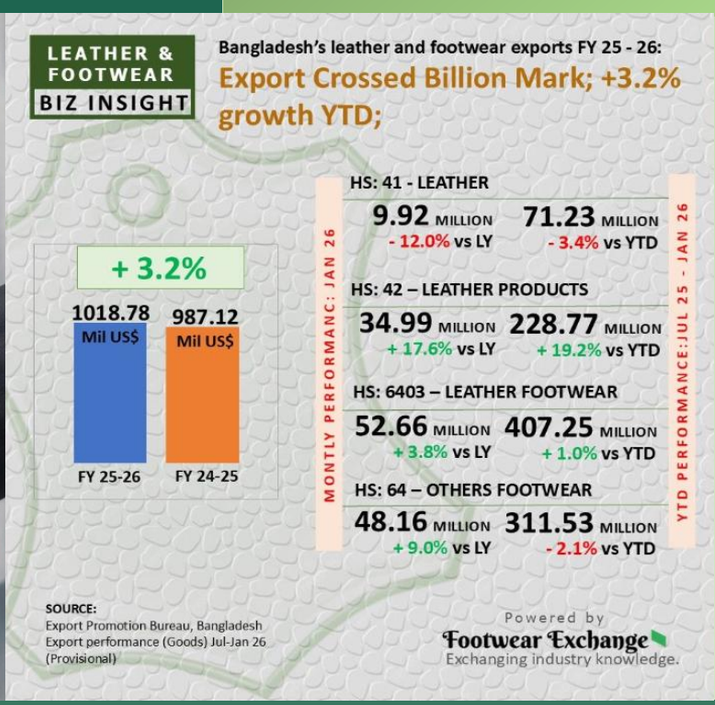
the footprint

monthly newsletter by **Footwear Exchange**

February 2026
Newsletter No 02

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





1 First Ever EPA signed with Japan

2 Latest Export Data

3 Ladies Footwear Trends That Will Define 2026

Securing Japan: The first Economic Partnership Deal's Advantage for Bangladesh's Leather and Footwear Sector

Page 2-4

Bangladesh Leather & Footwear Exports Cross USD 1 Billion Mark, Growth Driven by Leather Products

Page 5

Ladies Footwear Trends That Will Define 2026

Page 6-7

Key news and Highlights of Leather and Footwear Sector

Page 8

EDITORS NOTE

Footprint February Unfolds!

As the year unfolds, February arrives with renewed momentum for Bangladesh's leather and footwear sector, shaped by important policy developments, shifting trade dynamics, and evolving market trends.

This month marks a significant moment as Bangladesh takes a decisive step forward in global trade engagement with the signing of the Economic Partnership Agreement (EPA) with Japan—a move that carries long-term implications for exports, competitiveness, and investor confidence.

In this February edition of Footprint, we explore the impact of major trade agreements and their relevance to the leather and footwear industry, alongside the latest export performance data that reflects the sector's current trajectory. We also turn our focus to one of the fastest-growing segments in the market—ladies' fashion footwear—highlighting emerging styles, consumer preferences, and export potential. Complementing this, we bring together key developments, industry updates, and noteworthy highlights shaping Bangladesh's leather and footwear landscape.

We hope this edition of Footprint supports your decisions, sparks new ideas, and keeps you closely connected to the evolving story of our sector.

Securing Japan: The first Economic Partnership Deal's Advantage for Bangladesh's Leather and Footwear Sector

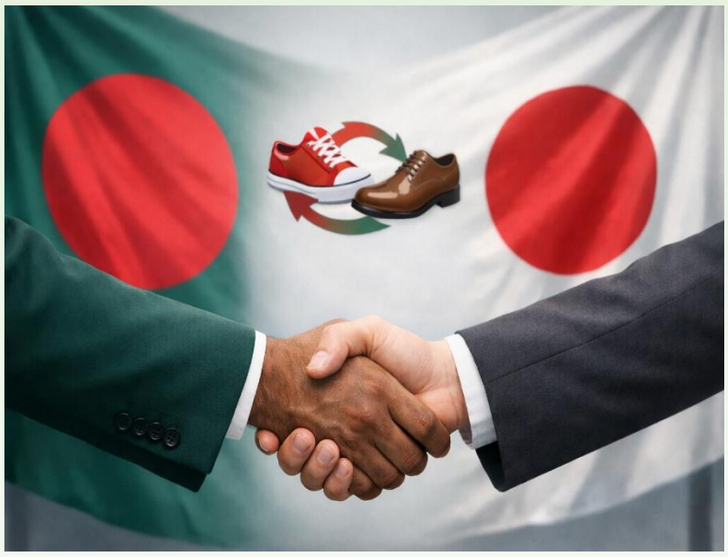
Bangladesh has entered a new phase of economic diplomacy with the signing of its first-ever Economic Partnership Agreement (EPA) with Japan, marking a milestone not only in bilateral trade relations but also in Bangladesh's broader post-LDC graduation strategy. The agreement, signed in Tokyo, formalizes Japan's commitment to provide duty-free and quota-free access to 7,379 Bangladeshi products, while Bangladesh extends preferential access to selected Japanese exports. While garments continue to dominate Bangladesh's export basket to Japan, the strategic importance of this EPA lies beyond apparel. For the leather, footwear, bags, belts, and leather goods sector, the agreement acts as a tariff shield, preserving competitiveness in one of the world's most quality-driven and high-value consumer markets at a time when Bangladesh is preparing to graduate from Least Developed Country (LDC) status. Japan is already Bangladesh's largest development partner and one of its most reliable export destinations in Asia. The EPA now elevates this relationship from development cooperation to a rules-based trade partnership, offering certainty to exporters, investors, and global buyers sourcing from Bangladesh.

Why the EPA Matters for Leather and Footwear:

Japan is a high-margin but high-barrier market. Buyers demand strict compliance, consistency, and long-term supply reliability. Tariffs, therefore, play a decisive role in sourcing decisions. Historically, Bangladesh enjoyed temporary duty-free access to Japan under LDC preferences. However, once Bangladesh graduates from LDC status, these preferences would have expired, exposing exporters to Japan's MFN (Most Favored Nation) tariffs, which are particularly high for footwear and leather articles. The EPA fundamentally changes this trajectory by locking in zero-duty access for covered products, ensuring that Bangladesh does not lose its price competitiveness just as its manufacturing capabilities are maturing.

Bangladesh's Leather & Footwear Trade with Japan: Current Snapshot

- Although Japan is not yet the largest destination for Bangladeshi leather goods, it is one of the most strategically important:
- Bangladesh's total exports to Japan exceed USD 1.6–1.8 billion annually Leather, footwear, bags, and leather goods together account for a small but steadily growing share, estimated at USD 80–100 million
- Footwear exports (especially non-leather and athletic footwear) have shown consistent year-on-year growth
- Japanese buyers increasingly view Bangladesh as an alternative sourcing base amid rising costs and geopolitical risks elsewhere
- The EPA arrives at a moment when capacity, compliance, and buyer confidence in Bangladesh's leather and footwear sector are aligning.



Source: Japan Custom Tariff schedule, Bangladesh Trade portal, EPB and Newspaper

Securing Japan: The first Economic Partnership Deal's Advantage for Bangladesh's Leather and Footwear Sector

Japan Import Duty on Leather & Footwear Before EPA vs After EPA (Bangladesh)**

Product Category	Duty Before EPA (Japan MFN / Post-LDC Risk)	Duty After EPA (Bangladesh)
Leather footwear (HS 6403, 6404)	Up to **30%** or specific duties (e.g., yen/pair equivalents)	**0%** (for EPA-covered lines)
Non-leather footwear (HS 6402, 6405)	**8–20%**	**0%**
Leather bags & handbags (HS 4202)	**8–16%**	**0%**
Belts, wallets, small leather goods (HS 4203)	**5–10%**	**0%**
Finished leather articles	**Up to 10%**	**0%**

Without the EPA, Bangladeshi leather and footwear exports would have faced immediate tariff escalation after LDC graduation. The EPA eliminates this risk entirely for covered products.

Competitive Landscape: How Bangladesh Stacks Up Against China, India & Vietnam

Japan sources leather and footwear products primarily from China, Vietnam, Indonesia, and India. Tariffs play a decisive role in supplier selection, especially for private-label and OEM manufacturing.

Japan Import Duty Comparison

Bangladesh vs Major Competitors (Post-EPA)

Product Category	Bangladesh (EPA)	China	India	Vietnam
Leather footwear	**0%**	~**30%** MFN	~**30%** MFN	MFN or partial RCEP reduction
Non-leather footwear	**0%**	**8–20%**	**8–20%**	Reduced under RCEP (not always 0%)
Leather bags & handbags	**0%**	**8–16%**	**8–16%**	**8–16%** (unless phased reduction applies)
Belts & accessories	**0%**	**5–10%**	**5–10%**	**5–10%**

Securing Japan: The first Economic Partnership Deal's Advantage for Bangladesh's Leather and Footwear Sector

What This Means in Real Terms:

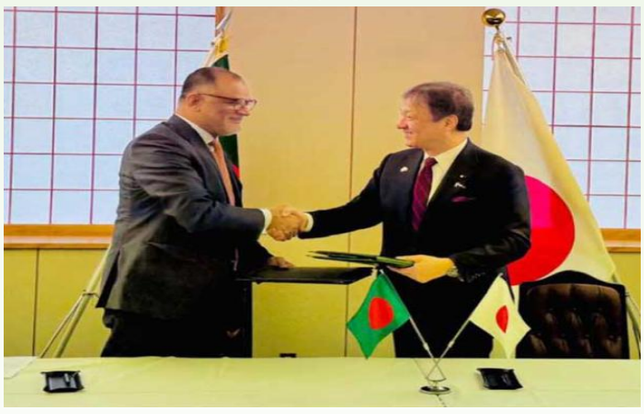
- A 30% duty gap on leather footwear can translate into USD 6–10 per pair price difference at retail
- Bangladeshi exporters gain a clear tariff advantage over China and India
- Vietnam enjoys some tariff relief under RCEP, but not uniformly zero, and often with stricter rules of origin
- Bangladesh's EPA offers clean, predictable zero-duty access, highly valued by Japanese buyers

Strategic Benefits for Bangladesh's Leather & Footwear Sector

1. Post-LDC Security
The EPA ensures that Bangladesh's leather and footwear exports do not suffer tariff shocks after LDC graduation — a risk that could have stalled sector growth.

2. Buyer Confidence & Long-Term Orders
Japanese buyers prioritize stability. The EPA provides legal certainty, encouraging: Multi-year sourcing contracts, OEM and ODM partnerships, Supplier consolidation in Bangladesh

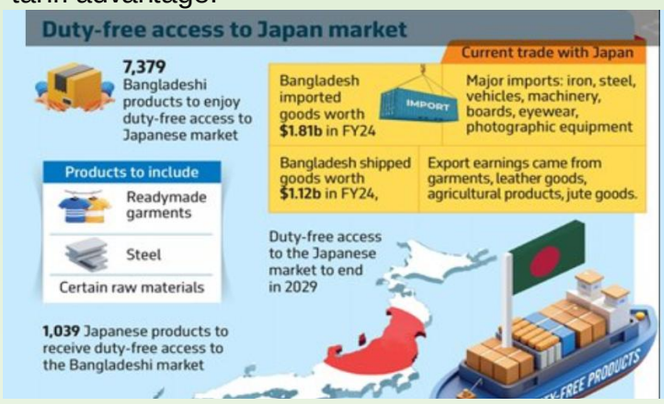
3. Investment & Technology Transfer
Japan is not only a buyer but a technology and capital exporter. Duty-free access improves the viability of :Joint ventures in footwear and leather goods Japanese investment in machinery, automation, and compliance upgrades
Higher-value product manufacturing (premium footwear, structured bags)



4. Product Diversification Beyond RMG
The EPA aligns with Bangladesh's national goal to diversify exports, positioning leather and footwear as a credible second pillar after garments.

Challenges That Must Be Addressed

The EPA is an opportunity — not an automatic guarantee. To fully leverage it, the leather and footwear sector must address: Environmental compliance, particularly in tannery operations Consistent quality and delivery reliability Product design and material innovation tailored to Japanese consumer preferences, Rules of origin compliance, which will be closely monitored by Japanese customs. Failure in these areas could dilute the tariff advantage.



The Bangladesh–Japan Economic Partnership Agreement is more than a trade deal — it is a strategic insurance policy for Bangladesh's leather, footwear and accessories industry. By securing zero-duty access to one of the world's most sophisticated markets, Bangladesh has positioned its leather sector to: Compete head-to-head with China and India. Attract higher-quality buyers and investors. Transition from volume-based exports to value-driven manufacturing.

The real success of the EPA will depend on how effectively industry stakeholders convert tariff advantage into trust, quality, and long-term partnerships. For Bangladesh's leather and footwear sector, the door to Japan is now not just open — it is strategically protected

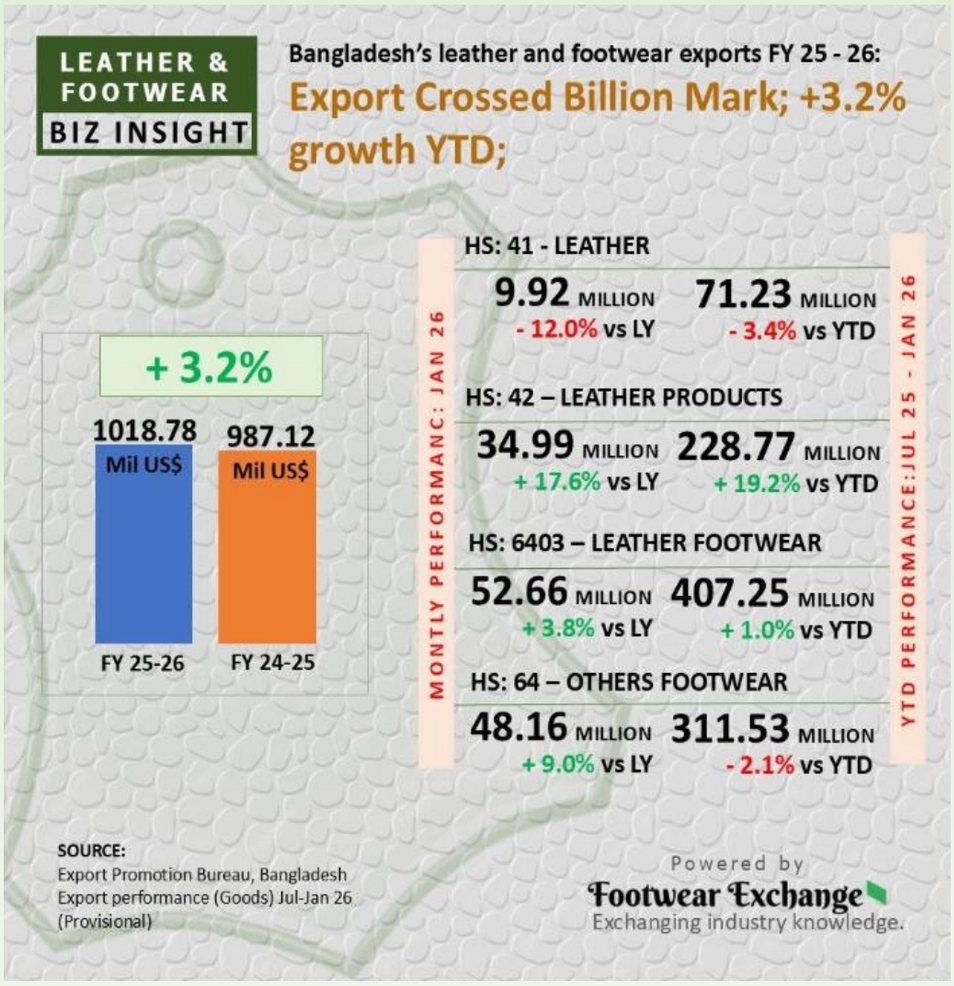
Source: Japan Custom Tariff schedule, Bangladesh Trade portal, EPB and Newspaper

Bangladesh Leather & Footwear Exports Cross USD 1 Billion Mark, Growth Driven by Leather Products

Bangladesh's leather & footwear exports have crossed the USD 1 Billion mark in FY 25–26 (Jul'25–Jan'26), reaching USD 1,018.78 Million, showing +3.2% growth compared to the same period last year (USD 987.12 Million)

A positive sign — but the category-wise performance shows a mixed picture.

Key Highlights (Jul–Jan FY25–26 YTD):



What this indicates

📌 Growth is being driven mainly by leather products, while footwear remains flat and raw leather is declining.

To sustain export growth, the industry must focus more on value-added products, product diversification, compliance, and productivity improvements.

✅ HS 42 – Leather Products continues to lead the growth momentum

➡ USD 228.77M | +19.2% YTD

Strong demand for bags, wallets, and leather goods is pushing the segment upward.

✅ HS 6403 – Leather Footwear remains stable

➡ USD 407.25M | +1.0% YTD

Growth is marginal, indicating the need for stronger order inflow and value addition.

⚠ HS 41 – Raw Leather is under pressure

➡ USD 71.23M | -3.4% YTD

This decline reflects ongoing challenges in raw leather export competitiveness.

⚠ HS 64 – Others Footwear also declining YTD

➡ USD 311.53M | -2.1% YTD

Despite monthly improvement, the overall trend remains slightly negative.

January2026 Monthly Performance (YoY):

HS 42 Leather Products: +17.6%

HS 6403 Leather Footwear: +3.8%

HS 64 Others Footwear: +9.0%

HS 41 Leather: -12.0%

Source:
Export Promotion Bureau, Bangladesh
Export performance for Leather & Footwear 2025-26 July-Jan (provisional)

Ladies Footwear Trends That Will Define 2026

This year, shoes have evolved beyond their traditional role as simple accessories; they have become the centerpiece of fashion. In 2026, anticipate a fusion of classic styles that evoke nostalgia, paired with contemporary essentials such as ballet flats and chunky loafers, which enhance your everyday outfits.



Slim Sneakers

In 2026, sleek, low-profile sneakers will be all the rage. Picture simple shapes, soft neutrals, and designs reminiscent of the past that pair well with both dressy and casual attire.





Glove Pumps

Soft, second-skin pumps are trending right now. Glove pumps have become the go-to choice for extra comfort, featuring ultra-flexible leather that fits like socks and curved heels.

Ballet Flats:

The ballet core trend continues to thrive, showcasing adorable flats adorned with ribbons, mesh textures, and square toes. Expect intricate details infused with a modern, city-ready twist.





Mules

In 2026, backless shoes remain popular. They strike the perfect balance between easygoing and stylish, ranging from kitten-heel mules to chunky slip-ons

Source: Grazia.co, Ferragamo and instagram

Footwear Trends That Will Define 2026

Knee-High Boots

Knee-high boots are evolving to become sharper and sleeker. Structured shapes, pointed toes, and shiny leather finishes are favored for both daytime and evening looks.





Suede Boots

Soft-touch suede adds warmth and texture to winter footwear. Neutral shades like tan, mocha, and dusty gray create a luxurious and cozy ambiance.

Chunky Loafers

Bold soles, metallic hardware, and exaggerated proportions keep chunky loafers in the spotlight, making them ideal for adding an edgy flair to feminine ensembles.



Peep-Toe Heels

Peep-toe heels are making a comeback, featuring sculptural heels, shiny finishes, and modern shapes that offer a fresh take on this classic style.





Animal Prints

Leopard, zebra, and snakeskin prints are gaining popularity. In 2026, the focus is on wild designs that are refined and easy to wear

Source: Grazia.co, Ferragamo and instagram

Key news and Highlights of Leather and Footwear Sector



Apex Footwear Ltd. has achieved Global Recycled Standard (GRS) Certification, marking a proud milestone for the company. This recognition reinforces Apex's commitment to responsible sourcing, sustainable manufacturing, and adherence to global standards, reflecting its dedication to building a more sustainable and transparent future.

Aliza Sultana has been promoted as Country Head of Sales and CRM at Intertek Bangladesh, marking a significant achievement in her professional journey and reflecting her leadership and expertise in driving business growth and client engagement.



Nasir Group

Nasir Footwear Industries is going to launch its new footwear brand, Flyte, with the inauguration of a new factory in Bhaluka, Mymensingh. The facility was inaugurated by Managing Director Eng. Nasima Biswas, with key leaders including Anwara Biswas, Mostafizur Rahman, Corporate General Manager, and MD Shamsur Islam Shamim in attendance. This launch marks a significant step in expanding Nasir Footwear's production capabilities and brand presence.

Dhaka University's Leather Engineering and Technology Institute (ILET), in collaboration with the Ministry of Finance's SICIP program, inaugurated the training workshop "Skilled Manpower Development and Industry Competitiveness for the Leather Sector" on February 9, 2026. Vice-Chancellor Professor Dr. Niyaz Ahmad Khan inaugurated the workshop, calling for unified efforts between universities, industries, and government to advance the leather sector.



Source:
Social Media and Linked In Pages