Declaration is a document which must be presented to the customs authorities where the value of the imported goods exceeds EUR 10 000. The Customs Value Declaration must be draw up conforming to form DV 1\(^9\), laying down provisions for the implementation of the Community Customs Code. This form must be presented with the Single Administrative Document (SAD).

The main purpose of this requirement is to assess the value of the transaction in order to fix the customs value (taxable value) to apply the tariff duties.

The customs value corresponds to the value of the goods including all the costs incurred (e.g.: commercial price, transport, insurance) until the first point of entry in the EU. The usual method for establishing the Customs value is using the transaction value (the price paid or payable for the imported goods).

In certain cases the transaction value of the imported goods may be subject to adjustment which involve additions or deductions. For instance:

- commissions or royalties may need to be added to the price;
- the internal transport (from the entry point to the final destination in the Community Customs Territory) must be deducted.

The customs authorities shall waive the requirement of all or part of the customs value declaration where:

---

\(^9\) Please see the annexes for a sample of a DV1 form
• the customs value of the imported goods in a consignment does not exceed EUR 10,000, provided that they do not constitute split or multiple consignments from the same consignor to the same consignee, or
• the importations involved are of a non-commercial nature; or
• the submission of the particulars in question is not necessary for the application of the Customs Tariff of the European Communities or where the customs duties provided for in the Tariff are not chargeable pursuant to specific customs provisions.

3) Freight insurance

The insurance is an agreement by which the insured is indemnified in the event of damages due to a risk covered in the policy. Insurance is all-important in the transport of goods because of its exposure to risks during handling, storing, loading or transporting cargo, and other rare risks, such as riots, strikes or terrorism.

There is a difference between the goods' transport insurance and the carrier's responsibility insurance. The transport insurance is a contract whose covered risks, fixed compensation and indemnity are left to the holder's choice. Nevertheless, the haulier's responsibility insurance is determined by different regulations depending on the means of transport, indemnity is limited by the weight and value of the goods and is only given if the transporter was unable to evade responsibility.

The insurance invoice is required for customs clearance only when the relevant data do not appear in the commercial invoice indicating the premium paid for insuring the merchandise.

The standard extent of the transporter's responsibility is laid down in the following international conventions:

1. Road freight

International transport of goods by road is governed by the Convention for the Contract of the International Carriage of Goods by Road (CMR Convention) signed in Geneva in 1956.

Under this Convention, the road haulier is not responsible for losses of or damages to the goods if he proves that they arise from:

• the merchandise's own defect(s);
• force majeure;
• a fault by the loader or consignee.
There is no European Union's regulation regarding indemnifications for road freight.

2. **The rail carrier**

International transport of goods by rail is regulated by the the *Convention concerning Intercarriage by Rail* (CIM Convention), signed in Bern in 1980.

The rail carrier is not responsible for losses of or damages to the goods if he proves that they arise from:

- the merchandise's own defect(s);
- force majeure;
- a fault by the loader or consignee.

With reference to compensation, there is currently no European regulation. Indemnification is normally limited to a maximum amount per gross kilo lost or damaged. This system means that, for the most part, the company is unlikely to receive anything approaching the value of its goods.

3. **The shipping company**

The 1968 *International Convention on Bill of Lading*, better known as "The Hague Rules" or the "Brussels Convention" dictates the marine carrier's responsibilities when transporting international goods.

The shipping company is not responsible for losses of, or damage to, the goods if it proves that they arise from:

- the merchandise's own defects and loss in weight during transport;
- a nautical mistake by the crew;
- a fire;
- if the ship is not seaworthy;
- force majeure;
- strikes or a lock-out;
- a mistake by the loader;
- hidden defects on board ship, which went unnoticed during rigorous inspection;
- an attempt to save lives or goods at sea.

As far as compensation is concerned, there is currently no harmonisation at the European Union level. It is normally limited to a certain sum per kilogram of lost or damaged goods. This system causes the same problems as with rail accidents, the exporter is likely to lose much of the value of the goods.
4. The air carrier

The 1929 Warsaw Convention as well as the Montreal draft Treaty of 1975 determine that the air carrier is not responsible for damages or loss of goods if it is proved that:

- the carrier and associates took all the measures necessary to avoid the damage or that it was impossible for them to be taken (force majeure);
- the losses arise from a pilotage or navigation mistake;
- the injured party was the cause of the damage or contributed to it.

Concerning the injured party's indemnification, there is no European standard. Compensation is normally limited to a set amount per gross kilogram of damaged or lost goods.

The air carrier can state specific reservations at the time of receiving the cargo. These reservations will be written on the air consignment note (ACN) (air transport contract) and will be used as evidence. However, airlines will normally refuse dubious packages or those not corresponding to the ACN.

4) Customs Import Declaration (SAD)

All goods imported into the European Union (EU) must be declared to the customs authorities of the respective Member State using the Single Administrative Document (SAD)\(^{10}\), which is the common import declaration form for all the Member States, laid down in the Community Customs Code (Regulation (EEC) 2913/92.

The declaration must be drawn up in one of the official languages of the EU which is acceptable to the customs authorities of the Member State where the formalities are carried out.

The SAD may be presented either by:

- Using an approved computerised system linked to Customs authorities; or
- Lodging it with the designated Customs Office premises.

The main information that shall be declared is:

- Identifying data of the parties involved in the operation (importer, exporter, representative,....)

\(^{10}\) See annexes
- Custom approved treatment (release for free circulation, release for consumption, temporary importation, transit,...)
- Identifying data of the goods (Taric code, weight, units), location and packaging
- Information referred to the means of transport
- Data about country of origin, country of export and destination
- Commercial and financial information (Incoterm, invoice value, invoice currency, exchange rate, insurance...)
- List of documents associated to the SAD (Import licenses, inspection certificates, document of origin, transport document, commercial invoice...)
- Declaration and method of payment of import taxes (tariff duties, VAT, Excises, etc)

The SAD set consists of eight copies, the operator completes all or part of the sheets depending on the type of operation.

In the case of importation generally three copies shall be used: one is to be retained by the authorities of the Member State in which arrival formalities are completed, other is used for statistical purposes by the Member State of destination and the last one is returned to the consignee after being stamped by the customs authority.

**Documents associated to the SAD**

According to the operation and the nature of the imported goods, additional documents shall be declared with the SAD and shall be presented together with it. The most important documents are:

- Documentary proof of origin, normally used to apply a tariff preferential treatment
- Certificate confirming the special nature of the product
- Transport Document
- Commercial Invoice
- Customs Value Declaration
- Inspections Certificates (Health, Veterinary, Plant Health certificates)
- Import Licenses
- Community Surveillance Document
- Cites Certificate
- Documents to support a claim of a tariff quota
- Documents required for Excises purposes
- Evidence to support a claim to VAT relief
5) Freight documents

Depending on the means of transport used, the following documents are to be filled in and presented to the customs authorities of the importing European Union (EU) Member State (MS) upon importation in order for the goods to be cleared:

- Bill of Lading
- FIATA Bill of Lading
- Road Waybill (CMR)
- Air Waybill (AWB)
- Rail Waybill (CIM)
- ATA Carnet
- TIR Carnet

**Bill of Lading**

The Bill of Lading (B/L) is a document issued by the shipping company to the operating shipper which acknowledges that the goods have been received on board serving as **proof of receipt** of the goods by the carrier obliging him to deliver the goods to the consignee. It contains the details of the goods, vessel and port of destination. It **evidences the contract of carriage** and conveys **title to the goods**, meaning that the bearer of the Bill of Lading is the owner of the goods.

The Bill of Lading may be a negotiable document. A number of different types of bills of lading can be used. "Clean Bills of Lading" state that the goods have been received in an apparent good order and condition. "Unclean or Dirty Bills of Lading" indicate that the goods are damaged or in bad order, in this case, the financing bank may refuse to accept the consignor's documents.

**FIATA Bill of Lading**

The **FIATA Bill of Lading** is a document designed to be used as a multimodal or combined transport document with negotiable status which has been developed by the **International Federation of Forwarding Agents’ Associations** (FIATA).

**Road Waybill (CMR)**

The road waybill is a document containing the details of the international transportation of goods by road, set out by the **Convention for the Contract of the International Carriage of Goods by Road 1956** (the CMR Convention). It enables the consignor to have the goods at his disposal during the transportation. It must be issued in quadruplicate and signed by the consignor and the carrier. The first copy is intended for the consignor; the second remains in the possession of the
carrier; and the third accompanies the goods and is delivered to the consignee. Usually, a CMR is issued for each vehicle.

The CMR note is not a document of title and is non-negotiable.

**Air Waybill (AWB)**

The air waybill is a document proving the transport contract between the consignor and the carrier's company. It is issued by the carrier's agent and falls under the provisions of the *Warsaw Convention*. A single air waybill may be used for multiple shipment of goods, it contains three originals and several extra copies. One original is kept by each of the parties involved in the transport (the consignor, the consignee and the carrier). The copies may be required at the airport of departure/destination, for the delivery and in some cases, for further freight carriers. The air waybill is a freight bill which evidences a contract of carriage and proves receipt of goods.

The *IATA Standard Air Waybill* is used by all carriers belonging to the *International Air Transport Association* (IATA) and it embodies standard conditions associated to those set out in the Warsaw Convention.

**Rail Waybill (CIM)**

The rail waybill (CIM) is a document required for the transportation of goods by rail. It is regulated by the *Convention concerning International Carriage by Rail 1980* (COTIF-CIM). The CIM is issued by the carrier in five copies, the original accompanies the goods and the duplicate of the original is kept by the consignor and the three remaining copies are intended for internal purposes of the carrier. It is considered the rail transport contract.

**ATA Carnet**

ATA carnets are international customs documents issued by chambers of commerce in most major countries throughout the world for the purpose of allowing the temporary importation of goods, free of customs duties and taxes. ATA carnets can be issued for the following categories of goods: commercial samples and advertising film, goods for international exhibition and professional equipment.\(^{11}\)

\(^{11}\) for further information, see the ICC website: [http://www.iccwbo.org/index_ata.asp](http://www.iccwbo.org/index_ata.asp)
**TIR Carnet**

TIR carnets are customs transit documents used for the international transport of goods a part of which has to be made by road. They allow the transport of goods under a procedure called the TIR procedure, laid down in the 1975 TIR Convention, signed under the auspices of the United Nations Economic Commission for Europe (UNECE)\(^\text{12}\)

The TIR system requires that the goods travel in secure vehicles or containers, all duties and taxes at risk throughout the journey are covered by an internationally valid guarantee, the goods are accompanied by a TIR carnet, and customs control measures in the country of departure are accepted by the countries of transit and destination.

6) Packing list

The packing list (P/L) is a commercial document accompanying the commercial invoice and the transport documents, and providing information on the imported items and the packaging details of each shipment (weight, dimensions, handling issues, etc.)

It is required for customs clearance as an inventory of the incoming cargo.

The data generally included are:

- Information on the exporter, the importer and the transport company
- Date of issue
- Number of the freight invoice
- Type of packaging (drum, crate, carton, box, barrel, bag, etc.)
- Number of packages
- Content of each package (description of the goods and number of items per package)
- Marks and numbers
- Net weight, gross weight and measurement of the packages

No specific form is required. The packing list is to be prepared by the exporter according to standard business practice and it must be submitted in the original along with at least one copy. It generally needs not be signed. However, in practice, the original and the copy of the packing list are often signed. The packing list may be prepared in any language. However, a translation into English is recommended.

\(^{12}\) Website: [http://www.unece.org/trans/bcf/tir/welcome.html](http://www.unece.org/trans/bcf/tir/welcome.html).
6.11 Import modalities or regimes involved in the process

After 1st May 2004 the custom free zones in Hungary no longer exist. Before this date those zones were regarded as a foreign entity within the Hungarian borders by customs officials. When importing products into these zones custom duties and VAT payment could be postponed till the products were actually brought into the Hungarian market.

6.12 Requirements for import of samples and accompanied luggage

Damaged goods must have a large hole cut in a prominent location on the outer side of the article so as to make it usable only as a sample. Cutting a sleeve off a shirt, a hole in the front of the garment, or hole in the sole of a single shoe so as to make it unusable is recommended.

The shipper's documents, preferably the commercial invoice provided should state that the article(s) is a mutilated sample- not for resale or other use. A certificate of origin will not be required for import; only a standard airway bill or bill of lading and commercial invoice will be needed.

Business items where is no need to pay taxes
- promotional samples of negligible value, advertising materials, products used for exhibitions, goods imported for the purpose of testing or analysis;
- materials used to secure and protect goods during transportation

Business items imported under temporary admission
- goods used for presentations at fairs and congresses
- equipment imported to be used for a foreign national's profession;
- packaging, containers;
- reversible sample products;
- matrixes, plans, models, forms;
- testing equipment;
- means of transport

Consignments that do not require a Certificate of origin
- small consignments up the value 500 Euro
- accompanied luggage up the value 1200 Euro

All commercial samples also need to be accompanied by a ATA-Carnet, which permits the duty free entry of the sample into Hungary and the European Union for the maximum period of one year. The initials "ATA" are an acronym of the French and English words "Admission Temporaire/Temporary Admission."
An ATA Carnet covers:
- commercial samples;
- professional equipment;
- goods for presentation or use at trade fairs, shows, exhibitions and the like.

It consists of two sheets; one that needs to be handed in when the sample enters the EU and one that needs to be given to customs officials upon departure of the product out of the European Union. An ATA Carnet does not cover the import of perishable and consumable products such as fresh flowers, tropical fruit, confectionery and coffee.

Fees vary according to the country. They are determined by the value of the goods, the number of countries the product will visited, plus any additional costs for security, insurance or other services. Fees will always represent a small fraction of the value of the goods covered by the Carnet.

The carnet can be obtained from the Colombian chamber of commerce.

### 6.13 Website links to rules and regulations

- [www.bimeo.hu](http://www.bimeo.hu)
  - Scientific Society for Leather, Shoe and Allied Industries
- [http://vam.gov.hu](http://vam.gov.hu)
  - Headquarters of Hungarian Customs and Finance Guard (HHCFG)
- [www.fvm.hu](http://www.fvm.hu)
  - Ministry of Agriculture and Rural Development
  - The quotas page of EU
  - EU Tariff schedule, Integrated Tariff of the European Community
  - The page of TARIC (duty rates for all products can be found on this website)
6.14 Flow chart of the process and related costs

In general, only EU entities can clear goods for customs in Hungary. Non-EU entities can carry out customs proceedings only on goods under the transit regime or under temporary admission. In other cases, foreign entities can clear goods for Hungarian customs only in exceptional cases with the permission of the Customs Office.

A foreign company exporting to Hungary and wishing to import into the country must either establish a Hungarian subsidiary to handle importation or engage a customs agent to handle customs proceedings. It is usual practice that the Hungarian purchaser of imported goods will handle customs proceedings.

When imported goods reach the EU border, they are released to the transit regime. The customs debt (all import duties that would apply on import under free circulation) must be secured with a customs guarantee at this time. The goods must then be transported to the inland Customs Office of final destination without delay. Here the goods are declared for the chosen customs regime based on the customs declaration filed by the importer (or his customs agent). The final customs debt assessed by the Customs Office is either paid or guaranteed, depending on the import regime and the conditions negotiated with the Customs Office.

Proexport Colombia
If import duties are properly paid (or the customs debt is secured), the Customs Office issues a confirmed customs declaration, which serves as a VAT document for the reclaim of import VAT. In general, import VAT is applied on the total declared customs value of imported goods and the applicable amount of customs duty and any other charges levied by the Customs Office (e.g., excise duty).

From 1st January 2005, importers can reclaim the amount of import VAT paid by including the amount in their regular VAT returns, provided the importer is registered for Hungarian VAT.

VAT rates are the same as for domestic products, currently 25%, 15% or 5%. The VAT for (industrial) footwear is 25%. Importers registered for Hungarian VAT can normally recover import VAT costs, provided a valid customs declaration (tax document) is obtained from the Customs Office.

Customs Valuation is on an ad valorem basis. The Customs Law declares the principle of the prompt payment of the "customs debt." Customs debt comprises the customs duty assessed, the general turnover tax (VAT), the consumption tax, any statistical fees and the customs clearance fee (1% on goods originating from GATT member countries), and any miscellaneous fees such as road fund contributions and/or environmental protection fees. The customs debt is due and payable within 5 business days following notification thereof.

### 6.15 Recommendations

After accession to the European Union all trade barriers have disappeared between Hungary and the EU states as well as with most other countries. Definitely with Colombia, which profits from a 0% preferential tariff as a third world country.

However, requirements for industrial footwear are very demanding and the prerequisites to acquire CE marking are not always clear. It might therefore be wise to accept help from an agency within the European Union to guide the process to approvement.

Additionally, please remember that bureaucracy and corruption are decreasing in Hungary, but have definitely not disappeared. The governor of the Hungarian national central bank recently (July, 2005) claimed that Hungary is the most corrupt nation in the European Union and liars and tax cheats have gained high positions within the country. This is something that might negatively effect the course of doing business in Hungary and is therefore worth mentioning. Though official barriers to trade have disappeared, there are some hidden ones still present.
7. Physical Access

This chapter describes the various ways and means to transport (industrial) footwear to Hungary. The highest effort was put in to give a detailed overview of various road, train and sea routes from Colombia to Budapest, with an emphasis on inter-European Union transportation. Price details are offered wherever possible, however it is important to keep in mind that after accession of the Eastern European countries to the EU, competition within the transportation market has become murdering. Therefore forwarders are extremely cautious with revealing price information and because of this, it might be more useful for potential exporters from Colombia to contact transport companies themselves with specific quotations. Contact details of various transportation companies are presented below.

7.1 Available transportation infrastructure

By road

The railroad network extends over 7,606 km., of which 2,191 km are electrified. The train is mostly used for the transportation of the goods.

Just like road transportation, this sector was privatized. Therefore, the infrastructure is directly administered by the territorial communities. The privatization and the concession of activities of the public service in 1998 accelerated the modernization of the structures to match the European standards.

By air

The unique international airport of the country is Budapest-Ferihegy. The main airline company MALEV Hungarian Airlines is intended for passengers and MALEV air Cargo for freight transportation. In 1999, the freight transportation recorded an increase of 26% as compared to the previous year.

By sea

Since Hungary is landlocked on all sides, direct entry by sea is not possible. However entering from nearby ports and than transportation by truck to f.e. Budapest is definitely amongst the possibilities. More details are given below.
### 7.2 Identification of ports, airports, roads- border passes-railways, waterways

**Border Crossing Points**

Because Hungary has six neighbouring countries, there are various points on the Hungarian border where the country can be entered. However they all have different opening hours and possibilities. Therefore a list of border crossing points (BCP) in the Republic of Hungary with the different opening hours and the traffic passing through is printed below.

**Table 7.2.1 BCPs on the external border of the European Union**

<table>
<thead>
<tr>
<th>Name of border crossing point</th>
<th>Opening hours</th>
<th>Traffic through the BCP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Záhony-Csop</td>
<td>night &amp; day</td>
<td>Goods and passenger traffic; Veterinary and phitosanitary border station; Post for the transport of double-use products and technologies, cultural values, drugs and psychotropic substances and dangerous waste</td>
</tr>
<tr>
<td>Ártánd-Bors</td>
<td>night &amp; day</td>
<td>Goods and passengers traffic; Post for the transport of double use products and technologies, cultural values, drugs and psychotropic substances and dangerous waste</td>
</tr>
<tr>
<td>Battonya-Turnu</td>
<td>night &amp; day</td>
<td>Goods and passenger traffic (restriction of 3,5 tons)</td>
</tr>
<tr>
<td>Gyula-Varsand</td>
<td>night &amp; day</td>
<td>Goods and passenger traffic; Post for the transport of cultural values, drugs and psychotropic substances and dangerous waste</td>
</tr>
<tr>
<td>Csengersima-Petea</td>
<td>night &amp; day</td>
<td>Goods and passenger traffic; Post for the transport of dangerous waste</td>
</tr>
<tr>
<td>Kiszombor-Cenad</td>
<td>night &amp; day</td>
<td>Goods and passenger traffic (restriction of 3,5 tons)</td>
</tr>
<tr>
<td>Nagylak-Nadlac</td>
<td>night &amp; day</td>
<td>Goods and passenger traffic; Veterinary and phitosanitary border station; Post for the</td>
</tr>
</tbody>
</table>
### Industrial footwear in Hungary

<table>
<thead>
<tr>
<th>Border / Station</th>
<th>Traffic Type</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Méhkerék-Salonta</td>
<td>night &amp; day</td>
<td>Goods and passenger traffic (restriction of 3.5 tons)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>transport of double-use products and technologies, cultural values, drugs and psychotropic substances and dangerous waste</td>
</tr>
</tbody>
</table>

#### c) Hungarian-Serbian border

<table>
<thead>
<tr>
<th>Border / Station</th>
<th>Traffic Type</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rőszke-Horgos</td>
<td>night &amp; day</td>
<td>Goods and passenger traffic; Veterinary and phitosanitary border station; Post for the transport of double-use products and technologies, cultural values, drugs and psychotropic substances and dangerous waste</td>
</tr>
<tr>
<td>Tompa-Kelebija</td>
<td>night &amp; day</td>
<td>Goods and passenger traffic; Post for the transport of drugs and psychotropic substances and dangerous waste</td>
</tr>
</tbody>
</table>

#### d) Hungarian - Croatian border

<table>
<thead>
<tr>
<th>Border / Station</th>
<th>Traffic Type</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Barcs-Terezino Polje</td>
<td>night &amp; day</td>
<td>Goods and passenger traffic</td>
</tr>
<tr>
<td>Berzence-Góla</td>
<td>night &amp; day</td>
<td>Goods and passenger traffic (restriction of 20 tons)</td>
</tr>
<tr>
<td>Drávaszabolcs-Donji Miholjac</td>
<td>night &amp; day</td>
<td>Goods and passenger traffic; Post for the transport of dangerous waste</td>
</tr>
<tr>
<td>Letenye-Gorican</td>
<td>night &amp; day</td>
<td>Goods and passenger traffic; Veterinary and phitosanitary border station; Post for the transport of double-use products and technologies, cultural values, drugs and psychotropic substances and dangerous waste</td>
</tr>
<tr>
<td>Udvar-Knezevo (road)</td>
<td>night &amp; day</td>
<td>Goods and passenger traffic</td>
</tr>
</tbody>
</table>

#### Railway

#### a) Hungarian-Ukrainian border

<table>
<thead>
<tr>
<th>Border / Station</th>
<th>Traffic Type</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eperjeske-Batyovo</td>
<td>night &amp; day</td>
<td>Railway goods traffic; Veterinary and phitosanitary border station; Post for the transport of dangerous waste</td>
</tr>
<tr>
<td>Zákony-Csop</td>
<td>night &amp; day</td>
<td>Goods and passenger traffic; Post for the transport of dangerous waste</td>
</tr>
</tbody>
</table>
### b) Hungarian - Romanian border

<table>
<thead>
<tr>
<th>Location</th>
<th>Hours</th>
<th>Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tiborszállás-Ágerdömajor-Carei</td>
<td>night &amp; day</td>
<td>International goods and passenger traffic</td>
</tr>
<tr>
<td>Biharkeresztes-Episcopia Bihorolui</td>
<td>night &amp; day</td>
<td>Goods and passenger traffic; Post for the transport of double-use products and technologies, cultural values and dangerous waste</td>
</tr>
<tr>
<td>Kötegyán-Salonta</td>
<td>night &amp; day</td>
<td>Goods and passenger traffic</td>
</tr>
<tr>
<td>Lőkösháza-Curtici</td>
<td>night &amp; day</td>
<td>Goods and passenger traffic; Phitosanitary border station; Post for the transport of dangerous waste</td>
</tr>
<tr>
<td>Nyirábrány-Valea lui Mihai</td>
<td>night &amp; day</td>
<td>Goods and passenger traffic</td>
</tr>
</tbody>
</table>

### c) Hungarian - Serbian border

<table>
<thead>
<tr>
<th>Location</th>
<th>Hours</th>
<th>Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kelebia-Subotica</td>
<td>night &amp; day</td>
<td>Goods and passenger traffic; Veterinary and phitosanitary border station; Post for the transport of double-use products and technologies, cultural values and dangerous waste</td>
</tr>
<tr>
<td>Rőszke-Horgos</td>
<td>night &amp; day</td>
<td>Goods and passenger traffic</td>
</tr>
</tbody>
</table>

### d) Hungarian - Croatian border

<table>
<thead>
<tr>
<th>Location</th>
<th>Hours</th>
<th>Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gyékényes-Koprivnica</td>
<td>night &amp; day</td>
<td>Goods and passenger traffic; Veterinary and phitosanitary border station; Post for the transport of dangerous waste</td>
</tr>
<tr>
<td>Magyarbóly-Beli Monastir</td>
<td>night &amp; day</td>
<td>Goods and passenger traffic</td>
</tr>
<tr>
<td>Murakeresztúr-Kotoriba</td>
<td>night &amp; day</td>
<td>Goods and passenger traffic; Post for the transport of double-use products and technologies and cultural values</td>
</tr>
</tbody>
</table>

Source: Hungarian Customs Office

### Table 7.2.2 BCPs on the internal border of the European Union on the river Danube:

<table>
<thead>
<tr>
<th>Location</th>
<th>Hours</th>
<th>Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mohács határkikötő</td>
<td>night &amp; day</td>
<td>Goods and passenger traffic; Phitosanitary border station; Post for the transport of dangerous waste</td>
</tr>
<tr>
<td>Baja Ro-Ro pier</td>
<td>from sunrise till sunset</td>
<td>Vessels dealing with combined transportation and transportation and their staff</td>
</tr>
</tbody>
</table>

72 Proexport Colombia
On the river Tisza:

| Szeged border pier | from sunrise till sunset | Passenger and goods traffic |

IV. By air

| Budapest Ferihegy International Airport | night & day | Goods and passenger traffic; Veterinary and phitosanitary border station; Post for the transport of double-use products and technologies, drugs and psychotropic substances, cultural values and dangerous waste |
| Debrecen International Airport | 08.00-20.00 | International goods and passenger traffic |

Source: Hungarian Customs Office

Hungary is a transit country with a lot of Trans-European Network lines on its territory. These are between the Slovenian and Ukrainian border (No. 1), between Austria and Romania (No. 2) and between Slovakia and Serbia-Montenegro (No. 3).

Freight from the major competing countries is being transported by all of the listed ways. In order to distinguish two major streams, we will look at two groups of countries.

Table 7.2.3 Transportation used by various countries

<table>
<thead>
<tr>
<th>Group</th>
<th>European and close European countries</th>
<th>Other (oversea) countries</th>
</tr>
</thead>
<tbody>
<tr>
<td>Example</td>
<td>Italy, Slovakia, Germany etc.</td>
<td>China, Hong Kong etc.</td>
</tr>
<tr>
<td>Transport ways used</td>
<td>Road and rail transport to Hungary</td>
<td>Sea transport to the ports in Germany, Poland, Croatia and Slovenia than rail or road transport to Hungary</td>
</tr>
</tbody>
</table>

Source: Hungarian Transportation Association

According to the transporting companies the cheapest and fastest way is over the port of Hamburg.

Table 7.2.4 Distances from the most important ports to Budapest

<table>
<thead>
<tr>
<th>Port</th>
<th>Country</th>
<th>Distance to Budapest (km)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Koper</td>
<td>Slovenia</td>
<td>584</td>
</tr>
<tr>
<td>Rijeka</td>
<td>Croatia</td>
<td>530</td>
</tr>
<tr>
<td>Hamburg</td>
<td>Germany</td>
<td>1172</td>
</tr>
<tr>
<td>Gdansk</td>
<td>Poland</td>
<td>942</td>
</tr>
</tbody>
</table>

Source: Hungarian Customs Office
Borders

Hungary has a land area of 93 thousand square kilometers. It has borders with seven countries, of which 4 are important for this report, namely the following:

1. Austrian, where the transports from Germany come from. The most important road border stations are Hegyeshalom-Nickelsdorf and Rábafüzes-Heiligenkreutz. The trains come over Hegyeshalom.

2. Slovakian, where the containers of Polish ports came through. In this case the border of Rajka-Bratislava or Komárom is particulairly important. The trains going to Budapest cross the border at Nagymaros.

3. Croatian, where the lorries come over Letenye. There are no big capacity train lines in this direction, but the motorway runs all the way to the Hungarian border.

4. Slovenian, which has an access to the Croatian motorway and since 2001 has a direct one-line train in the direction Koper, which was built by support of the European Union and the Central European Initiative (CEI).

Figure 7.2.5 Map of Hungary

Source: Hungarian Customs Office
Industrial footwear in Hungary

Once the Budapest-Csepel Free Port was a sea port, but today because of the large number of bridges across the Danube, it is a delta. Today the Hungarian most important water way is the river Danube, which – through the Danube-Main-Rhine channel – ensures the contact between Hungary and the Atlantic-ocean. The river ways do not play an important role because ships are very slow and usually carry raw materials as grain, coal, brick, etc.

Road, railway data

Length of roads (in km)

<table>
<thead>
<tr>
<th>Country</th>
<th>Length (km)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Romania</td>
<td>198,603</td>
</tr>
<tr>
<td>Hungary</td>
<td>188,203</td>
</tr>
<tr>
<td>Ukraine</td>
<td>169,491</td>
</tr>
<tr>
<td>Austria</td>
<td>200,000</td>
</tr>
<tr>
<td>European Union</td>
<td>4,634,810</td>
</tr>
</tbody>
</table>

Length of train lines (in km)

<table>
<thead>
<tr>
<th>Country</th>
<th>Length (km)</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ukraine</td>
<td>22,473</td>
<td>2003</td>
</tr>
<tr>
<td>Romania</td>
<td>11,385</td>
<td>2003</td>
</tr>
<tr>
<td>Czech Republic</td>
<td>9,520</td>
<td>2003</td>
</tr>
<tr>
<td>Hungary</td>
<td>7,937</td>
<td>2003</td>
</tr>
<tr>
<td>Austria</td>
<td>6,021</td>
<td>2003</td>
</tr>
<tr>
<td>Switzerland</td>
<td>4,533</td>
<td>2003</td>
</tr>
<tr>
<td>Slovakia</td>
<td>3,661</td>
<td>2003</td>
</tr>
<tr>
<td>Croatia</td>
<td>2,726</td>
<td>2003</td>
</tr>
<tr>
<td>Slovenia</td>
<td>1,201</td>
<td>2003</td>
</tr>
</tbody>
</table>

Main railway companies:

MAV – Magyar Államvasutak (Hungarian State Railways)
Gysev–Győr-Sopron-Ebenfurt Vasutak (Győr-Sopron-Ebenfurt Railways)

Table 7.2.6 Number of foreign train coaches passing through Hungary annually

<table>
<thead>
<tr>
<th>No. of train coaches</th>
<th>Ukraine</th>
<th>Romania</th>
<th>Serbia</th>
<th>Croatia</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>108 430</td>
<td>122 840</td>
<td>109 341</td>
<td>134 564</td>
<td>475 175</td>
</tr>
<tr>
<td>2004</td>
<td>116 097</td>
<td>156 951</td>
<td>125 689</td>
<td>127 656</td>
<td>526</td>
</tr>
</tbody>
</table>

Source: The Hungarian National Railway
Graph 7.2.7 Number of train coaches in 2003/2004 compared

Source: The Hungarian National Railway

Note:
Yellow: no. of train coaches in 2003 / Blue: no. of train coaches in 2004

Table 7.2.8 Foreign lorries passing through Hungary annually

<table>
<thead>
<tr>
<th></th>
<th>Ukraine</th>
<th>Romania</th>
<th>Serbia</th>
<th>Croatia</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Lorries (pcs) 2003</strong></td>
<td>145 266</td>
<td>868 824</td>
<td>304 904</td>
<td>421 301</td>
<td>1 740 295</td>
</tr>
<tr>
<td><strong>Lorries (pcs) 2004</strong></td>
<td>159 985</td>
<td>912 061</td>
<td>337 479</td>
<td>316 314</td>
<td>1 725 839</td>
</tr>
</tbody>
</table>

Source: The Hungarian National Railway

According to the transporting companies the cheapest way to transport cargo to Hungary by sea is by using the port of Hamburg.

Table 7.2.6 Distances from the most important ports to Budapest

<table>
<thead>
<tr>
<th>Port</th>
<th>Country</th>
<th>Distance to Budapest (km)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amsterdam</td>
<td>Netherlands</td>
<td>1413</td>
</tr>
<tr>
<td>Rotterdam</td>
<td>Netherlands</td>
<td>1385</td>
</tr>
<tr>
<td>Hamburg</td>
<td>Germany</td>
<td>942</td>
</tr>
<tr>
<td>Gdansk</td>
<td>Poland</td>
<td>772</td>
</tr>
<tr>
<td>Szczecin</td>
<td>Poland</td>
<td>744</td>
</tr>
</tbody>
</table>

Source: Hungarian Transportation Association
Industrial footwear in Hungary

Figure 7.2.5 Map of Hungary

Source: Lonely Planet Guides
Figure 7.2.5 Map of Hungarian provinces
7.3 **Description of status, operation, security, costs, distances, transportation arrangements and intercommunity customs**

The transportation infrastructure of Hungary is below the level of the Western countries, however still reliable and secure. For the distances and size of the Hungarian infrastructure, see the previous section.

7.4 **Identification of other handling and distribution infrastructure**

The freight forwarders have their own storehouses and most of the storehouses below belong to a forwarding company. Below is a list of storage, logistic and custom service providers:

**ABC European Air & Sea Cargo Distribution Hungaria Kft.**
Közdülő 1-2, Budapest, H-1181
Tel: +36 (06)1 294-2428, Fax: +36 (06)1 296-0404
e-mail: bud@abc-airsea.com, Website: www.abc-airsea.com
Branch Offices - Budapest Airport, Igló utca, LRI-Cargo Báézis, H-1185 Budapest- Ferihegy. Tel: +36 (06)1 296-8191, Fax: +36 (06)1 296-7710, e-mail: bud@abc-airsea.com

**Gebrüder Weiss Kft, Vecses**
Tel: +36 (06)29 553-900, Fax: +36 (06)29 553-953
e-mail: rainer.mittl@weisslogistics.com, Website: www.gw-world.com

**AES Kft, Budapest**
Tel: +36 (06)1 266-0183/4, Fax: +36 (06)1 266-3010
e-mail: info@aescargo.com, Website: www.aescargo.com

**AH Volán Kft, Budapest**
Tel: +36 (06)1 260-4406, Fax: +36 (06)1 260-5369 Website: www.hartrodt.com

**Airfarm Hungary Kft, Budapest**
Tel: +36 (06)1 431-8534, +36 (06)1 431-8535, +36 (06)1 431-8476,
Fax: +36 (06)1 261-2799
e-mail: airfarm@airfarm.org.hu, Website: www.airfarm.com

**Airmax Cargo Budapest Ltd, Budapest**
Tel: +36 (06)1 297-6106, Fax: +36 (06)1 297-6105
e-mail: gabor@airmaxcargo.com, Website: www.airmaxcargo.hu

**Aviart, Budapest**
Tel: +36 (06)1 427-0620, Fax: +36 (06)1 427-0619
e-mail: aviart@vipmail.hu, Website: http://fly.to/aviart

Bellville Rodair International KFT, Budapest Airport
Tel: +36 (06)29 551-306, Fax: +36 (06)29 551-311
e-mail: david.dines@brihungary.com or attila.vereb@brihungary.com,
Website: www.brihungary.com

Cargo Agencies Ltd Co, Budapest
Tel: +36 (06)1 370-8606, Fax: +36 (06)1 369-3864
e-mail: cargoag@cargoag.hu, Website: www.cargoag.hu

Cargo partner Hungaria Kft, Budapest
Tel: +36 (06)1 294-2428, Fax: +36 (06)1 296-0404
e-mail: bud@cargo-partner.com, Website: www.cargo-partner.com

Cargoline, Budapest Airport
Tel: +36 (06)1 296-9600, +36 (06)1 296-6756, Fax: +36 (06)1 296-8621
e-mail: budap@cargoline.com

Cargoline Kft, Paty
Tel: +36 (06)23 556-600, Fax: +36 (06)23 556-681

Chapman Freeborn Air Market Ltd, Budapest
Tel: +36 (06)1 235-7858, (Airport Office) +36 (06)1 296-5483,
(24H Mobile) +36 (06)30 951-3122, Fax: +36 (06)1 235-7859
e-mail: bud@chapman-freeborn.com, Website: www.chapman-freeborn.com

Corstjens Worldwide Movers-Budapest, Budapest, Tel: +36 (06)1 261-2651,
Fax: +36 (06)1 260-1055, e-mail: info@corstjens.hu,
Website: www.corstjens.com

Danzas Ltd, Budapest
Tel: +36 (06)1 296-8239, +36 (06)1 296-7430, +36 (06)1 296-6062,
Fax: +36 (06)1 296-8621, +36 (06)1 296-8238

Door To Door Express, Tatabanya
Tel: +36 (06)34 305 209, Fax: +36 (06)34 305 209
e-mail: info@dtexpress.hu, Website: www.dtexpress.hu

Euro-Line Air Cargo Kft, Budapest Airport
Tel: +36 (06)1 296-5305, Fax: +36 (06)1 296-5306

Expeditors International Hungary Kft, Budapest Airport
Tel: +36 (06)2 955-2600, Fax: +36 (06)2 955-2601

FastAir-Cargo Kft, Budapest Airport

80 Proexport Colombia
Industrial footwear in Hungary

Tel: +36 (06)1 296-8828, Fax: +36 (06)1 296-8737
e-mail: tamas.baunoch@fastair-cargo.com, Website: www.fastair-cargo.com

Fix Bellville International Air Kft, Budapest
Tel: +36 (06)29 551-306, Fax: +36 (06)29 551-311
e-mail: david.dines@brihungary.com
Website: www.bellvillegroup.com or www.brihungary.com

Hungarocargo International Forwarding Co Ltd, Budapest,
Tel: +36 (06)1 471-5150, Fax: +36 (06)1 471-5151,
e-mail: info@hungarocargo.hu, website: www.hungarocargo.hu

Hunicorn International Forwarding Ltd, Budapest,
Tel: (Director) +36 (06)1 433-1318, (Aircargo/Financial) +36 (06)1 433-1310,
+36 (06)1 433-1314, Fax: +36 (06)1 260-1056
e-mail: peter@hunicorn.hu, Website: www.hunicorn.hu

In Time International Forwarding & Courier Ltd, Budapest,
Tel: +36 (06)1 262-2222, Fax: +36 (06)1 262-3333, e-mail: intime@intime.hu

Intercargo Hungary Kft, Budapest, Tel: +36 (06)1 278-3133,
Fax: +36 (06)1 278-3116, e-mail: info@intercargo.hu

International Forwarding Solutions Ltd, Budapest
Tel: +36 (06)1 264-3689, Fax: +36 (06)1 264-3699
email: ifs-barta@vnet.hu, Website: www.ifscargo.hu

JAS Cargoways Inc Kft, Budapest
Tel: +36 (06)1 296-9600, Fax: +36 (06)1 296-7912, +36 (06)1 296-7799
e-mail: general@jashungary.com, Website: www.jashungary.com

Lagermax, Budapest
Tel: +36 (06)1 414-6217, Fax: +36 (06)1 414-6202

MASTED Schenker Air & Sea Forwarding Ltd, Budapest, Tel: +36 (06)1 452-8115, Fax: +36 (06)1 452-8141
e-mail: Kaldor.Laszlo@masped-schenker.hu, Website: www.masped-schenker.hu

Maurice Ward & Co Kft, Vecses
Tel: +36 (06)29 551-274, Fax: +36 (06)29 551-275
e-mail: henrik.muller@mauriceward.com, Website: www.mauriceward.com

Menlo Worldwide (Hungary) Kft, Vecses,
Tel: +36 (06)29 55-1250, Fax: +36 (06)29 55-1269

Multiway Cargo Ltd, Budapest
Market Researches in Eastern Europe

Tel: +36 (06)1 290 59 19, Fax: +36 (06)1 291 56 17
e-mail: mwcargo@mail.datanet.hu, Website: www.mwcargo.hu

**NNR + Dachser Hungary Ltd**, Budapest
Tel: +36 (06)26 53-0279, Fax: +36 (06)26 33-4271
e-mail: yoshikuni.saima-nnr@dachser.com

**RGW Express Kft**, Budapest
Tel: +36 (06)12 96-8810, +36 (06)12 96-5500/2, Fax: +36 (06)12 96-6639, +36 (06)12 96-5500/2
e-mail: info@rgw-express.hu, Website: www.rgw-express.hu,

**Seatrader Budapest**, Budapest
Tel: +36 (06)1 424-7349, +36 (06)1 424-7048, +36 (06)1 424-8462,
Fax: +36 (06)1 424-7350, +36 (06)1 424-8463
e-mail: info@seatrader.hu, Website: www.seatrader.hu

**Yusen Air & Sea Service GmbH**, Vecses
Tel: +36 (06)29 551-294, Fax: +36 (06)29 551-290
e-mail: y-tabata@yuseneurope.com

**Logmaster Kft**
Budapest, 1139, Vaci ut 85,
Tel: +36-27-538-800, Fax: +36-27-538-820
Website: www.logmaster.hu

**Waberer’s Holding**, Budapest, 1239, Nagykörösi ut 135
Tel: 421-6600, Fax: 421-6609
Website: www.waberers.com

**Logsped Kft.**
Website: www.logsped.hu

**Tranzit Rt.**
Website: www.tranzit.hu

**Forcont**, Budapest, 1092, Raday utca 16
Tel: 455-4020, Fax: 455-4021

**Dunaferr Portolan**
1139 Budapest, Frangepan utca, 7
Tel: 465-6150, Fax: 465-6199
Website: www.portolan.hu / www.dunaferr.hu

**Rynart Transport Kft.**
7.5 Identification of carriers that transport goods imported from Colombia

This section identifies various Hungarian forwarding companies which can transport different products by road through Europe. When boarding in a Dutch or German harbour like Hamburg, Bremerhaven, Rotterdam or Amsterdam it is always cheaper to have these goods transported by transport companies from Hungary than by local Dutch and German forwarders.

Hungarian Transportation Companies

Agentsped KFT.
1097 Budapest, Vaskapu utca 6/A
Tel: +36-1-476-0993, +36-1-476-8271
Fax: +36-1-215-0193, +36-1-216-1585, +36-1-216-1587

Birkart Logistics Magyarország Kft
Budapest, 1052 Deák Ferenc u 10
Tel: +36-1-266-4475 / Fax: +36-1-317-3711
www.birkart.com

DUNAFERR Portolan Kft.
Budapest,1139 Frangepán u 7.
Tel: +36-1-465-6150 / Fax: +36-1-465-6199
www.portolan.hu

Jadran Shipping Kft
Budapest, 1055 Stollár Béla u 12/C
Tel: +36-1-353-2014 / Fax: +36-1-353-3294
jadranshipping@axelero.hu

MASPED Logistics KFT.
Budapest, 2120 Dunakeszi Alagi major
Tel: +36-27-540-330 / Fax: +36-27-540-331

Seahorse Kft
Budapest, 1121 Tállya u 16-18.
Tel: +36-1-212-7654 / Fax: +36-1-213-8898
www.seahorse.hu

Mávcargo
Budapest, 1062, Andrássy út 73-75.
Tel: +36-1-432-3419 / Fax: +36-1-351-7941
www.mav.hu
Bilk kombiterminál RT.
Budapest, 1239 Európa út 4.
Tel: +36-1-289-6000 / Fax: +36-1-289-6060
bilkkombiterminal@bilkkombi.hu

Hungarocargo KFT.
1146, Budapest, Hungária körút. 140-144.
Tel: +36-1-471-5150 / Fax: +36-1-471-5151
www.hungarocargo.hu

Pannoncont KFT.
1037, Budapest, Montevideo u. 4.
Tel: +36-1-430-3040 / Fax: +36-1-436-7980
www.pannoncont.hu

7.6 Alternatives of transport and carriers providing services from Colombia

TAMPA – Transportes Aéreos Mercantiles Panamericanos S.A.
Address: Aeropuerto José María de Córdoba, Medellín Colombia
Tel: (57-4)-569-9200
Email: information@tampacargo.com
Fleet: Boeing 767 F
Activity: Cargo to South-America and USA
Founded: 1973

Lineas Aereas Suramericanas S.A.
Address: Av. Eldorado, entrada 2, interior 7, Bogotá, colombia
Tel: (57-1)-413-8084
Email: marthagutierrez@lascargo.com
Fleet: Boeing 727 DC 9
Activity: cargo domestic, Mexico and the Caribbean
Founded: 1972

Aerolineas ATC S.A.
Address: Terminal de Carga Internacional, Bogotá, AA81001 Colombia
Tel: (57-1)-414-8470
Email: atcgot@colomsat.net.co
Fleet: Lockheed L101 1f, DC8
Activity: cargo in South-America, EU, USA
Information on exact prices can be given by forwarders. Unfortunately they were not able to determine the price without knowing the exact amount of freight. They are able to give potential clients the required information within a week.

7.7 Costs of transportation from Colombia and main competing countries for the three types of cargo (loose cargo, general cargo, refrigerated cargo) in each modality of transport.

Multiple transportation companies have been approached to be able to give price information about transportation costs and possibilities from Colombia. However, due to the tough competition in this market, companies were unable and/or unwilling to provide their pricelists, without a set amount of transport on which the quotation would have to be based.

7.8 International Freight and Transportation Costs

This section contains information on the related freight and transportation costs from the larger European harbours by road to Budapest. It is quite difficult to obtain price indications without a precise order, so the numbers below are rough estimates of costs involved with the transportation of industrial footwear. For exact price information the forwarding companies, whose details are displayed in this section and the other sections of this chapter, can be contacted.

**Intercargo Hungary Kft.**
Contactperson: Szabó Katalin, Sales Dept.
Tel: +36 1 278 3133 – ext 125 / Fax: +36 1 278 3116
Sales Dept: sales@intercargo.hu / Website: www.intercargo.hu

Price offer made by Intercargo:

**Hamburg - Budapest door**

<table>
<thead>
<tr>
<th>Container</th>
<th>20' normal</th>
<th>40' normal</th>
</tr>
</thead>
<tbody>
<tr>
<td>8 tons gross weight(^\text{13})</td>
<td>€ 790,-</td>
<td>€ 1110,-</td>
</tr>
<tr>
<td>16.5 tons gross weight</td>
<td>€ 870,-</td>
<td>€ 1150,-</td>
</tr>
<tr>
<td>24 tons gross weight</td>
<td>€ 980,-</td>
<td>€ 1400,-</td>
</tr>
</tbody>
</table>

Costs include:
- Rail transportation Hamburg
- Rail terminal expenses

\(^{13}\) Brute weight = the weight of the product combined with the containers’ own weight
Market Researches in Eastern Europe

- Expenses of custom
- Delivery within Budapest

The costs do not include:
- The shipment expenses (drop off, doc expenses, port expenses)

Metcosped Ltd.
Contactperson: Melinda Mlinkó
E-mail: melinda@metcosped.hu
Tel.: +36 1-462-2075 / Mobile: +36 30-626-5121

Price offer Metcosped:

Amsterdam or Rotterdam – Budapest door

<table>
<thead>
<tr>
<th>Container</th>
<th>20’ normal x 2</th>
<th>40’ normal x 1</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>€ 1600</td>
<td>€ 1600</td>
</tr>
</tbody>
</table>

These are purely transportation costs. Any additional help with custom documents, certificates etc. will be an extra charge for the exporter.

7.9 Other costs involved in international physical distribution

The additional fees for international physical distribution are presented below

Table 7.9.1 Additional distribution costs

<table>
<thead>
<tr>
<th></th>
<th>Hamburg/Bremerhaven</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sluice fee</td>
<td>EUR 80</td>
</tr>
<tr>
<td>Container return</td>
<td>EUR 180-290/20’</td>
</tr>
<tr>
<td></td>
<td>EUR 330-510/40’</td>
</tr>
<tr>
<td>Drop off</td>
<td>EUR 100-330 cont.</td>
</tr>
<tr>
<td>THC in the port</td>
<td>EUR 170</td>
</tr>
<tr>
<td>+ the costs for</td>
<td></td>
</tr>
<tr>
<td>processing the</td>
<td></td>
</tr>
<tr>
<td>container apr.</td>
<td></td>
</tr>
<tr>
<td>100 Euro</td>
<td></td>
</tr>
</tbody>
</table>

7.10 Physical distribution services address book

Contact details are found throughout this chapter arranged according to method of transportation; either sea, road or train.
8. Recommendations to the exporter

The Hungarian footwear market is characterized by a diminishing local produce. Hungary is becoming more and more dependent on third countries for its footwear supplies. Established footwear producers like Italy and Germany are still the biggest exporters of footwear to Hungary, but their quantitative market share is diminishing due to the growth of trade flows from Asia. Hong Kong and China as well have developed themselves into major suppliers of cheap, low quality footwear to the Hungarian market.

This also happened at the expense of the local Hungarian footwear production. This branch of industry is in bad need of a financial injection to get production facilities up-to-date. If these renewals do not take place, local production will seize to exist in the next decades.

This might offer opportunities for foreign footwear producers, such as from Colombia. They will however face harsh competition from China and Hong Kong as well and will therefore need to offer shoes at an extremely low price.

The market for industrial footwear however might offer more opportunities. The market for safety shoes is many times smaller than the market for general footwear, but the emphasis is more on quality than on price. This might present possibilities for industrial footwear exporters from Colombia.

It is essential to obtain a CE-marking, when entering the Hungarian industrial footwear market. Without it, it is not possible to sell this product on the European Union common market. Furthermore it is important to comply with all necessary approvals, technical standards, customs documents etc. that specifically apply to industrial footwear, such as the special type of labelling.

It might be difficult for new players on the European market to find out which requirements and standards apply to them and their product. Therefore it could be useful to get in contact with firms specialized in obtaining CE-marking and the like. Potential wholesalers could also offer guidance in this matter.

If market entry can however be assured, market potential for Colombian exporters could definitely be present, as long as producers are able to offer high quality products at a reasonable price. Industrial footwear fairs would offer an ideal opportunity to get in contact with the Hungarian market and present oneself and the merits of Colombian industrial footwear.
Annexes


For the Spanish version we would like to refer you to:

http://europa.eu.int/smartapi/cgi/sga_doc?smartapi!celexapi!prod!CELEXnumdoc
&lg=es&numdoc=31989L0686&model=guichett

COUNCIL DIRECTIVE
of 21 December 1989
on the approximation of the laws of the Member States relating to personal protective equipment
(89/686/EEC)
THE COUNCIL OF THE EUROPEAN COMMUNITIES,
Having regard to the Treaty establishing the European Economic Community, and in particular Article 100a thereof,
Having regard to the proposal from the Commission (1),
In cooperation with the European Parliament (2),
Having regard to the opinion of the Economic and Social Committee (3),
Whereas it is necessary to adopt measures with the aim of progressively establishing the internal market over a period expiring on 31 December 1992; whereas the internal market comprises an area without internal frontiers in which the free movement of goods, persons, services and capital is guaranteed;
Whereas various Member States have, over recent years, adopted provisions covering numerous items of personal protective equipment with a view in particular to safeguarding public health, improving safety at work and ensuring user protection;
Whereas these national provisions are often very detailed as regards the requirements relating to the design, manufacture, quality level, testing and certification of personal protective equipment with a view to the protection of individuals against injury and illness;
Whereas, in particular, the national provisions relating to safety at work make the use of personal protective equipment compulsory; whereas many requirements oblige employers to make appropriate personal protective equipment available to their staff in the absence or inadequacy of priority public protection measures;

Whereas national provisions relating to personal protective equipment differ significantly from one Member State to another; whereas they may thus constitute a barrier to trade with direct consequences for the creation and operation of the common market;

Whereas it is necessary to harmonize these different national provisions in order to ensure the free movement of these products, without in any way reducing the valid levels of protection already required in the Member States, and to provide for any necessary increase therein;

Whereas the provisions governing the design and manufacture of personal protective equipment laid down in this Directive which are fundamental, in particular, to attempts to ensure a safer working environment are without prejudice to provisions relating to the use of such equipment and the organization of the health and safety of workers at the workplace;

Whereas this Directive defines only the basic requirements to be satisfied by personal protective equipment; whereas, in order to facilitate proof of conformity with those basic requirements, it is essential that harmonized European standards be available relating, in particular, to the design and manufacture of, and the specifications and test methods applicable to, personal protective equipment, since compliance therewith confers on these products a presumption of conformity with the abovementioned basic requirements; whereas such harmonized European standards are drawn up by private bodies and must retain the status of non-mandatory texts; whereas, to this end, the European Committee for Standardization (CEN) and the European Committee for Electrotechnical Standardization (Cenelec) are the competent bodies which have been authorized to adopt harmonized standards in accordance with the general guidelines governing cooperation between the Commission and those two institutions ratified on 13 November 1984; whereas, for the purposes of this Directive, a harmonized standard is a text containing technical specifications (a European standard or a harmonization document) which has been adopted by one or both of the abovementioned bodies at the instigation of the Commission in accordance with Council Directive 83/189/EEC of 28 March 1983 laying down a procedure for the provision of information in the field of technical standards and regulations (4), as amended by Directive 88/182/EEC (5), and pursuant to the abovementioned general guidelines;

Whereas, pending the adoption of harmonized standards, which will be very numerous because of the broad scope of application and the
preparation of which within the deadline set for the creation of the internal market will involve a great deal of work, it would be advisable to maintain, on a transitional basis and subject to the requirements of the Treaty, the status quo as regards conformity with existing national standards for personal protective equipment not covered by a harmonized standard at the date of adoption of this Directive;

Whereas, given the general and horizontal nature of the role played by the Standing Committee set up pursuant to Article 5 of Directive 83/189/EEC in Community standardization policy and, more particularly, its part in the preparation of standardization applications and the operation of the existing European standardization agreements, this Standing Committee is especially suited to the task of assisting the Commission in monitoring the conformity of harmonized standards throughout the Community;

Whereas compliance with these technical requirements must be monitored in order to ensure adequate user and third-party protection; whereas existing monitoring procedures may differ appreciably from one Member State to another; whereas, in order to avoid numerous checks which merely impede the free movement of personal protective equipment, provision should be made for the mutual recognition of inspections conducted by the Member States; whereas, in order to facilitate such recognition, it is necessary, in particular, to lay down harmonized Community procedures and to harmonize the criteria to be taken into account in selecting the bodies responsible for examination, monitoring and verification;

Whereas the legislative framework should be improved so that both sides of industry will make an effective and appropriate contribution to the process of standardization,

HAS ADOPTED THIS DIRECTIVE:

CHAPTER I

SCOPE, PLACING ON THE MARKET AND FREE MOVEMENT

Article 1

1. This Directive applies to personal protective equipment, hereinafter referred to as ‘PPE’.

It lays down the conditions governing its placing on the market and free movement within the Community and the basic safety requirements which PPE must satisfy in order to ensure the health protection and safety of users.
2. For the purposes of this Directive, PPE shall mean any device or appliance designed to be worn or held by an individual for protection against one or more health and safety hazards.

PPE shall also cover:

(a) a unit constituted by several devices or appliances which have been integrally combined by the manufacturer for the protection of an individual against one or more potentially simultaneous risks;

(b) a protective device or appliance combined, separably or inseparably, with personal non-protective equipment worn or held by an individual for the execution of a specific activity;

(c) interchangeable PPE components which are essential to its satisfactory functioning and used exclusively for such equipment.

3. Any system placed on the market in conjunction with PPE for its connection to another external, additional device shall be regarded as an integral part of that equipment even if the system is not intended to be worn or held permanently by the user for the entire period of risk exposure.

4. This Directive does not apply to:

- PPE covered by another directive designed to achieve the same objectives as this Directive with regard to placing on the market, free movement of goods and safety,

- the PPE classes specified in the list of excluded products in Annex I, independently of the reason for exclusion mentioned in the first indent.

Article 2

1. Member States shall take all appropriate measures to ensure that the PPE referred to in Article 1 may be placed on the market and brought into service only if it preserves the health and ensures the safety of users without prejudice to the health or safety of other individuals, domestic animals or goods, when properly maintained and used for its intended purpose.

2. This Directive shall be without prejudice to the right of Member States to lay down - in conformity with the Treaty - any requirements which they consider necessary to ensure user protection, provided that this does not give rise to modifications to PPE which could result in its non-conformity with the provisions of this Directive.

3. Member States shall not prevent the presentation at trade fairs, exhibitions and the like of PPE which is not in conformity with the provisions of this Directive, provided that an appropriate notice is
displayed drawing attention to this fact and the prohibition on its acquisition and/or use for any purpose whatsoever until it has been brought into conformity by the manufacturer or his representative established in the Community.

Article 3
The PPE referred to in Article 1 must satisfy the basic health and safety requirements laid down in Annex II.

Article 4
1. Member States shall not prohibit, restrict or hinder the placing on the market of PPE or PPE components which satisfy the provisions of this Directive and which bear the EC mark.

2. Member States shall not prohibit, restrict or impede the placing on the market of PPE components which do not bear the EC mark, and which are intended to be incorporated in PPE, provided that they are not essential to its satisfactory functioning.

Article 5
1. Member States shall regard as in conformity with the basic requirements referred to in Article 3 the PPE referred to in Article 8 (3) bearing the EC mark with respect to which the manufacturer is able to produce, on demand, the declaration of conformity referred to in Article 12.

2. Member States shall presume that the PPE referred to in Article 8 (2) satisfies the basic requirements referred to in Article 3 if it bears the EC mark with respect to which the manufacturer is able to produce, on demand, not only the declaration referred to in Article 12 but also the certificate issued by the body of which notification has been given in accordance with Article 9 attesting to their conformity to the relevant national standards, transposing the harmonized standards, assessed at the EC type examination level in accordance with the first indent of Article 10 (4) (a) and (b).

Where a manufacturer has not applied or has only partly applied the harmonized standards or where there are no such standards the certificate issued by the body of which notification has been given must state the conformity to the basic requirements in accordance with the second indent of Article 10 (4) (a) and (b).

3. The PPE referred to in Article 8 (2) for which harmonized standards are not available may continue on a transitional basis, until 31 December 1992 at the latest, to be subject to national arrangements already in force on the date of adoption of this Directive, provided that such arrangements are compatible with the provisions of the Treaty.
4. The Commission shall publish the references of the harmonized standards in the Official Journal of the European Communities. Member States shall publish the references of the national standards transposing the harmonized standards.

5. Member States shall ensure that by 30 June 1991 appropriate steps are taken to enable both sides of industry to have an influence at national level on the process of formulating the harmonized standards and keeping them under review.

Article 6

1. Should a Member State or the Commission consider that the harmonized standards referred to in Article 5 do not completely satisfy the relevant basic requirements referred to in Article 3, the Commission or the Member State concerned shall refer the matter to the committee created pursuant to Directive 83/189/EEC (1), setting out its reasons. The committee shall deliver an opinion without delay.

In the light of the committee’s opinion, the Commission shall notify Member States of whether or not it is necessary to withdraw the standards concerned from publications made pursuant to Article 5.

2. The Standing Committee set up by Article 6 (2) of Directive 89/392/EEC (2) may be apprised, in accordance with the procedure described below, of any matter to which the implementation and practical application of this Directive give rise.

The representative of the Commission shall submit to the committee a draft of the measures to be taken. The committee shall deliver its opinion on the draft, within a time limit which the chairman may lay down according to the urgency of the matter, if necessary by taking a vote.

The opinion shall be recorded in the minutes; in addition, each Member State shall have the right to ask to have its position recorded in the minutes.

The Commission shall take the utmost account of the opinion delivered by the committee. It shall inform the committee of the manner in which its opinion has been taken into account.

Article 7

1. If a Member State discovers that PPE bearing the EC mark and used in accordance with its intended purpose could compromise the safety of individuals, domestic animals or property, it shall take all necessary measures to remove that equipment from the market and prohibit the marketing or free movement thereof.
The Member State concerned shall immediately inform the Commission of such action, indicating the reasons for its decision and, in particular, stating whether non-conformity is due to:

(a) failure to comply with the basic requirements referred to in Article 3;
(b) the unsatisfactory application of the standards referred to in Article 5;
(c) a shortcoming in the standards referred to in Article 5.

2. The Commission shall initiate discussions with the parties concerned as soon as possible. If, after such consultation, the Commission decides that the action taken was justified, it shall immediately inform the Member State concerned and all the other Member States to that effect. If, after such consultation, the Commission decides that the action taken was not justified, it shall immediately inform the Member State concerned and the manufacturer or his authorized representative established in the Community to that effect. If the decision referred to in paragraph 1 is in response to a shortcoming in the standards, the Commission shall refer the matter to the Committee referred to in Article 6 (1) if the Member State concerned intends to adhere to its decision and shall initiate the procedure referred to in Article 6 (2).

3. If PPE which is not in conformity with the relevant requirements bears the EC mark, the Member State concerned shall take the appropriate measures with regard to those responsible for affixing the mark and shall inform the Commission and the other Member States accordingly.

4. The Commission shall ensure that the Member States are kept informed of the progress and results of the procedure provided for in this Article.

CHAPTER II
CERTIFICATION PROCEDURES
Article 8

1. Before placing a PPE model on the market, the manufacturer or his authorized representative established in the Community shall assemble the technical documentation referred to in Annex III so that this can, if necessary, be submitted to the competent authorities.

2. Prior to the series production of PPE other than those referred to in paragraph 3, the manufacturer or his authorized representative established in the Community shall submit a model for EC type-examination as referred to in Article 10.

3. EC type-examination shall not be required in the case of PPE models of simple design where the designer assumes the user can himself assess the level of protection provided against the minimal risks concerned the
effects of which, when they are gradual, can be safely identified by the user in good time.

This category shall cover exclusively PPE intended to protect the wearer against:

- mechanical action whose effects are superficial (gardening gloves, thimbles, etc.),

- cleaning materials of weak action and easily reversible effects (gloves affording protection against diluted detergent solutions, etc.),

- risks encountered in the handling of hot components which do not expose the user to a temperature exceeding 50 °C or to dangerous impacts (gloves, aprons for professional use, etc.),

- atmospheric agents of a neither exceptional nor extreme nature (headgear, seasonal clothing, footwear, etc.),

- minor impacts and vibrations which do not affect vital areas of the body and whose effects cannot cause irreversible lesions (light anti-scalping helmets, gloves, light footwear, etc.),

- sunlight (sunglasses).

4. Production of PPE shall be subject:

(a) according to the manufacturer's choice, to one of the two procedures referred to in Article 11 in the case of PPE of complex design intended to protect against mortal danger or against dangers that may seriously and irreversibly harm the health, the immediate effects of which the designer assumes the user cannot identify in sufficient time. This category shall cover exclusively:

- filtering respiratory devices for protection against solid and liquid aerosols or irritant, dangerous, toxic or radiotoxic gases,

- respiratory protection devices providing full insulation from the atmosphere, including those for use in diving,

- PPE providing only limited protection against chemical attack or against ionizing radiation,

- emergency equipment for use in high-temperature environments the effects of which are comparable to those of an air temperature of 100 °C or more and which may or may not be characterized by the presence of infra-red radiation, flames or the projection of large amounts of molten material,
- emergency equipment for use in low-temperature environments the effects of which are comparable to those of an air temperature of 50 °C or less,

- PPE to protect against falls from a height,

- PPE against electrical risks and dangerous voltages or that used as insulation in high-tension work,

- motor cycle helmets and visors;

(b) the EC declaration of conformity referred to in Article 12 for all PPE.

Article 9

1. Each Member State shall inform the Commission and the other Member States of the approved bodies responsible for the execution of the certification procedures referred to in Article 8. For information purposes, the Commission shall publish in the Official Journal of the European Communities and keep up to date a list giving the names of these bodies and the distinguishing numbers it has assigned to them.

2. Member States shall apply the criteria laid down in Annex V in assessing the bodies to be indicated in such notification. Bodies meeting the assessment criteria laid down in the relevant harmonized standards shall be presumed to fulfil those criteria.

3. A Member State shall withdraw its approval from such a body if it establishes that the latter no longer satisfies the criteria referred to in Annex V. It shall inform the Commission and the other Member States of its action forthwith.

EC TYPE-EXAMINATION

Article 10

1. EC type-examination is the procedure whereby the approved inspection body establishes and certifies that the PPE model in question satisfies the relevant provisions of this Directive.

2. Application for EC type-examination shall be made by the manufacturer or his authorized representative to a single approved inspection body in respect of the model in question. The authorized representative shall be established in the Community.

3. The application shall comprise:

- the name and address of the manufacturer or his authorized representative and of the PPE production plant in question,
- the manufacturer's technical file referred to in Annex III.

It shall be accompanied by the appropriate number of specimens of the model to be approved.

4. The inspection body of which notification has been given shall conduct the EC type-examination in accordance with the undermentioned procedures:

(a) Examination of the manufacturer's technical file

- It shall examine the manufacturer's technical file to establish its suitability with respect to the harmonized standards referred to in Article 5.

- Where a manufacturer has not applied, or has only partly applied, the harmonized standards or where there are no such standards, the body of which notification has been given must check the suitability of the technical specifications used by the manufacturer with respect to the basic requirements before examining the manufacturer's technical file to establish its suitability with respect to these technical specifications.

(b) Examination of the model

- When examining the model, the inspection body shall verify that it has been produced in accordance with the manufacturer's technical file and can be used in complete safety for its intended purpose.

- It shall conduct the necessary examinations and tests to establish the conformity of the model with the harmonized standards.

- Where a manufacturer has not applied or has only partly applied the harmonized standards or where there are no such standards the body of which notification has been given shall conduct the necessary examinations and tests to establish the conformity of the model with the technical specifications used by the manufacturer, subject to their being suitable with respect to these basic requirements.

5. If the model satisfies the relevant provisions, the inspection body shall draw up an EC type-examination certificate and shall notify the applicant to this effect. This certificate shall reproduce the findings of the examination, indicate any conditions attaching to its issue and incorporate the descriptions and drawings necessary for the identification of the approved model.

The Commission, the other approved inspection bodies and the other Member States may obtain a copy of the certificate and, in response to a reasoned request, a copy of the manufacturer's technical file and the reports of the examinations and tests conducted.
The file shall be held at the disposal of the competent authorities for 10 years following the placing of the PPE on the market.

6. Any inspection body which refuses to issue an EC type-examination certificate shall inform the other approved inspection bodies of this fact. An inspection body withdrawing an EC type-examination certificate shall inform the Member State which approved it, to this effect. That Member State shall then inform the other Member States and the Commission, setting out the reasons for the decision.

CHECKING OF PPE MANUFACTURED

Article 11

A. ‘EC’ quality control system for the final product

1. A manufacturer shall take all steps necessary to ensure that the manufacturing process, including the final inspection of PPE and tests, ensures the homogeneity of production and the conformity of PPE with the type described in the EC type-approval certificate and with the relevant basic requirements of this Directive.

2. A body of which notification has been given, chosen by a manufacturer, shall carry out the necessary checks. Those checks shall be carried out at random, normally at intervals of at least one year.

3. An adequate sample of PPE taken by the body of which notification has been given shall be examined and appropriate tests defined in the harmonized standards or necessary to show conformity to the basic requirements of this Directive shall be carried out to check the conformity of PPE.

4. Where a body is not the body that issued the relevant EC type-approval certificate it shall contact the body of which notification has been given in the event of difficulties in connection with the assessment of the conformity of samples.

5. The body of which notification has been given shall provide the manufacturer with a test report. If the report concludes that production is not homogeneous or that the PPE examined do not conform to the type described in the EC type-approval certificate or the relevant basic requirements, the body shall take measures appropriate to the nature of the fault or faults recorded and inform the Member State which gave notification thereof accordingly.

6. The manufacturer must be able to present, on request, the report of the body of which notification has been given.

B. System for ensuring EC quality of production by means of monitoring
1. The system

(a) Under this procedure the manufacturer submits an application for the approval of his quality-control system to a body of which notification has been given, of his choice.

That application shall include:

- all the information relating to the category of PPE concerned, including, where appropriate, documentation relating to the model approved,
- documentation on the quality-control system,
- the undertaking to maintain the obligations arising from the quality-control system and to maintain its adequacy and efficiency.

(b) Under the quality-control system, each PPE shall be examined and the appropriate tests referred to in Section A paragraph 3 shall be carried out to check their conformity to the relevant basic requirements of this Directive.

The documentation on the quality-control system shall in particular include an adequate description of:

- the quality objectives, the organization chart, the responsibilities of executives and their powers in respect of product quality,
- the checks and tests which must be carried out after manufacture,
- the means to be employed to check the efficient operation of the quality-control system.

(c) The body shall assess the quality-control system to determine whether it satisfies the provisions referred to in paragraph 1 (b). It shall assume that quality-control systems applying the relevant harmonized standard satisfy those provisions.

The body carrying out audits shall make all necessary objective evaluations of the components of the quality-control system and shall check in particular whether the system ensures conformity of PPE manufactured with the approved model.

The decision shall be communicated to the manufacturer. It shall include the conclusions of the check and the reasoned assessment decision.

(d) The manufacturer shall inform the body which approved the quality-control system of any plan to alter the quality-control system.

The body shall examine the proposed changes and decide whether the altered quality-control system satisfies the relevant provisions. It shall
communicate its decision to the manufacturer. The communication shall include the conclusions of the check and the reasoned assessment decision.

2. Supervision

(a) The purpose of supervision is to ensure that a manufacturer correctly fulfils the obligations arising from the approved quality-control system.

(b) The manufacturer shall authorize the body to have access, for purposes of inspection, to PPE inspection, testing and storage sites and shall provide the body with all requisite information, in particular:

- documentation on the quality-control system,
- technical documentation,
- quality control manuals.

(c) The body shall periodically carry out audits to ensure that the manufacturer is maintaining and applying the approved quality-control system and shall provide the manufacturer with a copy of the audit report.

(d) In addition, the body may make unannounced visits to the manufacturer. In the course of such visits the body shall provide the manufacturer with a report of the visit and, if appropriate, with an audit report.

(e) The manufacturer must be able to present, on request, the report of the body of which notification has been given.

EC DECLARATION OF PRODUCTION CONFORMITY

Article 12

The EC declaration of conformity is the procedure whereby the manufacturer:

1. draws up a declaration using the form laid down in Annex VI certifying that the PPE placed on the market are in conformity with the provisions of this Directive with a view to its submission to the competent authorities;

2. affixes the EC mark of conformity provided for by Article 13 to each PPE.

CHAPTER III

EC MARK

Article 13
1. The EC mark consists of the letters 'CE' followed by the last two figures of the year in which the mark was affixed and, in the event of the involvement of a notified body having carried out an EC examination of the type referred to in Article 10, its distinguishing number shall be added. The form of the mark to be used is shown in Annex IV.

2. The EC mark shall be affixed to each production PPE and its packaging so as to be visible, legible and indelible throughout the foreseeable useful life of that PPE.

3. Marks or inscriptions which could be confused with the EC mark may not be affixed to PPE.

CHAPTER IV

FINAL PROVISIONS

Article 14

Any decision taken in implementation of this Directive and leading to restrictions on the marketing of PPE shall be accompanied by a detailed explanation of the grounds on which it is based. The interested party shall be notified of the decision without delay and informed of the possibilities for appeal under the legislation in force in the Member State concerned and of the deadlines for lodging such appeals.

Article 15

The Commission shall take the necessary steps to ensure that data concerning all the relevant decisions in connection with the management of this Directive are made available.

Article 16

1. By 31 December 1991, Member States shall adopt and publish the laws, regulations and administrative provisions necessary to comply with this Directive. They shall forthwith inform the Commission thereof. They shall apply those provisions from 1 July 1992.

2. Member States shall communicate to the Commission the texts of the provisions of national law which they adopt in the field governed by this Directive.

Article 17

This Directive is addressed to the Member States.

Done at Brussels, 21 December 1989.

For the Council
The President
E. CRESSON

(2) OJ N° C 12, 16. 1. 1989, p. 109,
(5) OJ N° L 81, 26. 3. 1988, p. 75.

ANNEX I

EXHAUSTIVE LIST OF PPE CLASSES NOT COVERED BY THIS
DIRECTIVE

1. PPE designed and manufactured specifically for use by the armed
forces or in the maintenance of law and order (helmets, shields, etc.).

2. PPE for self-defence (aerosol canisters, personal deterrent weapons,
etc.).

3. PPE designed and manufactured for private use against:
   - adverse atmospheric conditions (headgear, seasonal clothing, footwear,
     umbrellas, etc.),
   - damp and water (dish-washing gloves, etc.),
   - heat (gloves etc.).

4. PPE intended for the protection or rescue of persons on vessels or
   aircraft, not worn all the time.

ANNEX II

BASIC HEALTH AND SAFETY REQUIREMENTS

1. GENERAL REQUIREMENTS APPLICABLE TO ALL PPE

PPE must provide adequate protection against all risks encountered.
1.1. Design principles

1.1.1. Ergonomics

PPE must be so designed and manufactured that in the foreseeable conditions of use for which it is intended the user can perform the risk-related activity normally whilst enjoying appropriate protection of the highest possible level.

1.1.2. Levels and classes of protection

1.1.2.1. Highest level of protection possible

The optimum level of protection to be taken into account in the design is that beyond which the constraints imposed by the wearing of the PPE would prevent its effective use during the period of exposure to the risk or normal performance of the activity.

1.1.2.2. Classes of protection appropriate to different levels of risk

Where differing foreseeable conditions of use are such that several levels of the same risk can be distinguished, appropriate classes of protection must be taken into account in the design of the PPE.

1.2. Innocuousness of PPE

1.2.1. Absence of risks and other 'inherent' nuisance factors

PPE must be so designed and manufactured as to preclude risks and other nuisance factors under foreseeable conditions of use.

1.2.1.1. Suitable constituent materials

PPE materials and parts, including any of their decomposition products, must not adversely affect user hygiene or health.
1.2.1.1. Satisfactory surface condition of all PPE parts in contact with the user

Any PPE part in contact or in potential contact with the user when such equipment is worn must be free of roughness, sharp edges, projections and the like which could cause excessive irritation or injuries.

1.2.1.3. Maximum permissible user impediment

Any impediment caused by PPE to movements to be made, postures to be adopted and sensory perception must be minimized; nor must PPE cause movements which endanger the user or other persons.

1.3. Comfort and efficiency

1.3.1. Adaptation of PPE to user morphology

PPE must be so designed and manufactured as to facilitate correct positioning on the user and to remain in place for the foreseeable period of use, bearing in mind ambient factors, movements to be made and postures to be adopted. For this purpose, it must be possible to optimize PPE adaptation to user morphology by all appropriate means, such as adequate adjustment and attachment systems or the provision of an adequate size range.

1.3.2. Lightness and design strength

PPE must be as light as possible without prejudicing design strength and efficiency.

Apart from the specific additional requirements which they must satisfy in order to provide adequate protection against the risks in question (see 3), PPE must be capable of withstanding the effects of ambient phenomena inherent under the foreseeable conditions of use.

1.3.3. Compatibility of different classes or types of PPE designed for simultaneous use
If the same manufacturer markets several PPE models of different classes or types in order to ensure the simultaneous protection of adjacent parts of the body against combined risks, these must be compatible.

1.4.

Information supplied by the manufacturer

In addition to the name and address of the manufacturer and/or his authorized representative established in the Community, the notes that must be drawn up by the former and supplied when PPE is placed on the market must contain all relevant information on:

(a) storage, use, cleaning, maintenance, servicing and disinfection. Cleaning, maintenance or disinfectant products recommended by manufacturers must have no adverse effect on PPE or users when applied in accordance with the relevant instructions;

(b) performance as recorded during technical tests to check the levels or classes of protection provided by the PPE in question;

(c) suitable PPE accessories and the characteristics of appropriate spare parts;

(d) the classes of protection appropriate to different levels of risk and the corresponding limits of use;

(e) the obsolescence deadline or period of obsolescence of PPE or certain of its components;

(f) the type of packaging suitable for transport;

(g) the significance of any markings (see 2.12).

These notes, which must be precise and comprehensible, must be provided at least in the official language(s) of the Member State of destination.

2.

ADDITIONAL REQUIREMENTS COMMON TO SEVERAL CLASSES OR TYPES OF PPE

2.1.

PPE incorporating adjustment systems

If PPE incorporates adjustment systems, the latter must be so designed and manufactured as not to become incorrectly adjusted without the user's knowledge under the foreseeable conditions of use.
2.2. PPE 'enclosing' the parts of the body to be protected

As far as possible, PPE ‘enclosing’ the parts of the body to be protected must be sufficiently ventilated to limit perspiration resulting from use; if this is not the case, it must if possible be equipped with devices which absorb perspiration.

2.3. PPE for the face, eyes and respiratory tracts

Any restriction of the user's field of vision or sight by PPE for the face, eyes or respiratory tract must be minimized.

The degree of optical neutrality of the vision systems of these PPE classes must be compatible with the type of relatively meticulous and/or prolonged activities of the user.

If necessary, they must be treated or provided with facilities to prevent moisture formation.

PPE models intended for users requiring sight correction must be compatible with the wearing of spectacles or contact lenses.

2.4. PPE subject to ageing

If it is known that the design performances of new PPE may be significantly affected by ageing, the date of manufacture and/or, if possible, the date of obsolescence, must be indelibly inscribed on every PPE item or interchangeable component placed on the market in such a way as to preclude any misinterpretation; this information must also be indelibly inscribed on the packaging.

If a manufacturer is unable to give an undertaking with regard to the useful life of PPE, his notes must provide all the information necessary to enable the purchaser or user to establish a reasonable obsolescence date, bearing in mind the quality level of the model and the effective conditions of storage, use, cleaning, servicing and maintenance.

Where appreciable and rapid deterioration in PPE performance is likely to be caused by ageing resulting from the periodic use of a cleaning process recommended by the manufacturer, the latter must, if possible, affix a mark to each item of PPE placed on the market indicating the maximum number of cleaning operations that may be carried out before the equipment needs to be inspected or discarded; failing that, the manufacturer must give this information in his notes.
2.5.
PPE which may be caught up during use

Where the foreseeable conditions of use include in particular the risk of the PPE being caught up by a moving object thereby creating a danger for the user, the PPE must possess an appropriate resistance threshold above which a constituent part will break and eliminate the danger.

2.6.
PPE for use in explosive atmospheres

PPE intended for use in explosive atmospheres must be so designed and manufactured that it cannot be the source of an electric, electrostatic or impact-induced arc or spark likely to cause an explosive mixture to ignite.

2.7.
PPE intended for emergency use or rapid installation and/or removal

These PPE classes must be so designed and manufactured as to minimize the time required for attachment and (or) removal.

Any integral systems permitting correct positioning on, or removal from, the user must be susceptible of rapid and easy operation.

2.8.
PPE for use in very dangerous situations

The information notes supplied by the manufacturer together with PPE for use in the very dangerous situations referred to in Article 8 (4) (a) must include, in particular, data intended for the exclusive use of competent trained individuals who are qualified to interpret them and ensure their application by the user.

They must also describe the procedure to be adopted in order to verify that PPE is correctly adjusted and functional when worn by the user.

If PPE incorporates an alarm which is activated in the absence of the level of protection normally provided, this must be so designed and accommodated as to be perceived by the user in the conditions of use for which the PPE is marketed.

2.9.
PPE incorporating components which can be adjusted or removed by the user
Any PPE components which can be adjusted or removed by the user for the purpose of replacement must be so designed and manufactured as to facilitate adjustment, attachment and removal without tools.

2.10.

PPE for connection to another, external complementary device

If PPE incorporates a system permitting connection to another, complementary, device, the attachment mechanism must be so designed and manufactured as to enable it to be mounted only on appropriate equipment.

2.11.

PPE incorporating a fluid circulation system

If PPE incorporates a fluid circulation system, the latter must be so chosen, or designed, and incorporated as to permit adequate fluid renewal in the vicinity of the entire part of the body to be protected, irrespective of user gestures, posture or movement under the foreseeable conditions of use.

2.12.

PPE bearing one or more identification or recognition marks directly or indirectly relating to health and safety

The identification or recognition marks directly or indirectly relating to health and safety affixed to these types or classes of PPE must preferably take the form of harmonized pictograms or ideograms and must remain perfectly legible throughout the foreseeable useful life of the PPE. In addition, these marks must be complete, precise and comprehensible so as to prevent any misinterpretation; in particular, when such marks incorporate words or sentences, the latter must appear in the official language(s) of the Member State where the equipment is to be used.

If PPE (or a PPE component) is too small to allow all or part of the necessary marking to be affixed, the relevant information must be mentioned on the packing and in the manufacturer's notes.

2.13.

PPE in the form of clothing capable of signalling the user's presence visually

PPE in the form of clothing intended for foreseeable conditions of use in which the user's presence must be visibly and individually signalled must have one (or more) judiciously positioned means of or devices for emitting...
direct or reflected visible radiation of appropriate luminous intensity and photometric and colorimetric properties.

2.14.

'Multi-risk' PPE

All PPE designed to protect the user against several potentially simultaneous risks must be so designed and manufactured as to satisfy, in particular, the basic requirements specific to each of those risks (see 3).

3.

ADDITIONAL REQUIREMENTS SPECIFIC TO PARTICULAR RISKS

3.1.

Protection against mechanical impact

3.1.1.

Impact caused by falling or projecting objects and collision of parts of the body with an obstacle

Suitable PPE for this type of risk must be sufficiently shock-absorbent to prevent injury resulting, in particular, from the crushing or penetration of the protected part, at least up to an impact-energy level above which the excessive dimensions or mass of the absorbing device would preclude effective use of the PPE for the foreseeable period of wear.

3.1.2.

Falls

3.1.2.1.

Prevention of falls due to slipping

The outsoles for footwear designed to prevent slipping must be so designed, manufactured or equipped with added elements as to ensure satisfactory adhesion by grip and friction having regard to the nature or state of the surface.

3.1.2.2.

Prevention of falls from a height

PPE designed to prevent falls from a height or their effects must incorporate a body harness and an attachment system which can be
connected to a reliable anchorage point. It must be designed so that under the foreseeable conditions of use the vertical drop of the user is minimized to prevent collision with obstacles and the braking force does not, however, attain the threshold value at which physical injury or the tearing or rupture of any PPE component which might cause the user to fall can be expected to occur.

It must also ensure that after braking the user is maintained in a correct position in which he may await help if necessary.

The manufacturer's notes must specify in particular all relevant information relating to:

- the characteristics required for the reliable anchorage point and the necessary minimum clearance below the user,
- the proper way of putting on the body harness and of connecting the attachment system to the reliable anchorage point.

3.1.3.

Mechanical vibration

PPE designed to prevent the effects of mechanical vibrations must be capable of ensuring adequate attenuation of harmful vibration components for the part of the body at risk.

Under no circumstances must the effective value of the accelerations transmitted to the user by those vibrations exceed the limit values recommended in the light of the maximum foreseeable daily exposure of the part of the body at risk.

3.2.

Protection against (static) compression of part of the body

PPE designed to protect part of the body against (static) compressive stress must be sufficiently capable of attenuating its effects to prevent serious injury or chronic complaints.

3.3.

Protection against physical injury (abrasion, perforation, cuts, bites)

PPE constituent materials and other components designed to protect all or part of the body against superficial injury caused by machinery, such as abrasion, perforation, cuts or bites, must be so chosen or designed and incorporated as to ensure that these PPE classes provide sufficient resistance to abrasion, perforation and gashing (see also 3.1) under the foreseeable conditions of use.
3.4.

Prevention of drowning (lifejackets, armbands and lifesaving suits)

PPE designed to prevent drowning must be capable of returning to the surface as quickly as possible, without danger to his health, a user who may be exhausted or unconscious after falling into a liquid medium, and of keeping him afloat in a position which permits breathing while awaiting help.

PPE may be wholly or partially inherently buoyant or may be inflated either by gas which can be manually or automatically released or orally.

Under the foreseeable conditions of use:

- PPE must, without prejudice to its satisfactory operation, be capable of withstanding the effects of impact with the liquid medium and the environmental factors inherent in that medium,
- inflatable PPE must be capable of inflating rapidly and fully.

Where particular foreseeable conditions of use so require, certain types of PPE must also satisfy one or more of the following additional requirements:

- it must have all the inflation devices referred to in the second subparagraph, and/or a light or sound-signalling device,
- it must have a device for hitching and attaching the body so that the user may be lifted out of the liquid medium,
- it must be suitable for prolonged use throughout the period of activity exposing the user, possibly dressed, to the risk of falling into the liquid medium or requiring his immersion in it.

3.4.1.

Buoyancy aids

Clothing which will ensure an effective degree of buoyancy, depending on its foreseeable use, which is safe when worn and which affords positive support in water. In foreseeable conditions of use, this PPE must not restrict the user's freedom of movement but must enable him, in particular, to swim or take action to escape from danger or rescue other persons.

3.5.

Protection against the harmful effects of noise

PPE designed to prevent the harmful effects of noise must be capable of attenuating the latter to such an extent that the equivalent sound levels perceived by the user do not under any circumstances exceed the daily
Industrial footwear in Hungary


All PPE must bear labelling indicating the noise attenuation level and the value of the comfort index provided by the PPE; should this not be possible, the labelling must be fixed to the packaging.

3.6.

Protection against heat and/or fire

PPE designed to protect all or part of the body against the effects of heat and/or fire must possess thermal insulation capacity and mechanical strength appropriate to foreseeable conditions of use.

3.6.1.

PPE constituent materials and other components

Constituent materials and other components suitable for protection against radiant and convective heat must possess an appropriate coefficient of transmission of incident heat flux and be sufficiently incombustible to preclude any risk of spontaneous ignition under the foreseeable conditions of use.

Where the outside of these materials and components must be reflective, its reflective power must be appropriate to the intensity of the heat flux due to radiation in the infra-red range.

Materials and other components of equipment intended for brief use in high-temperature environments and of PPE which may be splashed by hot products such as large quantities of molten material must also possess sufficient thermal capacity to retain most of the stored heat until after the user has left the danger area and removed his PPE.

PPE materials and other components which may be splashed by large amounts of hot products must also possess sufficient mechanical-impact absorbency (see 3.1).

PPE materials and other components which may accidentally come into contact with flame and those used in the manufacture of fire-fighting equipment must also possess a degree of non-flammability corresponding to the risk class associated with the foreseeable conditions of use. They must not melt when exposed to flames nor contribute to flame propagation.

3.6.2.

Complete PPE ready for use
Under the foreseeable conditions of use:

1. the quantity of heat transmitted by PPE to the user must be sufficiently low to prevent the heat accumulated during wear in the part of the body at risk from attaining, under any circumstances, the pain or health impairment threshold;

2. PPE must if necessary prevent liquid or steam penetration and must not cause burns resulting from contact between its protective integument and the user.

If PPE incorporates refrigeration devices for the absorption of incident heat by means of liquid evaporation or solid sublimation, their design must be such that any volatile substances released are discharged beyond the outer protective integument and not towards the user.

If PPE incorporates a breathing device, the latter must adequately fulfil the protective function assigned to it under the foreseeable conditions of use.

The manufacturer's notes accompanying each PPE model intended for brief use in high-temperature environments must in particular provide all relevant data for the determination of the maximum permissible user exposure to the heat transmitted by the equipment when used in accordance with its intended purpose.

3.7.

Protection against cold

PPE designed to protect all or part of the body against the effects of cold must possess thermal insulating capacity and mechanical strength appropriate to the foreseeable conditions of use for which it is marketed.

(;) OJ N° L 137, 24. 5. 1986, p. 28.

3.7.1.

PPE constituent materials and other components

Constituent materials and other components suitable for protection against cold must possess a coefficient of transmission of incident thermal flux as low as required under the foreseeable conditions of use. Flexible materials and other components of PPE intended for use in a low-temperature environment must retain the degree of flexibility required for the necessary gestures and postures.

PPE materials and other components which may be splashed by large amounts of cold products must also possess sufficient mechanical-impact absorbency (see 3.1).
3.7.2.

Complete PPE ready for use

Under the foreseeable conditions of use:

1. the flux transmitted by PPE to the user must be sufficiently low to prevent the cold accumulated during wear at any point on the part of the body being protected, including the tips of fingers and toes in the case of hands or feet, from attaining, under any circumstances, the pain or health-impairment threshold;

2. PPE must as far as possible prevent the penetration of such liquids as rain water and must not cause injuries resulting from contact between its cold protective integument and the user.

If PPE incorporates a breathing device, this must adequately fulfil the protective function assigned to it under the foreseeable conditions of use.

The manufacturer's notes accompanying each PPE model intended for brief use in low-temperature environments must provide all relevant data concerning the maximum permissible user exposure to the cold transmitted by the equipment.

3.8.

Protection against electric shock

PPE designed to protect all or part of the body against the effects of electric current must be sufficiently insulated against the voltages to which the user is likely to be exposed under the most unfavourable foreseeable conditions.

To this end, the constituent materials and other components of these PPE classes must be so chosen or designed and incorporated as to ensure that the leakage current measured through the protective integument under test conditions at voltages correlated with those likely to be encountered in situ is minimized and, at all events, below a maximum conventional permissible value which correlates with the tolerance threshold.

Together with their packaging, PPE types intended exclusively for use during work or activities in electrical installations which are or may be under tension must bear markings indicating, in particular, their protection class and (or) corresponding operating voltage, their serial number and their date of manufacture; a space must also be provided outside the protective integument of such PPE for the subsequent inscription of the date of entry into service and those of the periodic tests or inspections to be conducted.
The manufacturer’s notes must indicate, in particular, the exclusive use for which these PPE types are intended and the nature and frequency of the dielectric tests to which they are to be subjected during their useful life.

3.9.
Radiation protection

3.9.1.
Non-ionizing radiation

PPE designed to prevent acute or chronic eye-damage from sources of non-ionizing radiation must be capable of absorbing or reflecting the majority of the energy radiated in the harmful wavelengths without unduly affecting the transmission of the innocuous part of the visible spectrum, the perception of contrasts and the ability to distinguish colours where required by the foreseeable conditions of use.

To this end, protective glasses must be so designed and manufactured as to possess, for each harmful wave, a spectral transmission factor such that the radiant-energy illumination density capable of reaching the user’s eye through the filter is minimized and, under no circumstances, exceeds the maximum permissible exposure value.

Furthermore, the glasses must not deteriorate or lose their properties as a result of the effects of radiation emitted under the foreseeable conditions of use and all marketed specimens must bear the protection-factor number corresponding to the spectral distribution curve of their transmission factor.

Glasses suitable for radiation sources of the same type must be classified in the ascending order of their protection factors and the manufacturer’s notes must indicate, in particular, the transmission curves which make it possible to select the most appropriate PPE bearing in mind such inherent factors of the effective conditions of use as distance to source and the spectral distribution of the energy radiated at that distance.

The relevant protection-factor number must be marked on all specimens of filtering glasses by the manufacturer.

3.9.2.
Ionizing radiation

3.9.2.1.
Protection against external radioactive contamination

PPE constituent materials and other components designed to protect all or part of the body against radioactive dust, gases, liquids or mixtures thereof.
must be so chosen or designed and incorporated as to ensure that this equipment effectively prevents the penetration of the contaminants under the foreseeable conditions of use.

Depending on the nature or condition of these contaminants, the necessary leak-tightness can be provided by the impermeability of the protective integument and/or by any other appropriate means, such as ventilation and pressurization systems designed to prevent the back-scattering of these contaminants.

Any decontamination measures to which PPE is subject must not prejudice its possible re-use during the foreseeable useful life of these classes of equipment.

3.9.2.2.
Limited protection against external irradiation

PPE intended to provide complete user protection against external irradiation or, failing this, adequate attenuation thereof, must be designed to counter only weak electron (e.g. beta) or weak photon (e.g. X, gamma) radiation.

The constituent materials and other components of these PPE classes must be so chosen or designed and incorporated as to provide the degree of user protection required by the foreseeable conditions of use without leading to an increase in exposure time as a result of the impedance of user gestures, posture or movement (see 1.3.2).

PPE must bear a mark indicating the type and thickness of the constituent material(s) suitable for the foreseeable conditions of use.

3.10.
Protection against dangerous substances and infective agents

3.10.1.
Respiratory protection

PPE intended for the protection of the respiratory tract must make it possible to supply the user with breathable air when the latter is exposed to a polluted atmosphere and/or an atmosphere having inadequate oxygen concentration.

The breathable air supplied to the user by the PPE must be obtained by appropriate means, for example after filtration of the polluted air through the protective device or appliance or by a piped supply from an unpolluted source.
The constituent materials and other components of these PPE classes must be so chosen or designed and incorporated as to ensure appropriate user respiration and respiratory hygiene for the period of wear concerned under the foreseeable conditions of use.

The leak-tightness of the facepiece and the pressure drop on inspiration and, in the case of the filtering devices, purification capacity must be such as to keep contaminant penetration from a polluted atmosphere low enough not to be prejudicial to the health or hygiene of the user.

The PPE must bear the manufacturer's identification mark and details of the specific characteristics of that type of equipment which, in conjunction with the instructions for use, will enable a trained and qualified user to employ the PPE correctly.

The manufacturer's notes must also in the case of filtering devices, indicate the deadline for the storage of filters as new and kept in their original packaging.

3.10.2.

Protection against cutaneous and ocular contact

PPE intended to prevent the surface contact of all or part of the body with dangerous substances and infective agents must be capable of preventing the penetration or diffusion of such substances through the protective integument under the foreseeable conditions of use for which the PPE is placed on the market.

To this end, the constituent materials and other components of these PPE classes must be so chosen, or designed and incorporated as to ensure, as far as possible, complete leak-tightness, which will allow where necessary prolonged daily use or, failing this, limited leak-tightness necessitating a restriction of the period of wear.

Where, by virtue of their nature and the foreseeable conditions of their use, certain dangerous substances or infective agents possess high penetrative power which limits the duration of the protection provided by the PPE in question, the latter must be subjected to standard tests with a view to their classification on the basis of efficiency. PPE which is considered to be in conformity with the test specifications must bear a mark indicating, in particular, the names or, failing this, the codes of the substances used in the tests and the corresponding standard period of protection. The manufacturer's notes must also contain, in particular, an explanation of the codes (if necessary), a detailed description of the standard tests and all appropriate information for the determination of the maximum permissible period of wear under the different foreseeable conditions of use.
3.11. Safety devices for diving equipment

1. Breathing equipment

The breathing equipment must make it possible to supply the user with a breathable gaseous mixture, under foreseeable conditions of use and taking account in particular of the maximum depth of immersion.

2. Where the foreseeable conditions of use so require, the equipment must comprise:

(a) a suit which protects the user against the pressure resulting from the depth of immersion (see 3.2) and/or against cold (see 3.7);

(b) an alarm designed to give the user prompt warning of an approaching failure in the supply of breathable gaseous mixture (see 2.8);

(c) a life-saving suit enabling the user to return to the surface (see 3.4.1).

ANNEX III

TECHNICAL DOCUMENTATION SUPPLIED BY THE MANUFACTURER

The documentation referred to in Article 8 (1) must comprise all relevant data on the means used by the manufacturer to ensure that a PPE complies with the basic requirements relating to it.

In the case of PPE models referred to in Article 8 (2), the documentation must comprise in particular:

1. the manufacturer's technical file consisting of:

(a) overall and detailed plans of the PPE accompanied, where appropriate, by calculation notes and the results of prototype tests in so far as necessary for the verification of compliance with the basic requirements;

(b) an exhaustive list of the basic safety requirements and of the harmonized standards or other technical specifications referred to in Articles 3 and 5, taken into account in the design of the model;

2. a description of the control and test facilities to be used in the manufacturer's plant to check compliance of production PPE with the harmonized standards or other technical specifications and to maintain quality level;

3. a copy of the information notice referred to in Annex II, 1.4.
ANNEX IV
EC MARK OF CONFORMITY

The EC mark of conformity consists of the symbol shown below.

¹(²)

The vertical dimensions of the different components of the EC mark must be perceptibly the same and not less than 5 mm.

¹ As provided in Article 13 (1) the mark may also include the distinguishing number of the approved inspection body referred to in Article 9 (1).

² Year in which the mark was affixed.

ANNEX V
CONDITIONS TO BE FULFILLED BY THE BODIES OF WHICH NOTIFICATION HAS BEEN GIVEN

(Article 9 (2))

The bodies designated by the Member States must fulfil the following minimum conditions:

1. availability of personnel and of the necessary means and equipment;

2. technical competence and professional integrity of personnel;

3. independence, in carrying out the tests, preparing the reports, issuing the certificates and performing the surveillance provided for in the Directive, of staff and technical personnel in relation to all circles, groups or persons directly or indirectly concerned with PPE;

4. maintenance of professional secrecy by personnel;

5. subscription of a civil liability insurance unless that liability is covered by the State under national law.

Fulfilment of the conditions under 1 and 2 shall be verified at intervals by the competent authorities of the Member States.

ANNEX VI
MODEL EC DECLARATION OF CONFORMITY

The manufacturer or his authorized representative established in the Community (¹):

| 120 Proexport Colombia |
declares that the new PPE described hereafter (¹)

is in conformity with the provisions of Council Directive 89/686/EEC and, where such is the case, with the national standard transposing harmonized standard N° .......... (for the PPE referred to in Article 8 (3))

is identical to the PPE which is the subject of EC certificate of conformity N° .......... issued by (³) (%).

is subject to the procedure set out in Article 11 point A or point B (%) of Directive 89/686/EEC under the supervision of the notified body (³).

Done at ..........................................., on .

Signature (¹)

(¹) Business name and full address; authorized representatives must also give the business name and address of the manufacturer.

(²) Description of the PPE (make, type, serial number, etc.).

(³) Name and address of the approved body.

(%) Delete whichever is inapplicable.

(¹) Name and position of the person empowered to sign on behalf of the manufacturer or his authorized representative.
Annex 2: Certificate of Origin Form A

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Consignor: Space reserved for translation</td>
<td>No. 000000</td>
</tr>
<tr>
<td>2</td>
<td>Consignee: Space reserved for translation</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>EUROPEAN COMMUNITY: Space reserved for translation</td>
</tr>
<tr>
<td></td>
<td></td>
<td>CERTIFICATE OF ORIGIN: Space reserved for translation</td>
</tr>
<tr>
<td>3</td>
<td>Country of Origin: Space reserved for translation</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Transport details: Optional</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Item number, marks, numbers, number and kind of packages; description of goods</td>
<td></td>
</tr>
<tr>
<td>7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>THE UNDERSIGNED AUTHORITY CERTIFIES THAT THE GOODS DESCRIBED ABOVE ORIGINATE IN THE COUNTRY SHOWN IN BOX 3</td>
<td></td>
</tr>
</tbody>
</table>

Place and date of issue, name, signature and stamp of competent authority: Space reserved for translation
Annex 3: DV1 Form

<table>
<thead>
<tr>
<th>Name and Address of Seller (Block Letters)</th>
<th>Number and Date of Invoice</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**EUROPEAN COMMUNITY**

**DECLARATION OF PARTICULARS RELATING TO CUSTOMS VALUE**

1. Name and Address of Seller (Block Letters)

2a. Name and Address of Buyer (Block Letters)

2b. Name and Address of Declarant (Block Letters)

3. Terms of delivery

4. Number and date of invoice

5. Number and date of contract

6. Number and date of any previous Customs decision concerning boxes 7 to 9

7a. Are the buyer and seller RELATED in the sense of Article 143 (1) of Regulation (EEC) No 2913/92?

   - Yes
   - No

7b. Did the relationship INFLUENCE the price of the imported goods?

   - Yes
   - No

7c. Does the transaction value of the imported goods CLOSELY APPROXIMATE to a value mentioned in Article 29 (2) of Regulation (EEC) No 2913/92?

   - Yes
   - No

8a. Are there any RESTRICTIONS as to the disposition or use of the goods by the buyer, other than restrictions which:

   - Are imposed or required by law or by the public authorities in the Community.
   - Limit the geographical area in which the goods may be resold, or
   - Do not substantially affect the value of the goods?

   - Yes
   - No

8b. Is the sale or price subject to some CONDITION or CONSIDERATION for which a value cannot be determined with respect to the goods being valued?

   - Yes
   - No

Specify the nature of the restrictions, conditions or considerations as appropriate:

8c. If the value of conditions or considerations can be determined, indicate the amount in box 11b).

8d. Are any ROYALTIES and LICENCE FEES paid to the imported goods payable either directly or indirectly by the buyer as a condition of the sale?

   - Yes
   - No

9a. Is the sale subject to an arrangement under which part of the proceeds of any subsequent RESALE, DISPOSAL or USE accrues directly or indirectly to the seller?

   - Yes
   - No

If 'Yes' to either of these questions, specify conditions and, if possible, indicate the amounts in boxes 15 and 16.

10a. Number of continuation sheets

<table>
<thead>
<tr>
<th>D.V. I BIS attached</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
</tbody>
</table>

10b. Place:

<p>| |</p>
<table>
<thead>
<tr>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
</tbody>
</table>

11a. Signature:

<p>| |</p>
<table>
<thead>
<tr>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
</tbody>
</table>

11b. Date:

<p>| |</p>
<table>
<thead>
<tr>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
</tbody>
</table>

12. To the extent that the buyer and the seller are related, and if the transaction value is based on Article 29 (1) of Regulation (EEC) No 2913/92, the interpretative notes on that provision in Annex D3:

13. To the extent that the buyer and the seller are related, and if the transaction value is based on Article 37 (1) of Regulation (EEC) No 2913/92, the interpretative notes on that provision in Annex D3.

---

Proexport Colombia
### Market Researches in Eastern Europe

#### 124 Proexport Colombia

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
<th>Rate of exchange</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>A. Basis of calculation</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>11 (a) Net price in CURRENCY OF INVOICE (Price actually paid or price payable for settlement at the material time for valuation for customs purposes)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(b) Indirect payments – see box 2(b)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(c) Date of exchange:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>12 Total A in NATIONAL CURRENCY</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>B. ADDITIONS:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Costs incurred by the buyer:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>13 (a) Commissions, except buying commissions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(b) Brokerage</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(c) Containers and packing</td>
<td></td>
<td></td>
</tr>
<tr>
<td>14 Goods and services supplied by the buyer free of charge or at reduced cost for use in connection with the production and sale for export of the imported goods:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(a) Materials, components, parts and similar items incorporated in the imported goods</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(b) Tools, dies, moulds and similar items used in the production of the imported goods</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(c) Materials consumed in the production of the imported goods</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(d) Engineering, development, artwork, design work and plans and sketches undertaken elsewhere than in the Community and necessary for the production of the imported goods</td>
<td></td>
<td></td>
</tr>
<tr>
<td>15 Royalties and licence fees – see box 1(b)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>16 Proceeds of any subsequent resale, disposal or use according to the seller – see box 1(b)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>C. DEDUCTIONS:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Costs of transport after arrival at place of introduction</td>
<td></td>
<td></td>
</tr>
<tr>
<td>18 Charges for construction, erection, assembly, maintenance or technical assistance undertaken after importation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>19 Other charges (specify)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>20 Customs duties and taxes payable in the Community by reason of the importation or sale of the goods</td>
<td></td>
<td></td>
</tr>
<tr>
<td>21 Total C</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>24 VALUE DECLARED (A + B – C)</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(*) Where amounts are payable in FOREIGN CURRENCY, indicate in this section the amount in foreign currency and the rate of exchange by reference to each relevant element and item.
Annex 4: Single Administrative Document (SAD)
Annex 5: Photomaterial/ price information

Industrial footwear for the medical sector (www.salus.hu)

2202 / 35 - 46 / 2205 / 35 - 41 / 2204 / 35 - 46 /
029 / 35 - 46 / 218 / 36 - 41 / 219 / 36 - 41 /
207 / 35 - 41 / 601 / 35 - 46 / 032 / 40 - 46 /
5264 / 35 - 41 / 526 / 35 - 46 / 378 / 35 - 41 /
379 / 35 - 41 / 473 / 35 - 41 / 047 / 35 - 41 /
476 / 35 - 41 / 020 / 35 - 41 / 046 / 35 - 41 /
048 / 35 - 41 / 017 / 35 - 41 / 019 / 35 - 41 /
468 / 35 - 46 / 016 / 40 - 46 / 021 / 40 - 46 /
Industrial footwear designed to protect against heat, chemicals etc. most with steel toe cap.
(Companies Vektor and Gazek)
Industrial footwear in Hungary
Company Gazek, examples of products
Industrial footwear in Hungary

Prices ranging from 4000 HUF – 27000 HUF (16 EUR – 108 EUR)

Protection for firemen

Protection against chemicals

35000 HUF (140 EUR)  
3940 HUF (15,79 EUR)
25900 HUF (103.82 EUR)
## Annex 6: Companies directories

<table>
<thead>
<tr>
<th>Directory</th>
<th>Country: Hungary</th>
<th>Sector: Industrial Footwear</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Página Web</strong></td>
<td><strong>Idioma</strong></td>
<td><strong>Idioma del Contenido</strong></td>
</tr>
<tr>
<td><strong>Directorios Europeos</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><a href="http://www.kompass.com/">http://www.kompass.com/</a></td>
<td>E</td>
<td>E; I; O</td>
</tr>
<tr>
<td><a href="http://worldyellowpages.com/">http://worldyellowpages.com/</a></td>
<td>I</td>
<td>I</td>
</tr>
<tr>
<td><a href="http://www.europages.com/">http://www.europages.com/</a></td>
<td>E; I; O</td>
<td>E; I; O</td>
</tr>
<tr>
<td><strong>Directorios Húngaros</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><a href="http://www.tudakozo.t-com.hu/">http://www.tudakozo.t-com.hu/</a></td>
<td>H</td>
<td>H</td>
</tr>
</tbody>
</table>
### Directory
**Country:** Hungary  
**Sector:** Industrial Footwear

<table>
<thead>
<tr>
<th>Página Web</th>
<th>Idioma</th>
<th>Idioma del Contenido</th>
<th>Información General de Empresas Disponible sin Costo</th>
<th>Requiere Registro</th>
<th>Información Adicional con Costo</th>
</tr>
</thead>
</table>
| http://www.hungarytrade.co.uk/     | I      | I                    | **Contenido:** Nombre de la empresa; Dirección; Teléfono; Fax; E-mail; Sitio Web.  
**Descripción:** Comisión de Comercio Húngara - Buscador de la oficina de asuntos económicos, con Información sobre las empresas Húngaras.  
**Opciones de Búsqueda:** Lista de proveedores; Sector; Productos/Servicios.                                                                 | NO                | NO                              |
| http://www.internetszaknevsor.hu/  | I      | I                    | **Contenido:** Nombre de la empresa; Dirección; Teléfono; Fax; E-mail; Sitio Web.  
**Descripción:** Paginas amarillas de Hungría - Listado de empresas Húngaras.  
**Opciones de Búsqueda:** Selección de Categorías; Texto; Ciudad; País; Sector; Productos/Servicios.                              | NO                | NO                              |

### Directorios por Sector

<table>
<thead>
<tr>
<th>Página Web</th>
<th>Idioma</th>
<th>Idioma del Contenido</th>
<th>Información General de Empresas Disponible sin Costo</th>
<th>Requiere Registro</th>
<th>Información Adicional con Costo</th>
</tr>
</thead>
</table>
| http://www.pips.pl/ | P; I | P; I | **Contenido:** Nombre de la empresa; Dirección; Ciudad; Teléfono; E-mail; Sitio Web.  
**Descripción:** Pagina de la Cámara Polaca de la Industria de Zapatos y Cuero.  
**Opciones de Búsqueda:** Miembros                                                                 | NO                | NO                              |
| http://www.atok.cz/ | C; I; A | C; I; A | **Contenido:** Nombre de la empresa; Teléfono; Fax; E-mail; Sitio Web.  
**Descripción:** Página de la Asociación de la Industria Textil, Prendas y Cuero.  
**Opciones de Búsqueda:** Miembros; Nombre; Sector; Productos/Servicios                                                                 | NO                | NO                              |

**Idioma:**  
**E:** Español; **I:** Ingles; **A:** Alemán; **C:** Checo; **H:** Húngaro; **P:** Polaco; **O:** Otros; **W:** Idioma del Sitio Web

---

*134 Proexport Colombia*