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Footwear Exchange Report







A decade (2011-2021) of Bangladesh Leather Sector Export

Leather II Leather Products II Footwear

“All knowledge is connected to all other knowledge. The fun is in making the connections.”

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Footwear Exchange Report

About this publication

Footwear Exchange Report provides a detailed analysis of the latest developments in Bangladesh Leather sector export. It is the Footwear Exchange's flagship statistical publication and is produced on an annual basis.

Methodology:

The present study based on mainly secondary information. The main data source was Export Promotion Bureau, Bangladesh export statistics that published every month in their website. In this study, a descriptive technique was adopted in tabular form, column chart, line chart, pie chart, bar chart to analyze the results and represent collected data and information.

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A decade of leather sector:

The contribution of the leather sector to the country's export has experienced phenomenal growth over the years. The leather sector has evolved as the position of second export earning sector of Bangladesh. Over the fifty years, the journey of the leather sector has secured the vital fuel of growth in our employment and economic development.

(Figure 1) shows that the leather sector's significant growth for 2010-11 to 2013-2014 when 1 Billion US $ milestone achieved. That was first time in history leather sector touch that magic figure. It was more than 25% growth than previous year for each year. From 2013-14, the growth rate started to decline mainly because of fall of leather export. Still sector kept more than billion landmark, thanks to footwear segment as it peaking up and taking more shares since then.

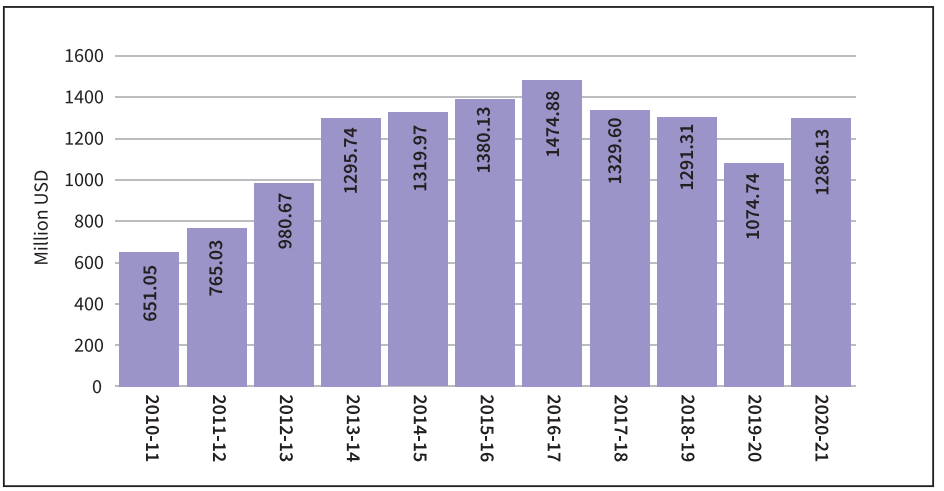


Figure 1: Bangladesh Leather Sector Export 2011-2021

Figure 2 shows evolution of leather sector over last decade. From 2010-11 to 2013-14, export increase exponentially every year. when 1 Billion US $ milestone achieved. That was first time in history leather sector touch that magic figure. It was more than 25% growth than previous year for each year. From 2013-14, the growth rate started to decline mainly because of fall of leather export. Still sector kept more than billion landmark, thanks to footwear segment as it peaking up and taking more shares since then.

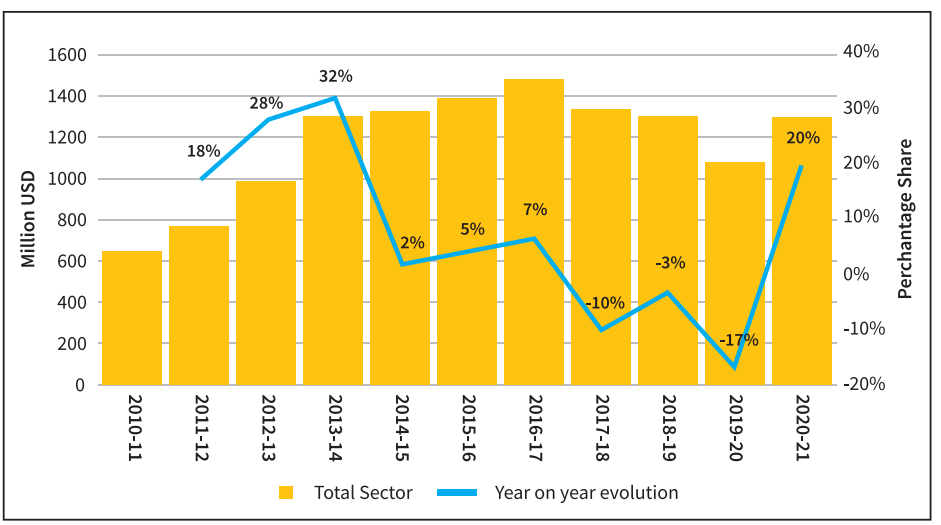


Figure 2: Bangladesh Leather Sector Export 2011-2021

Figure 3 and 4 shows contribution of different segment of leather sector. Till 2013-2014, leather segment increase and then started to decline and continue till date. Leather product also keep increasing trend till 2016-2017 and then started to decline. Footwear sector started same level as leather sector a decade back and growth exponentially year to year, except 2019-2020 mainly very unpredicted COVID hit throughout globe.

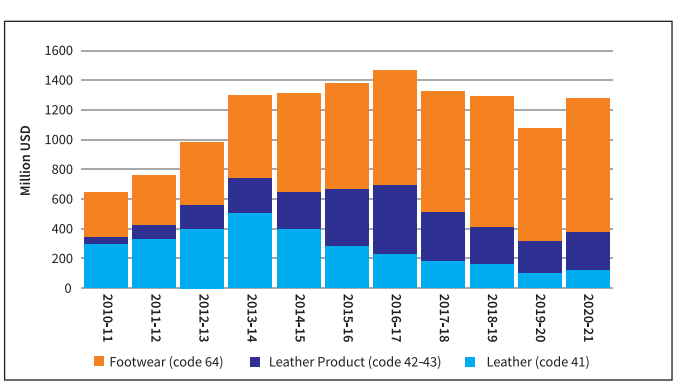


Figure 3: Bangladesh Leather Sector Export 2011-2021

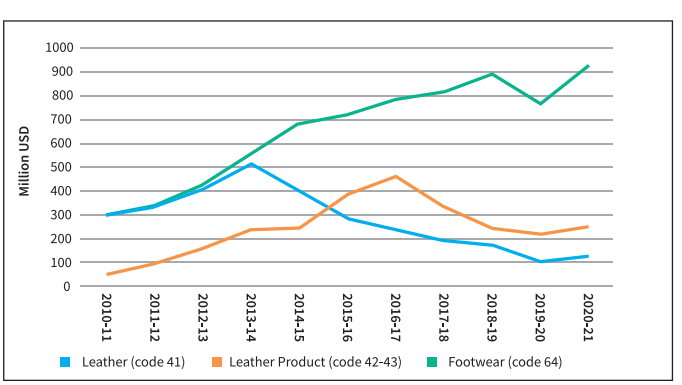


Figure 4: Leather vs Product vs Footwear Export 2011-2021

Leather (HS code 41)

Bangladesh Leather: a decade of rise and fall

Bangladesh has a long great history of undertaking leather processing business. The leather sector is a source of exports, employment, and economic growth as well as beneficial for our whole society. The leather industry that includes both the leather processing industry and the shoe and leather goods manufacturers is going through the preliminary level of the boom. In this segment we will see overall result of leather processing industry or performances of Tannery.

The first tannery of Bangladesh was established in 1940 by the famous entrepreneur Late Mr. Ranada Prashad Saha in. At the beginning of this industry, tanneries were mostly placed in Narayanganj, after that Hazaribagh area of Dhaka city was the main location for tanneries in Bangladesh The leather industry has been developed in Bangladesh since the 1970s.

But the industry has been troubled in recent years, especially the tannery subsector. Tanned leather exports fell from nearly $505 million in 2013-14 to less than $120 million now. There are several causes for this malaise—including poor marketing, an unskilled workforce, and lack of financing—but chief among them have been exploitive labor conditions and destructive environmental practices that have brought international criticism and sanctions. (1)

Figure 5 shows evolution of leather processing sector over last decade. From 2010-11 to 2013-14, export increase exponentially every year. when 0.5 Billion US $ milestone achieved. That was first time in history leather sector touch that magic figure. From 2013-14, the growth rate started to decline and continue declining till date.

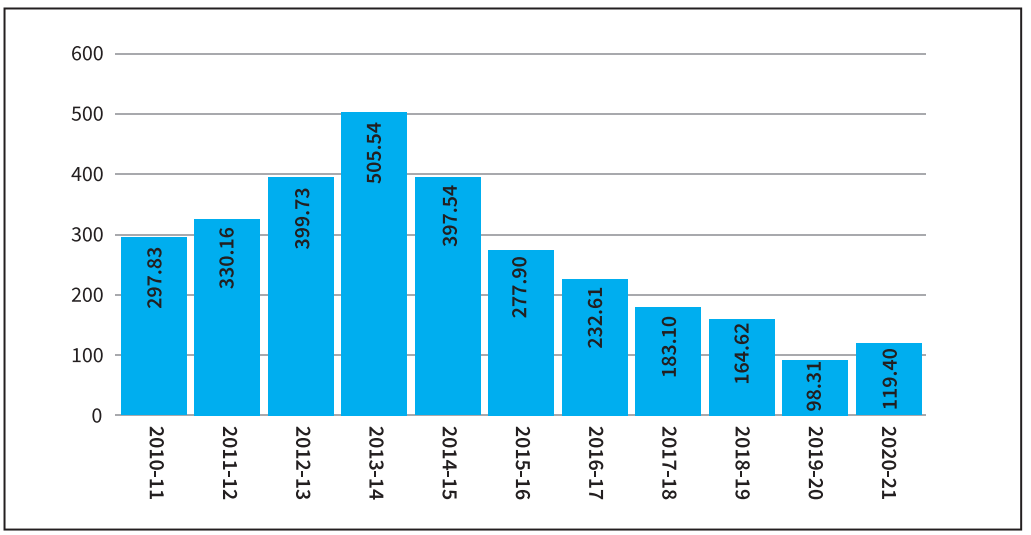


Figure 5: Bangladesh Leather Export 2011-2021

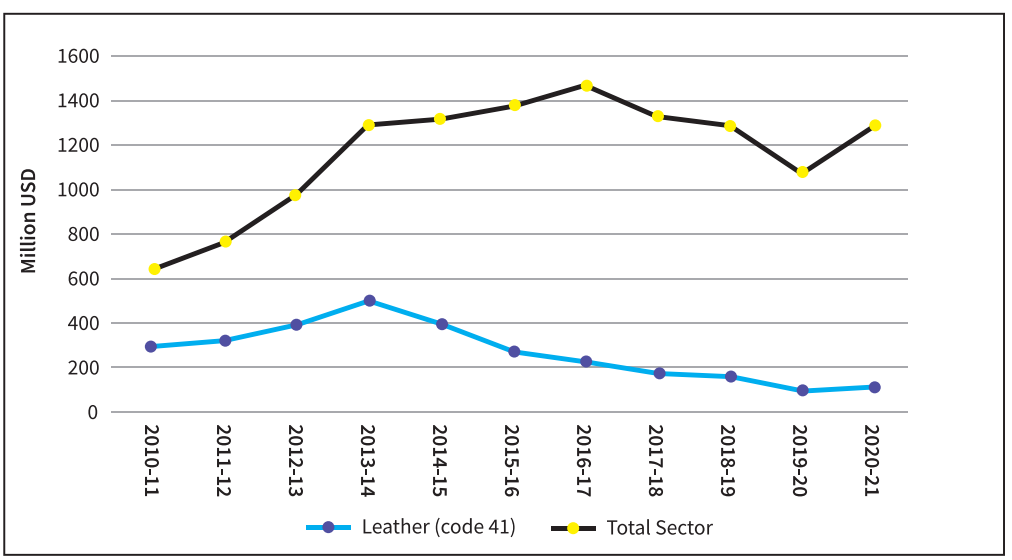


Figure 6 shows leather export of 2010-11 to 2020-2021 comparing with total leather sector. It shows that till 2013-2014, leather itself contributing the growth of leather sector. After that sector keep continue increasing growth but leather itself started to decline.

Figure 6: Total Sector vs Leather Export 2011-2021

Figure 7 show the contribution of leather to the sector export. It was only 9% in 2020-21 whereas 46% in 2010-11. Year after year contribution of leather itself dropping.

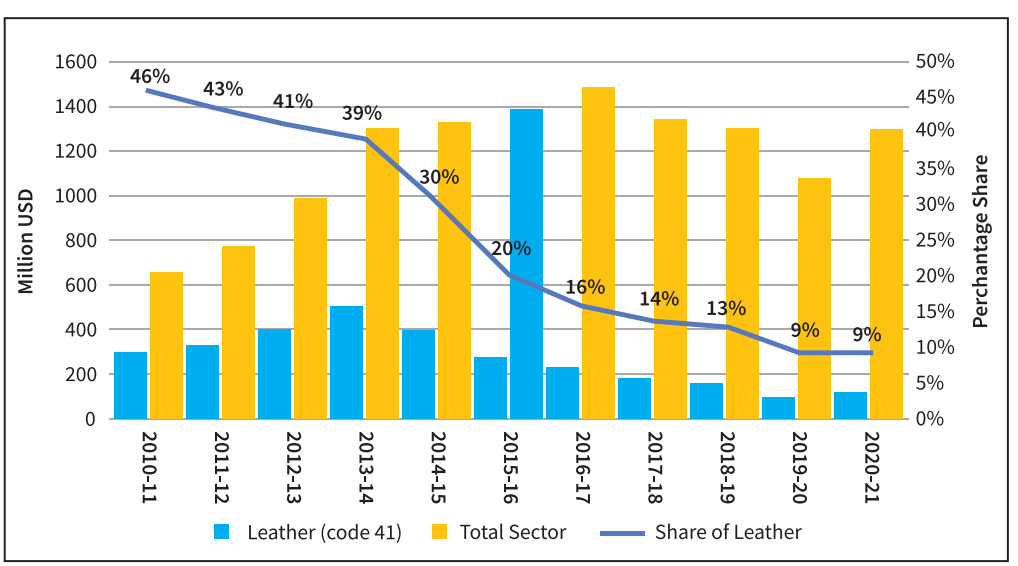


Figure 7: Export Trend of Leather vs Total Sector

Leather Product (HS code 42-43)

Bangladesh Leather Product: a decade of potentiality and inutility

All the item except footwear made by leather are considered in this sub-sector. It includes leather bag, leather belt, leather wallet or small goods etc etc.

The export of rawhide has been banned since Bangladesh's independence to protect the tannery industry here. Export of wet blue has also been stopped since 1989. At the end of 1990, the leather industry got importance by foreign investment. This industry has not just contributed through the dollar earning but also playing a vital role in socio-economic development prospects, creating a huge number of employment opportunities mostly for the poor illiterate in the workforce of the country.

Figure 8 shows evolution of leather product segment over last decade. It was started very slow and had big jump year after year till 2016-17, when nearly 0.5 billion USD was have exported. And then starting drop mainly due to lowering demand worldwide, challenge on price.

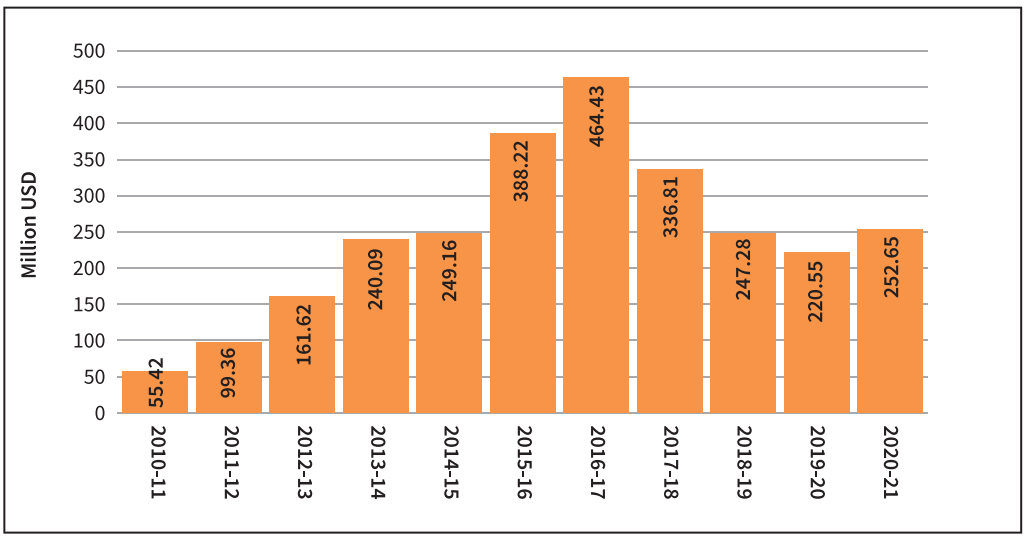


Figure 8: Bangladesh Leather Product Export 2011-2021

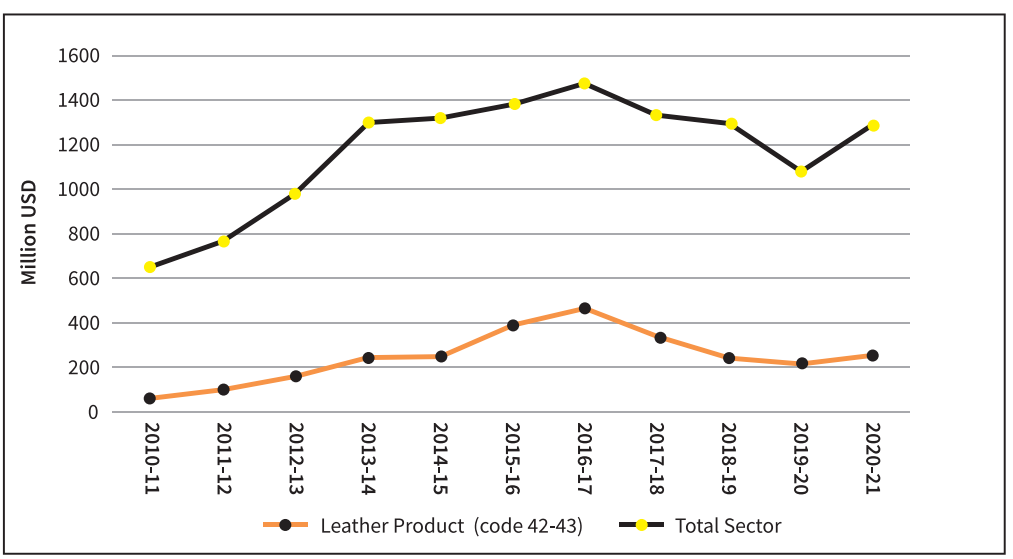


Figure 9 shows leather product export of 2010-11 to 2020-2021 comparing with total leather sector. It was not very fast but steady growth till 2016-17 and keep a sustainable share last 3 years.

Figure 9: Total Sector vs Leather Product Export 2011-2021

Figure 10 show the contribution of leather product export to the sector export. It was only 9% in 2000-11 and then every year share goes high till 31% in 2016-17.

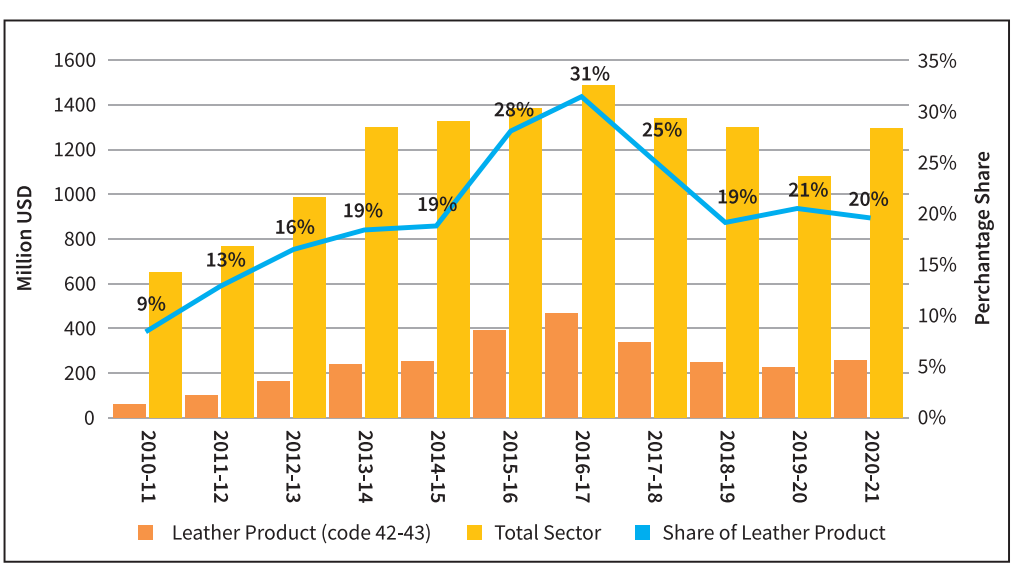


Figure 10: Export Trend of Leather Product vs Total Sector

Footwear (HS code 64)

Bangladesh Footwear: a decade of hope and fear

The footwear sector is a very significant segment of the leather industry in Bangladesh; rather it is the engine of growth for the entire Bangladesh leather industry. Bangladesh footwear sector can be divided in 2 categories. Leather Footwear and Non-leather footwear.

Leather footwear made by leather or mix of leather with textile. Non-leather footwear describe for footwear made by other materials than leather.

Figure 11 shows evolution of footwear (both leather and non-leather) segment over last decade. It was started very slow and had big jump year after year except 2019-20 due to COVID.

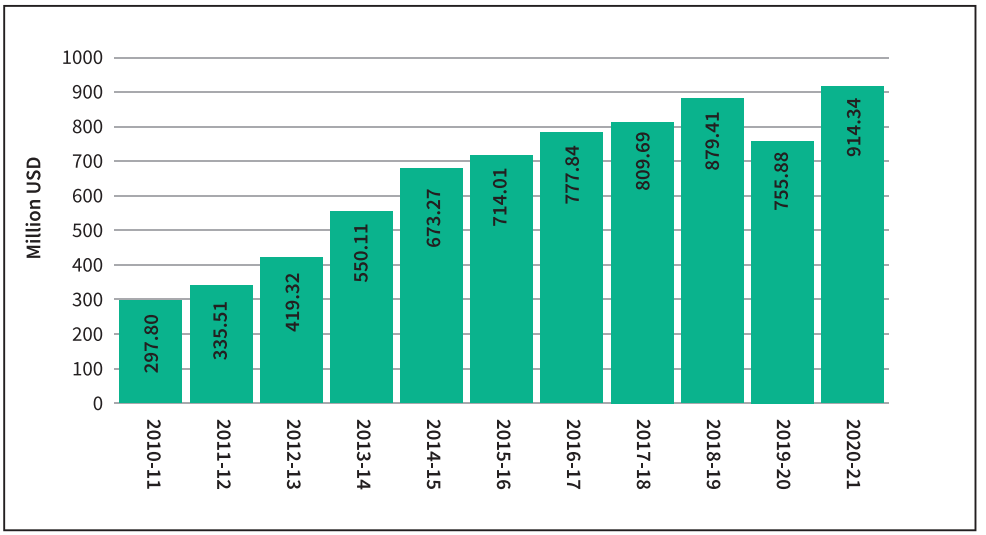


Figure 11: Bangladesh Footwear Export 2011-2021

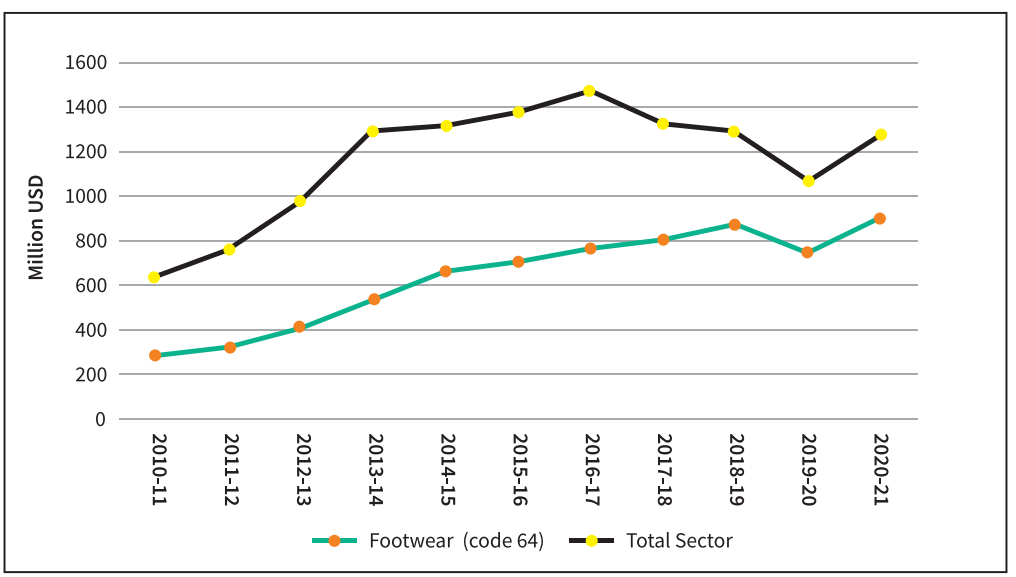


Figure 12 shows footwear export of 2010-11 to 2020-2021 comparing with total leather sector. This is the segment that keep continue growing from 2013-14 and become main segment for the sector.

Figure 12: Total Sector vs Footwear 2011-2021

Figure 13 show the contribution of footwear export to the sector export. 46% in 2010-11 goes slightly down in coming 3 years and then 2014-15, it started rocking high and 71% share in 2020-21.

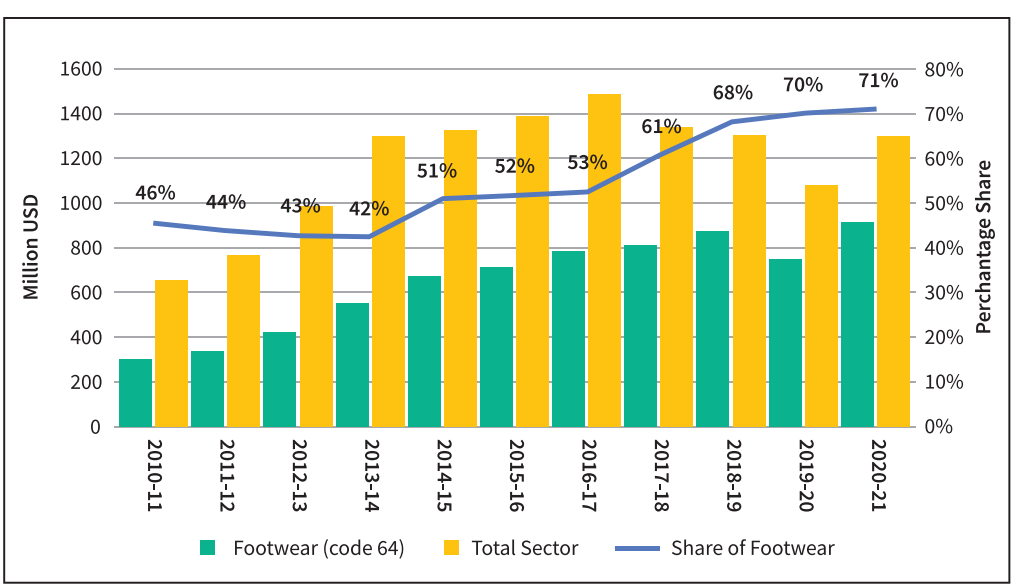


Figure 13: Export Trend of Footwear vs Total Sector

Leather Footwear Vs Others Footwear

Rise of Non-Leather Footwear

Synthetic or non-leather footwear are those made of synthetic materials (also known as synthetic, faux, imitation, vegan or PU leather) that hold the appearance of leather but are not made from animal skin or hide like genuine leather even as synthetic material consists of natural and/or synthetic fibres, coated with a plastic polymer while synthetic material is usually made from polyurethane (PU), polyvinyl chloride (PVC) or textile-polymer composite microfibres.

Non-leather footwear has opened up a new avenue of export opportunity for the country when the second largest export earner after apparel — leather and leather goods — is going through crises over non-compliance issues and the need for product diversification is at its peak. Synthetic footwear and sports shoes have drawn the attention of global buyers and brands. Manufacturers attribute this to product quality, reasonable prices and new investment, which led to increased production capacity. In addition, US-China trade war and rise in production cost in China, which forced buyers and entrepreneurs out of China, have helped to get more buyers in this segment.

Figure 14 shows the contribution of leather and others footwear export of 2010-11 to 2020-2021. Leather footwear keep highest value comparing with others footwear.

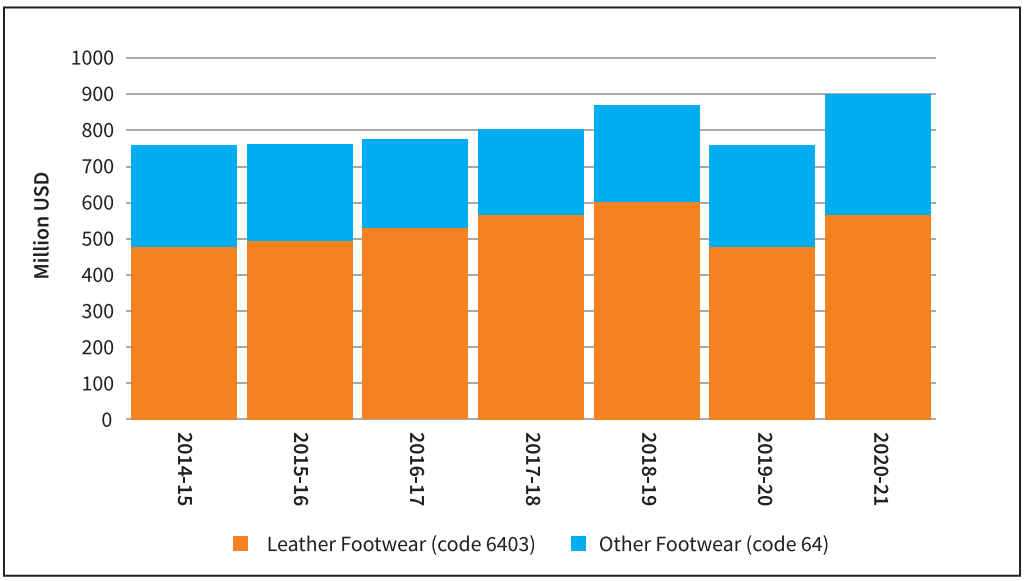


Figure 14: Leather Footwear vs Other Footwear

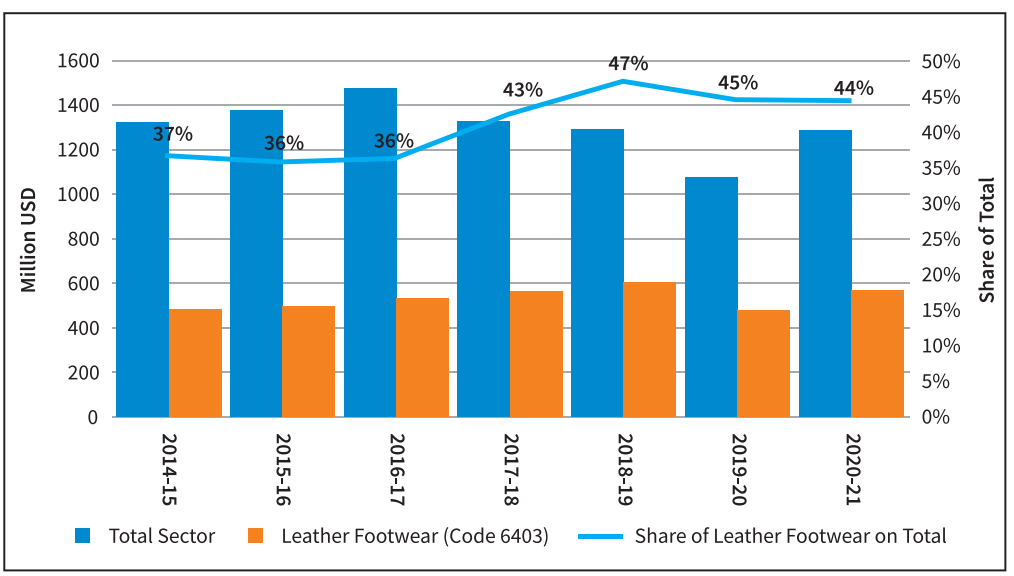


Figure 15: Leather Footwear Share Trend

Figure 15 shows the leather footwear share with total leather sector export.

Figure 16 shows the other footwear share with total leather sector export.

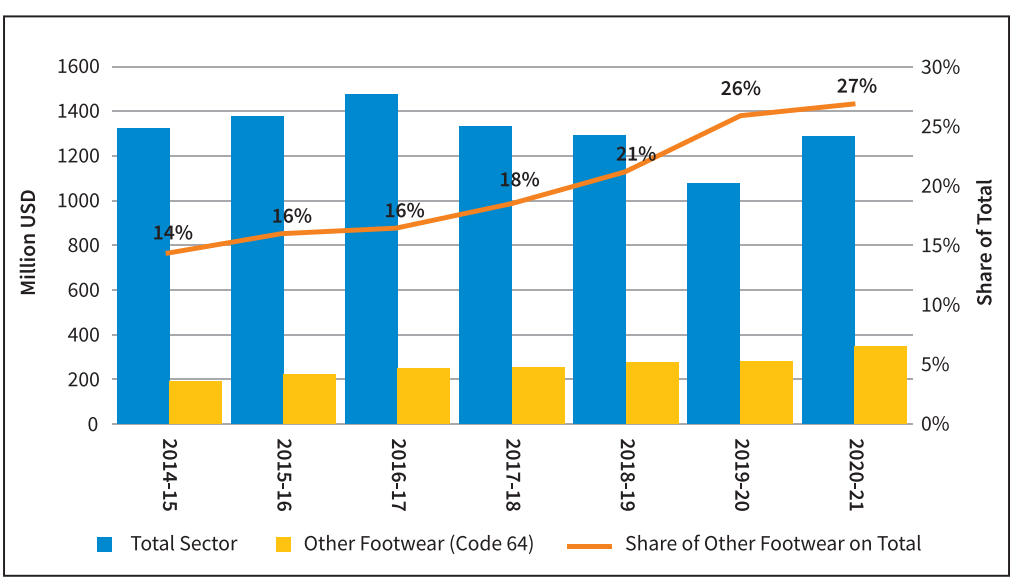


Figure 16: Other Footwear Share Trend

Figure 17 shows the leather footwear share with total footwear segment export.

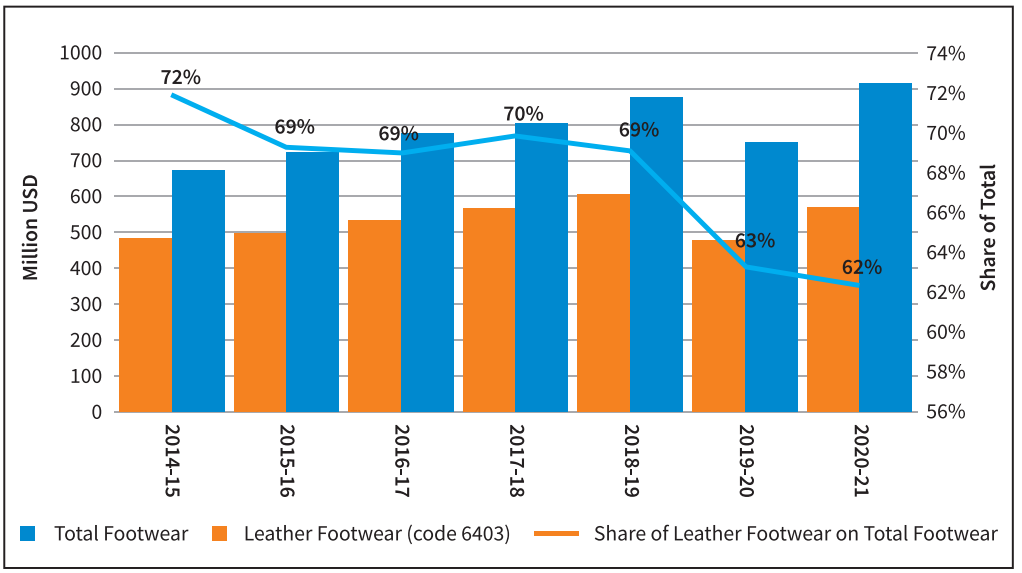


Figure 17: Leather Footwear Share Trend on Total Footwear

Figure 18 shows the other footwear share with total footwear segment export.

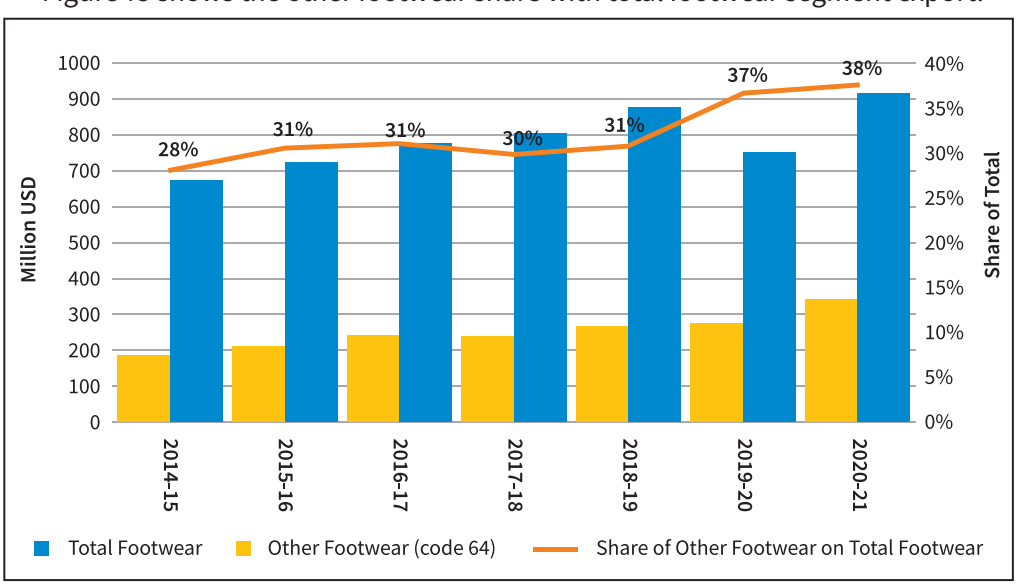


Figure 18: Other Footwear Share Trend on Total Footwear

Sources:

(1) The Asia Foundation
https://asiafoundation.org/2020/05/27/in-bangladesh-tanneries-in-trouble/

(2) Export Promotion Bureau, Bangladesh)
http://www.epb.gov.bd

About Footwear Exchange

Who We Are

Footwear Exchange (FE) is a platform of people from all around the world who make the footwear, leather and allied industry work.



FE is a platform for the people who wear f o o t w e a r, use leather accessories and who make them.

FE is a platform of footwear, leather and allied industry designers, academicians, business leaders, policymakers, brands, retailers, marketers, producers, workers and footwear lovers.



How we operate
We are

Social Enterprise

We believe a social business model that allow uses business solutions to make a positive impact for leather, footwear and allied industry. We believe in a holistic approach of connectivity that maximizing the impact of learning through experience, socialization, and formal training methods enables businesses to create and support high-performing workforces.

Our

Mision

- Footwear Exchange want to unite people and organizations who works footwear, leather and allied industry.
- The FE offers a platform for the exchange of knowledge and expertise between all stakeholder of Footwear, leather and allied Industry in and out of Bangladesh.
- The FE believe that collaborating across the whole value chain — from concept to consumer — is the only way to transform the industry.
- Our mission is to bring everyone together to make that happen.

Our

Vision

- Footwear Exchange become biggest online platform through exchange of knowledge across whole footwear, leather and allied industry value chain.

Be with Footwear Exchange

UNLOCK YOUR HIDDEN POTENTIALS AND ENHANCE BUSINESS VALUE FOR YOUR ORGANISATION

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We ensure that all our publications and activities reach a maximum number of professionals who are either related or working with Bangladesh leather, footwear and allied industry.

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