January 2025
Newsletter No 01

Footwear Exchange

A platform of people worldwide who make the footwear, leather and allied industry work.

connect@footwearexchange.com

the footprint

monthly newsletter by **Footwear Exchange**

EDITOR'S NOTE

Dear Readers,

The Footprint is Back!

We are thrilled to announce the return of *The Footprint*, Footwear Exchange's go-to monthly e-newsletter. After a brief pause, we're back with renewed energy and a commitment to bring you the latest and most valuable insights from the dynamic world of leather and footwear.

The global leather and footwear market continues to face the dual challenges of economic uncertainty and sustainability. Consumers are demanding transparency, eco-friendly materials and ethical processes. Manufacturers are grappling with inflationary pressures, supply chain disruptions and the need to modernize operations.

Bangladesh is already a key player in the global leather industry, known for its skilled workforce and competitive production costs. With "Bangladesh 2.0," the country aims to enhance its value chain, invest in sustainable practices, and strengthen its brand as a reliable and quality-driven supplier. This ambitious vision could unlock new opportunities for exporters and position Bangladesh as a global hub for leather and footwear.

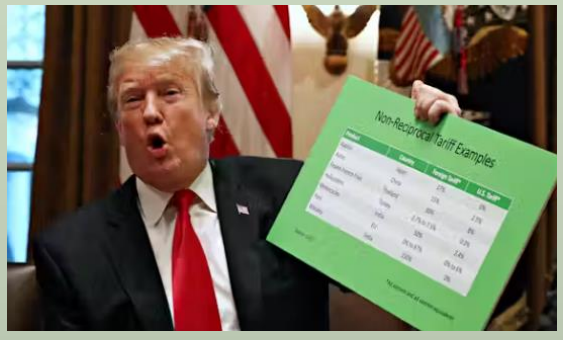
As we relaunch *The Footprint*, we are committed to being your trusted companion in navigating this transformative era. The leather and footwear industry is entering a period of unprecedented change, and staying informed is more critical than ever. From trade policies to sustainability, innovation to market trends, our goal is to provide you with the insights, data, and perspectives you need to make informed decisions.

Let's step into the future together. Stay tuned for more in-depth analysis, expert interviews, and industry updates in the coming issues of *The Footprint*. The journey has just begun!

Warm wishes for 2025!

INSIDE

Page 2-3
Bangladesh eyes opportunities in Trump's tariffs, but Americans may block them-



Page 4
Export highlight of 2024. Footwear Shines While Leather Goods Struggle-

Page 5
Key news of 2024 in Leather and Footwear Sector-

Page 6
Salary Decreases expected in 2025-what you need to know-

Page 7
Highlights of Global Footwear Market: Growth, Shifts and innovation-

Page 8
Leather Footwear Maintenance & Repair Guide in 2025 Weather Trends-

Page 9
Key Dates of LETS'B Election

The Impact of Trump Tariffs on the Shoe Sector: Bangladesh's Opportunity Amid American Opposition

The tariffs that include a 10 to 20 percent tariff on imports from all foreign countries and an additional 60 to 100 percent tariff on imports specifically from China, proposed by President Trump on consumer goods, particularly footwear, have stirred significant debate in the U.S. While the public's reaction shows strong opposition to these tariffs, Bangladesh is watching closely, hoping for a potential opportunity to increase its share of the U.S. footwear market.

According to a survey conducted by Emerson college of polling and commissioned by Footwear Distributors and Retailers of America (FDRA), voters across the U.S. show strong resistance to raising tariffs on shoes, including children's shoes and basic walking/running shoes.

A majority of voters (55%) oppose additional tariffs on kids' shoes, which already have a 70% tariff. Meanwhile, 50% of voters oppose increasing tariffs on basic walking and running shoes, which are currently taxed at 20%. For basic walking and running shoes, only 29% of voters support raising the tariffs, while 21% are neutral or have no opinion.

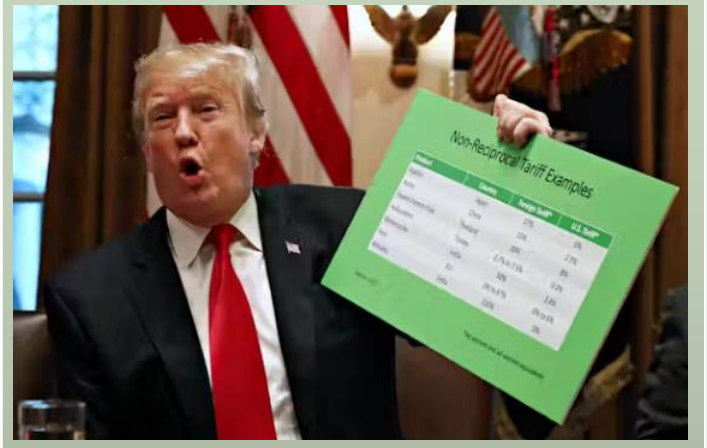
Breaking down the data further:

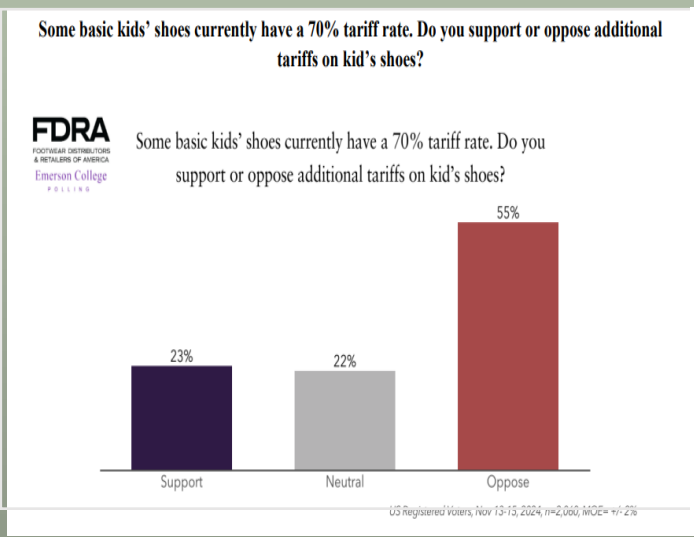
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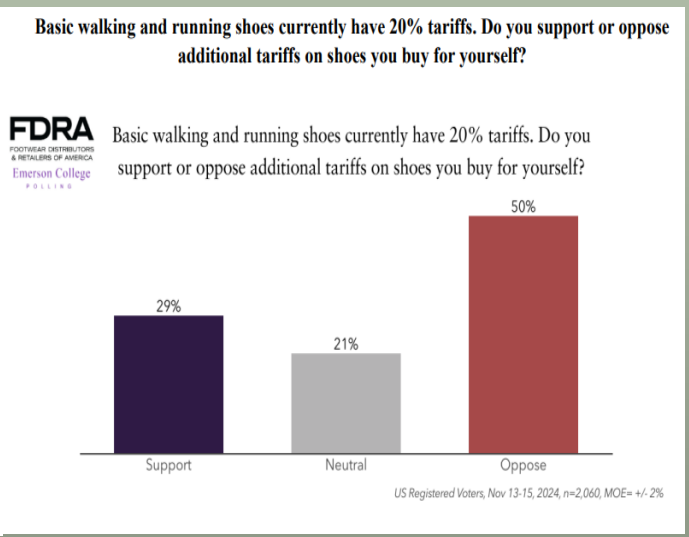
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Source: FDRA, Fox News

The Impact of Trump Tariffs on the Shoe Sector: Bangladesh's Opportunity Amid American Opposition

- Voters under 30 are more likely to support additional tariffs on kid's shoes: 31% of voters under 30
- support additional tariffs, compared to 22% of voters over the age of 30
- Women oppose additional tariffs at a higher rate than men: 60% of women oppose additional tariffs, on kid's shoes compared to 49% of men.
- For basic walking and running shoes, Female voters oppose additional tariffs 55% to 22%, while men oppose 45% to 36%.

Even among Trump voters, support for higher tariffs in shoes is limited:

- Trump Voters: 47% support additional tariffs on basic walking/running shoes, while 25% oppose and 28% remain neutral.
- Republicans: 45% support additional tariffs on walking/running shoes, and only 36% support raising tariffs on kids' shoes.

In contrast, the public's concern about tariff impacts is palpable. According to Fox News, the potential for price hikes is significant:

- The price of a $90 athletic shoe could rise to $106 to $116, marking an increase of up to 29%.
- Extra annual costs for American families could range from $6 billion to $11 billion due to these tariffs.
- The net loss to the American economy could range between $4 billion to $8 billion as a result of these additional costs.

Ninety-nine percent of the shoes sold in the United States are imported from primarily China, Vietnam and Indonesia, which means tariffs on these regions could make for even higher footwear costs in 2025. According to a November survey from Bain & Company, 81 percent of executives said that nearshoring and onshoring were integral to their future plans. When it comes to footwear, manufacturers in the U.S. they have seen more brands looking for factory partners on U.S. soil as potential import tariffs loom. American manufacturers and retailers may seek alternative suppliers to reduce the financial burden. Bangladesh, with its competitive pricing and growing manufacturing capabilities, could capture a larger share of the U.S. market, especially as tariffs make domestically-produced footwear less affordable.





Source: FDRA, Fox News, Footwear News

Bangladesh's Leather and Footwear Exports Soar 18% in 2024, Footwear Shines While Leather Goods Struggle

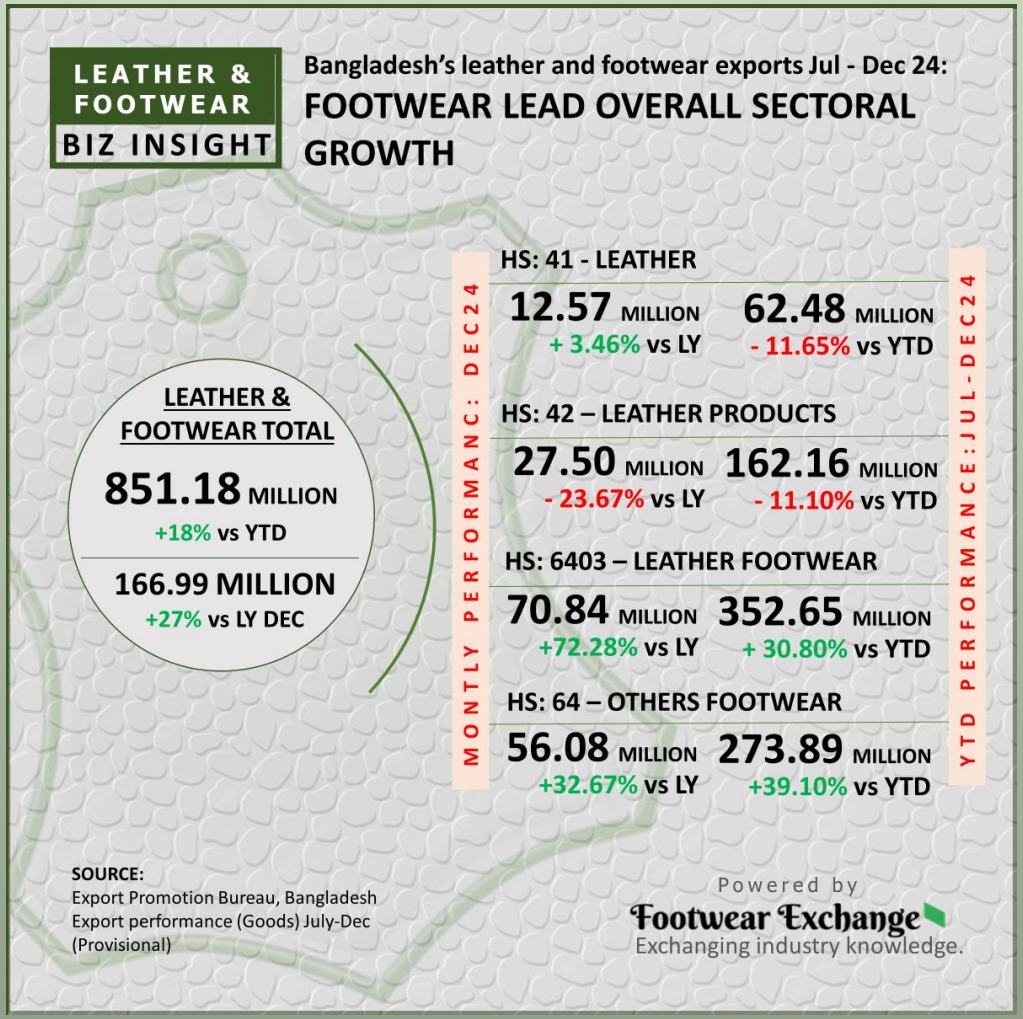
While Leather Goods Decline to the Export Promotion Bureau of the Government of Bangladesh, in the first six months of fiscal 2024-2025, total leather and footwear exports reached 851.18 million US$, increased by 18%, on a comparable basis to the same period of last year. For the month of December 2024, it is 166.99 million, which is 27% higher than Dec 2024.

However, the finished and crust leather segment took the biggest hit. Though in December 2024, this segment hit the bar of last year's December, in YTD, Bangladeshi finished and crust leather exports amounted to 62.48 million US dollars, which reflects a decline of 11.65% compared to the same period of the previous fiscal year.

Leather goods exports are another segment that shows a downtrend in the first six months of the current fiscal year, reaching 162.16 million US dollars; which is 11,10% lower than the same period of the previous fiscal year. In Dec 24, it shows 23.67% lower than same in Dec 2023, amounting only 27.50 Million.

On the other hand, leather footwear exports increased by 30.80% from the same period of the prior fiscal year, totaling 352.65 million US dollars. And a big jump of Dec 2024, +70.28% higher than Dec 2023, amounting 70.84 Million US dollars.

Other footwear exports grew by 39.10% in the YTD level of the fiscal year, comparable to a similar period of last fiscal year, amounting to 273.89 million US dollars. Dec 2024 also showed as growth of 32.67% than Dec 2023, amounting 56.08 Million US dollars.



Source:
Export Promotion Bureau, Bangladesh
Export performance for Leathet & Footwear 2024-25 July-Dec

RIFF Leather Ltd has proudly earned the prestigious LWG Gold certification in 2024, becoming the fourth Bangladeshi tannery to achieve this esteemed recognition. This remarkable accomplishment sets a positive example for the entire leather industry in Bangladesh, highlighting the company's commitment to sustainable and ethical practices in leather production



Apex Footwear Limited has been recognized at the Retail Asia Awards 2024, held at the Marina Bay Sands Expo & Convention Centre in Singapore. Apex was honored in two categories: 'Footwear Retailer of the Year' and 'Sustainability Initiative of the Year,' in 2024.



Footwear Exchange has launched its inaugural Leather & Footwear Bulletin, released during the Leathertech Fair 2024. The bulletin highlights the latest industry updates with greetings from key figures including Chowdhury Ashik Mahmud Bin Harun, Executive Chairman of BIDA, Mohiuddin Ahmed Mahin, Chairman of (BFLLFEA), and Syed Nasim Manzur, President of LFMEAB.

Bangladesh government has reinstated export incentives for synthetic and fabric-blended footwear and bag products. Exporters using duty/drawback facilities will receive a 3% cash incentive for shipments from February 1 to June 30, 2024, with a reduced 2% rate from July 1, 2024, to June 30, 2025. This follows the earlier cancellation of the incentive in October 2024, marking a positive move for the export sector.



Debabrata Mukherjee was appointed as the Managing Director and Chief Executive Officer of Bata Bangladesh in August 2024. Prior to this role, Mr. Mukherjee served as the Chief Marketing and Strategy Officer at Emami Agrotech in India. His appointment underscores Bata's commitment to strengthening its leadership in the Bangladeshi market.

Footwear Exchange has launched Leather and Footwear Talk-Season 2. in LeatherTech fair 2024. This flagship conversation program by Footwear Exchange, featured different guests this year by insightful discussions with industry leaders, innovators, and govt. policymakers

Salary Decreases Expected in 2025: What You Need to Know



2025 could see a shift in salary trends, with experts predicting a slowdown in salary increases, and potentially even some decreases. According to a Forbes report, the average pay raise in the U.S. for 2025 is expected to be **4.1%**, down from **4.6%** in 2024.

The decline in salary increases is being attributed to several key factors, including economic uncertainty, inflation control, and shifting labor market dynamics. While 2024 saw robust pay increases across many sectors, projections for 2025 are more cautious.

Key Statistics:

- **4.1%**: The projected average salary increases in 2025, down from **4.6%** in 2024 (Source: Forbes).
- **4%**: The increase in wages across industries in 2024, which is lower than 2023's **5.0%** (Source: WSJ)
- **68%**: Employers are reporting more cautious budgeting for 2025 salary hikes (Source: World at Work).
- **72%**: U.S. companies are limiting salary increases to maintain financial stability in the face of high inflation (Source: SHRM).

This change is particularly notable in industries that have traditionally been quick to offer generous raises. As companies try to manage costs amidst ongoing inflationary pressures, some are looking at reduced salary increases or even a freeze on pay raises for certain roles.

However, the global market is not uniformly affected. Sectors like technology, pharmaceuticals, and finance may still see some growth, but industries like retail and manufacturing are more likely to face the brunt of salary slowdowns.

Bangladesh's export sector, particularly in footwear, is cautiously optimistic. As global labor costs are expected to stabilize, the focus may shift towards increased demand for affordable products, positioning Bangladesh's manufacturing as a key competitor. If U.S. salaries stagnate or decrease, American companies could seek lower-cost alternatives for goods, potentially benefiting Bangladesh's export growth, particularly in leather and footwear.

Source:

- Forbes: "The Future of Salary Increases: Why Next Year Might See a Decline"
- SHRM (Society for Human Resource Management)
- World at Work
- WSJ (The Wall Street Journal)

Highlights of Global Footwear Market: Growth, Shifts and the Rise of Sustainable Innovation

•The global Footwear market is predicted to witness a revenue of US$505.7bn in 2025, with an annual growth rate of 2.37% (CAGR 2025-2029).

•Among its segments, the Boots segment holds the largest market volume of US$190.3bn in 2025.

In terms of revenue generation, in China leads the global market with US$120bn in 2025

Considering the total population of the world, the per-person revenue in the Footwear market is expected to be US$64.74 in 2025

•The volume in the Footwear market is estimated to reach 14.9bn pairs by 2029, with a market volume growth of 0.8% in 2026.

The average volume per person in the Footwear market is expected to be 1.86pairs in 2025

Moreover, Non-Luxury will contribute to 92% of sales in the Footwear market by 2025

•As the demand for sustainable footwear continues to increase worldwide, countries like Italy and Spain are leading the way with innovative eco-friendly materials and production methods.

Source: Statista Market Insights

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Leather Footwear Maintenance & Repair Guide in 2025 Weather Trends

Here's a guide for maintaining and repairing your leather shoes, focusing on the forecasted weather conditions of summer, rain and winter for 2025.



Avoid Sun Exposure: Direct sunlight can cause leather to fade and dry out. In 2025, parts of Asia and North America are predicted to experience temperatures up to **5-7°C** higher than usualUse a high-quality leather conditioner to replenish moisture, preventing cracking and brittleness



•**Dry Naturally:** Avoid drying leather shoes near heat sources. Let them air-dry at room temperature. Humidity levels are expected to rise by **2%** in 2025, leading to increased moisture exposure for leather footwear (*National Oceanic and Atmospheric Administration*).



•**Storing Condition:** Leather shoes need some ventilation. Air should be able to pass through leather. For this, shoes should never be stored in plastic or grocery bags. Use bags made of breathable fabric and pillow cases to store the shoes..



•**Mold Growth:** With the expected **2% increase** in global humidity levels, leather footwear in regions with high moisture will be at greater risk of mold and mildew. Use a mixture of water and vinegar to treat mold before applying a leather conditioner to restore its softness and shine.



•**Heavy Rainfall:** With expected rainfall increases of **3-5%** in 2025, waterproofing your leather footwear is essential. Apply waterproof sprays or waxes regularly to shield your shoes from rain and prevent long-term damage from water exposure (*National Oceanic and Atmospheric Administration*).



•**Humidity:** According to the *WMO*, global rainfall is projected to increase by **3-5%** in 2025.This means leather shoes will face more exposure to moisture. After exposure to rain or high humidity, clean dirt and moisture off your shoes using a soft brush. Apply conditioner every couple of weeks.



•**Winter Cold:** Cold winters are expected in 2025, with temperatures dropping by **5-6°C** in Europe and North America (*European Centre for Medium-Range Weather Forecasts*). This can make leather brittle, so use a wax-based polish to prevent cracking and maintain the leather's shine



Apply with Care: Snow, slush, and road salts can damage leather, and colder weather will accelerate this process. Polishing your shoes regularly ensures that the leather is protected from these harsh elements



Winter Wipes: As soon as you return from cold, quickly wipe down your shoes with Winter Wipes. Each wipe is soaked in a salt-removing solution that effectively removes dirt and prevents salt stains from setting into footwear.

About LETS'B

Leather Engineers and Technologists Society – Bangladesh

Leather Engineers and Technologists' Society, Bangladesh (LETS'B) is a professional organization of Leather, Footwear and Leather Product Engineers of Bangladesh.

The Leather Engineers and Technologists' Society was founded in 1989 and registered with the appropriate body of the Government of Bangladesh. It has now 1225 active members and the numbers of members are increasing once the graduates come out from the Institute of Leather Engineering and Technology (ILET), under the University of Dhaka and Khulna University of Engineering and Technology (KUET).

The members of the organization are serving for the leather sector in terms of employee, employer, and entrepreneur and so on relating to the industry thus they can uphold the Professional Responsibility, Compliance issues and Social Responsibility.

The main objectives of the organization is to get all members united under one roof for the greater interest of the professional , technical and social values so they can be enriched to serve for the leather industry. LETS'B practices some activities like seminar, workshop and training program on environment friendly technology, sustainability, compliance, effluent treatment, waste management etc. by collaboration with expert bodies from home and abroad. LETS'B plays a vital role in arranging Leather Exhibition in Bangladesh and participates in similar events in the overseas. Apart from the professional issues, LETS'B is highly responsive to the CSR issues, like Covid19 and similar emergency matters.

LEATHER ENGINEERS & TECHNOLOGISTS' SOCIETY, BANGLADESH

LETS'B ELECTION 2025-2028

Key Election Dates

5 Jan 25	Publish the updated Voter List
6-15 Jan 25	Nomination Form Collection & Submission
18 Jan 25	Publish Primary Candidacy List
21 Jan 25	Publish Eligible Candidacy List
23 Jan 25	Last Date of Withdrawal Nomination / Candidacy
24 Jan 25	Publish Final Candidacy List
14 Feb 25	**ELECTION DAY**

Source: LETS'B Notice

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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.

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