

Footwear Exchange

BANGLADESH LEATHER & FOOTWEAR SECTOR INSIGHTS SURVEY REPORT

Issue 1





Footwear Exchange

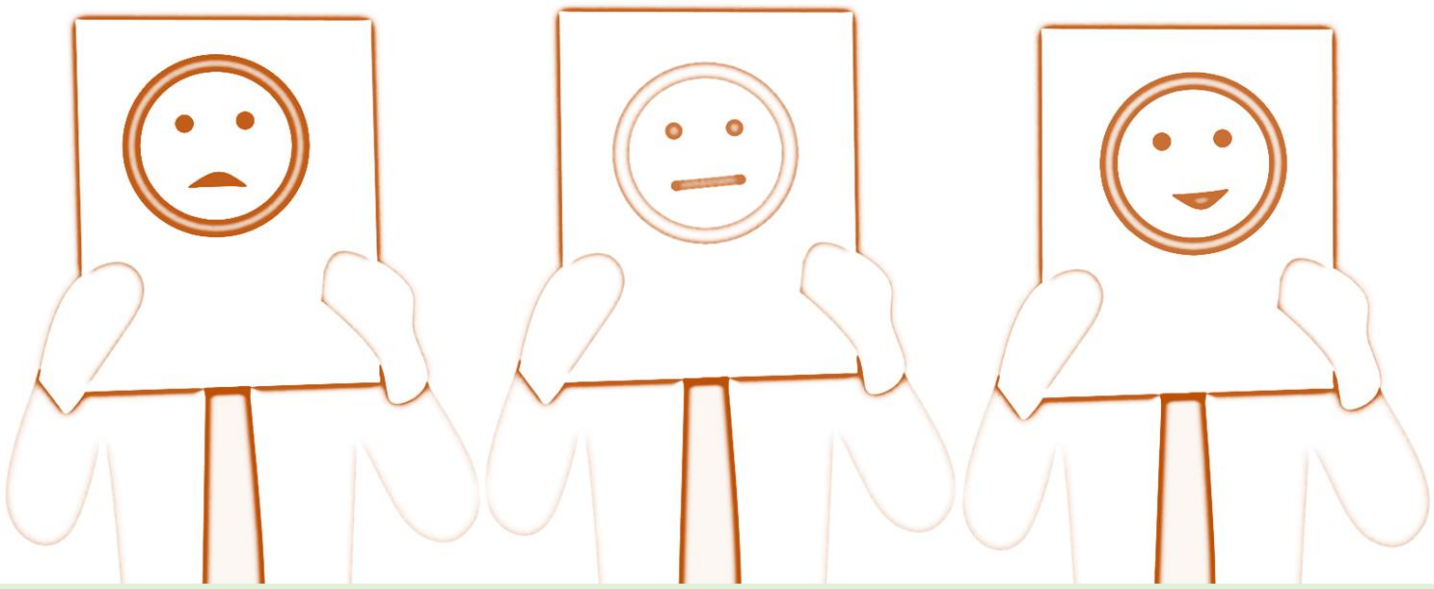
WHO WE ARE

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 footwear , 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.

www.footwearexchange.com



ABOUT SURVEY

The objective of the Bangladesh Leather and Footwear Business Insight Survey is to collect information regarding the current business situation within Bangladesh leather, footwear and allied industry and to redistribute such information in a way it will provide an accurate overview of the situation.

The fist edition of this online survey was conducted during the month of April-May 2023. We have obtained 121 valid answers. Out of them 57% from Footwear, 18% from Tannery, 15% from accessories / chemical, 7% from Leather Products and rest from others stakeholders.

Among them 79% coming from export oriented industry and 21% from local industry.

In terms of experience, 32% working more than 15 years, 34% in between 10-15 years, 20% in between 5-10 years, 9% in between 2-5 years and rest 0-2 years of experience.

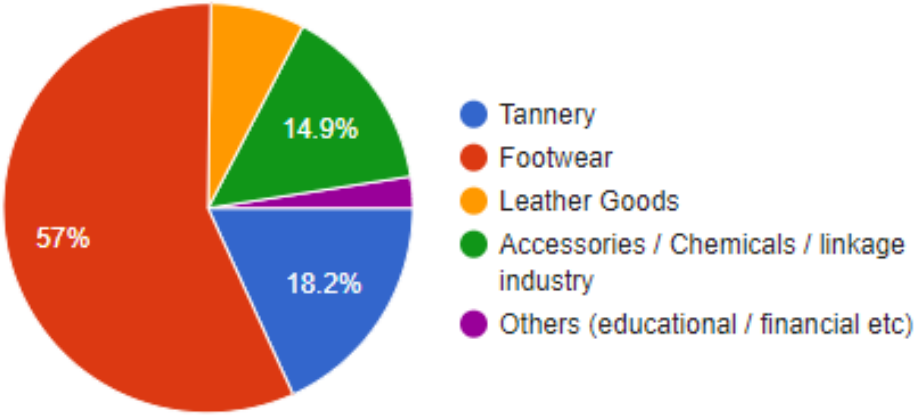
Among our participants, 19% own the business, 22% are general manager and above position, 44% are in managerial role and rest 16% are none of the above.

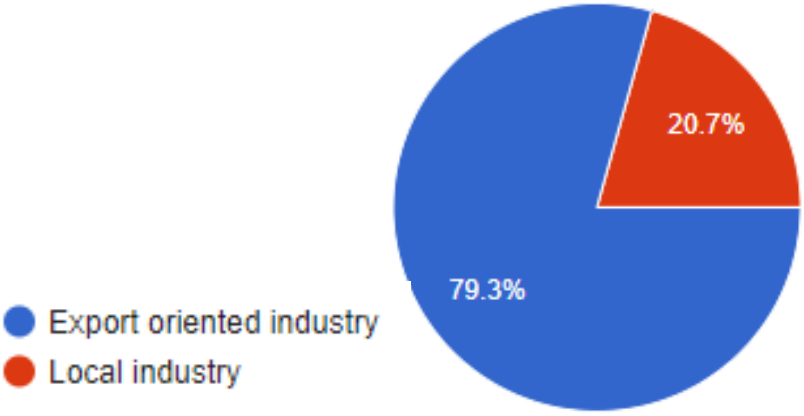


ABOUT PARTICIPANTS

57%

of our survey participants were from Footwear Industry





79%

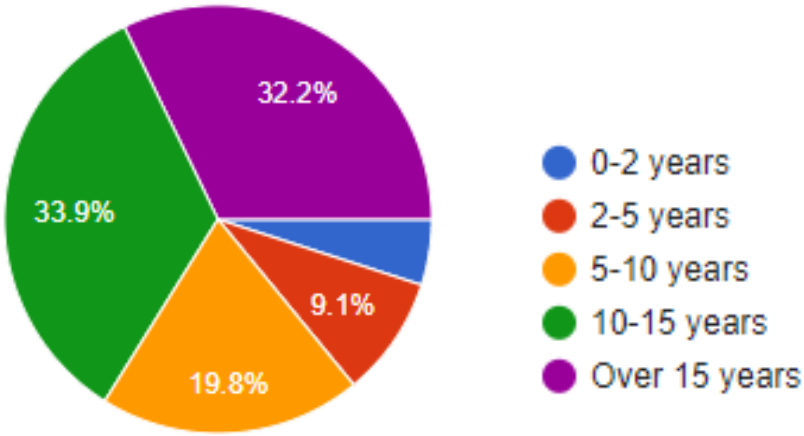
of our survey participants were from export oriented industries

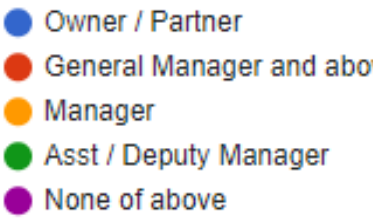


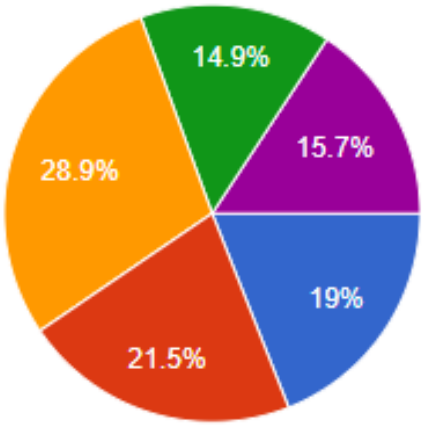
ABOUT PARTICIPANTS

66%

of our survey participants have over 10 years experience.







70%

of our survey participants were from manager and above.



EXECUTIVE SUMMARY

Bangladesh has made significate progress in recent years in terms of economic growth, poverty reduction and human development, driven by a combination of factors such low labor cost and an expanding manufacturing sector. According to data from World Bank, the GDP of Bangladesh has been growing at an average rate of 6.5 percent year over the past decade. At the same, Bangladesh is likely to face economic challenges in 2023, especially in the context of global economic crisis, Russia-Ukraine war, the national election, FOREX reserve, internal capacity of banking systems to facilitate import and export through opening LCs, timely payment and collection of foreign currencies, remittance etc.

Economic growth has likely slowed so far in FY 2023 (July 2022-June 2023) due to weaker external demand. In July–March, merchandise exports grew 8%, down from 34% in FY 2022. In the same period, inflation rose—in part due to a hike in fuel prices in August—denting private spending.

Considering situation of the country, Bangladesh leather and footwear industry also facing inflationary pressures, increasing energy prices, and a war have comprised the initial projections of economic growth for this year. However, the general outlook of this survey is nevertheless optimistic.



EXECUTIVE SUMMARY

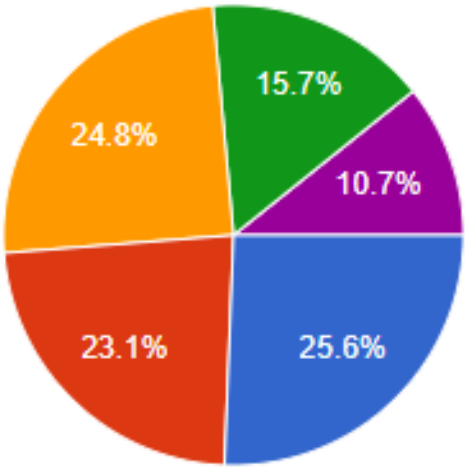
Most of our participants believe that, business of 2023 both in Turn Over (TO) and quantities will be increase. They also believe that price of product will increase due to external factors that impact overall business cost. More than half of participants believe that overall business situation is expecting to be better in future.

Economic uncertainty is the main challenge that they see in coming days followed by cost of materials and insufficient domestic and international demand of product. Hiring skilled, manual or technical employees considered as key challenge by the participants.



2022
BUSINESS

Most of the respondents to this survey said that the Turn Over (TO) of their businesses in 2022 compared to 2021 was either strongly Increase (26%) or Increase (15%), 25% respondents business was stable whereas other 27% consider their business either decrease of strongly decrease.



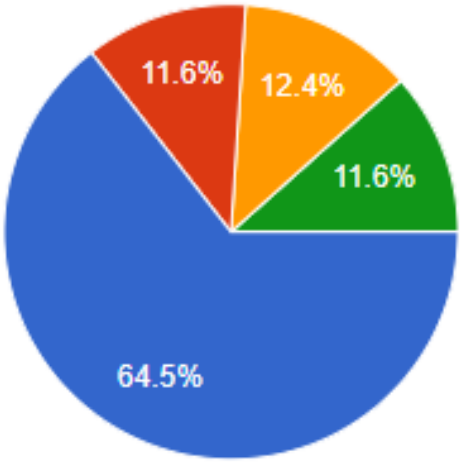
Survey Question:
Compared to 2021, your business turnover (TO) for 2022 have

- Strongly Increase (above 10%)
- Increase (between 0-10%)
- Stable
- Decrease (between 0-10%)
- Strongly Decrease (above 10%)



2023 BUSINESS TO

Most of the respondents to this survey believe that their businesses Turn Over in 2023 is going to be Increase (65%) or stay same as last year (12%). Another 12% believe that their business Turn Over is going to be decrease in 2023. 12% respondents were not sure about their business turn over.



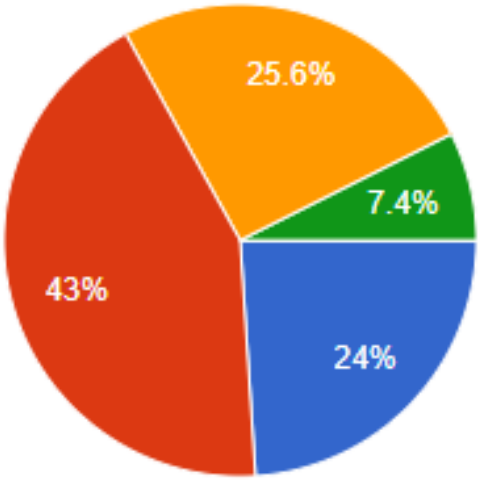
Survey Question:
What are your business's expectations for turnover in 2023?

- Expect Turnover to Increase
- Expect turnover to stay the same
- Expect turnover to decrease
- Not sure



2023
PRODUCT PRICE

Most of the respondents to this survey believe that product price in 2023 is going to be Increase strongly (24%) or Increase (43%). 26% believe that price will remain same whereas 7% believe price will decrease in 2023.



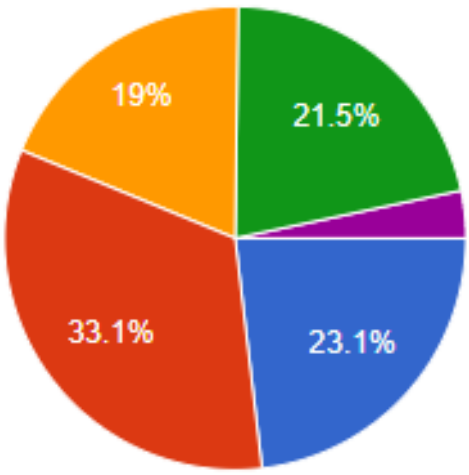
Survey Question:
What are your business's expectations for the prices in 2023?

- Price will strongly increase (above 10%)
- Price will increase (0-10%)
- Price will remain same
- Price will decrease (0-10%)
- Price will strongly decrease (10%)



2023
BUSINESS VOLUME

Most of the respondents to this survey believe that their businesses Volume in 2023 is going to be Strongly Increase (23%) or Increase (33%). 19% expected to stay stable as last year. Only 22% believes that their business volume will decrease than last year.



Survey Question:
In 2023, you expect the volume of new orders to..

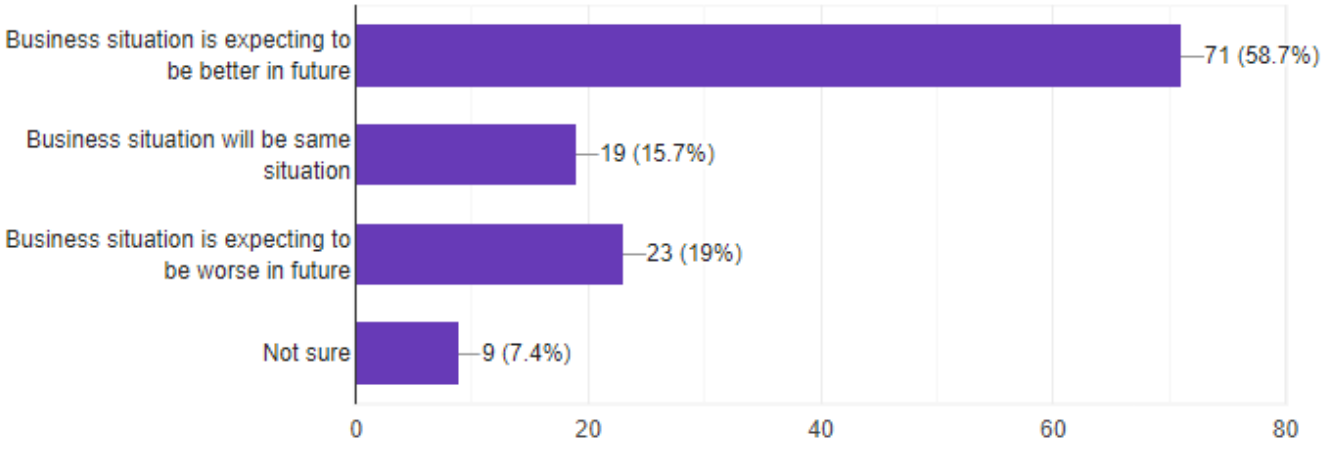
- Strongly Increase (above 10%)
- Increase (between 0-10%)
- Stable
- Decrease (between 0-10%)
- Strongly Decrease (above 10%)

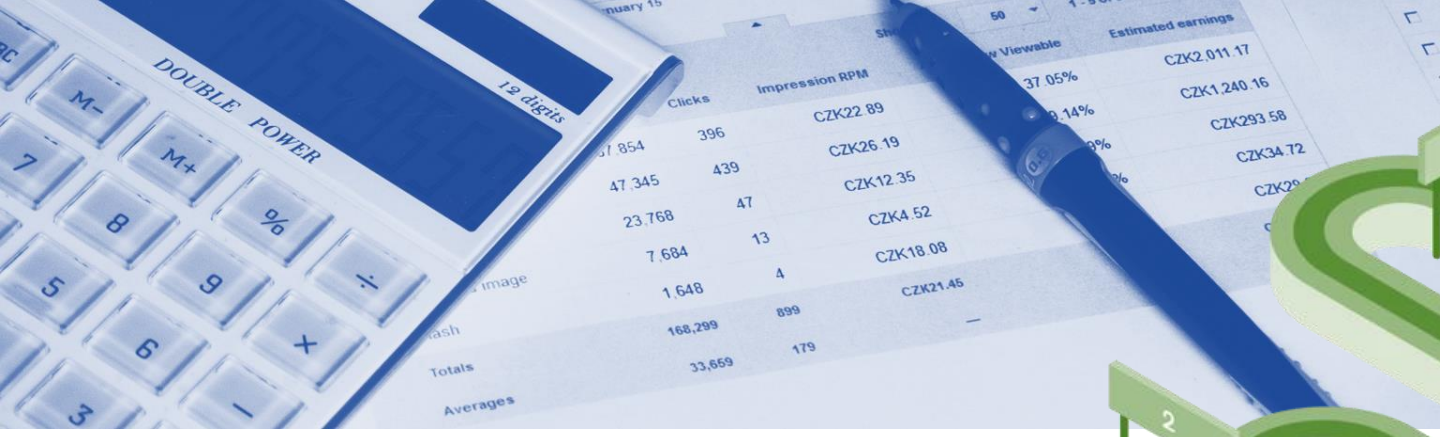


2023
OVERALL BUSINESS SITUATION

Most of the respondents to this survey believe that their overall businesses situation is expecting to be better in future (59%). 15% believe that their business situation remain same as last year. Though 19% respondents were not confident and feel that their business situation is expecting to be worsen in future.

Survey Question:
Which of below you describe as overall business situation in 2023?

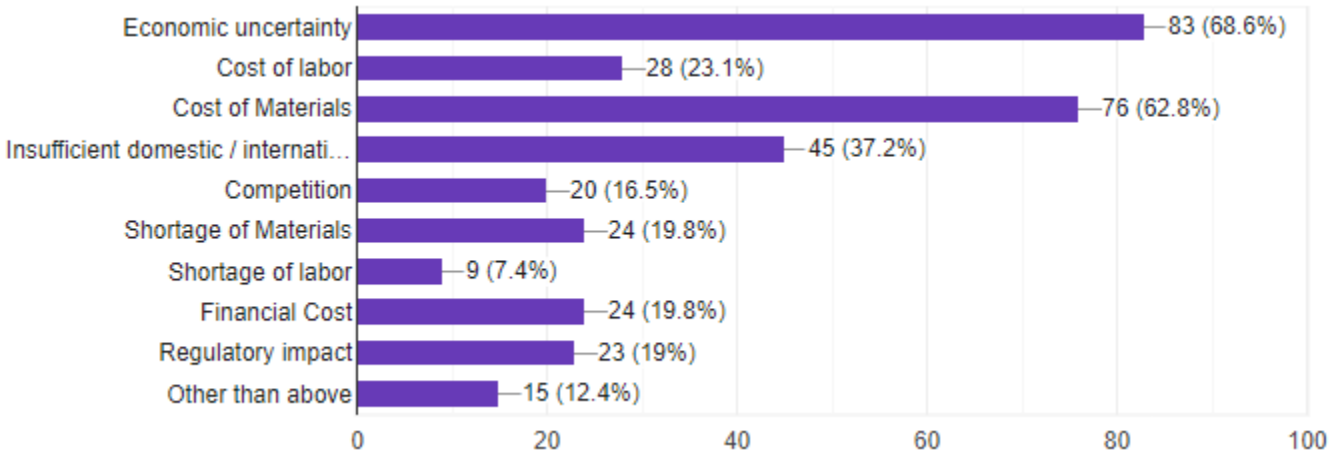




2023
BUSINESS CHALLENGES

Worldwide economic uncertainty is mainly driven by the context of global economic crisis, Russia-Ukraine war. This is referred by 67% % of our respondents as one of the three main difficulties for footwear businesses in coming days. Cost of Materials (63%) and insufficient domestic and international demand (37%) are another two top reasons.

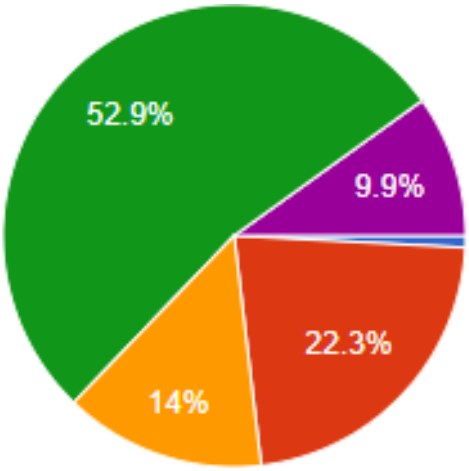
Survey Question:
Which of the following 3 challenges, if any, are currently impacting your business's turnover?





2023
HUMAN CHALLENGES

More than half of respondents to this survey believe think that recruiting skilled, manual or technical employees (53%) would be difficult for their business in 2023. 22% feel that professional and managerial employees would be challenge for run their business.



Survey Question:
Which of the following employees has your business had difficulties in recruiting?

- Clerical employees
- Professional or managerial employees
- Semi-skilled or unskilled employees
- Skilled, manual or technical employees
- Not sure



NOTE ON SURVEY METHODOLOGY

For Bangladesh Leather and Footwear Sector Insights Survey , a questionnaire by using google forms prepared and were invited to leather, footwear and allied industry professionals randomly through email, professionals groups, Footwear Exchange Facebook and LinkedIn pages. No personal information were taken.

DISCLAIMER

Although due care has been taken in the preparation of this report, Footwear Exchange cannot guarantee the accuracy or completeness of the report and cannot be held responsible for any error or the opinions expressed herein.

ACKNOWLEDGEMENT

Thank you to all those who took the time to help prepare the survey, to provide feedback, and, indeed, to all those who have contributed to the research and writing of this report

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