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Footwear Exchange

A platform of people from all around the world who make the footwear, leather and allied industry work.

Sep 2022
Newsletter No 9

the footprint

The Footprint is monthly newsletter brought to you by **Footwear Exchange**

5 Covid lessons for Bangladesh Footwear Industry supply chain!

Lesson 1:

Backward linkage industry in long run and diversification of our raw materials in short term is must

Lesson 2:

By any cost, image of our own 'leather' needs to rebuild. No negotiation on sustainability.

Lesson 3:

Buyers can't be control of everything. They need us same as we need them. Partner based relationship is a reality now

Lesson 4:

Investment on people and modernization of supply chain is relevant than ever

Lesson 5:

Adapting elasticity and flexibility in supply chain is key

Source: The Supply Chain Street

CONSUMPTION

Asia's share of footwear consumption worldwide reached a new peak of 56.1%.

In 2021 footwear consumption bounced back strongly in North America: consumption per capita reached the 5 pairs threshold, only slightly below its pre-pandemic level. In Europe the recovery was much weaker, with consumption per capita increasing by only 0.3 pairs and remaining far from the 4.4 pairs achieved in 2019. Consumption per capita in Asia increased by the same amount, 0.3 pairs, but this was enough to bring it back to the pre-pandemic level.

Continent	% Share
Asia	56.1
Africa	8.9
Europe	13.3
South America	5.9
North America	14.9
Oceania	0.9

Given the continent's huge population, Asia's share of footwear consumption worldwide reached a new peak of 56.1%. North America overtook Europe in 2nd position, although not by a large margin. South America and Oceania also gained some share over the previous year, but consumption in Africa has yet to recover from the effects of the pandemic

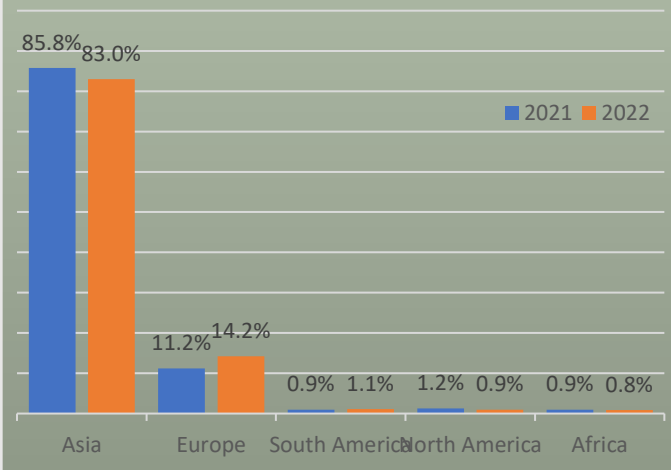
PRODUCTION

Asia now accounts for more than 88% of the world's production

Although the COVID-19 pandemic still limited manufacturing in some countries, in 2021 global footwear production increased by 8.6%, exceeding 22 billion pairs. Nonetheless, production is still 2 billion pairs below the pre-pandemic level. At a broad, continental level, the pandemic did not interrupt the trend towards geographic concentration of footwear manufacturing.

Continent	% Share
Asia	88.2
Africa	2.9
Europe	2.8
South America	4.7
North America	1.4

Asia now accounts for more than 88% of the world's production, an increase of more than half of a percentage point than in the previous year. Moving in the opposite direction, Europe's share dropped below 3%, as also happened with Africa's. South America slightly increased its share and is the main location of production outside Asia.



EXPORT

Asia bagged more than 4 out of every 5 pairs of shoes exported

58.8% of the footwear produced worldwide in 2021 was exported, the lowest percentage in a decade, However, the general pattern for the geographic origin of footwear exports did not change in the last decade: Asia is the origin of more than 4 out of every 5 pairs of shoes exported, with Europe in a very distant 2nd place and other continents making small contributions to the world total. Nonetheless, Europe increased its share by 3 percentage points, mostly at the expense of Asia.

Source: The World Footwear

TOP 10 EXPORTER

China slowly losing market share to other Asian countries

China leads the table of the world's footwear exporters by a very wide margin but, for more than a decade, it has been slowly losing market share to other Asian countries. Vietnam is the greatest success story of the footwear industry in the last ten years and now represents roughly 10% of world exports, putting it comfortably in 2nd position in this table. Recently Turkey has also made considerable progress and, since 2017, has climbed from 8th to 4th position with 3rd position not being beyond reach. Germany remains Europe's largest footwear exporter ahead of Belgium, Italy and the Netherlands. In 2021, Cambodia reclaimed the 10th position that it had lost to Spain in the previous year.

Top 10 Footwear Exporter (Quantity) 2021

Rank	Country	Pairs (Millions)	World Share
1	China	7887	60.40%
2	Vietnam	1294	9.90%
3	Indonesia	427	3.30%
4	Turkey	349	2.70%
5	Germany	325	2.50%
6	India	243	1.90%
7	Belgium	215	1.60%
8	Italy	202	1.50%
9	Netherland	177	1.40%
10	Cambodia	163	1.20%

EXPORT PRICE

Average worldwide export price exceeds 11 dollars for the first time

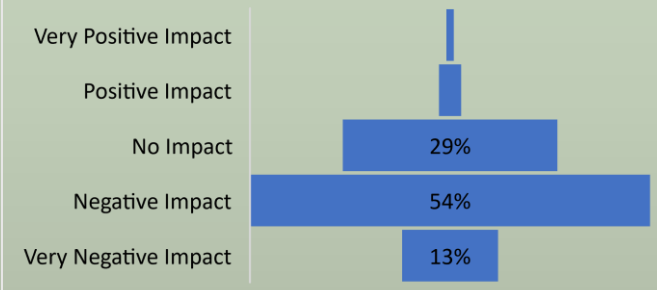
The average export price per pair of footwear increased by more than 6% in 2011 to 11.07 dollars, the highest level ever. If anything, the COVID-19 pandemic seems to have strengthened the trend for price increases which was evident throughout the entire previous decade.

BUSINESS CONDITION

War on Ukraine to negatively impact footwear

On the 24th February 2022 Russia invaded Ukraine. As the war is now on its fourth month, its economic fallout, to Europe and the rest of the world, is becoming clearer, adding turbulence to already existing global inflationary pressures, reflecting on rising food and energy prices, and disrupted supply chains because of the pandemic.

Recent survey showed, more than two third of our experts believe this war is going to negatively impact the footwear business in their countries, while 29% expect it to have no effect at all in this specific business.



FOOTWEAR TYPES

Share of textile footwear exports decreased over last 3 years

Until 2018 textile footwear rapidly increased its share of world trade, approaching one third of the total both in terms of volume and value. Over the last 3 years, however, this trend seems to have stalled with the share of textile footwear stabilizing or even slightly decreasing.

Rubber & plastic footwear leads exports in volume, representing almost half of the world total, but leather footwear is still the most important category by value and accounts for 37.7% of the total.

Source: The World Footwear

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Bangladesh leather sector exports Jul-Aug 2022-23,

298.22 Million

23.23 Million
-8.94% vs ST
+18.40% vs LY

Leather
HS Code: 41

53.47 Million
-14.26% vs ST
+25.81% vs LY

Leather Product
HS Code: 42

298.22
MILLION
+7% vs ST
+29% vs LY

HS Code: 6403
Leather Footwear

146.53 Million
+26.09% vs ST
+30.16% vs LY

HS Code: 64
Other Footwear

74.99 Million
+1.75% vs ST
+32.28% vs LY

2022-23 Target

Leather: **USD 180 M**
Leather Product: **USD 440 M**
Leather Footwear: **USD 820 M**
Other Footwear: **USD 520 M**

ST = Strategic Target / LY: Last Year same period

Source:
Export Promotion Bureau, Bangladesh
Export performance (Goods) for FY 2022-23 July-Aug (Provisional)

TOP 3

DESIGN POSITIVE IMAGE OF BANGLADESH LEATHER & LEATHER SECTOR

POSTER DESIGN COMPETITION 2022

An initiation of Footwear Exchange Supported by



1

Asaduzzaman

This competition has the potential to have an impact on the sector by raising awareness of our leather industry. Also, a poster is a great way to increase the visibility of something, and I believe it will help attract the attention of people at all levels in Bangladesh.



2

Rezwana Azmeri

This competition reflect positive impact on our progressive leather sector in Bangladesh though worldwide. Lastly our leather industry, our responsibility.



3

Anindita & Niloy

This competition will definitely have a positive impact on the sector because the publishing of the poster will work as a promotion of the sector and many new learners and enthusiasts will get encouraged to get engaged in the sector.



3

Syed All Zami

Most of the posters are containing messages for the people who are wasting materials and polluting environment. Hope these posters will increase public awareness and will encourage people to implement new system so that leather can use in 100% effective way.

LafargeHolcim to dispose of Savar tannery solid waste



Multinational cement manufacturer LafargeHolcim Bangladesh will experimentally dispose of solid waste from the Savar Tannery Industrial Estate, which is polluting the environment and the Dhaleshwari River on the outskirts of the capital.

Initially, it will dispose of 300 tonnes of the waste and once the experiment succeeds, LafargeHolcim will enter into an agreement with the Dhaka Tannery Industrial Estate Wastage Treatment Plant Company Limited. Under the terms of the contract, the cement manufacturer will dispose of the waste for a fixed fee, according to sources in the industries ministry.

The Savar tannery estate generates around 64,000 tonnes of solid waste every year. However, there is no waste disposal system in the estate, which leads to environmental pollution in the area.

Source: The Business Standard

Are you a green consumer? Is your company producing green goods in an eco-friendly way?



The LIFE GreenShoes4All project partners are promoting 2 surveys to assess the current situation regarding these topics in order to define future strategies to be implemented in companies

For **consumers**: Are you a "Green Consumer"?

https://forms.office.com/Pages/ResponsePage.aspx?id=tEg6c7VCdEOALsN-bG1eC8wvpDiUpDBLusKMe0gI1uNUN08zUEc0RlFMWDBRVFc4WjRMVDhHTFBWSS4u

For companies: Is your company producing green goods in an eco-friendly way?

https://forms.office.com/Pages/ResponsePage.aspx?id=tEg6c7VCdEOALsN-bG1eC8wvpDiUpDBLusKMe0gI1uNUMktINU82MkFJNFlZRlIzUUhROVMzOVhVOC4u

Source: The World Footwear

Load shedding leads to Savar tannery waste overflows, environmental pollution



Load shedding – enforced by the government from late last month amid depleting foreign currency reserves – has been wreaking havoc on the environment at the Savar Tannery Industrial Estate on the capital's outskirts and surrounding areas, including the River Dhaleshwari.

They said that this problem arises because the effluent pumping stations at various points are shut down during power outages. Officials at several tanneries said liquid waste has been overflowing on the roads for the past few days because of the ongoing power crisis and it is directly polluting the environment.

During power outages, the liquid sediment accumulates and cannot go to the CETP, overflows through the intersections at various points and overflows on roads from there to the surface drain, which finally falls into the nearby river, they added.

Source: The Business Standard

Apex introduce 'Plastic To Products – the first ever sustainable shoes collection by Sprint



Apex introducing 'Plastic To Products - the first-ever sustainable performance shoe collection by Sprint - from the house of Apex.

The all-new performance collection is crafted from recycled PET bottles that are turned into plastic threads to create the upper material of each pair. Inspired by innovation, combined with thoughtful design and sustainability at its core, these high-performing shoes are durable, comfortable, and consciously made to make a difference, without compromising your strides.

Source: The Business Standard

Bangladesh consumer market to surpass UK, Germany by 2030: HSBC

Bangladesh is set to overtake the UK and Germany and become the world's ninth-largest consumer market by 2030, according to HSBC Holdings. HSBC also said Indonesia will pass Brazil to take fourth place, reports Bloomberg.

Bangladesh will in the years to 2030 be Asia's fastest-growing consumer market, followed by India, the Philippines, Vietnam, and Indonesia, said analysts led by Herald van der Linde, head of equity strategy for the Asia Pacific, in a Sept 7 note.

Source: The Business Standard

FB Footwear Ltd become first footwear manufacturer in Bangladesh to be listed Sustainable Leather Forum's Transparency Dashboard



Congratulations to FB Footwear Limited on their recent successful SLF Audit. They are the first footwear manufacturer to be listed on our Transparency Dashboard and join PICARD who were our first Handbag & Accessories Manufacturer. Both facilities are based in Bangladesh, and both already had good social certification in place. They now have environmental and governance certification too and are connected to some of their leather manufacturer suppliers through the SLF Transparency Dashboard.

Source: www.leatherwirkinggroup.com

Chinese leather industry grows in the first half

According to the China Leather Industry Association, in the first seven months of 2022, Chinese leather exports increased by 29.6%, on a comparable basis to the same period of the prior year, reaching 60.51 billion US dollars. Leather exports accounted for 2.93% of the total national exported. Simultaneously, the total import value declined by 10.5% year-on-year, totaling 10.27 billion US dollars, and representing 0.65% of the total value imported.

The trade surplus recorded from January to July has then reached 50.24 billion US dollars, up by 42.7% on a comparable basis to the same period of 2021, accounting for 10.42% of the total Chinese trade surplus.

From January to June of the current year, the combined operating revenue of major manufacturers of leather, fur, and related products, as well as footwear (companies with annual revenues of 20 million yuan and above) amounted to 551.12 billion yuan (approximately 82 billion US dollars). This figure reflects an increase of 6.5%, as compared to the same period of last year.

The information provided by the Ministry also shows that Chinese companies in the sector accumulated 24.97 billion yuan of profits, down by 0.8% year-over-year.

Source: The World Footwear

Coats Group acquires footwear materials specialist Texon

Coats Group plc has acquired Texon, the maker of premium structural components and materials for the footwear, accessories and apparel industries headquartered in Cleveland, UK. With operations in Asia and Europe, Texon has a long heritage as a proven supplier of components including heel counters, toe puffs and nonwoven insoles to the world's leading footwear brands.

"The acquisition of Texon will strengthen our existing presence in the highly attractive athleisure footwear market," said Rajiv Sharma, Coats Group chief executive. "The business is complementary to Coats and provides attractive future commercial opportunities as we work together leveraging our combined expertise and knowledge. We recognise and share Texon's focus on sustainability and innovation and believe that this acquisition strengthens our ability to fulfil these shared ambitions."

Source: www.texon.com

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Grow your business by advertising

If you feel that you need to promote your business not only to ~~many people~~ but **many right people of Bangladesh leather and footwear and allied industry**, then it's time for you to advertise your business in our publications.

We ensure that all our publication (digital or printed) and activities **reach maximum number of professionals** who are either related or working with Bangladesh leather, footwear and allied industry.

For more details, write to us at
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