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**SHOE
FESTIVAL
2025**

42nd
IFC
Int'l Footwear Conference **2025**

The 42th International Footwear Conference

24TH JULY 2025
(Thursday) | 9am–5pm
**HYATT PLACE HOTEL,
KUALA LUMPUR**

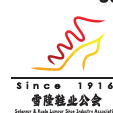
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**23TH - 27TH
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Welcome Message



It is with great pleasure that we welcome you to the International Footwear Conference 2025 in Kuala Lumpur, Malaysia. This annual gathering brings together pioneers and professionals from across the CIFA membership—not only to share updates through country reports, but also to celebrate the artistry, innovation, and ambition that continue to shape our industry.

Over the past few years, our discussions have spanned topics ranging from design breakthroughs and sustainability efforts to the preservation of heritage craftsmanship and the rise of digital technologies. This year, we venture into new territory: exploring how artificial intelligence will impact the footwear industry—and more importantly, addressing the real challenges that industry players face in adopting and implementing AI-driven solutions.

The global market continues to face significant headwinds, including declining consumer demand, rising production costs, ongoing supply chain disruptions, and growing uncertainty in trade policies. Meanwhile, evolving consumer expectations—particularly around sustainability and transparency—are redefining how we design, source, and deliver our products. These challenges are not simply barriers—they are calls to action.

In this context, the role of CIFA is more vital than ever. As a unifying regional alliance, CIFA continues to strengthen collaboration and cooperation among its members. By championing intra-regional trade, encouraging members to buy and source within the network, and reinforcing our shared supply chain, we are not just navigating change—we are shaping it. Together, we are building a footwear industry that is more resilient, adaptive, and future-ready.

Thank you for being part of this journey. Let us take bold steps forward—together. Here's to another insightful and fruitful discussion at IFC 2025!

Chairman of Confederation of International Footwear Association CIFA
President of Malaysian Footwear Manufacturers Association MFMA

Message From the Organizing Chairman

42nd International Footwear Conference

It is with great pride and sincere appreciation that I welcome all delegates, partners, and industry stakeholders to the 42nd International Footwear Conference.

This annual gathering brings together voices and visions from across the global footwear industry. It is not only a platform to share knowledge, foster collaboration, and explore new business opportunities – but also a space where innovation, tradition and sustainable growth intersect.



The year's conference is especially meaningful as we confront new challenges and embrace fast-evolving trends in technology, design and environmental responsibility. It is heartening to see such strong participation from diverse regions, proving once again that our industry's strength lies in unity and resilience.

I wish to thank all organizing teams, sponsors, speakers, and participants who have contributed to making this event possible. Your support reflects a shared commitment to excellence and progress.

May this conference inspire fresh ideas, strengthen partnerships, and pave the way for a vibrant future in footwear.

Michelle Kok
Organizing Chairman

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MISF Malaysia International SHOE FESTIVAL 2025

23-27 July(Wed-Sun)

10am-10pm

Pavilion Bukit Jalil
Center Court & Pink Zone



SCAN ME



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Canton Fair Complex Area D
Hall 17.1, 18.1, 19.1, 20.1

20-22 MAY 2026



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Bangladesh Report

42nd International Footwear
Conference 2025



LFMEAB and Leathergoods & Footwear Industry of Bangladesh



Established

2003

Total members

284

Annual membership
growth

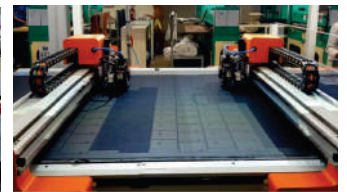
20%

2nd largest export sector of the country.

2% of the global livestock population.

350 million sqft of annual leather production,
75% of which is exported.

Up to 85% of value addition.



Export Performance of FY'24

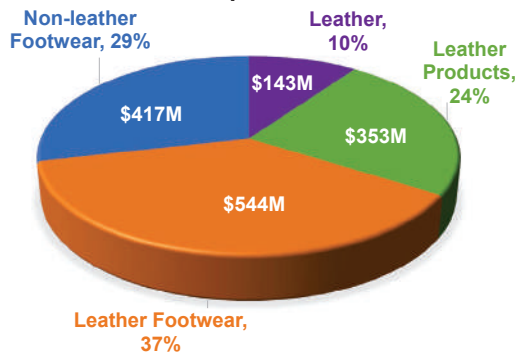


Sectoral export
1.45 billion USD



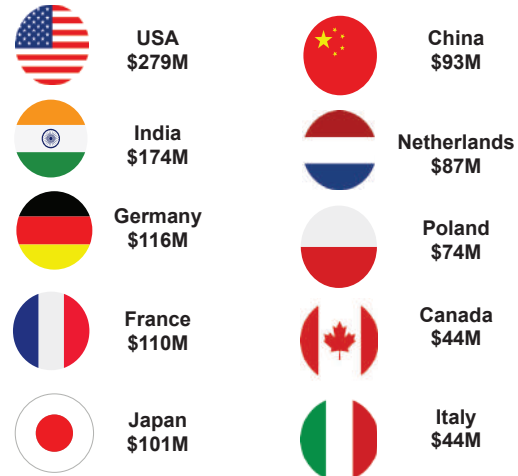
Export Destination
124 countries

Sectoral Composition in FY'24



Source: EPB

Top 10 Export Destinations



3

Performance of Footwear Sub-sector

Based on Calendar Year
2023

| Categories | Value | | Volume | | Price |
|------------|-------------|------------|---------------|------------|---------|
| | Million USD | World Rank | Million Pairs | World Rank | |
| Export | 1271 | 15 | 85 | 16 | \$14.97 |
| Production | | | 423 | 8 | |

Export Market in terms of Quantity



Quantity in
million pairs

(Source: World Footwear Yearbook 2024)

4



Brands We Make for



5



Supply Chain Localization



Opportunity to
develop and utilize
backward linkage

Commercial production of
accessories

Now more than 20 LFMEAB members are
commercially producing leather products
and footwear accessories.



6



US-Bangladesh Trade Scenario



\$10.6 billion

Total goods traded in 2024

Bangladesh's export to the US: **\$8.4 billion**

Bangladesh's import from US: **\$2.2 billion**

\$323 million

Sectoral Export to USA in July-April FY'25

Out of which leather footwear (6403) is **\$235 million**



Dealing with US "Reciprocal Tariff"

- US has agreed in principle to pursue a **Free Trade Agreement (FTA)** with Bangladesh.
- Bangladesh's new fiscal budget called for **withdrawal of import duties on 110 goods, full supplementary duty withdrawal on 9 goods** and **reduction of supplementary duty on 442 goods**, which will help in reducing trade deficit, resulting in lower reciprocal tariff.

7



Invest in Bangladesh: Why?





Rapid Recovery of Macroeconomic Indicators, Showing Economic Resilience



\$22bn+ reserves, Current & Capital Accounts in surplus



Maintaining a Stable Foreign currency exchange rate

BDT vs USD depreciation only by c.2%

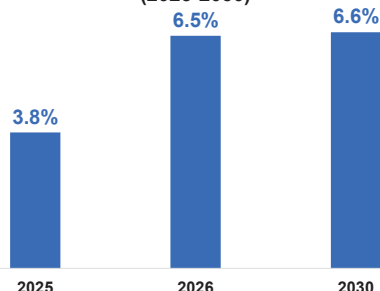


9.8% increase in export (July-Apr'25 vs SPLY)



28% increase in remittance (July-Apr'25 vs SPLY)

Bangladesh's GDP Growth Prediction
(2025-2030)



**Bangladesh to surpass
regional peers with an average
GDP growth of 5.6% in the next
5 years**

Source: [International Monetary Fund](#)

9



Bangladesh Economy in the eyes of the World



33rd among the world's
largest economies

Source: World Bank



Bangladesh's economy
may triple in size by 2041



The **12th** economic
power of the world in
2050



24th largest economy
by **2033**



One of the 20 largest
economy by 2040



28th & 23rd largest
economy of the World by
2030 & 2050 respectively.

10

Foreign Companies in Footwear Sectors

YOUNGONE
BANGLADESH



Joint Ventures
7%

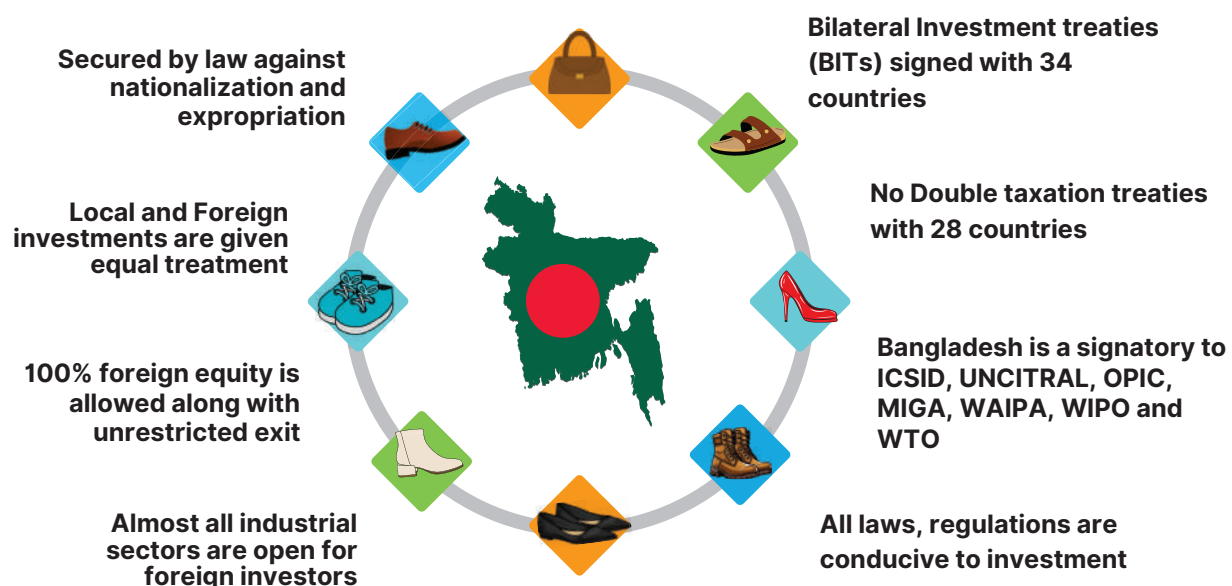
Foreign Direct
Investments
(FDIs)
6%

Among LFMEAB
Members

| | Youngone | Stella | Pou Chen Corporation | Xin Chang |
|-----------------|--|--|----------------------|------------------------|
| Employment | 30,000 | 5500 | 4000 | 4066 |
| Capacity/day | 1,00,000 | 43,333 | 14,000 | 3,333 |
| Turnover | \$100M | \$71M | \$60M | \$80M |
| Target Customer | Nike, Adidas, Puma, The North Face, Ralph Lauren | VF Corp, Rockport, Calares, Wolverine, Fitflop | VF Corp, Decathlon | Wolverine, Ariat, Keen |

11

Investment Ecosystem in Bangladesh



12

FISCAL INCENTIVES

- **Reduced corporate tax** in thrust sectors and also in the export-oriented industries.
- **Tax holiday** for specific industries in the selected locations.
- Reduced or no customs duty on Import of Capital Machineries.
- Reduced duty for import of raw materials for industrial use
- Tax credit in the income at the home country based on Double Taxation Avoidance Treaty
- Reduced tax on the linkage industries of the textile sectors

NON-FISCAL INCENTIVES

- Repatriation of dividend without any govt intervention
- Cash incentives on sale is extended to some industries based on the export

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Geostrategic Location

Doorway to wider South Asian Market

- ❑ South Asia Free Trade Area (SAFTA)
- ❑ Asia Pacific Trade Agreement (APTA)
- ❑ D-8 Preferential Trade Agreement (D-8 PTA)
- ❑ The Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC)
- ❑ SAARC Preferential Trading Agreement (SAPTA)
- ❑ SAARC Framework Agreement on Trade in Services (SAFAS)
- ❑ Bilateral FTA Under Consideration with 10 countries including India, Japan and Singapore
- ❑ Strong link to Japan's Big-B Program



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Bangladesh's Population Demographics

Abundant labor supply at the competitive cost, ideal for manufacturing industries

- Median age: **26 years**, younger than China, Vietnam, and India.
- **Over 50%** or 62 million of the population is under 30 years old.
- **114 million** working age citizen, annual addition of **2.3 million** young professionals.
- Leathergoods and Footwear is a **highly labor-intensive industry** with **60%+ women workforce**.
- The industry creates direct and indirect employment of **over 1 million** people.



Source: [Population & Housing Census 2022](#)

15

Enhanced Connectivity

To increase port handling capacity and to become a regional import & export hub, national port strategy has been under taken which is going to massively increase our port handling capacity by **6 times** by including deep sea-port, elevating capacity of existing port and also building new terminals.

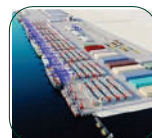


Container handling in CTG port +4%
Imports at 3% In July-Apr'25



MATARBARI

Projected Capacity: 0.63 TEU



BAY TERMINAL

Projected Capacity: 3.6 TEU

Projected Total Capacity:

7.86M TEU

vs

1.37M TEU

(current)



MONGLA

Current Capacity: 0.1
Projected Capacity: (0.63 TEU)



PATENGA

Projected Capacity: 0.5 TEU



LALDIA

Projected Capacity: 1 TEU



NEW MOORING

Projected Capacity: 1.5 TEU

Source: Chittagong Port Authority

(All values are in million TEUs [Twenty-foot Equivalent Unit])

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Pipeline Projects in Logistics Sector



17

Economic Zones and Export Processing Zones

Economic Zones

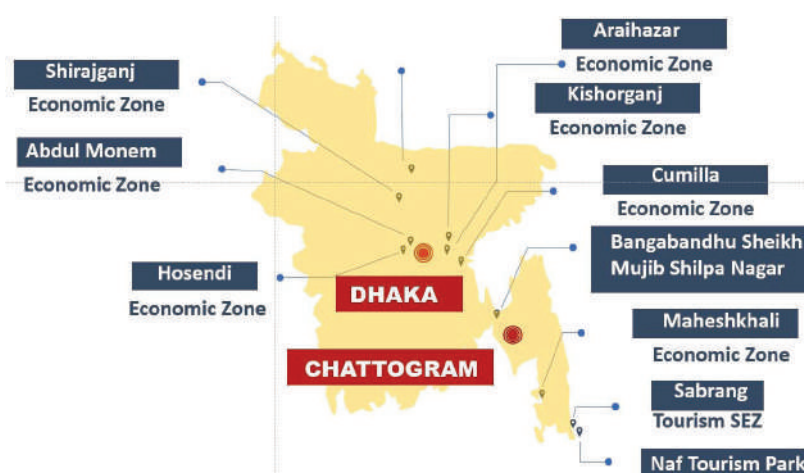
- 100 Economic Zones are upcoming
- Country specific allocation
- Special and additional incentives for investors

Export Processing Zones

- 9 established, 3 upcoming
- 452 Companies in operation
- 38 countries have already invested in the EPZs of Bangladesh
- 1 USD investment has created 14 USD of Export

Total Investment: \$7.8 Bn
Total Export: \$108.9 Bn

Location of 10 Economic Zones



18



Possible.
In Bangladesh

**THANK
YOU!**



◀ CAMBODIA ▶

COUNTRY REPORT



PART 01

NATIONAL INTRODUCTION

PART 02

BUSINESS ENVIRONMENT

PART 03

INDUSTRIAL OVERVIEW

PART 04

CAMBODIA FOOTWEAR ASSOCIATION

PART 05

CONCLUSION



01

NATIONAL INTRODUCTION



» ABOUT CAMBODIA



Basic Information

Cambodia is in Southeast Asia with Phnom Penh as its capital. The official language is Khmer. It covers an area of 181,035 km² and has a population of around 17 million. The main religion is Theravada Buddhism, and it has a constitutional monarchy. The currency is RIEL, but USD is also widely used.



Geographical Location

Strategically situated in Southeast Asia, Cambodia shares borders with Thailand, Laos, and Vietnam. It has access to the Gulf of Thailand. It is at the center of ASEAN, with an average flight time of only 1.5 hours to other ASEAN countries, making it a crucial transportation hub in the region.

Economic Status

In 2024, Cambodia's GDP was estimated at \$30 billion. It ranked third in economic growth in the ASEAN region in 2023. The economy is driven by strong domestic demand and innovation. Key industries include Services (43%), Agriculture (36%), and Industry (21%).



02

BUSINESS ENVIRONMENT



» BUSINESS ADVANTAGES

Trade Preferences

Cambodia enjoys tariff exemptions and preferential treatment from many developed countries and regions:

- ✓ EU's Everything But Arms Initiative (EBA)
- ✓ Generalized System of Preferences (GSP)
- ✓ Developing Countries Trading Scheme (DCTS)
- ✓ Regional Comprehensive Economic Partnership Agreement (RCEP)
- ✓ FTA with other countries.



Government Policies

The new Investment Law of Cambodia, implemented in 2023, offers various investment incentives:

- ❑ Income tax exemption from 3 to 9 years
- ❑ Tax reduction period 6 years
- ❑ Import tariff incentives
- ❑ VAT exemption 0% for investment in locally manufactured production inputs.



Competitive Labor

The labor market in Cambodia is youthful:

- Most people under 35 years old
- Government implemented 1.50 million vocational training program to enhance labor force's skills and competitiveness
- 2025 Minimum wage is \$208 per month.

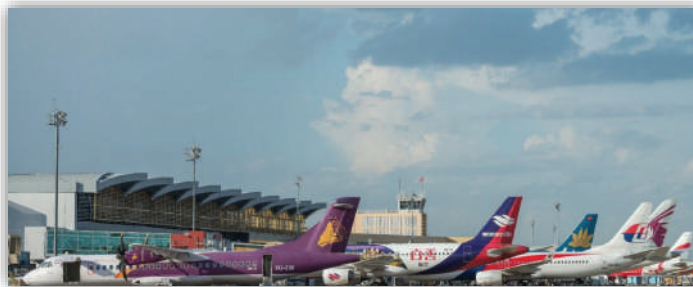


» BUSINESS ADVANTAGES

Cambodia's industrial sector is heavily reliant on imported raw materials, primarily from China and Vietnam.

- Sea freight from major Chinese ports—such as Guangzhou, Shenzhen, Shanghai, and Ningbo—to Sihanoukville Port typically takes 7 to 10 days.
- Shipments from Ho Chi Minh City, Vietnam, take approximately 5 to 7 days.

Cambodia's strategic location supports efficient importation of raw materials and export of finished goods.



Cambodia is continuously improving its infrastructure.

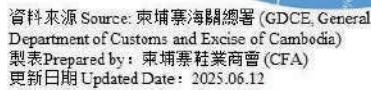
- New Phnom Penh International Airport will start operations in July 2025.
- Highway network is expanding, with key routes as follows:
 - Phnom Penh to Sihanoukville (190 km)
 - Phnom Penh to Bavet (135 km, under construction by 2027)
 - Phnom Penh to Siem Reap (310 km, in the initial planning stage)
 - Phnom Penh to Poipet (382 km, in the early construction stage).
- The country also has several deep-sea ports, including:
 - Sihanoukville Port (12 meters deep)
 - Phnom Penh Port (6 meters deep)
 - Kampot Port (6 meters deep)
 - Koh Kong Port (6 meters deep).



03

INDUSTRIAL OVERVIEW





| (Value in million US \$) | | | | | | | | | |
|----------------------------|---|------------|----------------|-------------|--------------|----------------|--------|--------|--------|
| US 海關稅則號 | Export Item | 出口品項 | 2025 Jan - May | | | Whole year 全年度 | | | |
| | | | USA 美國 | USA % 比重 | Global 全球 | YoY% 同期比 | 2024 | 2023 | 2022 |
| 61-62-63 | Textile/Apparel | 紡織、成衣 | 1,464 | 34% | 4,330 | ▲ 23% | 10,000 | 8,024 | 9,204 |
| 08 | Fruits/Nuts | 食用果實及堅果 | 5 | 0% | 939 | ▲ 42% | 856 | 662 | 562 |
| 10 | Cereals | 穀類 | 3 | 0% | 805 | ▼ 9% | 1,941 | 1,748 | 1,205 |
| 42 | Travel Goods/Leather | 旅遊用品/皮革製品 | 645 | 73% | 881 | ▲ 16% | 2,471 | 2,063 | 2,023 |
| 64 | Footwear | 鞋業 | 310 | 37% | 842 | ▲ 37% | 1,681 | 1,365 | 1,737 |
| 40 | Rubber | 橡膠製品 | 485 | 64% | 755 | ▲ 52% | 1,505 | 919 | 542 |
| 84-85 | Solar cell module/ Electrical machinery | 太陽能模組/電子機械 | 216 | 35% | 613 | ▼ 30% | 2,100 | 3,313 | 2,204 |
| 07 | Vegetables | 食用蔬菜 | 0 | 0% | 400 | ▼ 14% | 693 | 666 | 437 |
| 94 | Furniture/lamps/ lighting | 家具/燈具/燈飾 | 446 | 93% | 479 | ▲ 55% | 1,170 | 890 | 948 |
| 87 | Vehicles/Parts | 車輛與零件 | 159 | 52% | 305 | ▲ 53% | 519 | 562 | 1,030 |
| 44 | Wood/Charcoal | 木製品/木炭 | 146 | 93% | 157 | ▲ 12% | 368 | 311 | 283 |
| 39 | Plastics | 塑膠製品 | 122 | 80% | 153 | — 0% | 380 | 339 | 396 |
| 95 | Toys, games and sports requisites | 玩具、遊戲與運動用品 | 85 | 79% | 109 | ▲ 48% | 339 | 153 | 108 |
| 99 | Others | 其他 | 271 | 26% | 1,038 | ▲ 12% | 2,173 | 1,629 | 1,573 |
| Total Amount (million USD) | | | 4,357 | 37% | 11,805 | ▲ 17% | 26,197 | 22,645 | 22,251 |

KEY INDUSTRIES



Textiles and Apparel

The textile and apparel industry is a significant part of Cambodia's industrial sector. It provides numerous job opportunities and contributes to the country's exports. Many international brands have production facilities in Cambodia, taking advantage of the country's competitive labor and favorable trade policies.

Footwear

The footwear industry has experienced substantial growth in recent years. It accounted for 6% of the national export value in 2024. There are over 127 factories and companies in this sector, employing around 150,000 workers, which is 17% of the national industrial labor force. The Cambodia Footwear Association plays a vital role in promoting the industry and supporting the members.

Agro-processing

Agro-processing is another important industry in Cambodia. The country is rich in agricultural resources, including rice, rubber, cassava, maize, sugarcane, tropical fruits, and vegetables. The agro-processing industry adds value to these agricultural products and enhances their marketability both domestically and internationally.

Construction Materials

With the rapid development of infrastructure and construction projects in Cambodia, the demand for construction materials has been increasing. The industry produces a wide range of products, such as cement, steel, bricks, tiles, and glass, to meet the needs of the domestic market and support the country's economic growth.

» SPECIAL ECONOMIC ZONES



SEZ Distribution



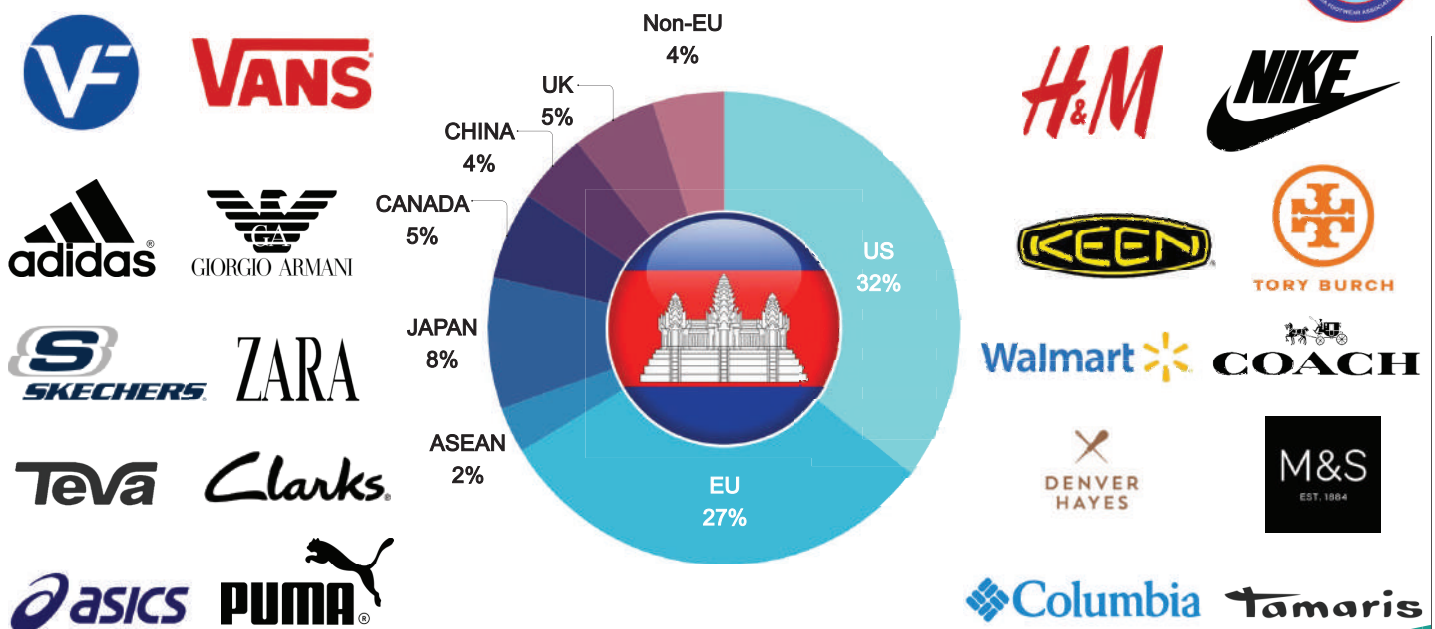
Cambodia has 50 Special Economic Zones (SEZs) across the country, including Phnom Penh SEZ, Bavet SEZ, Sihanoukville SEZ, Poipet SEZ, Monduliri SEZ, Kampot SEZ, and Koh Kong SEZ. These SEZs provide favorable policies and infrastructure for businesses, attracting both domestic and foreign investments. They have become important platforms for industrial development and economic growth.

Industrial Employment



The industrial sector, especially the SEZs, is one of the largest employment sectors in Cambodia. It employs a significant portion of the population, contributing to poverty reduction and economic stability. The government continues to support the development of SEZs to create more job opportunities and promote sustainable industrial growth.

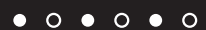
» INTERNATIONAL BRANDS





04

CAMBODIA FOOTWEAR ASSOCIATION



» ASSOCIATION PROFILE

Establishment and Purpose

The Cambodia Footwear Association was established to represent and promote the interests of the footwear industry in Cambodia. It aims to enhance the industry's competitiveness, facilitate business cooperation, and support members in various aspects such as market access, legal issues, and corporate social responsibility.



Membership

As of June 2025, the association has over 165 official members and sponsor members. These members include factories and companies engaged in footwear production and related businesses. The association plays a crucial role in connecting members with international markets and promoting the Cambodian footwear industry globally.





Business Promotion

The association actively promotes the Cambodian footwear industry both domestically and internationally. It organizes and participates in various trade fairs, exhibitions, and business matchmaking events to help members expand their market reach and establish new business partnerships.

CSR and Charities

Corporate social responsibility (CSR) is an important aspect of the association's work. It encourages members to adopt CSR practices and organizes charity activities to contribute to the social and environmental well-being of the country. This helps enhance the industry's image and reputation.

Networking and Seminars

The association provides a platform for members to network and share experiences. It regularly holds official seminars on topics such as industry trends, legal updates, and best practices. These events help members stay informed and improve their business operations.

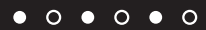
Legal Support

The association offers legal updates and support to its members in both English and Chinese. It helps members navigate the complex legal environment and ensures compliance with local and international regulations. This is crucial for the sustainable development of the industry.





05 | CONCLUSION



» FUTURE OUTLOOK



01

Economic Growth Potential

Cambodia's economy is expected to continue its strong growth momentum in the coming years. The government's efforts to improve infrastructure, attract investments, and promote key industries will further enhance the country's economic competitiveness. The footwear industry, with its significant contribution to exports and employment, is poised to play a vital role in Cambodia's economic development.

Industry Development

The industrial sector, including textiles, apparel, footwear, and agro-processing, will continue to be a pillar of the Cambodian economy. The development of SEZs and the implementation of favorable policies will attract more investments and create more job opportunities. The Cambodia Footwear Association will continue to support the industry's growth and promote its members' interests.

02

03

Regional Integration

As a member of ASEAN, Cambodia will benefit from regional economic integration. The Regional Comprehensive Economic Partnership Agreement (RCEP) and other free trade agreements will further reduce trade barriers and promote trade and investment within the region. Cambodia's strategic location and competitive advantages will make it an important player in the regional economic landscape.

Challenges and Opportunities

While Cambodia faces challenges such as infrastructure bottlenecks, labor skill shortages, and competition from other countries, it also has numerous opportunities for growth and development. The government and the private sector need to work together to address these challenges and seize the opportunities to achieve sustainable economic growth and improve the living standards of the population.




04



CFA SECRETARIAT



ROEURN VANNAK
DEPUTY SECRETARY GENERAL

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-  vannak@cambodia-footwear.org
-  St 110, Gateway Building,
Phnom Penh

THANK YOU

Chinese Footwear Industry Report



China Leather Industry Association



1 Consumption

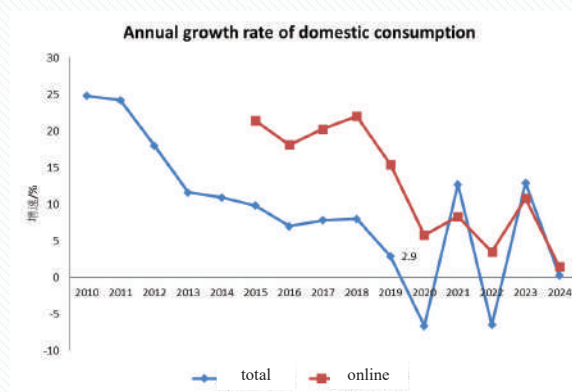
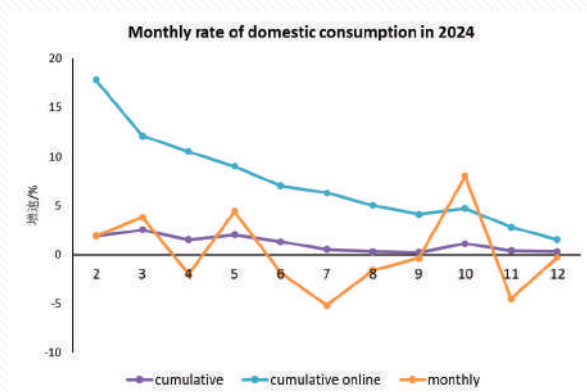


World top 10 consumers in 2023



| | country | MI pairs | share % |
|----|------------|----------|---------|
| 1 | China | 3,532 | 17.1 |
| 2 | India | 2,563 | 12.4 |
| 3 | USA | 1,934 | 9.4 |
| 4 | Brazil | 776 | 3.8 |
| 5 | Japan | 616 | 3.0 |
| 6 | Pakistan | 544 | 2.6 |
| 7 | Indonesia | 544 | 2.6 |
| 8 | Russia | 428 | 2.1 |
| 9 | Bangladesh | 355 | 1.7 |
| 10 | Mexico | 340 | 1.6 |

1 Consumption



➤ CAGR (19-24): 1.7%

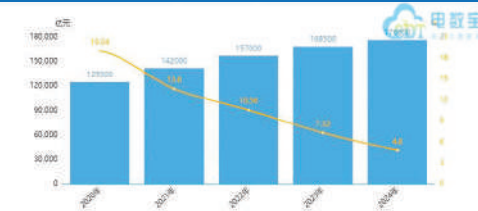


1 Consumption

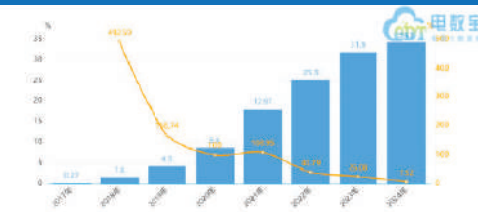
Sales and growth rate of Live streaming E-commerce



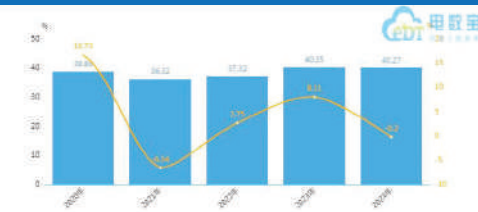
Sales and growth rate of cross-border E-commerce



Live commerce in E-commerce

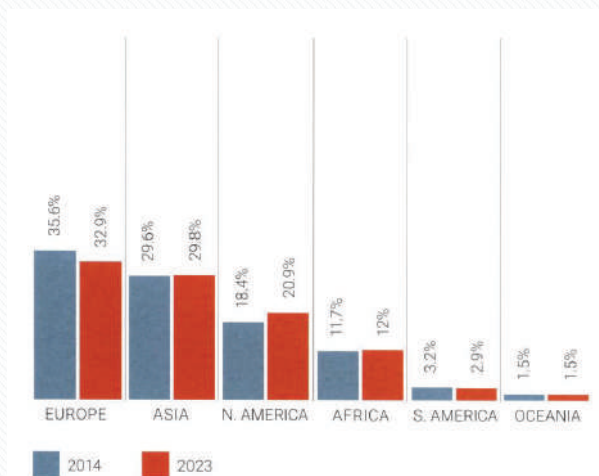


Cross-border E-commerce in exports



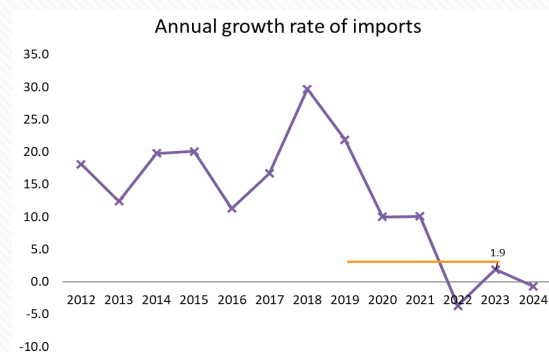
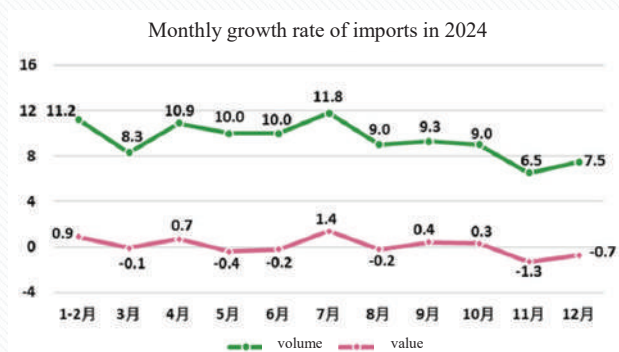
2 Imports

World top 10 importers in 2023



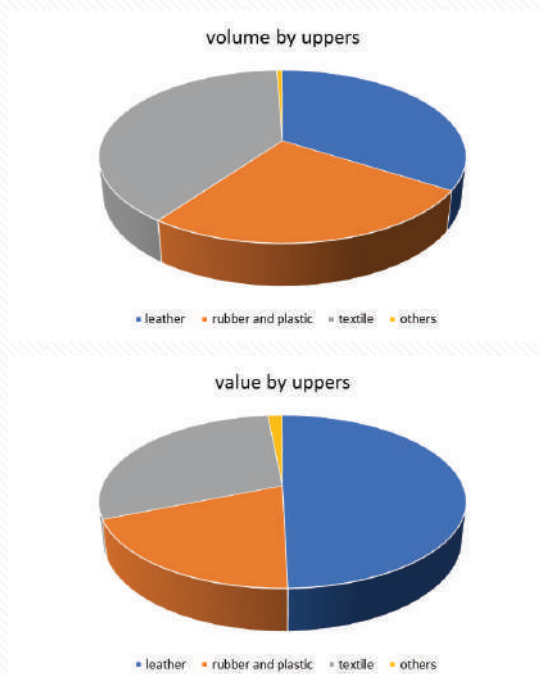
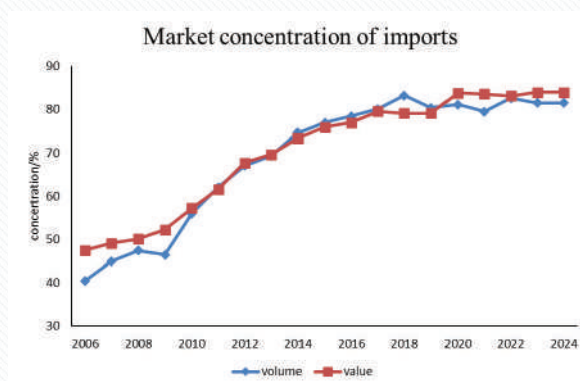
| | | MI pairs | share % |
|----|-------------|----------|---------|
| 1 | USA | 1,986 | 16.2 |
| 2 | Japan | 608 | 4.9 |
| 3 | Germany | 606 | 4.9 |
| 4 | France | 433 | 3.5 |
| 5 | Russia | 389 | 3.2 |
| 6 | UK | 342 | 2.8 |
| 7 | Italy | 333 | 2.7 |
| 8 | Spain | 315 | 2.6 |
| 9 | UAE | 280 | 2.3 |
| 10 | Netherlands | 260 | 2.1 |
| | China | 190 | 1.5 |

2 Imports



➤ CAGR (19-24): 3.4%

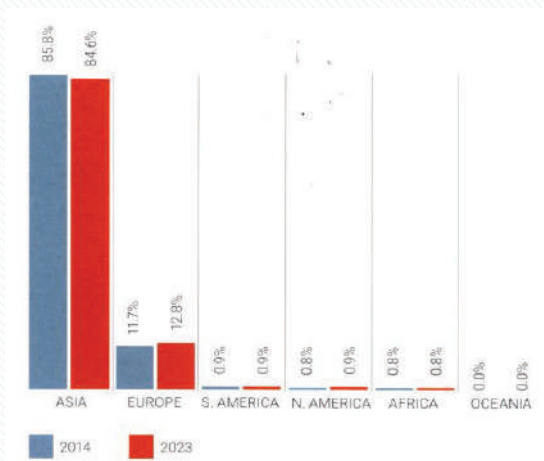
2 Imports



3 Exports



World top 10 exporters in 2023

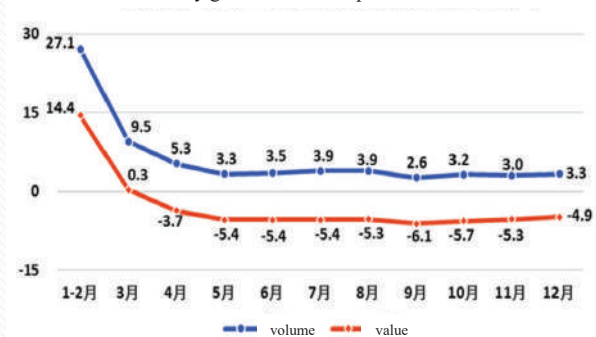


| | | MI pairs | share % |
|----|-----------|----------|---------|
| 1 | China | 8,958 | 63.8 |
| 2 | Vietnam | 1,335 | 9.5 |
| 3 | Indonesia | 445 | 3.2 |
| 4 | Germany | 349 | 2.5 |
| 5 | Turkey | 301 | 2.1 |
| 6 | India | 257 | 1.8 |
| 7 | Belgium | 220 | 1.6 |
| 8 | Italy | 191 | 1.4 |
| 9 | Cambodia | 165 | 1.2 |
| 10 | Spain | 156 | 1.1 |

3 Exports



Monthly growth rate of exports in 2024

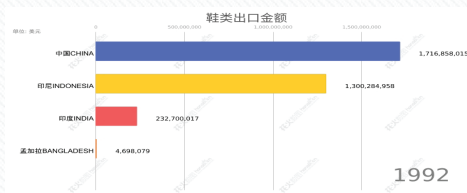


Annual growth rate of exports



➤ CAGR (19-24): 0.8%

3 Exports



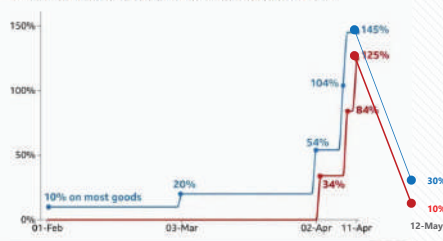
| | Export volume (base year 2014) | Export value (base year 2014) |
|------|--------------------------------|-------------------------------|
| 1992 | 16% | 8% |
| 1993 | 19% | 9% |
| 1994 | 22% | 11% |
| 1995 | 24% | 12% |
| 1996 | 25% | 12% |
| 1997 | 28% | 15% |
| 1998 | 29% | 15% |
| 1999 | 32% | 16% |
| 2000 | 36% | 18% |
| 2001 | 37% | 18% |
| 2002 | 40% | 20% |
| 2003 | 47% | 23% |
| 2004 | 55% | 27% |
| 2005 | 64% | 34% |
| 2006 | 71% | 39% |
| 2007 | 76% | 45% |
| 2008 | 76% | 52% |
| 2009 | 76% | 49% |
| 2010 | 92% | 63% |
| 2011 | 95% | 73% |
| 2012 | 94% | 82% |
| 2013 | 98% | 89% |
| 2014 | 100% | 100% |
| 2015 | 92% | 95% |
| 2016 | 87% | 83% |
| 2017 | 90% | 85% |
| 2018 | 89% | 83% |
| 2019 | 89% | 83% |
| 2020 | 69% | 66% |
| 2021 | 81% | 89% |
| 2022 | 87% | 107% |
| 2023 | 83% | 92% |
| 2024 | 86% | 87% |

3 Exports

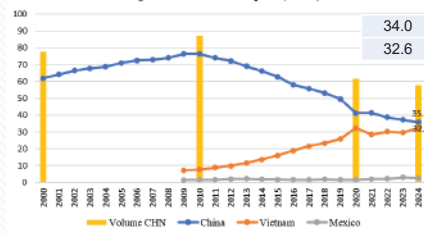


Tit-for-tat tariffs between US and China

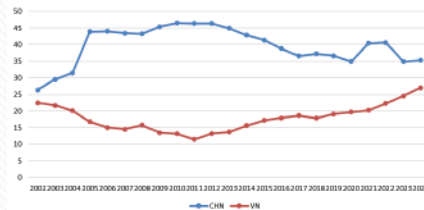
China initially held off retaliatory tariffs until escalation in April



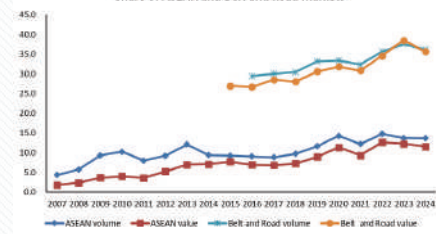
Origins of US footwear imports (HS 64)



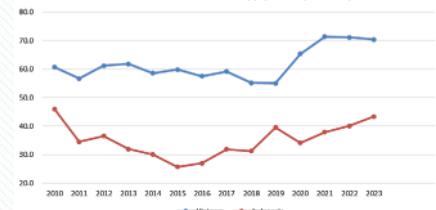
China's share in EU27 imports (HS 64)



Share of ASEAN and Belt and Road markets



China's critical role in the supply chain (HS 6406)



4 Production



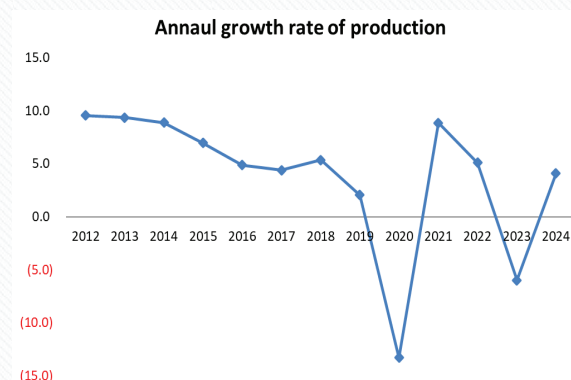
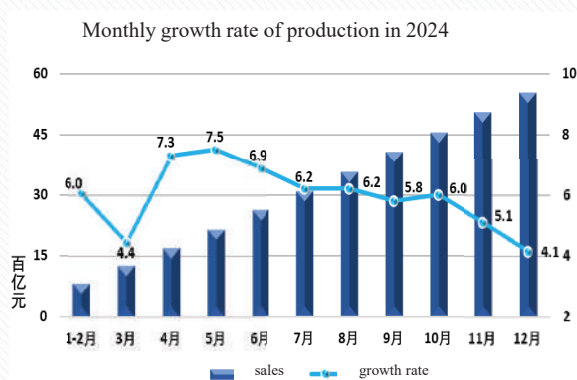
World top 10 producers in 2023

PRODUCTION



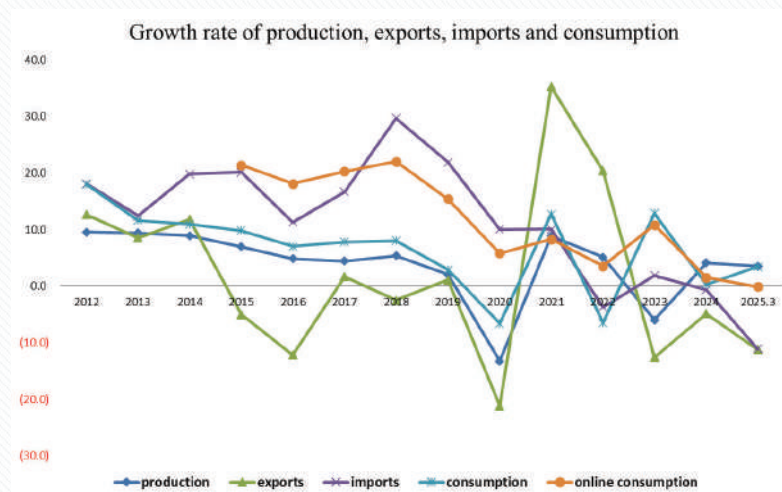
| | | MI pairs | share % |
|----|------------|----------|---------|
| 1 | China | 12,300 | 54.9 |
| 2 | India | 2,600 | 11.6 |
| 3 | Vietnam | 1,400 | 6.3 |
| 4 | Brazil | 866 | 3.9 |
| 5 | Indonesia | 807 | 3.6 |
| 6 | Pakistan | 561 | 2.5 |
| 7 | Turkey | 502 | 2.2 |
| 8 | Bangladesh | 423 | 1.9 |
| 9 | Mexico | 217 | 1.0 |
| 10 | Iran | 176 | 0.8 |

4 Production





➤ 2025 Q1



- Both exports and domestic markets are the two main drivers of the industry, while domestic demand will play a more important role in the long term. As the world's biggest footwear consumer, China's growing market will provide opportunities not only for domestic players, but also foreign counterparts.
- China is also the biggest supplier in global supply chain. The growth rate of components exports have long been much higher than that of finished shoes. Actually, China has gradually become the center of world footwear supply chain. China and Southeast Asian nations have forged a highly interdependent and closely collaborative relationship in the footwear industry.
- In the face of future uncertainties, digitalization and low-carbonization has emerged as the new certainty. Both has been acting as the new drivers towards high-quality development of the industry.
-

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A Survey on Development of Guangdong's Shoes Manufacturing Industry in 2024

Guangdong Shoes Manufacturers Association

July 2025, Lumpur Malaysia

I. Basic Situation of Guangdong's Footwear Industry

As China's largest footwear manufacturing base, Guangdong possesses a complete industrial chain and robust production capacity. In 2024, influenced by the global economic environment, the industry exhibited a dual focus on both export and domestic sales.

1. Situation of Guangdong footwear enterprises in 2024

According to data, Guangdong had 1,048 industrial enterprises above designated size in the footwear manufacturing sector in 2024. Their cumulative operating revenue reached RMB 94.378 billion, representing a year-on-year decrease of 5.4%.

2. Import and export of Guangdong footwear in 2024

Guangdong exported 1.6 billion pairs of footwear valued at 9.5 billion USD in 2024.

3. Domestic sales of Guangdong footwear in 2024

1) Offline Sales

Leveraging its large population base and strong market demand, Guangdong continues to unleash significant consumption potential. In 2024, the province's total retail sales of consumer goods reached RMB 4.79 trillion, growing by 0.8% compared to 2023 and maintaining its position as the highest in China for over forty consecutive years. Offline sales channels remain dominant, with sales at large chain shoe stores and department stores showing steady growth.

2) Online Sales

In 2024, online retail sales via public networks by Guangdong's above-designated-size enterprises increased by 7.0% year-on-year, accelerating by 2.4 percentage points compared to the first three quarters. Major e-commerce platforms like Tmall, JD.com, and Pinduoduo served as primary sales channels. Furthermore, the rise of live-streaming e-commerce has created new growth opportunities for footwear sales. Data released earlier by the Guangdong Provincial Bureau of Statistics indicated that new consumption models like live-streaming e-commerce and instant retail are flourishing in Guangzhou, with live-streaming e-commerce retail sales

reaching RMB 517.1 billion in 2024.

3) Cross-border E-commerce

Cross-border e-commerce has become a vital supplementary channel for Guangdong's exports. In 2024, Guangdong's cross-border e-commerce transaction volume reached RMB 745.4 billion, accounting for over one-third of the national total. All 21 prefecture-level cities in the province have been approved as comprehensive pilot zones for cross-border e-commerce. Guangzhou, Shenzhen, and Eastern Guangdong have emerged as the three major hubs for cross-border e-commerce development. Global leaders like Amazon, SHEIN, and Alibaba International have established regional headquarters in Guangdong, which has also fostered 15 listed cross-border e-commerce enterprises such as Sailvan Times and EDA Cloud. Cross-border e-commerce not only helps Guangdong footwear companies expand into overseas markets but also enhances brand recognition.

4) Development Characteristics of Guangdong's Footwear Industry in 2024

1. Global Market Expansion

Guangdong's footwear industry accelerated its global layout, establishing overseas factories and leveraging OEM partnerships to reduce costs and optimize production capacity in response to trade barriers. Actively participating in international exhibitions (e.g., in Pakistan), it showcased new products, negotiated collaborations, broadened overseas sales channels, and tapped into global order opportunities.

2. Original design and sneaker trend leadership

Keeping pace with fashion trends, the industry increased investment in original designs, integrating distinctive elements like "Guochao" (Chinese chic) into footwear styles. Targeting younger demographics, it developed trendy categories such as sports-casual and retro sneakers. Through unique designs and materials, it secured a strong position in both domestic and international fashion footwear markets.

3. Brand Strategy

The industry implemented a diversified brand strategy: OGR established itself in the fashion circle with avant-garde designs. Brands like Outdoor Specialists focused on functional niche segments. LuoFu deepened expertise in women's footwear. Dr.Kong specialized in healthy children's shoes. This synergistic approach collectively drove the industry's brand-oriented

upgrade.



II. The key challenges confronting the footwear industry today

1. Intensified International Competition

Southeast Asian countries, leveraging low labor costs and policy advantages, are gradually becoming new global hubs for footwear manufacturing, posing significant competitive pressure on Guangdong’s footwear industry.

2. Fluctuating Raw Material Prices

In 2024, global raw material prices experienced significant volatility, particularly for key inputs like rubber and leather. Price increases led to higher production costs.

3. Environmental Protection Pressure

With rising global environmental awareness, countries are imposing increasingly stringent environmental requirements on footwear products. Guangdong’s footwear manufacturers need to invest more resources in upgrading eco-friendly technologies.

4 .Rising Labor Costs

Persistent increases in labor costs in Guangdong continue to compress corporate profit margins.

III. Guangdong footwear industry future development direction

1) Industrial Cluster Transformation

Guangdong's footwear industry is accelerating industrial integration and global deployment, connecting upstream and downstream industrial chains, and promoting collaborative innovation among enterprises within the clusters. It is actively expanding into markets in Southeast Asia, South Asia, and South America, establishing overseas production and sales networks to reduce costs and circumvent trade barriers. Simultaneously, it leverages digital technologies to transform traditional industrial clusters, enhancing competitiveness in the global industrial chain.

2) Strengthening R&D and Design

Resources are integrated through industry-academia-research collaboration to form teams for developing new materials and processes. Incubation funds are established to cultivate designer brands. Industry events like the Shenzhen Fashion Week are utilized as platforms for converting achievements into commercial outcomes. Digital tools are employed to grasp fashion trends, facilitating a shift from manufacturing to creation.

3) Enhancing Full-Industry Service Levels & Building Fashion Business Districts

Centered on the Kuangquan and Zhanxi commercial districts, we are building an integrated service platform incorporating trend forecasting and design trading. By deploying smart showrooms and digital systems, hosting exhibition-sales and industry forums, and enhancing amenities, we attract enterprise tenants to elevate ecosystem-wide service capabilities.

4) Trade Optimization and Upgrading

Global orders are expanded through cross-border e-commerce and international exhibitions. Overseas production bases are strategically located according to regional advantages. A global supply chain management system is established, strengthening cooperation with suppliers and distributors. Logistics and risk control are optimized to propel the trade model towards high-quality development.

5) Sales Channel Transformation

New models like live-streaming e-commerce and social commerce are vigorously developed. Dedicated e-commerce platforms are built for precision marketing. Cross-border e-commerce operations are expanded, with overseas warehouses established to optimize logistics. Online and offline channels are integrated, and big data is leveraged to deliver personalized services.

6) Promotion by Associations

Associations consolidate industry resources, build communication platforms, and organize training and business matchmaking events. Self-regulation mechanisms are established to standardize the market and guide enterprises towards diversified development. Industrial funds are set up to foster cooperation, enhance the industry's risk resilience, and achieve collaborative success.

IV. The Challenges and Corresponding Strategies of the United States' reciprocal Tariffs

1. Reciprocal Tariff Policy of U.S.

Since April 2025, the U.S. government has implemented tariff policies under the banner of "trade reciprocity." On April 10th, an executive order was issued announcing an increase in the so-called "reciprocal tariffs" on Chinese goods from 84% to 125%. However, the situation has evolved: the deadline for U.S.-EU tariff negotiations has been extended to July 9th. The May 2nd implementation of the policy eliminating tax exemptions for low-value parcels has also severely impacted the cross-border e-commerce industry. Regarding exemptions, Canada and Mexico received temporary exemptions, conditional on the U.S. suspending its existing tariffs against these two countries.

2. Challenges Posed by U.S. Reciprocal Tariffs on China

The U.S. reciprocal tariffs, layered on top of the highest 2018 Section 301 tariffs of 25%, have pushed the total tariff rate on Chinese goods exported to the U.S. to 65.7%. Actual rates are even higher for some sectors. This severely hinders trade, drastically increases costs for Chinese exporters to the U.S., reduces orders, erodes profits, and forces some companies to abandon the U.S. market and seek development elsewhere. Concurrently, related Chinese industries face immense pressure for structural adjustment. Traditional labor-intensive industries need to accelerate technological innovation and upgrading to enhance value-added, but this presents significant challenges for numerous SMEs in terms of capital investment, R&D, and talent

cultivation.

3. Coping Strategies

To counter the U.S. tariff increases, coping strategies can be formulated across multiple dimensions:

1) Market Structure Optimization

- **Market Diversification:** Actively explore markets with lower or zero tariffs, such as Southeast Asia, the Middle East, and Latin America. These regions not only offer favorable policies but also significant market potential, effectively reducing reliance on the single U.S. market.

- **Integration into Emerging Cooperation Mechanisms:** Leverage opportunities under the Belt and Road Initiative (BRI) to tap into markets along its routes and promote market diversification.

2) Cost Control & Efficiency Enhancement

- **Supply Chain Reconfiguration:** Explore nearshoring options, such as setting up overseas factories or partnering with local manufacturers, to effectively reduce production costs. Simultaneously, utilize supply chain optimization to connect directly with overseas warehouses or local distributors, reducing intermediate links, and employ consolidated shipping to lower logistics costs.

3) Product & Brand Upgrading

Enhance product value-added and brand effect by adding features, adopting eco-friendly packaging, offering customization services, etc. This ensures greater competitiveness at comparable price points.

4) Policy Utilization & Strategic Engagement

- **Policy Leverage:** Proactively apply for tariff exclusions and fully utilize export tax rebate policies to reduce corporate tax burdens. Additionally, employ strategic stocking in bonded zones to flexibly respond to tariff fluctuations.

- **Rules-Based Engagement:** Collaborate with entities like the EU to litigate against the U.S.'s unreasonable tariff policies within the WTO framework. However, when considering countermeasures, a thorough assessment of potential risks like foreign capital withdrawal is

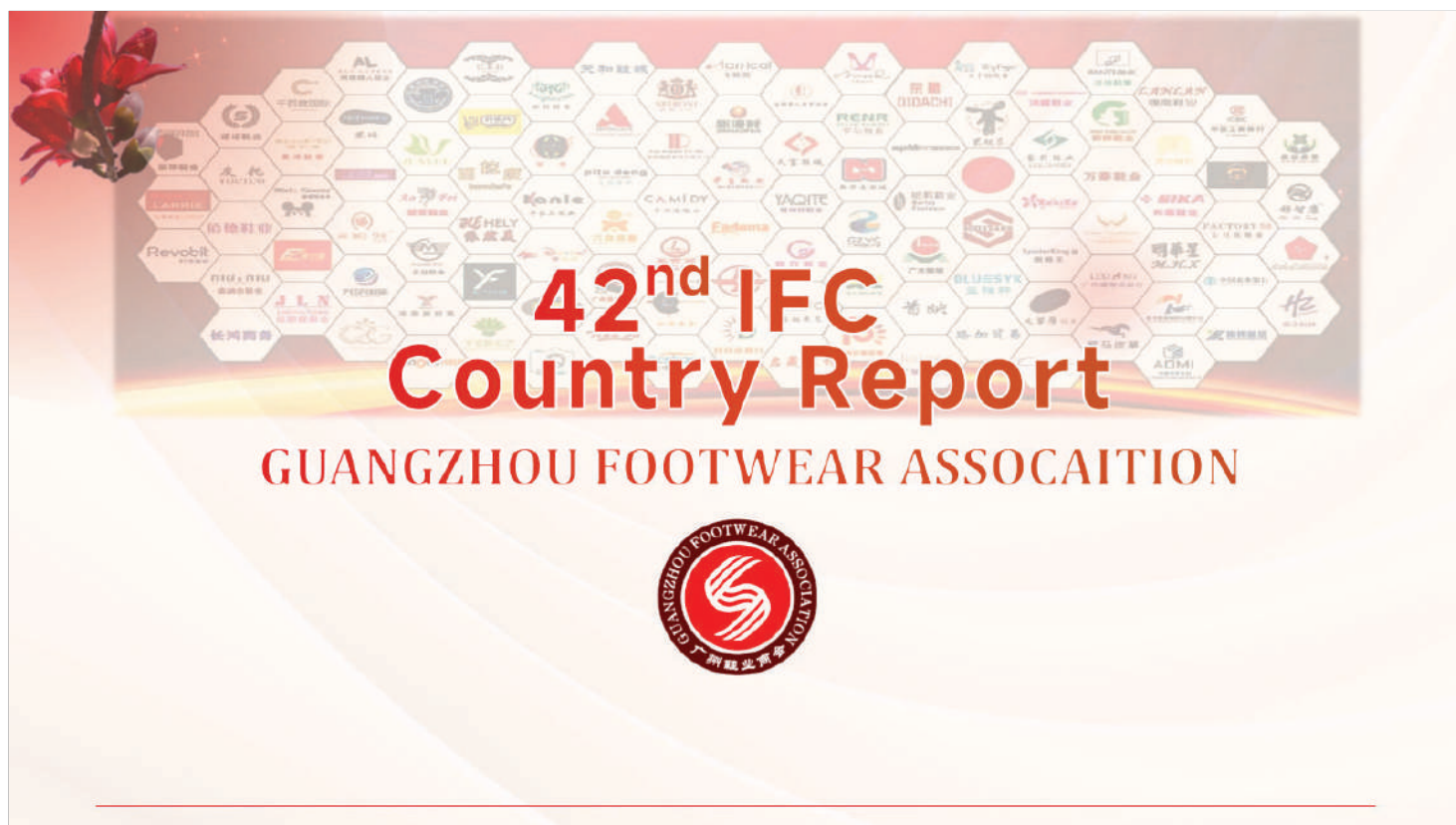
essential, and decisions must be made prudently.

5) Long-Term Strategic Positioning

- **Production Localization:** Consider establishing factories in overseas markets to achieve localized production and circumvent high tariffs.

- **Strategic pivot into new markets:** Targeting underserved segments by expanding into high-growth potential categories like outdoor equipment and smart pet products to unlock new profit engines.

In 2024, amidst a complex and volatile global economic environment, Guangdong's footwear industry maintained strong competitiveness. Despite challenges like intensified international competition and fluctuating raw material prices, Guangdong footwear enterprises achieved stable progress through strategies such as transformation and upgrading, brand building, market expansion, and innovative marketing models like short-form drama marketing. Looking ahead, with the further adoption of green manufacturing and digital technologies, Guangdong's footwear industry is poised to secure a more prominent position in the global market. The successful application of innovative models like short-form drama marketing also provides new growth momentum for Guangdong footwear brands.



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| Guangzhou's Economy | Core Advantages | Benchmark Brand | Challenge and Opportunity |
| 02. | 04. | 06. | |
| Industry Achievements | Industrial Clusters | Association Empowerment | |



PART 1: Guangzhou's Economy — Laying the foundation for the development of the footwear industry

- Guangzhou, a city full of vitality and opportunities, as a millennium old commercial capital, continues to burst with vitality through the innovation matrix of "technology+culture+consumption", steadily advancing in the wave of economic development.
- Guangzhou footwear industry, like one of the shining pearls, has a complete industrial chain from foreign trade exports, leather and shoe material supply, finished shoe production, and shoe machine manufacturing. It is gathering global attention with unique charm and openness.

Core Data:

- In 2024, the GDP will exceed 3.1 trillion yuan, with a year-on-year growth of 2.1%, and new driving forces will accelerate their aggregation.
- In the first quarter of 2025, foreign trade was outstanding: the total export value surged by 30.6%, and the import and export structure continued to optimize.

Examples of Canton Fair:

- The 137th Canton Fair attracted nearly one million merchants from more than 200 countries, and the "the Belt and Road" purchasers became the growth engine.



PART 2: Industry Achievements — Eye catching data witnesses strength

Brilliant answer sheet: 2024-2025 Guangzhou Footwear Economy Performance Results

- Sales growth and market expansion: The total sales volume continues to climb, and the company steadily expands its market share through high-quality products and innovative marketing.
- Strong foreign trade, international breakthrough:
- (1) In 2024, the total import and export value of Guangzhou's foreign trade increased by 3.0% year-on-year, and the total export value increased by 7.8%;
- (2) As the main exporter of industrial products, the footwear industry has achieved global sales and significantly improved international competitiveness and market position. The increase in export volume highlights the international competitiveness of Guangzhou footwear industry and highlights its important position in the global footwear market.
- Ecological activity, innovative upgrading:
- (1) The number of enterprises is steadily increasing, and new market entities are constantly emerging;
- (2) Continuous injection of innovative vitality and creativity drives the industry towards high-end and intelligent development.

Grand occasion of International Shoe & Leather Exhibition: Highlights of the 33rd INT'L EXHIBITION - GUANGZHOU

- Large scale and global participation: attracting over 700 companies from 20 countries and regions to participate, covering the entire shoe-making industry chain.
- The exhibits are complete and professionally focused: the exhibits cover advanced mechanical equipment, high-quality shoe materials, chemical raw materials, and trendy finished shoes.
- Audience gathering, cooperation landing:
- (1) Over 20000 professional visitors attended, including representatives from international procurement giants and retail enterprises;
- (2) Deep cooperation was reached on-site to promote the global construction of high-quality supply chains and strengthen the pillar position of Guangzhou's footwear economy.



PART 3: Core Advantage — Four Pillars Build Competitiveness



Efficient and collaborative development of a complete industrial chain

- Guangzhou footwear industry achieves efficient operation, rapid response to the market, and rapid product iteration and innovation through a complete industrial chain.

Superior geographical location strengthens transportation and logistics

- As an international transportation hub, Guangzhou has a convenient logistics network, reducing logistics costs and accelerating market response.



Enrich labor force to ensure quality and craftsmanship

- Numerous skilled workers and technical talents ensure the high quality and unique craftsmanship of Guangzhou's footwear products.

Deep cultural heritage endows creativity with individuality

- The combination of Lingnan culture and modern fashion makes the design of Guangzhou footwear products more creative and personalized.



PART 4: Industrial Clusters — Featured business districts lead development

Layout and Characteristics of the Four Core Business Districts in Guangzhou Footwear Industry

Liwan District: Dual core drive

- Zhanxi Footwear Business District
 - Scale: Covering an area of 415000 square meters, it is the world's largest shoe research and development and supply base.
 - Business format: Covering the entire industry chain, including finished shoes, shoe materials, and other fields, gathering professional markets such as Buyun Tiandi, Xicheng Footwear Plaza, Tianfu Shoe City, Xinhaopan Group, and Tianhe Shoe City.

- Xiwan Road gathering place
 - Positioned as a top foreign trade brand exhibition hall and office building collection Groups are important international procurement and information hubs.



Haizhu District: Exhibition Economy Linkage

- Representative: New South China Fashion International.
- Features: Mainly engaged in wholesale of mid-range casual shoes and children's shoes, with the geographical advantage of being adjacent to the Pazhou Convention and Exhibition Center, the products radiate the national market.

Baiyun District: Original Trend Highland

- Focusing on the wholesale and retail of original designed shoes, gathering a large number of foreign trade company headquarters exhibition halls and office areas, leading the industry trend.

Yuexiu District: E-commerce Supply Center

- Core: Jiefang South Business District (Yudaihao, Gaodi Street).
- Advantages: Mainly engaged in spot trading, able to accurately connect with e-commerce demand and quickly respond to market changes.

The four core business districts have built a collaborative ecosystem with differentiated positioning, effectively promoting the cluster development of Guangzhou's footwear industry.



PART 5: Benchmark Brand — Head Power Driven Upgrade

Top Brand

- There are many benchmark enterprises in the foreign trade field of the Association, such as YAQITE, RENR, CAMIDY, Fadema, Harley Footwear, SPERONI, BLUESKY, GREEN Shoes, NONO Shoes, etc; Shoe material benchmark enterprises are represented by LIUHE Leather and JUTAI Leather; The benchmark enterprises in the field of children's shoes include DOREMI and ZHONG LI; In terms of integration of domestic and foreign trade, enterprises such as YINGJILI and Classical have shown outstanding performance.

Industry Impact

- Benchmark enterprises have established a good brand image and reputation through continuous technological innovation, product upgrades, and brand building, winning the trust and support of consumers. At the same time, they actively play a leading role, driving the common development of small and medium-sized enterprises, and promoting the transformation, upgrading, and sustainable development of the entire industry.

PART 6: Association Empowerment — Collaborative Creation of Industry Future

Organizational Structure of Guangzhou Footwear Association

- The Guangzhou Footwear Association was established in June 2005 and has a history of nearly 20 years. At present, We has about 260 member enterprises, covering the entire footwear industry chain: enterprises engaged in the import and export trade of finished shoes and shoe materials account for 60%, domestic sales enterprises account for 20%, integrated domestic and foreign trade enterprises and shoe factories account for 10%, professional wholesale markets for finished shoes and shoe materials account for 5%, and supporting service enterprises in the industry chain account for 5%. The members of the Association are mainly foreign trade enterprises, including leading enterprises that have been deeply involved in the foreign trade field for 20 to 30 years.

Core service functions

- Strengthen exhibition services and platform construction: build three major platforms for information, trade, and services, host or organize participation in important international exhibitions such as Canton Fair and INT'L EXHIBITION - GUANGZHOU; At the same time, in conjunction with the Station West Shoe City commercial district, four large-scale "Guangzhou International Shoe Industry Festivals" were successfully held to help enterprises expand their international markets.
- Play the role of a bridge between government and enterprises: transmit policy information, reflect business demands, and assist in solving practical difficulties for enterprises; Actively carry out policy propaganda and promote the effective implementation of policies benefiting enterprises.



PART 7: Challenges and Opportunities —

Innovation Breaks the impasse
and heads towards the future



Smart response to challenges

- Guangzhou footwear industry optimizes product structure, explores emerging markets, reduces trade risks, and enhances international competitiveness.

Policy support and assistance

- Utilize tax incentives and export subsidies to reduce operating costs, improve profitability, and consolidate global position.

THANK YOU!

Joining hands with Guangzhou, we aim to create
a new future for the global footwear industry!



Welcome to contact

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E-mail: cfa020@163.com

HKFA

The 42nd International Footwear Conference

Report of Hong Kong Footwear Industry



香港鞋業商會
HONG KONG FOOTWEAR ASSOCIATION

凝聚業界 聯通世界

The Overview

HKFA

- Hong Kong's footwear industry is a dynamic sector with a strong presence in manufacturing, import-export, and retail. The industry specializes in a wide range of footwear, including women's boots and mules, men's casual shoes like loafers and moccasins, and sports footwear. Some companies also focus on children's shoes, offering unique designs such as embroidered boots and cartoon-themed footwear.
- Despite its historical significance, Hong Kong's footwear manufacturing has largely moved offshore to mainland China and ASEAN countries to reduce costs. As of 2021, only a small number of workers remained in local manufacturing, while over 1,000 import-export establishments employed thousands. The market is projected to generate US\$9.94 billion in revenue in 2025, with boots being the largest segment. The industry is also shaped by a growing demand for luxury brands and innovative designs.
- Several Hong Kong footwear brands, such as Belle International and le saunda, focus on brand development and retail expansion, particularly in mainland China. Others, like Dr. Kong Footcare and Kong Cheong Shoes Group, explore niche markets such as health footwear. The **Hong Kong Footwear Association**, established in 1948, continues to support the industry by promoting trade opportunities and maintaining the interests of manufacturers.



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HONG KONG FOOTWEAR ASSOCIATION

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Exports



Hong Kong's footwear exports fell by 6% in 2024, after an 8% decrease in 2023. Re-exports, accounting for more than 99% of total exports, showed a similar trend, Domestic exports surged by 55%. (source: Census and Statistics Department of Hong Kong)

| HK\$'000 | 2022 | | 2023 | | 2024 | |
|------------------|------------|---------|------------|---------|------------|---------|
| HK | Value | Growth% | Value | Growth% | Value | Growth% |
| Total Exports | 17,499,706 | -5 | 15,977,635 | -8 | 14,961,863 | -6% |
| Domestic Exports | 1,909 | -75 | 4,394 | 56 | 6,828 | 55% |
| Re-exports | 17,497,798 | -5 | 15,973,241 | -9 | 14,955,035 | -6% |
| Imports | 17,708,387 | -6 | 17,385,498 | -1 | 16,122,094 | -7% |



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Exports



Total exports by Main Destinations (source: Census and Statistics Department of Hong Kong)

| Year | | | 2022 | 2023 | 2024 |
|---------------|-----------------------|----------------|----------------------------------|----------------------------------|----------------------------------|
| Statistics | | | Value (Year-to-date) (HK\$ '000) | Value (Year-to-date) (HK\$ '000) | Value (Year-to-date) (HK\$ '000) |
| Trade Type | Consignment | SITC 3-digit | | | |
| Total Exports | USA | 851 - FOOTWEAR | 3,865,801 | 4,047,503 | 3,121,870 |
| | THE MAINLAND OF CHINA | 851 - FOOTWEAR | 6,241,000 | 4,336,902 | 3,094,815 |
| | ITALY | 851 - FOOTWEAR | 390,762 | 373,819 | 403,028 |
| | UNITED KINGDOM | 851 - FOOTWEAR | 167,294 | 256,862 | 280,308 |
| | JAPAN | 851 - FOOTWEAR | 290,206 | 257,011 | 274,252 |
| | GERMANY | 851 - FOOTWEAR | 225,537 | 147,876 | 176,651 |
| | FRANCE | 851 - FOOTWEAR | 136,286 | 159,110 | 165,715 |
| | RUSSIA | 851 - FOOTWEAR | 70,728 | 92,077 | 131,426 |
| | CANADA | 851 - FOOTWEAR | 183,909 | 149,003 | 110,769 |
| | INDIA | 851 - FOOTWEAR | 125,925 | 54,484 | 41,363 |



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Total Exports By Types

HKFA

| Year | | 2022 | 2023 | 2024 |
|---------------|---|----------------------------------|----------------------------------|----------------------------------|
| Statistics | | Value (Year-to-date) (HK\$ '000) | Value (Year-to-date) (HK\$ '000) | Value (Year-to-date) (HK\$ '000) |
| Trade Type | HKHS 4-digit | | | |
| Total Exports | 6401 - WATERPROOF FOOTWEAR WITH OUTER SOLES AND UPPERS OF RUBBER OR OF PLASTICS, THE UPPERS OF WHICH ARE NEITHER FIXED TO THE SOLE NOR ASSEMBLED BY STITCHING, RIVETING, NAILING, SCREWING, PLUGGING OR SIMILAR PROCESSES | 44,095 | 66,966 | 37,886 |
| | 6402 - OTHER FOOTWEAR WITH OUTER SOLES AND UPPERS OF RUBBER OR PLASTICS | 2,751,201 | 2,791,962 | 3,557,937 |
| | 6403 - FOOTWEAR WITH OUTER SOLES OF RUBBER, PLASTICS, LEATHER OR COMPOSITION LEATHER AND UPPERS OF LEATHER | 6,755,749 | 7,571,702 | 5,911,036 |
| | 6404 - FOOTWEAR WITH OUTER SOLES OF RUBBER, PLASTICS, LEATHER OR COMPOSITION LEATHER AND UPPERS OF TEXTILE MATERIALS | 5,925,829 | 4,471,781 | 4,436,733 |
| | 6405 - OTHER FOOTWEAR | 68,528 | 72,658 | 161,541 |
| | 6406 - PARTS OF FOOTWEAR; REMOVABLE IN-SOLES, HEEL CUSHIONS AND SIMILAR ARTICLES; GAITERS, LEGGINGS AND SIMILAR ARTICLES, AND PARTS THEREOF | 1,954,304 | 1,002,565 | 856,730 |



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U. S. Reciprocal Tariffs

HKFA

Since Trump announced "reciprocal tariffs" on April 2, China and the United States have experienced a tit-for-tat and increasingly fierce tariff confrontation. The extremely high tariffs imposed on each other have had a practical effect on bilateral trade that is no different from an "embargo".



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Joint Declaration for 90 Days Suspension

- China and the US reach consensus in Geneva Declaration on 14 May 2025.
- The United States cancel the 91% of tariffs imposed on China, and modify the 34% tariffs imposed on. Among them, 24% of the tariffs will be suspended in the next 90 days, and only the remaining 10% of tariffs will be retained.



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Short-term Measures

- Using the "first sale rule" of the United States, importers can declare tariffs at a lower sales price, thereby reducing the tariff burden.
- Adopt a customs declaration method that strips off non-taxable costs to reduce the customs declaration price of imported US goods, thereby reducing the actual number of tariffs paid
- Utilize the Foreign Trade Zone (FTZ) in the United States to store goods exported to the United States in bonded warehouses within the zone



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Medium and Long Term Strategies

- Hong Kong and mainland companies engaged in manufacturing exports still need to consider "going overseas" and diversifying their supply chain as their medium- and long-term strategic development directions, they must be more prudent and cautious in their strategies and actions.



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Thank You

<http://www.hkfootwear.org>



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COUNCIL FOR LEATHER EXPORTS
(Sponsored by Ministry of Commerce & Industry, Government of India)



Destination India - Footwear

R. Selvam
Executive Director, Council for Leather Exports



India – the Growth Epicenter



【1】

USD 1 Trillion FDI inflows since April 2000.
29% rise in FDI Apr. – Dec. 2024 as compared to 27% in Apr. to Dec. 2023.

【3】

3rd Largest Economy by PPP (GDP : 2024: USD 4.27 Tn)
6.4% GDP growth projection for 2025 (IMF).

【2】

2nd Largest Road & Rail Network (National Highways 1.46 lakh Kms)
Will be 2nd largest consumer market by 2030 – from 4th currently
Consumer Market to grow from USD 2.4 Tn in 2024 to USD 4.3 Tn in 2030

【11】

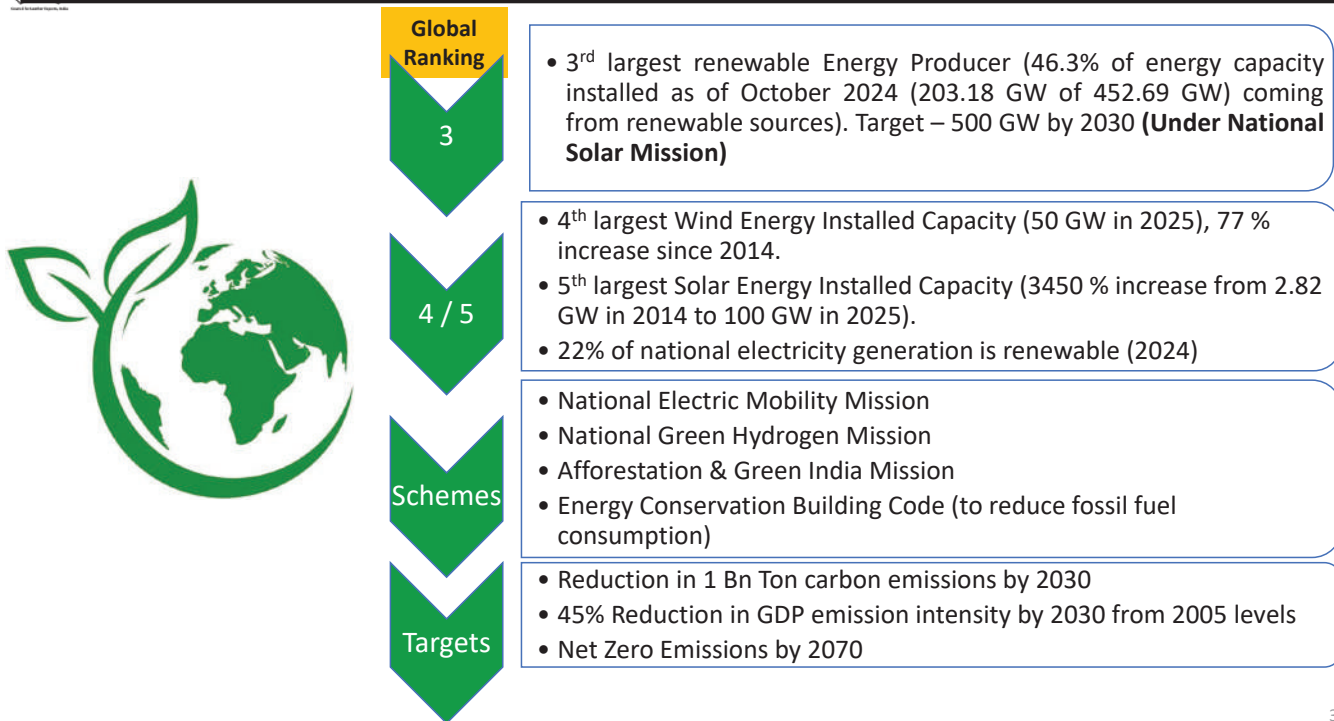
11 National Industrial Corridors being developed
11.3% CAGR growth in Private Final Consumption Expenditure (PFCE) in last 10 years

【67】

67% (986 Mn) of total population (1.46 Bn People) are in working age (between 15 & 64)



India – Focus on Sustainability



3



India – Frontrunner in Ease of Doing Business



World Bank Ease of Doing Business
Ranking: 130 in 2016 to 63 in 2020

GST-Unified Taxation system
Digitalization-Company regn, tax filing, Obtaining licenses, etc.,

National Single Window
Access to 645 Central & 6113 State Government approvals
39,000 Compliances reduced

Secured 39th Spot in Global Innovation Index 2024 among 133 countries – from 81st rank in 2015.



Lower Corporate Tax rate for new manufacturing companies (@15%)

Competitive Utility Cost (Power & Water)

3rd Largest recipient of Greenfield projects as per World Investment Report 2023

Competitive Incentive structure for Footwear and Leather Sector (Both Central and State Level)

4 4



Indian Footwear Industry – Fact Sheet : 2024 -25



| | |
|------------------------|--|
| Exports | USD 2.26 bn* |
| Domestic Turnover | USD 17 billion** |
| Imports | USD 0.65 billion* |
| Production | 3000 mn pairs ** |
| Consumption | 2586 mn pairs ** |
| Employment | 2 million |
| Share in Global Market | 1.48% (2024) (Global Imports during 2024 : USD 152.69 bn) |

* Source : DGCI & S

* **Estimated

5



Vision set by Hon'ble Prime Minister (1/2)



Hon'ble Prime Minister Shri Narendra Modi envisions the Footwear and Leather sector as a priority sector for driving inclusive and export-led economic growth.

Vision for Footwear & Leather Sector rests on four strategic pillars:

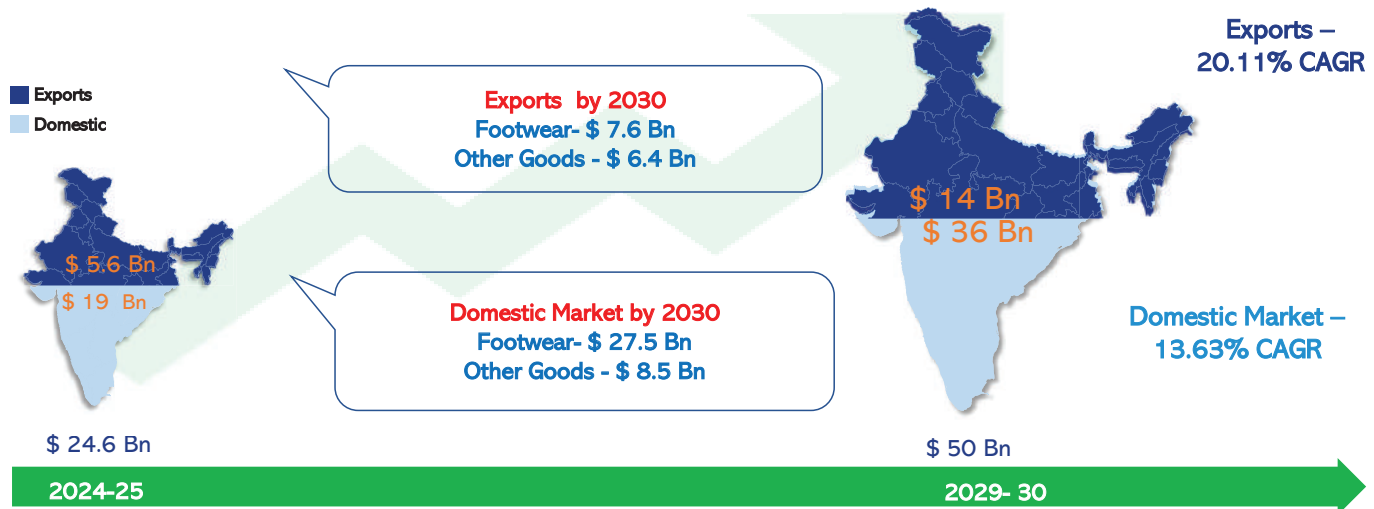
- an inclusive approach with new confidence that empowers social equity and enterprise of any scale and size;
- a strong focus on manufacturing excellence for domestic market and export competitiveness;
- expanding economic partnerships through free-trade agreements, technology transfers, and large scale investments (including FDI) and
- creating global champions that embody India's innovation, sustainability, quality, and craftsmanship on the global stage.
- The Union Budget 2025–26's major support for the leather and footwear sector, including the Focus Product Scheme and duty cuts on leather exports and imports. These measures aim to boost production, employment, and exports significantly and aim to enhance India's competitiveness globally and boost employment.



6



Vision 2030 (2/2)



Growth factors : Rise in disposable income, growing middle class, fashion awareness among youth and growth in consumer retail (E-Comm, D2C, etc.) & huge export opportunities

7



Indian Footwear Industry – Snapshot (2023)



Production

| RANK | COUNTRY | PAIRS (MILLION) | WORLD SHARE |
|------|------------|-----------------|-------------|
| 1 | CHINA | 12300 | 54.91% |
| 2 | INDIA | 2600 | 11.61% |
| 3 | VIETNAM | 1400 | 6.25% |
| 4 | BRAZIL | 866 | 3.87% |
| 5 | INDONESIA | 807 | 3.60% |
| 6 | PAKISTAN | 561 | 2.50% |
| 7 | TURKIYE | 502 | 2.24% |
| 8 | BANGLADESH | 423 | 1.89% |
| 9 | MEXICO | 217 | 0.97% |
| 10 | IRAN | 176 | 0.79% |
| | RoW | 2548 | 11.38% |

Source: World Footwear Year-Book 2023

Consumption

| RANK | COUNTRY | PAIRS (MILLIONS) | WORLD SHARE | 3 YEAR CAGR |
|------|------------|------------------|-------------|-------------|
| 1 | CHINA | 3532 | 17.10% | -3.59% |
| 2 | INDIA | 2563 | 12.41% | 8.51% |
| 3 | USA | 1934 | 9.36% | 1.86% |
| 4 | BRAZIL | 776 | 3.76% | 3.94% |
| 5 | JAPAN | 616 | 2.98% | 1.79% |
| 6 | PAKISTAN | 544 | 2.63% | 4.55% |
| 7 | INDONESIA | 544 | 2.63% | -12.81% |
| 8 | RUSSIA | 428 | 2.07% | 9.72% |
| 9 | BANGLADESH | 355 | 1.72% | -0.92% |
| 10 | MEXICO | 340 | 1.65% | 14.25% |
| | RoW | 9023 | 56.32% | -3.59% |

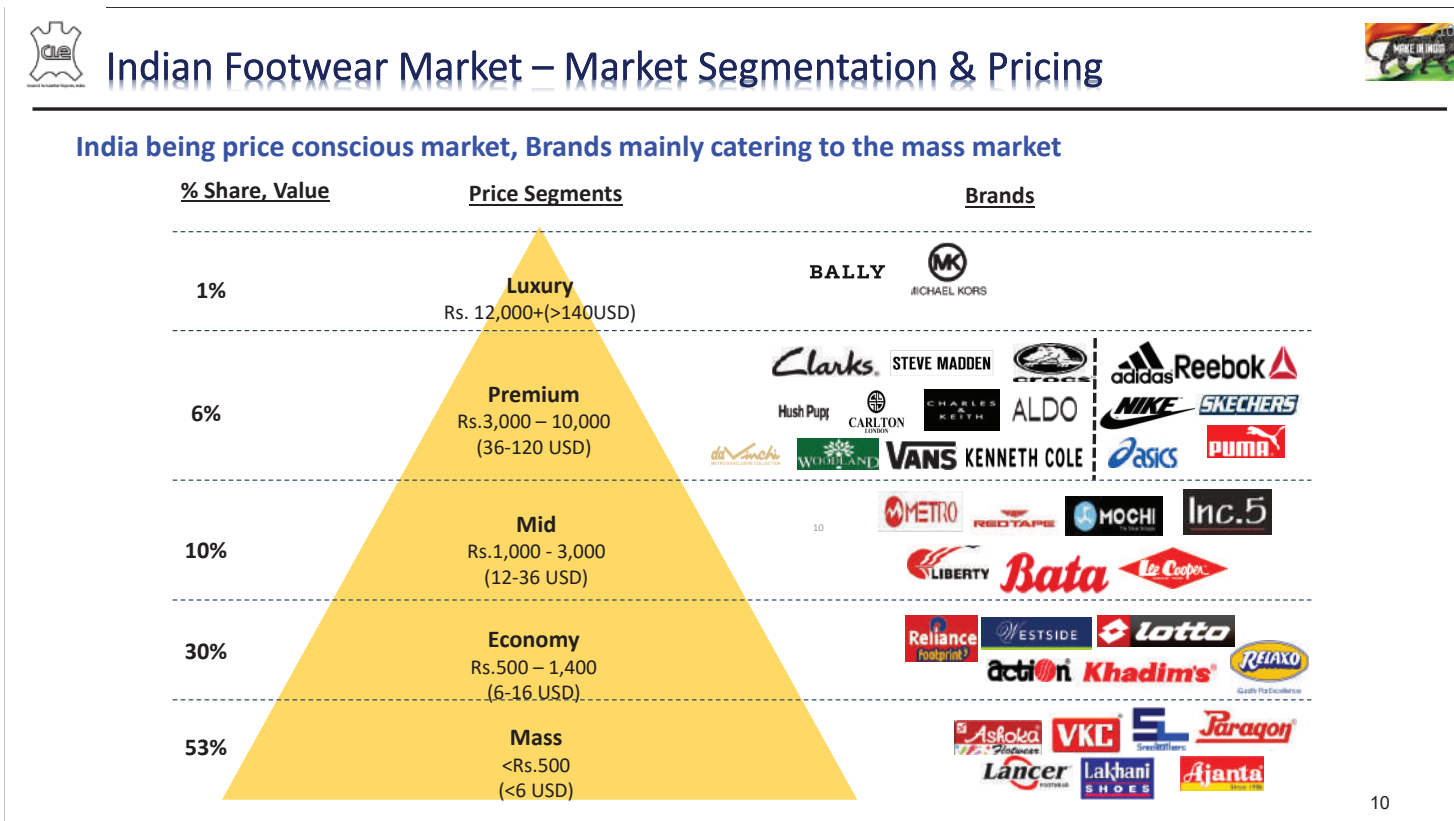
Exports

| RANK | COUNTRY | PAIRS (MILLIONS) | WORLD SHARE |
|------|-----------|------------------|-------------|
| 1 | CHINA | 8958 | 63.80% |
| 2 | VIETNAM | 1335 | 9.51% |
| 3 | INDONESIA | 445 | 3.17% |
| 4 | GERMANY | 349 | 2.49% |
| 5 | TURKIYE | 301 | 2.14% |
| 6 | INDIA | 257 | 1.83% |
| 7 | BELGIUM | 220 | 1.57% |
| 8 | ITALY | 191 | 1.36% |
| 9 | CAMBODIA | 165 | 1.18% |
| 10 | SPAIN | 156 | 1.11% |
| | RoW | 1664 | 11.85% |

8



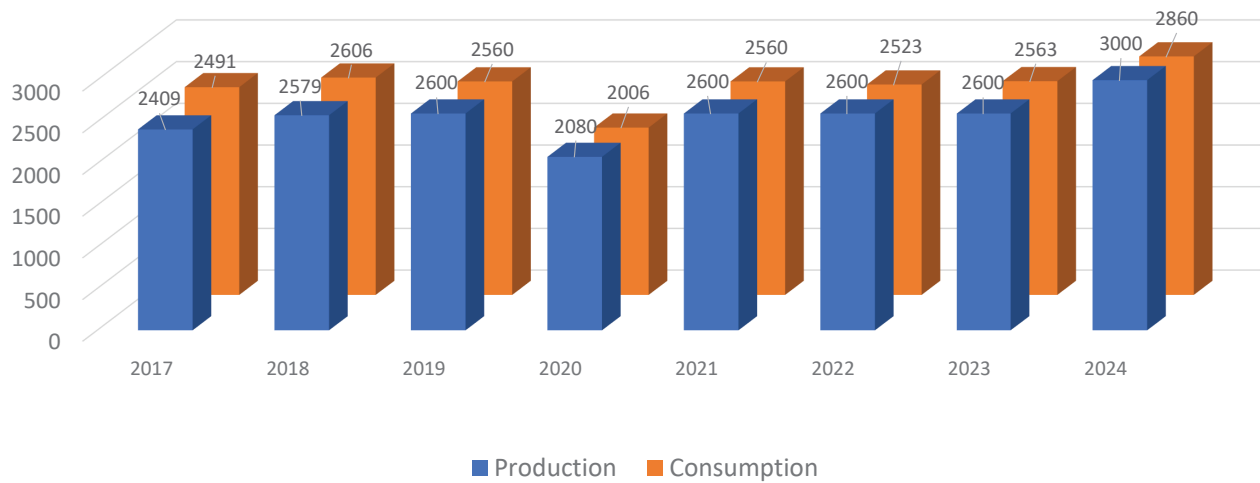
9



10



Footwear production and consumption in India (Mn Pairs)

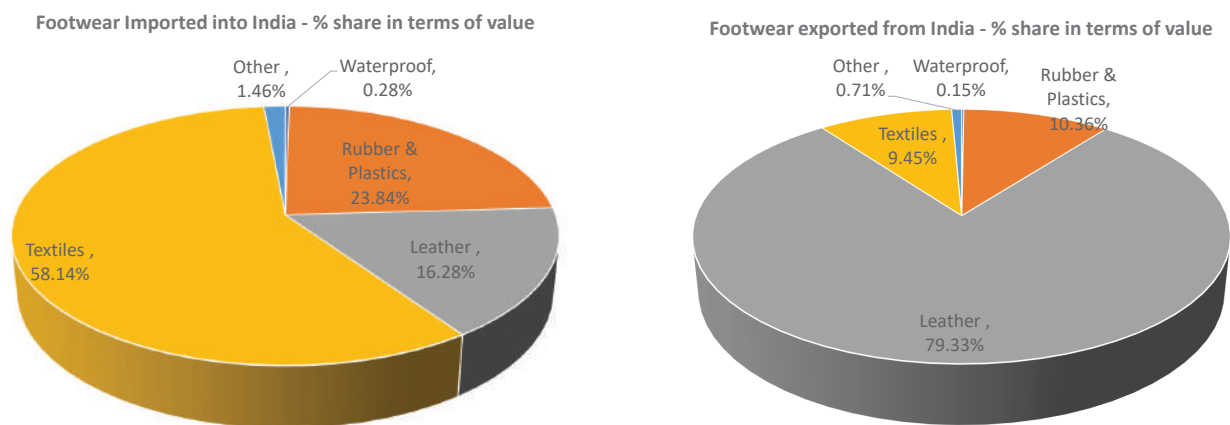


Source : World Footwear Yearbook . Year 2024 – Estimates

11



Types of footwear imported & exported



Source : DGCI & S data

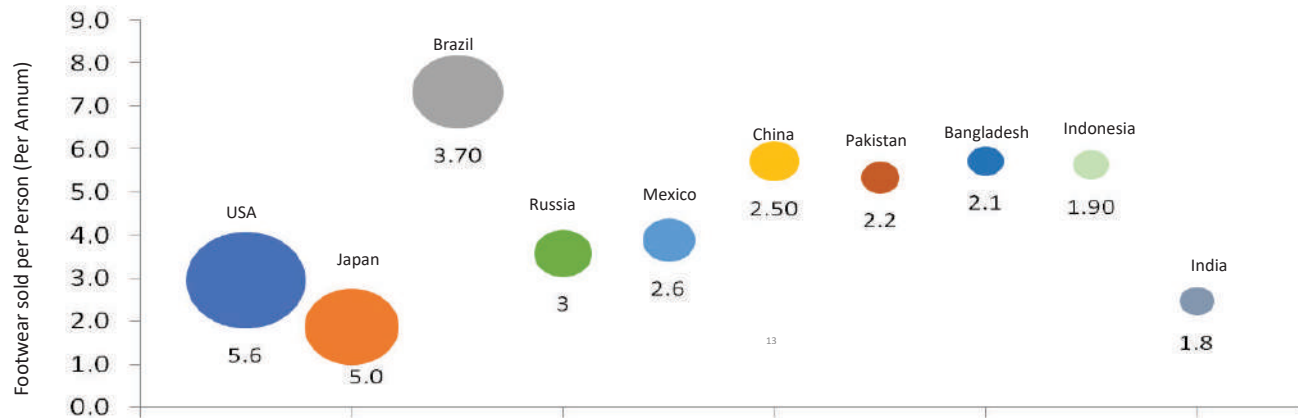
12



Opportunity India | Growth Potential



Footwear Sold per Person – Year : 2023
Top 10 Countries based on Pairs Consumed



- India's per capita consumption is only 1.8, lowest amongst the top 10 countries. While China's per capita consumption is 2.5
- India's per capita consumption is projected to grow to 4 pairs (2030) with consumption reaching 6 Bn Pairs.
- Domestic footwear demand (leather & non leather) is expected to grow at 10% CAGR and reach \$27.5 Bn by 2030 from the current size of \$ 17 Bn

13



Components, Raw Materials & Inputs – Huge Opportunity



Value of raw materials/leather/components/inputs used in footwear & leather industry
(domestic & exports)

12.8 billion USD

(assuming total cost of components, inputs, leather & raw materials @ 65% of export value of USD 5.6 bn and domestic market factory sales value of USD 14 bn)

Components/ Inputs industry has huge growth potential in India
Textiles based footwear is amongst the highest growing segment.

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Critical Raw Materials/ Inputs - Investment Opportunity



| S # | Material | Supply Chain | Import Duty (MFN) |
|-----|---|--|-------------------|
| 1 | PU (Poly Urethane coated Fabrics) HSN 56039490 59032090 | Annual Demand : 550 KT 73% (400 KT PA) imported. Major suppliers are China, Japan , Taiwan, Vietnam, USA and South Korea. Import during 2023 – 24 : HSN 56039490 : USD 31.13 million. HSN 59032090 : USD 98.88 mn | 20% |
| 2 | EVA (Ethylene Vinyl Acetate) HSN : 39013000 | Annual Demand : 280 KT Import during 2023 – 24 : USD 383.99 mn. Major Suppliers are South Korea, Saudi Arabia, Taiwan. | 7.5% |
| 3 | PVC (Poly Vinyl Chloride) HSN : 390410 | About 2040 Kilo Tons PA (57.82%). Imported from 51 countries. 5% to 7% used in footwear. Major suppliers are China, Japan and Taiwan. Import during 2023-24 was USD 2454.91 mn | 10% |
| 4 | Footwear Components Uppers, Soles etc., HSN 6406 | Major suppliers are China, Vietnam, Hong Kong. Import during 2023-24 : USD 92.33 million. | 20% |
| 5 | Metal Accessories HSN 8308 | Major suppliers are China, Hong Kong, Italy. Import during 2023-24 : USD 115.73 million. | 10% |

15



Critical Raw Materials/ Inputs - Investment Opportunity



| S# | Material | Supply Chain | Import Duty (MFN) |
|----|---|--|-------------------|
| 6 | Adhesive Tapes/ Sheets HSN 39199090 | Major suppliers are China, South Korea, USA. Import during 2023-24 : USD 537.42 million. | 15% |
| 7 | Plastic Trims and buckles used for footwear including EVA sheets for soles, welts of plastic, plastic shoe lasts HSN 3926 | Major suppliers are China, Germany, Japan. Import during 2023-24 : USD 1183.31 million. | 15% |
| 8 | PU, including water-based PU and Rubber 39095000 | Major suppliers are China, Singapore, Netherlands. Import during 2023-24 : USD 350.07 million. | 7.5% |
| 9 | Non woven fabrics HSN 5603 | Major suppliers are China, Japan, Thailand. Import during 2023-24 : USD 193.03 million. | 20% |
| 10 | Non-Wovens HSN 60063200 | Major suppliers are China, Taiwan, Vietnam . Import during 2023-24 : USD 277.47 million. | 20% |
| 11 | Warp Knit Fabrics HSN 6005 | Major suppliers are China, Korea, Sri Lanka. Import during 2023-24 : USD 101.37 million. | 25% |

16



Critical Raw Materials/ Inputs - Investment Opportunity



| S# | Material | Supply Chain | Import Duty (MFN) |
|----|---|--|---------------------------------------|
| 12 | Eyelets HSN 73182300 | Major suppliers are China, Japan, Italy . Import during 2023-24 : USD 34.26 million. | 15% |
| 13 | Threads HSN 54012000 | Major suppliers are Germany and China . Import during 2023-24 : USD 2.46 million. | 5% |
| 14 | Threads HSN 52042090 | Major suppliers are Tanzania and China . Import during 2023-24 : USD 0.14 million. | 10% |
| 15 | Rubber HSN : 40012100 | Major suppliers are Vietnam, Malaysia, Bangladesh. Import during 2023-24 : USD 55.65 million. | 25% or Rs.30 per KG whichever is less |
| 16 | Silica HSN 28112200 | Major suppliers are China, Belgium, Japan. Import during 2023-24 : USD 98.32 million. | 7.5% |
| 17 | Imitation Leather Fabrics of Cotton HSN 59032010 | Major suppliers are Vietnam, China, Germany. Import during 2023-24 : USD 7.74 million. | 20% |



Critical Raw Materials/ Inputs - Investment Opportunity



| S# | Material | Supply Chain | Import Duty (MFN) |
|----|---|---|--|
| 18 | Toe Puffs HSN 35069110 | Major suppliers are Vietnam, China, Taiwan. Import during 2023-24 : USD 6.91 million. | 10% |
| 19 | Labels/ Badges HSN 58071020 | Major supplier is China. Import during 2023-24 : USD 2.07 million | 10% |
| 20 | Cartons HSN 48191010 | Major suppliers are China, Sri Lanka, Vietnam. Import during 2023-24 : USD 17.23 million. | 10% |
| 21 | Mechanically made lace (man made fibre) HSN 58042100 | Major suppliers are China, Sri Lanka, Hong Kong. Import during 2023-24 : USD 15.43 million. | 20% or Rs.200 per KG whichever is higher |
| 22 | Mechanically made lace (Other textile materials) HSN 580429 | Major suppliers are China, Hong Kong, Indonesia. Import during 2023-24 : USD 17.41 million. | 10% or Rs.200 per KG whichever is higher |



Machinery – Investment Opportunity



Huge scope for setting-up machinery unit in India, as 98% of the tanning machinery and 95% of the footwear and products machinery are imported.

Import of machinery into India – Million USD

| HSN | Type of Machinery | 2023-2024 | HSN | Type of Machinery | 2023-2024 |
|--------------|---|--------------|------|---|-----------|
| 84531000 | Machinery for preparing, tanning or working hides, skins or leather | 10.23 | 8477 | Machinery for working rubber or plastics or for the manufacture of products from these materials, not specified or included elsewhere in this Chapter | 1406.98 |
| 84532000 | Machinery for making or repairing footwear | 39.87 | | | |
| 84538000 | Other machinery | 7.72 | | | |
| 84539010 | Parts of boot and shoe manufacturing machinery | 1.80 | | | |
| 84539090 | Other parts of machinery | 15.13 | | | |
| Total | | 74.75 | 8452 | Sewing Machines | 279.05 |

Import duty for Poland - 7.5%

Import duty for Poland (8452)- 7.5% / 10%
Import duty for Poland (8477)- 7.5%

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Footwear Moulds – Investment Opportunity



- Good Quality and new designs **moulds are mostly imported.**
- Precision mould making needs to be developed as there are only small factories

Moulds for rubber/plastics - Import data - 84807100
Million USD : 2023-24

| Country | Import | % share in import | Import duty |
|--------------|---------------|-------------------|-------------|
| China | 160.92 | 44.94% | 6.37% |
| Korea | 118.10 | 32.98% | 0% |
| Germany | 16.77 | 4.68% | 7.5% |
| Total | 358.05 | 100.00% | |

Moulds for rubber/plastics - Import data - 84807900
Million USD : 2023-24

| Country | Import | % share in import | Import duty |
|---------------------|---------------|-------------------|-------------|
| China | 186.09 | 69.90% | 7.13% |
| Korea | 10.91 | 4.10% | 0% |
| Japan | 7.43 | 2.79% | 0% |
| Total Import | 266.21 | -- | -- |

Import duty for Poland - 7.5%

20



Growth & Investment Opportunities



Opportunities for Growth

- Significant domestic demand projected, with 6 billion footwear pairs needed by 2030.
- Substantial export potential in non-leather footwear, with current exports at only USD 350 million.
- Access to skilled labor at competitive prices.
- Growth prospects for the entire ecosystem.
- Supportive policies from the Government of India and state governments.

Investment Opportunities

- FDI – Both in Greenfield & Brownfield
- Establish 3 Ms i.e. Machine, Manufacturing & Moulds
- Huge scope for Make in India and Make for the world
- Significant growth potential in athletic/ athleisure, ladies & Children footwear.

Ease of Doing Business

- Online self generation of Bank Realisation Certificate for export payments.
- 24 x 7 Customs Clearance.
- E – sealing of export containers
- PM Gati Shakti Portal with G.I.S Mapping for Multimodal connectivity
- Authorised Economic Operator Programme (AEO) – Faster Customs clearance
- National Logistics Policy for Freight Reduction Control and Dedicated Freight Corridor Operations.

21



Skilling & Supporting Institutions



50 Occupational Standards and Qualification Packs developed for various job roles by LSSC for training

Skilling support provided by both Central Govt. (PMKVY and PM Vishwakarma) & State Governments

More than 3 lakh candidates trained via short-term courses, RPL, and upskilling initiatives.

5 lakh more unemployed youth to be trained & employed in next 5 years.

2



Government Schemes/Benefits (Existing)



IFLDP Scheme*

Scheme with outlay of USD 200 mn

- Modernization of Units: USD 59 mn
- Environment Management: USD 59 mn
- Cluster Development: USD 35 mn
- Institutional Support: USD 24 mn
- Design Studio: USD 11.5 mn
- Promotion of Brands: USD 11.5 mn



FDI Regulations

- 100% Repatriation of profits
- 100% FDI through automatic investment route

FDI in Retailing:
Single Brand: 100% Automatic Route
Multi Brand: 51% Automatic Route
Duty Free Shops: 100% FDI Automatic Route



Export Related Benefits

MAIS & TIES

RODTEP :
 Finished leather: 1.3%
 Leather Goods: 1.1%
 Footwear: 1.2%/0.9%

Duty Free Imports of notified raw materials through Advance Authorization & IGCR

EPCG Scheme - Duty Free Imports of Machinery



GST Rates & Corporate Taxes

GST:
 Leather : 12%

Footwear Components, Leather Goods and Leather Garments: 18%

Footwear (Until Rs. 1,000/-): 12%/ Others : 18%

Corporate Tax:
 Competitive Rate of 15%

*IFLDP Scheme – Indian Footwear & Leather Development Program

23



Proposed Focus Product Scheme for Footwear & Leather Sector

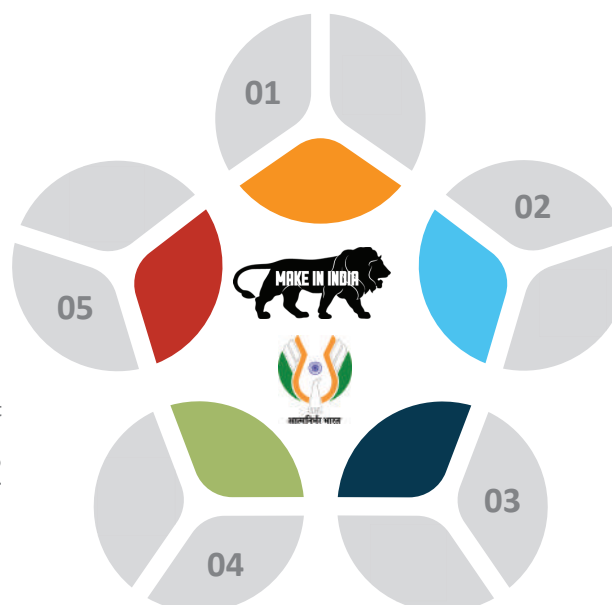


5. Sustainability, Innovation and Testing/Certification

Support research in environmental compliance, circular economy initiatives, research & development (R&D), sustainable innovation, enhancing testing infrastructure and meeting sustainability testing and certification requirements.

4. Brand Promotion & Market Linkage

Strengthen market access, boost exports, showcase Indian products and strengthen market linkage in order to promote Brand Bharat at global level for Footwear & Leather Sector.



1. Operational Efficiency (OE)/ Localisation-Investment-Turnover-Employment (LITE) Incentive

Incentive for meeting investment thresholds, driving incremental turnover, generating cumulative employment, and advancing localisation efforts.

2. Cap-Ex Incentive

Incentive to develop world-class state-of-art PM Foot Forward (PMFF) Parks, upgrading existing manufacturing units and clusters.

3. Skilling Incentive

Training and upskilling of 5 Lakh workforce and promoting industry ready on-the-job training.

Co-eligibility with Other Schemes

This scheme is an additive in nature and the applicant can also avail benefits of other Central Government and State Government schemes

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Products to be covered under Focus Product Scheme



Non-Leather Products

- i. Non-Leather Footwear
- ii. Non-Leather Products such as Bags, Harness, Saddlery, Belt, Wallets, Gloves, etc.,
- iii. Raw Material (including Polyurethane (PU), Ethylene Vinyl Acetate (EVA), Thermoplastic Polyurethane (TPU), Webbing, PU Foam, EVA Foam, Gel, Rubber, Plastic, etc.,)
- iv. Components (including Moulds, Outsole, Insole, Heel Cap, Eyelets, Lace, Welt, Metal Components, etc.,)



Leather Products

- i. Finished Leather
- ii. Leather Footwear
- iii. Leather Goods
- iv. Leather Garments
- v. Leather Gloves
- vi. Saddlery & Harness
- vii. Accessories
- viii. Components (including various items including Moulds, Outsole, Insole, Heel Cap, Eyelets, Lace, Welt, Foam, Filler, Zips, Studs, Billets, Snaps, Metal Components, etc.,)



Chemicals

- i. Chemicals related to Footwear & Leather sector.



Machinery

- i. Footwear and Leather Goods machinery on complete knock down (CKD) basis and assembling.

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Thank You...

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Batik-patterned shoes from Indonesian MSMEs

Country Report - Footwear of INDONESIA Until May 2025

Report by: Indonesian Footwear Association (APRSINDO) Team



Wayang is an original Indonesian culture



Borobudur Temple is located in Magelang, Central Java

01 02

Challenges and
Countermeasure of
US Reciprocal
Tariffs

The Development of
Indonesia's
Footwear Industry

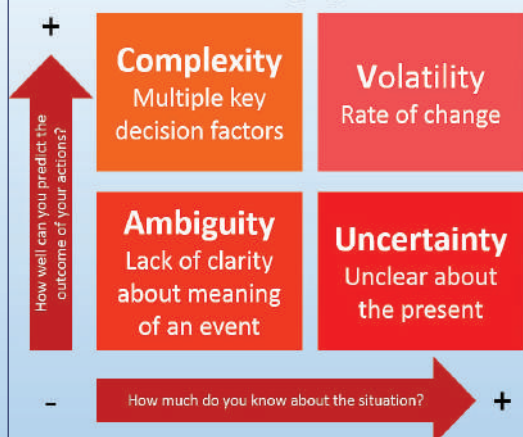
Caci War Dance from Manggarai, Flores Island, East Nusa Tenggara – Indonesia

01. Challenges and Countermeasure of US Reciprocal Tariffs

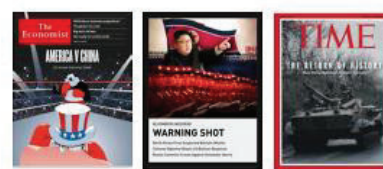


GLOBAL ECONOMIC TURBULENCE

VUCA



GEOPOLITICAL TENSION



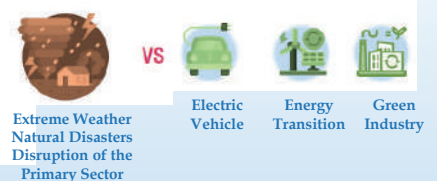
Fragmentation, De-Globalization, War

- Supply chain disruption
- Persistent High Inflation
- Poverty & Unemployment
- Decline in confidence
- Decline in investment
- Declining growth

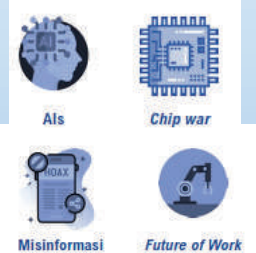
Geopolitical Competition and the shift of global power

| | | |
|---|--|---|
| Trade War Re-Shoring Friend-Shoring Decoupling Chip War | De-dollarization trend or the shift from using USD in international transactions | Economic competition among developed countries in climate change mitigation, which may add complexity including US Inflation Reduction Act (IRA) and EU Carbon Border Adjustment Mechanism (CBAM) |
|---|--|---|

CLIMATE CHANGE



DIGITALIZATION





Update on the US reciprocal tariff war against Indonesia



- The footwear sector in Indonesia is currently facing significant challenges as global trade tensions escalate. The uncertainty of the global economy could affect the stability of domestic financial markets.
- In facing this situation, it is crucial for Indonesia to strengthen the diversification of export markets, reduce dependency on previous markets, and enhance product competitiveness through innovation and production efficiency.
- It is important to collaborate in formulating adaptive strategies to maintain stability and growth in the export sector amidst the ongoing dynamics of global trade.
- The reciprocal tariff policy not only directly impacts trade volumes but has also triggered a wave of reshoring, near-shoring, and supply chain diversification, thereby altering the global industrial landscape. The increase in tariffs adds to cost burdens, disrupts the flow of raw materials, and forces producers to make quick adjustments.
- Currently, Indonesia is awaiting for the results of negotiations with the United States in the next 90 days since April 9, 2025, following the announcement of the cancellation of the tariff increase by President Trump on April 2, 2025.

Nusa Penida Island, Bali



IMPACTS OF THE IMPLEMENTATION OF U.S. RECIPROCAL TARIFFS



Impacts on the United States

- 1. Inflationary Pressure and Consumer Disruption**
Tariffs increase the prices of imported goods in the U.S., triggering inflation and shortages, raising the cost of living, and reducing consumers' purchasing power.
- 2. Blow to the Global Economy and Supply Chains**
Retaliatory measures from other countries may disrupt global supply chains, thereby reducing U.S. exports that depend on imported raw materials, particularly in the agriculture, automotive, and technology sectors.
- 3. Market Volatility and Uncertainty**
Uncertainty has led to investor hesitation to expand, as seen in the sharp downturn in the U.S. stock market on April 3, 2025: the Dow Jones Industrial Average fell nearly 1,700 points (4%), the S&P 500 dropped by 4.84%, and the Nasdaq declined by nearly 6%, erasing approximately \$3.1 trillion in market value.

Source: Ministry of Trade of the Republic Indonesia

Impacts on Indonesia

- 1. Trade Balance Decline**
This is due to the CIF (Cost, Insurance, and Freight) prices of Indonesian products in the U.S. becoming at least 32% more expensive (assuming the tariff hike is implemented).
- 2. Imported Inflation**
The imposition of reciprocal tariffs may prompt other major economies to retaliate against the Trump tariffs, resulting in higher global commodity prices and more expensive imports for Indonesia, leading to imported inflation.
- 3. Decline in Productivity**
Rising production costs for Indonesian private sector businesses will lead to decreased sales and lower company productivity.



INDONESIA'S STRATEGY IN RESPONDING TO THE UNITED STATES' RECIPROCAL TARIFFS



Strengthening domestic market protection against unfair trade practices and ensuring the sustainability of national industrial sectors.

Optimizing the use of trade remedy instruments (anti-dumping duties, safeguard measures) to address import surges from other affected countries

Facilitating export-oriented MSMEs through training, financing, and market access support.

Implementing import deregulation and export harmonization measures to improve efficiency and competitiveness.



Intensifying diplomatic engagement with the United States, with the primary objective of securing preferential tariffs through negotiated agreements

Strengthening regional and multilateral trade diplomacy by emphasizing the importance of rule-based trade.

Reactivating the Indonesia-U.S. Trade and Investment Framework Agreement (TIFA) to enhance trade and investment cooperation.

Diversifying export markets by accelerating negotiations for the Indonesia-EU CEPA, Indonesia-Peru CEPA, and the Indonesia-GCC FTA

Source: Ministry of Trade of the Republic Indonesia



Continue...

❖ Indonesia has officially begun technical negotiations with the U.S. regarding reciprocal tariffs, marked by the signing of a Non-Disclosure Agreement (NDA) with the U.S. Trade Representative (USTR). Indonesia is honored to be among the first 20 countries to engage in initial discussions under this framework.

❖ Indonesia is committed to prioritizing national interests while strengthening mutually beneficial bilateral relations. The five strategic benefits that guide us in these negotiations are as follows:

1. Meeting national energy needs and ensuring energy security.
2. Expanding access for Indonesian products to the U.S. market through more competitive tariffs.
3. Encouraging deregulation to improve ease of doing business.
4. Strengthening value-added creation through cooperation in supply chains, strategic industries, and critical mineral development.
5. Expanding access to science and technology in health, agriculture, and renewable energy sectors.



Soto, a Signature Dish from Central Java



Continue...

- ❖ Indonesia has received recognition from the U.S. Trade Representative, Department of Commerce, and Department of the Treasury. As representatives of labor-intensive industries, we value this dialogue and commend the U.S. for its willingness to engage technically. Going forward, Indonesia will involve domestic stakeholders to ensure that negotiations align with national development goals and promote inclusive, sustainable growth through smooth production, a supportive business climate, and healthy investment.
- ❖ This step reflects Indonesia's commitment to prioritizing negotiation and dialogue over reactive confrontation or retaliation. APRISINDO fully supports the Indonesian government's stance and actions, as we believe that constructive cooperation will lead to far more sustainable, long-term solutions for all stakeholders in Indonesia.



Lake Toba, North Sumatra



Raja Ampat Islands, at the tip of the Bird's Head Peninsula, Southwest Papua Province

The Development 02. of Indonesia's Footwear Industry



Introduction

- Indonesia's footwear industry, consistently viewed as a promising "sunrise industry," continues to grow dynamically as a labor-intensive sector. It absorbs a large number of workers and contributes significantly to the national economy. Industry players vary widely, ranging from small-scale MSMEs to large companies that cater to both the domestic market and exports to more than 132 countries worldwide. The number of workers directly involved in the footwear sector reaches around 960,000 people (indicating dynamic movement), and when including supporting suppliers and retailers, the industry provides employment for up to 1.3 million people.

The following section will present an overview of the current state of Indonesia's economy along with comprehensive data related to the performance of the footwear industry.



Sunrise at Mount Bromo, Probolinggo, East Java Province

- The Indonesian Footwear Association (APRISINDO), established on July 7, 1988, has served as the organizational body for Indonesia's footwear sector for 37 years. Throughout its journey, it has consistently supported member companies by acting as a representative body and engaging in public policy advocacy. The association prioritizes synergy between industry players, the government, and workers—fostering a mutualistic relationship to advance the footwear industry.



INDONESIA'S ECONOMIC PERFORMANCE remains solid and is better compared to several developed and developing countries amid global uncertainty. 5,03% IN Q4 2024, although lower than in 2023

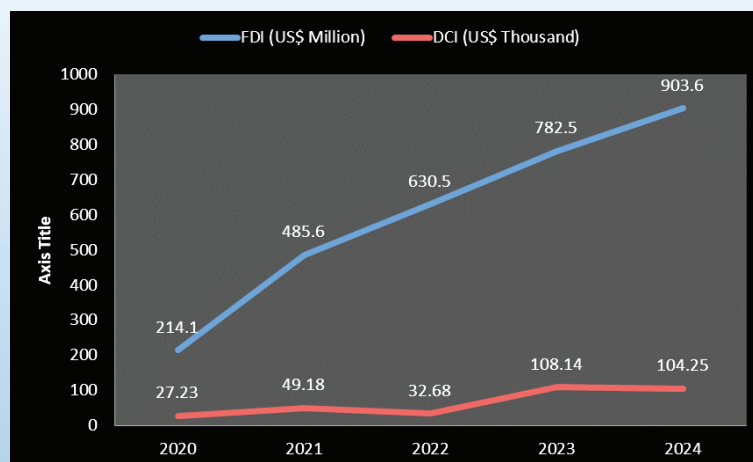


- In Q4-2024, Indonesia recorded an economic growth of 5.02% (YoY), higher than *peer countries* such as Singapore (4.3%) and Saudi Arabia (4.4%). And several other countries that have experienced economic growth contraction
- Throughout 2024, Indonesia's economic growth achieved 5.03%, **although it slowed down compared to 2023, which grew by 5.05% (c-to-c).**
- Economic stability is supported by the government's efforts to keep inflation low and under control, with inflation in December 2024 recorded at 1.57% (YoY), remaining within the target range of $2.5 \pm 1\%$.
- The debt ratio was also recorded at a safe level of 38.9% of GDP (September 2024). This reflects a prudent fiscal policy, providing sufficient room for public investment.

The Realization of Investment in Indonesia (Leather Goods and Footwear Industry) 2020 - 2024

Prospect of Indonesia's Footwear Industry

- Investment in Indonesia's leather and footwear sector has shown positive growth, particularly in foreign investment.
- The Indonesian government has extended the tax holiday facility in 2025 to further attract foreign investment into the country.



explanation:

FDI= Foreign Direct Investment

DCI=Domestic Capital Investment

| Type of Investment | 2020 | 2021 | 2022 | 2023 | 2024 |
|---------------------|-------|-------|-------|--------|--------|
| FDI (US\$ Million) | 214.1 | 485.6 | 630.5 | 782.5 | 903.6 |
| DCI (US\$ Thousand) | 27.23 | 49.18 | 32.68 | 108.14 | 104.25 |

Source: BKPM, APRISINDO Team

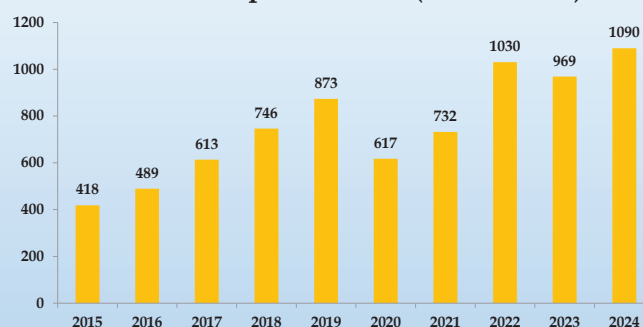
The Development of Indonesia's Footwear Industry

Source: BPS, APRISINDO Team

Footwear Exports in 2024 (million US\$)



Footwear Imports in 2024 (million US\$)

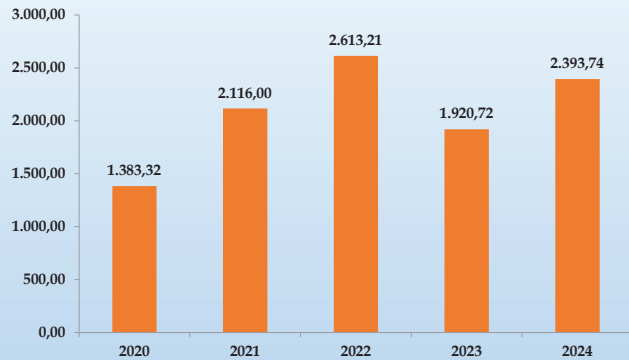


- Indonesia's national export conditions experienced a decline in 2023 but successfully rebounded in 2024.
- In 2024, footwear exports reached \$7,084.52 million, growing by 10.07% C-to-C.

- The value of footwear imports in 2024 reached the highest level in the past 10 years, amounting to \$1,090 million, an increase of 12.4% from 2023.



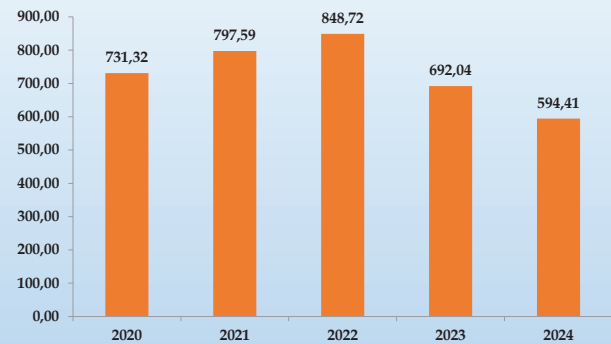
Indonesian Footwear Exports to the US (Million US\$)



Source: BPS, APRISINDO Team

- The United States is Indonesia's largest footwear export destination
- During 2020 - 2022, export performance has always increased every year
- In 2023, there was a decrease in exports to the US by 26%, but it increased again in 2024 by 24%

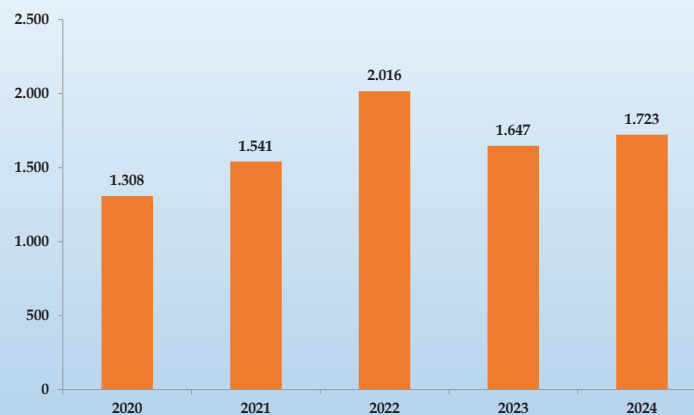
Indonesian Footwear Exports to China (Million US\$)



- Indonesian footwear product exports to China have decreased over the past 2 years
- In 2024, exports decreased by 0.97% YoY



Indonesian Footwear Exports to Europe (27 Countries) Million US\$



Source: BPS, APRISINDO Team

- Just like Indonesian footwear exports to the US, footwear exports to 27 European countries experienced a slowdown in 2023, but increased again in 2024
- Increase in 2024 of 4.6%

UPDATE: Indonesian Footwear Exports Value (Jan-March 2025)

| NO | TOP COUNTRY | EXPORTS VALUE (US\$ million) |
|-----------------------|---------------------|---------------------------------|
| 1 | UNITED STATES | 657.37 |
| 2 | NETHERLANDS | 160.84 |
| 3 | BELGIUM | 149.30 |
| 4 | CHINA | 114.10 |
| 5 | JAPAN | 113.57 |
| 6 | REP. OF GERMANY FED | 66.74 |
| 7 | UNITED KINGDOM | 65.13 |
| 8 | REPUBLIC OF KOREA | 64.28 |
| 9 | MEXICO | 59.04 |
| 10 | ITALY | 40.67 |
| TOTAL (114 Countries) | | 1,892.16 |

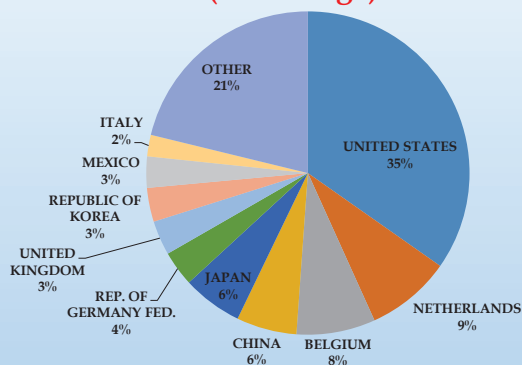
Source: BPS, 2025, APRISINDO Team

| NO | PORT | EXPORTS VALUE (US\$ million) |
|----|--------------------|---------------------------------|
| 1 | TANJUNG PRIOK | 1,469.90 |
| 2 | TANJUNG EMAS | 251.32 |
| 3 | TANJUNG PERAK | 129.95 |
| 4 | SOEKARNO-HATTA (U) | 29.01 |
| 5 | OTHER | 11.97 |

During the period of January to March 2025, Indonesia exported footwear to 114 countries, with a total export value of USD 1,892.16 million, representing a 13.83% increase compared to the same period in the previous year.

Exports Destination Countries

Top 10 Exports Destination Countries
(Percentage)



Source: BPS, 2025, APRISINDO Team

- ✓ Footwear exports to the United States of Indonesia's total footwear exports, representing 35% of the overall export value.

Top 10 Exports Destination Countries
(Million USD)



- ✓ The United States remains Indonesia's main export destination for footwear, with a total value of USD 657.4 million during the January-March 2025 period. This is followed by the Netherlands, with USD 160.8 million.



UPDATE: Indonesian Footwear Imports Value (Jan-March 2025)

| NO | COUNTRY | IMPORTS VALUE (US\$ Million) |
|----------------------|-------------------|------------------------------|
| 1 | CHINA | 146.09 |
| 2 | VIET NAM | 91.70 |
| 3 | UNITED STATES | 11.24 |
| 4 | ITALY | 5.70 |
| 5 | TAIWAN | 3.26 |
| 6 | BRAZIL | 2.84 |
| 7 | CAMBODIA | 2.64 |
| 8 | THAILAND | 2.63 |
| 9 | INDIA | 1.97 |
| 10 | REPUBLIC OF KOREA | 1.88 |
| TOTAL (81 Countries) | | 279.08 |

Source: BPS, 2025, APRISINDO Team

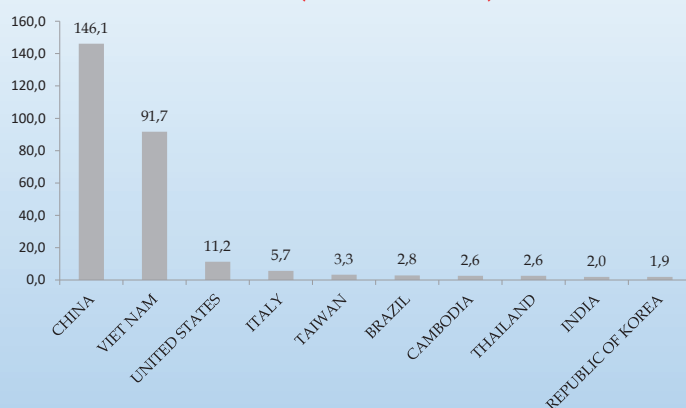
| NO | PORT | IMPORTS VALUE (US\$ Million) |
|----|--------------------|------------------------------|
| 1 | TANJUNG PRIOK | 189.30 |
| 2 | SOEKARNO-HATTA (U) | 39.20 |
| 3 | TANJUNG PERAK | 23.14 |
| 4 | TANJUNG EMAS | 20.12 |
| 5 | OTHER | 7.30 |

Indonesia's total footwear imports during January-March 2025 amounted to USD 279.08 million. The imports value in January-March 2025 has increased by 15.56% compared to the same period last year (C-to-C).



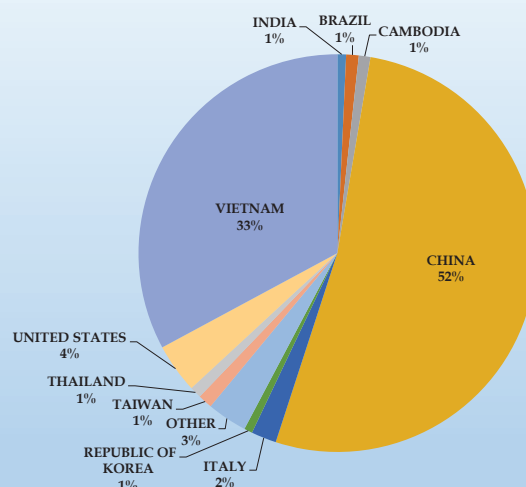
Countries of Origin for Imports

Top 10 Countries of Origin for Imports (Million USD)



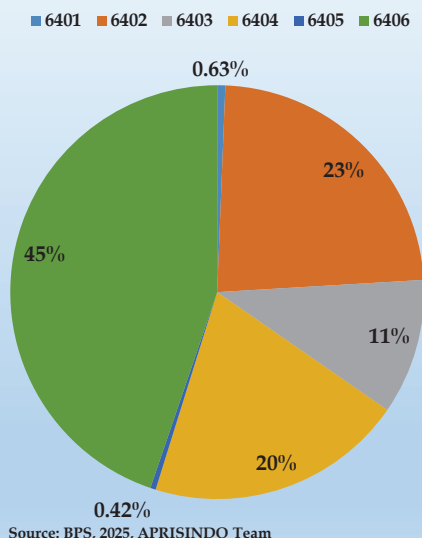
Source: BPS, 2025, APRISINDO Team

Top 10 Countries of Origin for Imports (Percentage)



China remained the dominant source of Indonesian footwear imports in January-March 2025, 52% of Indonesia's footwear imports originated from China followed by Vietnam with a value of 33%.

Footwear Imports by HS Code



- HS 6401 Waterproof footwear with outer soles and uppers of rubber or of plastics, the uppers of which are neither fixed to the sole not assembled by stitching, riveting, mailing, screwing, plugging or similar processes
- HS 6402 Other footwear with outer soles and uppers of rubber or plastics
- HS 6403 Footwear with outer soles of rubber, plastics, leather or composition leather and uppers of leather Sports footwear
- HS 6404 Footwear with outer soles of rubber, plastics, leather or composition leather and uppers of textile materials.
- HS 6405 Other Footwear
- HS 6406 Parts of footwear (including uppers whether or not attached to soles other than outer soles); removable in-soles, heel cushions and similar articles; gaiters, leggings and similar articles, and parts thereof

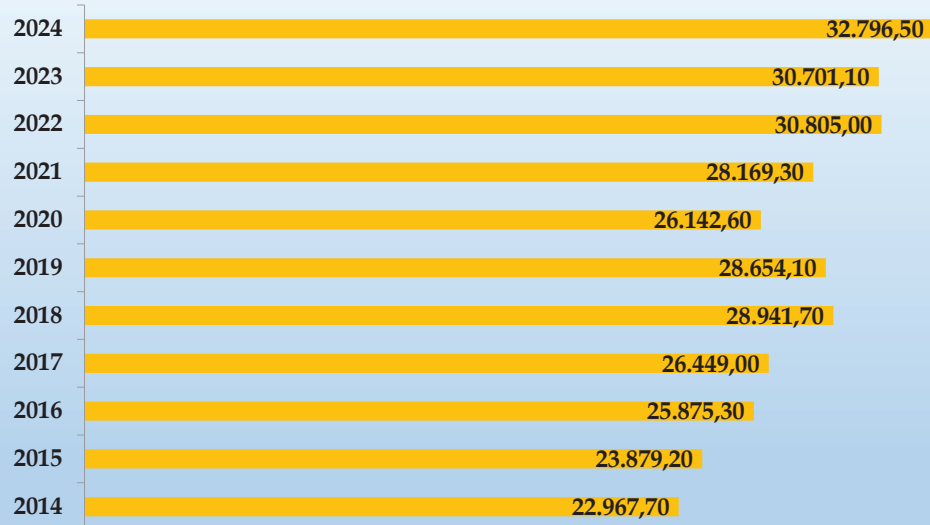
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- ❖ Indonesia's footwear imports HS 64 mostly imports of materials and components by 45% (HS 6406)
- ❖ The second largest was HS 6402 of 23%, namely imports of other footwear with plastic/rubber uppers
- ❖ Next import HS 6404 by 20%, namely the import of footwear with textile uppers



Wood Carvings of the Asmat Tribe, Papua

GDP of the Leather Industry, Leather Goods and Footwear (Rp Billion)



Source: BPS, APRISINDO Team

In 2024, GDP of the leather industry, leather goods and footwear increased by 6.3%

Top Brand Index 2025

| Casual Shoe | | | Sandal Shoe | |
|-------------|----------|--------|-------------|--------|
| No. | Brand | TBI | Brand | TBI |
| 1 | Adidas | 20.70% | Eiger | 18.80% |
| 2 | Carvil | 7.80% | Carvil | 17.60% |
| 3 | Converse | 7.30% | Bata | 12.60% |
| 4 | Bata | 6.80% | Homy ped | 12.10% |
| 5 | Ardiles | 6.00% | Crocs | 9.30% |
| 6 | Nike | 5.90% | | |
| 7 | Bucherri | 5.40% | | |
| 8 | Airwalk | 4.80% | | |
| 9 | Fladeo | 4.50% | | |
| 10 | Ando | 2.50% | | |

Source: Top Brand Index

- In 2025, the majority of top brands are still won by domestic products
- The Eiger brand from Bandung, for 2 years has been ranked 1st in the Top Brand for sandal shoe products with an index of 18.80%.
- Adidas is still ranked 1st in casual shoe products.

Work Shoes Brand Index 2024

Male Work Shoes

| No | Brand | TBI |
|----|-----------------|--------|
| 1 | Buccheri | 16.90% |
| 2 | Fladeo | 14.30% |
| 3 | Yongki Komaladi | 8.10% |
| 4 | Kickers | 7.60% |
| 5 | Baly | 6.80% |

Source: Top Brand Index

Female Work Shoes

| No | Brand | TBI |
|----|-----------------|--------|
| 1 | Buccheri | 21.60% |
| 2 | Nevada | 7.50% |
| 3 | Fladeo | 6.60% |
| 4 | Yongki Komaladi | 6.50% |
| 5 | Donatello | 5.40% |
| 6 | Charles & Keith | 4.40% |

Buccheri, Fladeo, and Yongki Komaladi had a significant brand index in the work shoe category for both men and women in 2024.

Sandals Brand Index 2024

Rubber Sandals

| No | Brand | TBI |
|----|--------------|--------|
| 1 | Uniqlo | 51.60% |
| 2 | Porto | 33.50% |
| 3 | Xiaomi Mijia | 9.50% |

Source: Top Brand Index

Flip Flop

| No | Brand | TBI |
|----|----------|--------|
| 1 | Swallow | 81.90% |
| 2 | Shuanglu | 3.20% |
| 3 | Melly | 3.20% |
| 4 | Okina | 3.10% |
| 5 | Khogi | 3.00% |

Uniqlo and Porto became top brands in the rubber sandals category, while Swallow emerged as the top brand in the flip-flops category.



Boots Brand Index 2024

Leather Boots Shoes

| No | Brand | TBI |
|----|--------------|--------|
| 1 | Crocodile | 39.30% |
| 2 | Playboy | 29.00% |
| 3 | Jim Joker | 19.40% |
| 4 | Gino Mariani | 9.80% |

Source: Top Brand Index

Boots Shoes

| No | Brand | TBI |
|----|----------|--------|
| 1 | AP Boots | 21.60% |
| 2 | Krisbow | 7.50% |
| 3 | Cheetah | 6.60% |
| 4 | Ando | 6.50% |

Crocodile, Playboy and Jim Joker became top brands in the leather boots shoes category, while AP Boots and Krisbow emerged as the top brand in the boots shoes category.



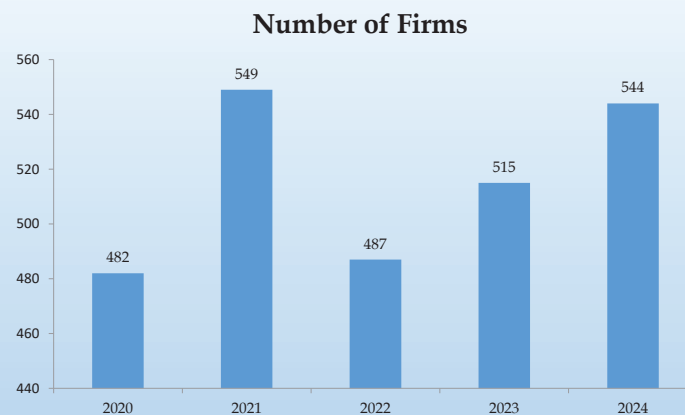
Footwear Performance

Source: BPS, APRISINDO Team

| Indicators | 2024 | 2023 | 2022 | 2021 | 2020 |
|----------------------|---------------|---------------|---------------|---------------|---------------|
| Number of firms | 544 | 515 | 487 | 549 | 482 |
| Number of workers | 954,637 | 964,482 | 960,607 | 707,673 | 667,962 |
| Production (pairs) | 879,918,850 | 807,265,000 | 1,026,018,000 | 862,200,000 | 752,000,000 |
| Consumption (pairs) | 440,560,381 | 378,770,206 | 380,031,037 | 361,455,617 | 378,174,823 |
| Imports (pairs) | 219,994,004 | 214,653,706 | 171,189,317 | 138,578,300 | 134,150,259 |
| Exports (pairs) | 559,110,650 | 508,703,397 | 610,759,866 | 488,389,590 | 377,514,050 |
| Imports (value USD)* | 599,983,647 | 585,419,197 | 466,879,956 | 377,940,819 | 365,864,342 |
| Exports (value USD)* | 6,988,883,134 | 6,358,791,213 | 7,634,498,321 | 6,104,869,878 | 4,718,925,624 |

* Exclude Component

Footwear products are no longer just a necessity but also a part of fashion. The demand for footwear in Indonesia is quite high and has been steadily increasing each year. This is evident from the footwear consumption in Indonesia, which reached around 440 million pairs in 2024.



Source: BPS, APRISINDO Team

- ❖ The number of footwear companies in Indonesia declined in 2022. However, it was able to recover in the following years.
- ❖ In 2023 the number of footwear companies reached 515 companies and in 2024 it grew to 544 companies (5.6%).



The supply chain of Indonesia footwear industry

- The supply chain of Indonesia's footwear industry in 2024-2025 reflects a complex dynamic, marked by a combination of export growth, rising investment, and significant structural challenges.
- The industry faces major hurdles, particularly due to its high dependence on imported raw materials (45-50%), making the sector vulnerable to external shocks. Recognizing these risks, APRISINDO and the government have taken active roles in promoting the integration of local supply chains through investment incentives and the development of a stronger upstream industry. The aim is for Indonesia not only to serve as a production base but also to become a hub for footwear raw materials and components.



- Despite these challenges, footwear exports have shown a positive trend, with export value and investment surging by more than 30% in 2024. Indonesia's production now accounts for around 30% of the global output for several well-known brands.
- Indonesia is currently in a transitional phase toward becoming an integrated and high value-added footwear production center. Its success will largely depend on government policies that sustainably strengthen the industrial ecosystem.

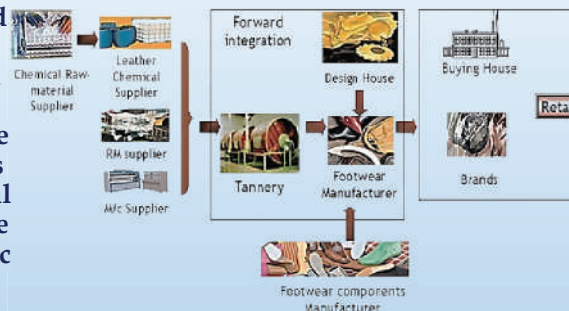


Challenges and Opportunities in Indonesia Footwear Supply Chain



Challenges

Indonesia's footwear industry faces major challenges due to its heavy reliance on imported raw materials. While imports offer competitive quality and pricing, this dependence makes the industry vulnerable to global fluctuations, such as geopolitical tensions, logistical disruptions, and exchange rate volatility. The lack of domestic supply for key materials like leather forces local manufacturers to rely on foreign sources, threatening long-term self-reliance and competitiveness.



Opportunities

The continued trust of global brands in selecting Indonesia as a major production base is a highly valuable asset. It presents opportunities for technology transfer, improved quality standards, and the creation of higher-skilled employment. Indonesia's relatively mature manufacturing infrastructure also serves as a competitive advantage compared to other Southeast Asian countries.

In the long term, if Indonesia can build an integrated supply chain—from raw material production and design to waste management, the challenges faced today can become a stepping stone toward a more self-reliant, competitive, and sustainable industry



Performance of Indonesia Footwear MSMEs



Footwear MSME Activities in Indonesia

- Indonesia's Micro, Small, and Medium Enterprises (MSMEs) have demonstrated strong performance and play a significant role in the national economy, contributing over 60% of GDP and absorbing nearly 97% of the workforce—including in the labor-intensive footwear sector.
- The industry has seen growth in both production and exports, with MSMEs as the main drivers spread across various production centers such as Bandung, Mojokerto, Sidoarjo, Magetan, and Cibaduyut.
- The products manufactured are highly diverse, ranging from casual to formal shoes, and serve both domestic and international markets. Of the total production, approximately 362 million pairs are absorbed by the domestic market. However, with an average consumption of only 1.28 pairs per person per year among a population of 282 million, there remains significant potential for growth in the domestic market.
- Despite challenges such as dependence on imported raw materials and intense global competition, there are still broad opportunities to expand the domestic market and increase exports—especially with stronger government support in enhancing competitiveness and empowering the capacity of MSMEs.

Prospects of the Footwear Industry in Banten

- The footwear industry in Banten Province has shown dynamic growth, contributing significantly to national exports, particularly in the segment of sustainable branded footwear.
- However, challenges remain—particularly regarding wage regulation—which require government attention to ensure stability. This is especially important as companies in the region continue to plan for new recruitment in line with operational needs.
- Banten plays an active role in the export of footwear products. Export performance in the region reflects strong potential for high-quality local products to compete in international markets.



Baduy tribe from Lebak Regency, Banten

Prospects of the Footwear Industry in West Java



Kuda Renggong, a circumcision tradition from West Java

- West Java's footwear industry holds considerable potential, contributing significantly to exports and the local economy. To sustain and further enhance growth, supportive policies, continuous innovation, and adaptability to global market shifts are essential.
- The regional government has taken steps to support this sector, including through events such as the 2024 Industrial Center Festival in Bandung, which showcases products from various industrial clusters, including footwear. Nationally, the footwear industry is projected to grow by 12% to 17% in 2025, driven by both domestic and export demand, with West Java playing a key supporting role.



Prospects of the Footwear Industry in Central Java

- The footwear industry in Central Java continues to experience robust growth, supported by strong export performance from local manufacturers. As one of Indonesia's main footwear production hubs, Central Java contributes significantly to international markets.
- The region has seen increasing investment, signaling positive growth. However, challenges stemming from international trade policies demand market diversification strategies and enhanced competitiveness.
- The footwear sector in Central Java holds great potential for continued development and for contributing to both regional and national economies, as the province remains attractive to investors—particularly in labor-intensive industries—due to its relatively affordable labor costs.



Joglo House, a Traditional Javanese House from Central Java



Prospects of the Footwear Industry in East Java

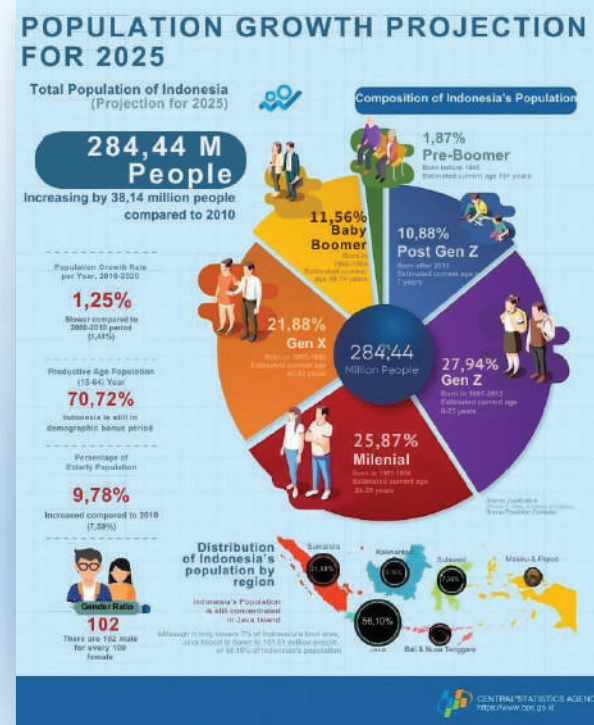


Karapan Sapi, a cultural tradition on Madura Island

- East Java's footwear industry continues to grow, bolstered by solid export performance and government initiatives to strengthen the sector. On a national level, Indonesia's footwear industry is showing positive growth trends.
- The Ministry of Industry has established a national footwear development facility in Sidoarjo, East Java, known as the Indonesian Footwear Industry Development Center (BPIPI). This facility is aimed at supporting and mentoring small and medium enterprises (SMEs) to improve product quality and competitiveness.
- Despite export-related challenges, the strategic steps being taken are expected to reinforce East Java's position in both the national and global footwear markets, while continuing to meet local demand and support export performance.

The Capital Base of Indonesia's Labor-Intensive Footwear Industry

- In addition to its wealth of natural resources and cultural diversity in terms of ethnicities, languages, and traditions, Indonesia also possesses a significant demographic advantage—its large population of human resources.
- Referring to the productive age range of 15 to 64 years, data shows that Generation Z (27.94%), Millennials (25.87%), and Generation X (21.88%) together make up **75.69%** of the population.
- According to projections by Statistics Indonesia (BPS), the country's population is expected to reach approximately 284,438,800 in 2025, with an estimated **215,291,728 individuals within the productive age group**, reflecting the 75.69% proportion.



Continue...

- This represents a strong demographic capital and a key opportunity to attract global footwear investors to Indonesia.
- With strategically located labor-intensive footwear industry zones, including bonded areas on the island of Java—namely in West Java, Central Java, East Java, and Banten Provinces—these locations are well connected through toll road infrastructure to seaports and international airports.
- To further support investment, the Government of Indonesia has officially extended the **Tax Holiday** facility until **December 31, 2025**. This policy aims to attract more foreign direct investment amid the implementation of a **15% global minimum tax** by several countries.



SECRETARIAT APRISINDO



Asosiasi Persepatuan Indonesia

APRISINDO

Indonesian Footwear Association

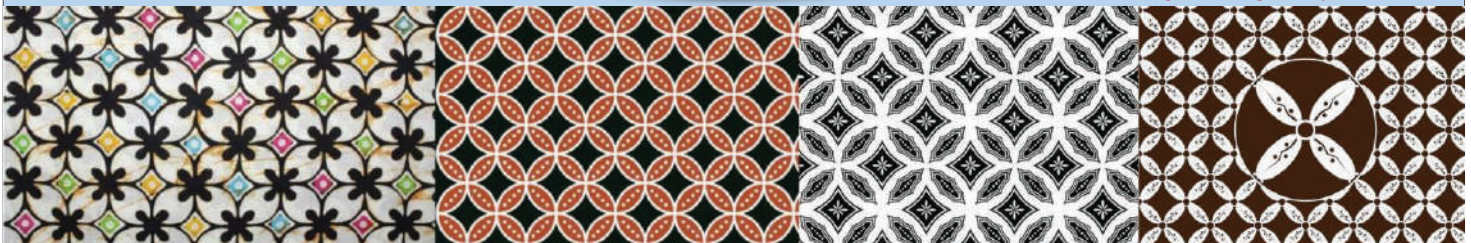


HARMONI PLAZA COMPLEX BLOCK B2

Suryopranoto-St. Kel. Petojo Utara, Kec. Gambir
Central Jakarta 10130, INDONESIA

☎ : + 62-21 6321 555 📠 : + 62-812 5222 3752 📧 : aprisindo.pusat
✉ : aprisindopusat@yahoo.co.id 🌐 : www.aprisindo.or.id

Batik Indonesian cultural heritage, was recognized by UNESCO in 2009



collaboration



Traditional attire from the diverse ethnic groups and cultures of Indonesia

*Thank
you*



Korea Footwear Industry Report



KFIA Korean Footwear Industries Association

1

Korea Footwear Industry

Manufacturing Statistics

< Based on Statistics : Company of 10 more work >

| Classification | 2019 | 2020 | 2021 | 2022 | 2023 | Average |
|----------------|-------|-------|-------|-------|-------|---------|
| Company | 386 | 345 | 332 | 324 | 317 | 340 |
| Workers | 8,868 | 7,408 | 7,314 | 7,414 | 7,234 | 7,647 |

Footwear-related companies

< Based on Statistics : Company of 10 more work >

| Classification | 2019 | 2020 | 2021 | 2022 | 2023 |
|---------------------|--------|--------|--------|--------|--------|
| Mnnufacture company | 386 | 345 | 332 | 324 | 317 |
| wholesale & Retail | 13,665 | 13,326 | 13,439 | 13,145 | 12,956 |
| Total | 14,051 | 13,671 | 13,771 | 13,469 | 13,273 |

2

Korea Footwear Export & Import

Item Classification

<Unit:USD million>

| HSCODE | 2020 | | 2021 | | 2022 | | 2023 | | 2024 | |
|--------------|------------|--------------|------------|--------------|------------|--------------|------------|--------------|------------|--------------|
| | Exports | Imports | Exports | Imports | Exports | Imports | Exports | Imports | Exports | Imports |
| HSK6401 | 1 | 22 | 1 | 30 | 2 | 34 | 1 | 42 | 1 | 47 |
| HSK6402 | 41 | 716 | 52 | 788 | 51 | 972 | 64 | 958 | 67 | 954 |
| HSK6403 | 75 | 1,109 | 71 | 1,276 | 81 | 1,624 | 91 | 1,597 | 67 | 1,392 |
| HSK6404 | 102 | 1,050 | 109 | 1,102 | 110 | 1,225 | 101 | 1,102 | 93 | 1,050 |
| HSK6405 | 18 | 28 | 17 | 50 | 18 | 57 | 12 | 44 | 12 | 44 |
| HSK6406 | 168 | 150 | 184 | 171 | 185 | 189 | 143 | 145 | 121 | 138 |
| Total | 408 | 3,076 | 437 | 3,420 | 449 | 4,103 | 416 | 3,891 | 364 | 3,628 |

3

Korea Footwear Trading Countries

Korea Footwear Main Trading Partners - 2024

| No | Export | | Import | |
|--------------|-------------|-------------|-----------|--------------|
| | Nation | million USD | Nation | million USD |
| 1 | China | 111 | China | 1,247 |
| 2 | USA | 54 | Vietnam | 1,210 |
| 3 | Vietnam | 50 | Indonesia | 436 |
| 4 | Japan | 36 | Italy | 403 |
| 5 | Indonesia | 21 | Cambodia | 82 |
| 6 | HongKong | 16 | India | 42 |
| 7 | Italy | 15 | Romania | 24 |
| 8 | Taiwan | 7 | USA | 23 |
| 9 | France | 5 | Myanmar | 19 |
| 10 | Philippines | 3 | Spain | 15 |
| Total | | 364 | | 3,628 |

4

Korea Footwear Industry Environment

KOREAN DOMESTIC FASHION MARKET

| Market size by item | 2024 / USD billion |
|---------------------|--------------------|
| Casual wear | 14 |
| Shoes | 5.4 |
| Sports wear | 5.0 |
| men's suit | 3.4 |
| Bag | 2.6 |
| women's suit | 2.3 |
| long underwear | 1.3 |
| children's wear | 0.7 |
| Total | 36 |

KOREAN FOOTWEAR COMPANY OVERSEAS PRODUCTION



5

Korean Footwear production items

Korea Footwear Company

Domestic factory



Overseas factory



6

Korea Footwear Market Trande

Shoes Multi shop
Department store
Traditional market



On-line &
TV home shopping



Lifestyle Footwear Popular

Casual and functional shoes and Sneakers and running shoes

Big changes in the retail market

Rapid transition to **digital economy** (shoes, bags online market share 30%)
Non-store retail (online shopping, TV home shopping, etc.)

7

Korea Footwear Multi-shop



40 stores

FOLDER

S
market



180 stores

SHOE
MARKER



110 stores



330 stores

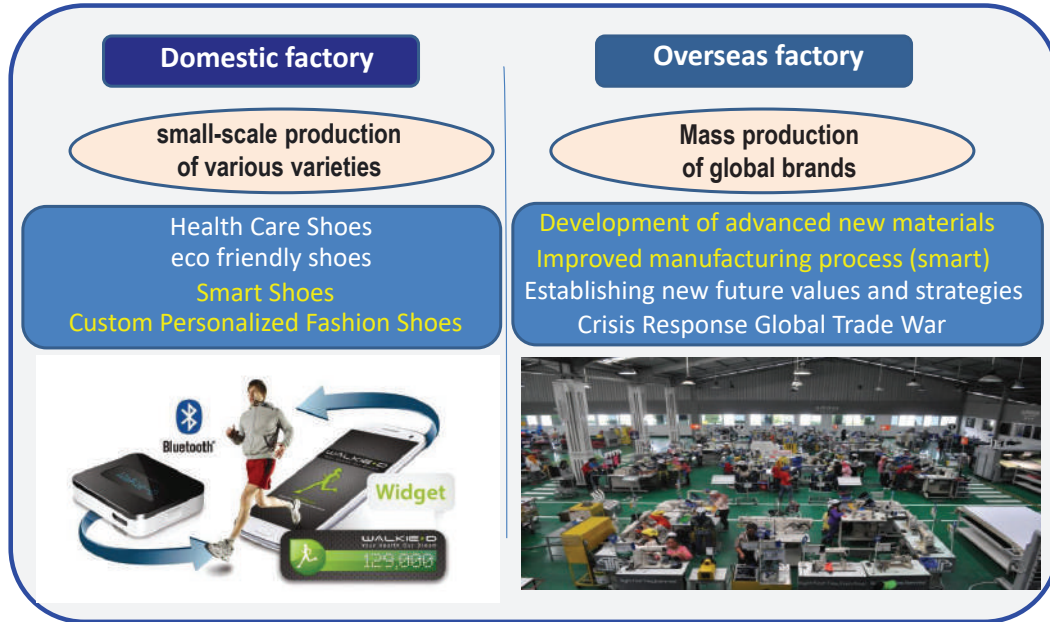
Top 5

FOOT
MART

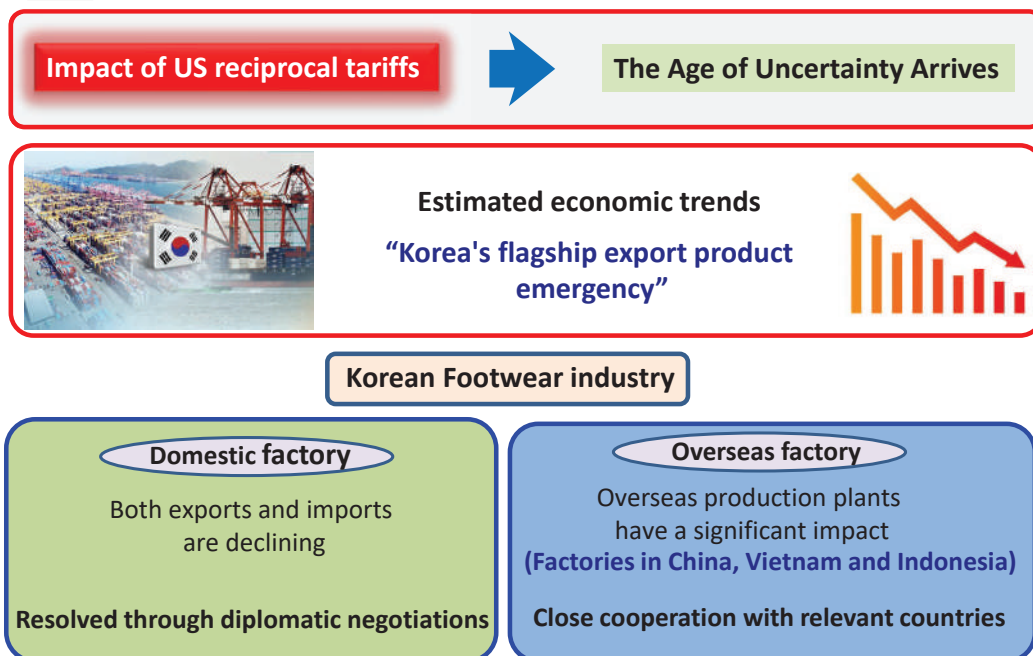


40 stores

8 Today's Korean Footwear Industry



9 Subject : Global Trade Environment



Thank You !



Korean Footwear Industries Association

(Zip Code : 46757)

#314 Footwear Industrial Promotion Center 14-55, 382-Ro, Noksan Industrial Complex, Kangseo-Gu, Busan, Korea

Tel : +82-51-317-5202 / Fax : +82-51-317-5201 / E-mail contact: chonseein@daum.net

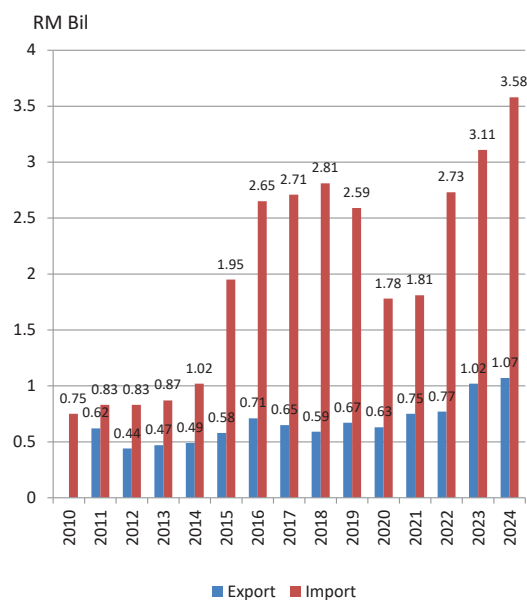
42nd IFC Country Report

Malaysian Footwear Manufacturers Association (MFMA)



9th July 2024

Footwear Trade Performance (2010 – 2024)



In 2023, the Malaysia trade in footwear registered **deficit of RM2.51 billion**.

Total trade of footwear were valued at **RM4.65 billion**, increased from 12.59% 2022 (RM4.13 billion).











Exports of footwear were valued at **RM1.07 billion**, increased by 5.26% from RM1.02 million in 2023.

Imports of footwear were valued at **RM3.58 billion**, increased by 15.11% from 2023 (RM3.11 billion)



Source: Dept of Statistics Malaysia (DOSM)

Footwear Performance











Top 10 Export Destination in 2024

| | |
|---|--|
|  (1) SINGAPORE - AFTA RM425.7 mil (39.5%) |  (6) VIETNAM - AFTA RM48.0 mil (4.4%) |
|  (2) USA RM173.2 mil (16.0%) |  (7) UAE RM31.9 mil (2.9%) |
|  (3) PHILIPPINES - AFTA RM71.6 mil (7.5%) |  (8) PERU RM25.7 mil (2.39%) |
|  (4) INDONESIA - AFTA RM51.8 mil (4.8%) |  (9) THAILAND - AFTA RM19.3 mil (1.7%) |
|  (5) HONG KONG - AFTA RM49.4 mil (4.5%) |  (10) AUSTRALIA RM14.7 mil (1.3%) |






Top 5 Export Products in 2024

| | |
|--|--|
|  (1) Leather footwear 6403 RM328.525 mil (30.5%) |  (3) Rubber/plastic footwear 6402 RM209.371 mil (19.44%) |
|  (2) Textiles footwear 6404 RM359.700 mil (33.39%) |  (4) Waterproof footwear 6401 RM74.472 mil (6.73%) |
|  (5) Other footwear 6405 RM101.041 mil (9.38%) | |

Top 10 Import Sources in 2024

| | |
|--|--|
|  (1) CHINA - ASEAN CHINA RM1.26 bil (35.2%) |  (6) INDIA - MICECA RM108.6 mil (3.0%) |
|  (2) VIETNAM - AFTA RM914.8 mil (25.5%) |  (7) CAMBODIA RM74.1 mil (2%) |
|  (3) INDONESIA - AFTA RM412.1 mil (11.5%) |  (8) HONG KONG RM60.6 mil (1.6%) |
|  (4) SINGAPORE - AFTA RM363.9 mil (10.1%) |  (9) THAILAND - AFTA RM36 mil (1.0%) |
|  (5) ITALY RM162.6 mil (4.5%) |  (10) NETHERLANDS RM28.8 mil (0.98%) |

Top 5 Import Products in 2024

| | |
|--|---|
|  (1) Textiles footwear 6404 RM1312.638 mil (36.63%) |  (3) Leather footwear 6403 RM875.249 mil (24.42%) |
|  (2) Rubber/plastic footwear 6402 RM1142.968 mil (31.89%) |  (4) Other footwear 6405 RM157.557 mil (4.4%) |
|  (5) Footwear parts 6405 RM71.82 mil (2.0%) | |

Source: Dept. of Statistics Malaysia (DOSM)

LABOR COST or WAGES

| TYPE OF WORKERS | USD (US\$) |
|-----------------|------------------|
| NON SKILLED | 405 (MIN. WAGES) |
| SKILLED | 550.00 |
| SUPERVISORY | 833.00 |
| MANAGERIAL | 1,190.00 |

US\$1 = RM4.20

TOP 5 LOCAL BRANDS SHOE RETAILER



Jooi Brothers Sdn Bhd
www.asadi.com

BONIA

Bonia Corporation Berhad
www.bonia.com



Christy Ng Sdn Bhd
www.christyng.com

LARRIE

Larrie Corporation (M) Sdn Bhd
www.larrieshoes.com

Vincci

Padini Holding Berhad
www.padini.com

MOST POPULAR DEPARTMENT STORES



Pavilion Kuala Lumpur
www.pavilion-kl.com.my



The Exchange TRX
www.theexchange.com



Mid Valley Megamall
www.midvalley.com.my










Suria KLCC
www.suriaklcc.com.my

Malaysia has signed 16 regional and bilateral FTAs, allowing exports to enjoy preferential market access with lower tariffs. In 2023, trade with FTA partners was valued at RM1.776 trillion or 67.4% of Malaysia's total trade, decreased by 7.2% as opposed to 2022.

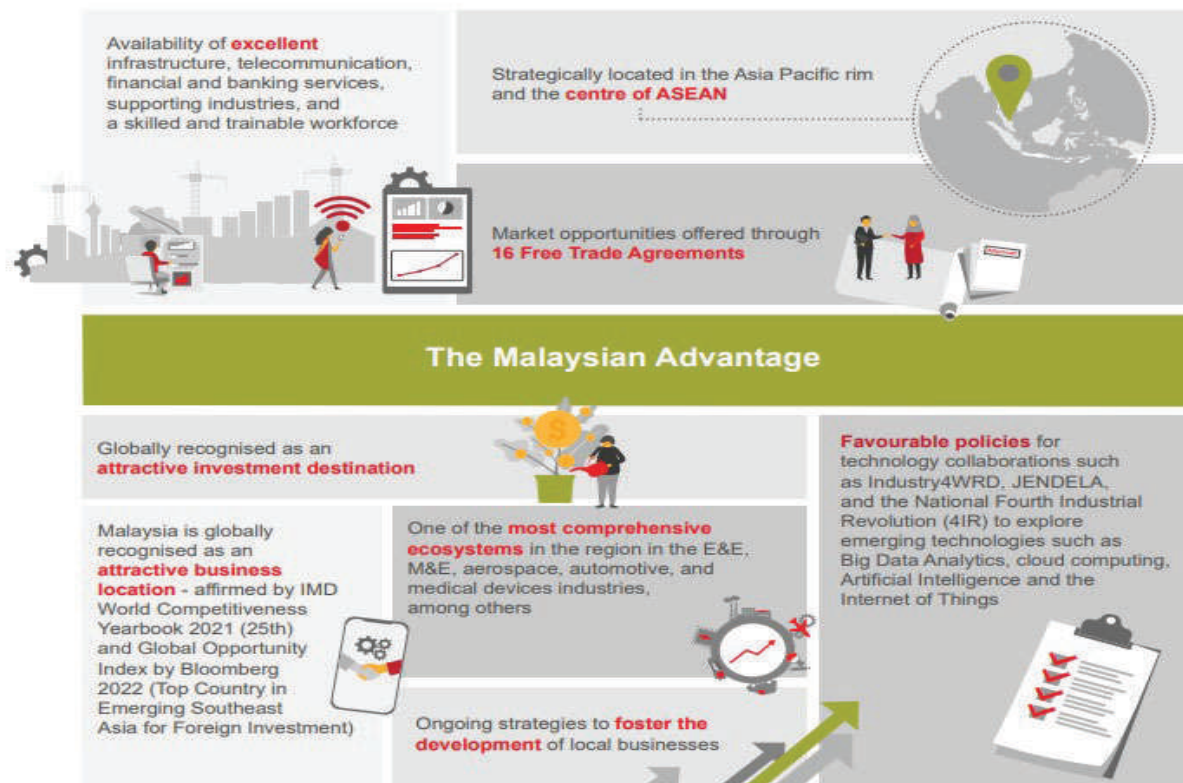
REGIONAL FTAs

| | |
|-------------|---|
| 1993 | ASEAN FREE TRADE AREA (AFTA) |
| 2003 | ASEAN - CHINA (AFCTA) |
| 2006 | ASEAN - KOREA (AKFTA) |
| 2009 | ASEAN - JAPAN (AJCEP) |
| 2010 | ASEAN - INDIA (AIFTA) |
| 2010 | ASEAN - AUSTRALIA - NEW ZEALAND (AANZFTA) |
| 2019 | ASEAN - HONG KONG (AHKFTA) |
| 2022 | REGIONAL COMPREHENSIVE ECONOMIC PARTNERSHIP (RCEP) |
| | COMPREHENSIVE AND PROGRESSIVE AGREEMENT FOR TRANS-PACIFIC PARTNERSHIP (CPTPP) |

BILATERAL FTAs

| | | |
|-------------|---------------------------------|---|
| 2006 | MALAYSIA - JAPAN (MJEPa) |  |
| 2008 | MALAYSIA - PAKISTAN (MPCEPA) |  |
| 2010 | MALAYSIA - NEW ZEALAND (MNZFTA) |  |
| 2011 | MALAYSIA - INDIA (MICECA) |  |
| 2012 | MALAYSIA - CHILE (MCFTA) |  |
| 2013 | MALAYSIA - AUSTRALIA (MAFTA) |  |
| 2015 | MALAYSIA - TÜRKİYE (MTFTA) |  |

Source from MATRADE

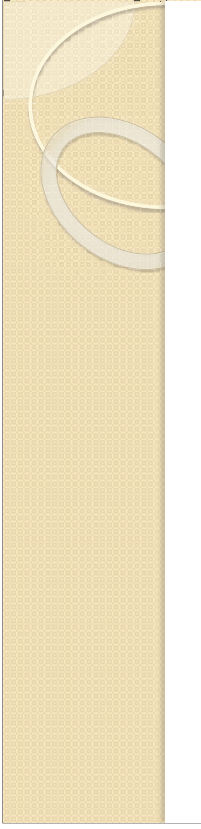




Country Report (Myanmar)

Myanmar Footwear Manufacturing Association (MFMA)

Sender : Mr Aung Min (Chairman)



The country report sent now is from the beginning of covid-19 to Myanmar until today. The global Covid pandemic began in October 2019 in China and reached Burma in March 2020 .

Since the covid-19 pandemic hit Myanmar, some factories have been closed due to fewer orders than before. Around October and November 2020 , it was found that only 40 of the pervious 60 shoes factories could continue to operate.

These operating factories are large overseas (export only) factories and small factories for the local (local) for SME factories are found to be trying to operate for the local market. The country report that will be presented now will be divided into two parts. There are factories fro Export Market and local market factories.

Footwear Factory for export Market

- 90% of these factories are foreign investment (FDI-for-own-direct investment).
- 7% are Myanmar and foreign companies (Joint Venture Company) JVCs, and only 3% are 100% Myanmar-owned companies.
- FDI companies are big companies like Myanmar Pouchen.
- They are large companies that come to invest from Taiwan/China/ Thailand/ Indonesia/ Korea/ Japan.
- Before Covid-19, there were more than 60 factories.
- After Covid-19 and only about 40 are left around October, November 2020.
- There will be 2-3 Taiwanese companies added by the end of this year.

Export Countries:

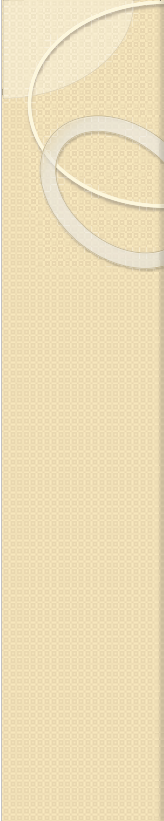
These factories are exporting to foreign countries Japan/Korea/ Europe/ USA and China. Before covid-19, we were sending about 12 million annually, but from October/November 2020, when Covid started in Myanmar, orders gradually decreased, and by December 2020, only 50% could be exported. In February 2021, due to Myanmar's political instability and the cancellation of some foreign orders.

The export of shoes to foreign countries decreased by less than 70% and some large factories were temporarily suspended. Currently, politics has started to stabilize and 80% of the factories are so also able to operate again. It is estimated that 20 million will be exported from Myanmar until December 2022 this year.

Footwear Factory for export Market

- ❖ 80% of the people of Myanmar (Male+Female) were longyi, so they usually only wore sandals/ slippers.
- ❖ 70% of these slippers are produced by domestic small/medium cottage industries and the remaining 30% are imported from abroad.
- ❖ Most of them are from China/ Thailand.
- ❖ These imported shoes are expensive and cannot be used / purchased by the common/ basic class.
- ❖ The basic class and middle class only wear locally made shoes and summer+winter leather shoes.
- ❖ Only cow leather is used for leather.
- ❖ Cow leather is procured in Burma, but it is not up to standard, so it has not yet been able to be exported as a finished product.

- ❖ Only used as locally made shoes.
- ❖ Locally produced shoes will be presented with photos.
- ❖ The shoes produced for the local market are genuine leather and artificial leather shoes, 80% of artificial leather to produce artificial leather shoes is imported from China and 20% is imported from Thailand.
- ❖ 80% of the raw materials of slippers produced by local manufacturers are imported from China.
- ❖ There is a class who wears slippers in Myanmar, common class (male+Female) and religious workers (monk+nun).
- ❖ It is different from ordinary people's slipper and monk's and nun's shoes.
- ❖ Slippers for monks and nuns are specially made shoes according to the teachings of Buddha.

- 
- ❖ Myanmar is the only country in the world that produces shoes worn by Buddhist monks and nuns.
 - ❖ A company that makes shoes for monks and nuns is not the same as a company that makes shoes for common people.
 - ❖ There are about 600,000 monks and 250,000 nuns in Myanmar.
 - ❖ As they wear 2 pairs of shoes each year, about 12 million monk shoes and 400,000 nun shoes are produced by domestic monk and nun shoe manufacturing companies.

Thank you
Aung Min




THANK YOU



COUNTRY REPORT 2025



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pfma@pakfootwear.org
www.pakfootwear.org/



STRENGTHS CONTENT

- 3** Pakistan Country Facts Overview
- 3** Pakistan Footwear Industry
- 3** Infrastructure Facilities
- 4** Statistical Data
- 4** Main Trading Partners
- 5** Types of Footwear Traded
- 5** Importance of Footwear Industry
- 5** Pakistan Trade Agreements with other Countries / Regions
- 6** Training and Skill Development Institute Available
- 6** Government Policies
- 7** Government Initiative for Export Facilitation
- 8** Pakistan Ranked No. 6 in Top Footwear Producing Countries of the World
- 9** Compliance and Standards
- 9** Fairs and Events

1. Pakistan Country Facts Overview

| | | |
|--------------------------|---|------------------|
| a. Capital | : | Islamabad |
| b. Language | : | Urdu, English |
| c. Area | : | 796,100 sq KM |
| d. Currency | : | Pakistani Rupees |
| e. Population (2023) | : | 241.5 Million |
| f. GDP per capita (2025) | : | 1,824 USD |
| g. GDP 2025 | : | 411 Billion USD |

2. Pakistan Footwear Industry

The Shoe manufacturing industry is one of the ancient and a major industry of Pakistan, which produces high quality finished products and has a great potential to grow and export. The main strength of the Footwear Industry is the availability of top quality leather in the country. Pakistan is hub for the production of high quality leather, the leather goods and Footwear Industry is a big contributor to the country's export earnings.

Pakistan produces a wide range of footwear to cater to the needs of a variety of customers - men and women, boys and girls, pedestrians and joggers, business executives and bureaucrats, office goers, squash and hockey players, cricketers and footballers, mountaineers and foresters, policemen and soldiers, specially designed footwear for the disabled, in fact all those who need footwear according to their choice and special requirements. The large variety of Made in Pakistan Footwear is really impressive.

The Pakistani footwear industry is the 6th largest in the world and employs some two million people in the country, mostly in the Punjab province. The Pakistani footwear industry is predominantly geared to the nation's internal market. Pakistan's main external markets are in Europe, the USA and Arab countries. China is Pakistan's main supplier.

3. Infrastructure Facilities

- Superb communication facilities of transportation by road rail/air network.
- Fully developed seaports like Karachi, Port Qasim & Gawadar.
- Bulk supplies take only 3 week time for delivery to Europe by sea route.
- Islamabad, Lahore & Karachi airports handle all types of cargo.

- e. Many cities are linked with dry ports facilitating cargo shipments.
- f. Modern telecommunication facilities are available down to small towns.
- g. Mobile phone network is available throughout the country.
- h. Fiber optic link and internet facilities are available in entire country.
- i. 5 star hotels, clubs, parks, old heritage are tourism treasure of Pakistan.

4. Statistical Data

| Category | VALUE | | QUANTITY | |
|-------------|-------------|------------|---------------|------------|
| | MILLION USD | WORLD RANK | MILLION PAIRS | WORLD RANK |
| EXPORTS | 163 | 46 | 22 | 32 |
| IMPORTS | 12 | 156 | 5 | 138 |
| PRODUCTION | | | 561 | 6 |
| CONSUMPTION | | | 544 | 6 |

5. Main Trading Partners

| EXPORT MARKETS | Million USD | Value Share | Million Pairs | Quantity Share |
|----------------|-------------|-------------|---------------|----------------|
| Germany | 44 | 27% | 2.84 | 13% |
| Italy | 23.4 | 14% | 1.59 | 7% |
| Saudi Arabia | 19.9 | 12% | 9.07 | 42% |
| Netherlands | 17.20 | 11% | 1.19 | 5% |
| United states | 13.3 | 8% | 1.03 | 5% |
| China | 10.40 | 85% | 4.69 | 92% |
| Vietnam | 0.5 | 4% | 0.10 | 2% |
| Italy | 0.2 | 2% | 0.04 | 2% |
| Iran | 0.2 | 2% | 0.08 | 2% |
| United States | 0.1 | 1% | 0.03 | 1% |

6. Types of Footwear Traded

a. Exports

- (1) Leather Footwear = 125 Million USD (77.08 %)
- (2) Canvas Footwear = 2.8 Million USD (1.78%)
- (3) Other Footwear = 34.2 Million USD (21.14%)

b. Imports

- (1) Leather Footwear = 0.34 Million USD (2.9%)
- (2) Canvas Footwear = 8.83 Million USD (73.6%)
- (3) Other Footwear = 2.82 Million USD (23.5%)

7. Importance of Footwear Industry

- a. Labour intensive industry employing about two million people.
- b. Low wages cost.
- c. Grant of GSP plus status by EU
- d. Low Electric Tarrif
- e. Good quality Leather

8. Pakistan Trade Agreements with other Countries / Regions

- a. Pakistan- China Free Trade Agreement.
- b. Pakistan – Sri Lanka Free Trade Agreement.
- c. South Asian Free Trade Agreement.
- d. Pakistan - Iran Preferential Trade Agreement.
- e. Pakistan – Mauritius Preferential Trade Agreement.
- f. Pakistan – Indonesia Preferential Trade Agreement.
- g. Pakistan – Uzbekistan Preferential Trade Agreement.
- h. Pakistan – Malaysia Trade Agreement.
- i. Pakistan – Afghanistan Transit Trade Agreement.

- j. Trade & Investment Agreement (TIFA) between Pakistan & USA.
- k. Pakistan – Turkiye Goods Agreement.

9. Training and Skill Development Institute Available

- a. TEVTA (Technical Educational and Vocational Training Institute)
- b. GILT (Gujranwala Institute of Leather Technology)
- c. ILT (Institute of Leather Technology)
- d. PIFD (Pakistan Institute of Fashion and Design)
- e. NCA (National College of Arts)
- f. IPFTC (Italy-Pakistan Footwear Technological Centre)
- g. PSDH (Pakistan Shoe Design Hub)

10. Government Policies

Government policies are business friendly encouraging both production and exports. Government of Pakistan has established Special Economic Zones as under:-

a. Special Economic Zones

- (1) Bin Qasim Industrial Park (BQIP), Karachi, Sindh
- (2) Khairpur Special Economic Zone (KSEZ), Khairpur, Sindh.
- (3) Korangi Creek Industrial Park (KCIP), Karachi.
- (4) Hattar Special Economic Zone (HSEZ), Haripur, KP KPEZ
- (5) M3 Industrial City (M3IC), Faisalabad, Punjab
- (6) Value Addition City (VAC), Faisalabad, Punjab
- (7) Oil Village SEZ (OVSEZ), Rawalpindi, Punjab
- (8) Rachna Industrial Park (RIP), Sheikhpura, Punjab
- (9) Rahimyar Khan Industrial Estate (RIE), Rahim Yar Khan, Punjab
- (10) PIEDMC 456 Rashakai Special Economic Zone (RSEZ), Nowshera, KP
- (11) Vehari Industrial Estate (VIE), Vehari, Punjab
- (12) Bhalwal Industrial Estate (BIE), Sargodha,
- (13) Bostan Special Economic Zone (BSEZ), Pishin, Balochistan

- (14) Hub Special Economic Zone (HUBSEZ), Lasbela, Balochistan
- (15) Naushero Feroz Industrial Park (NFIP), Naushahro Feroze,
- (16) Allama Iqbal Industrial City (AIIC), Faisalabad, Punjab
- (17) National Science and Technology Park (NSTP), Islamabad
- (18) JW-SEZ China-Pakistan SEZ (JWSEZ), Lahore, Punjab
- (19) Quaid-e-Azam Business Park (QABP), Sheikhupura, Punjab
- (20) Service Long March Tyres SESEZ, Jamshoro, Sindh
- (21) Siddiq sons Tinplate SESEZ, Lasbela, Balochistan

b. Incentives in Special Economic Zone (SEZ)

- (1) Provision of Utilities and infrastructure.
- (2) Upto 10 years Income Tax holiday.
- (3) One time exemption on all duties and taxes on import of machinery.

11. Government Initiative for Export Facilitation

- a. Subsidy on Power & Gas.
- b. Duty and Tax Remission for Exporter (DTRE) by FBR.
- c. EU GSP (Plus) allows Pakistan to Export goods to EU at Zero import duty.
- d. Export refinance Scheme (ERF) for footwear sector.
- e. Rebate of 4.62% of the fob value on Leather Footwear Exports.
- f. Tax free imports on input utilized in manufacturing.
- g. SMEs are allowed Export Oriented Units (EOUs) duty free. The scheme facilities EOUs by allowing 20% sells of their annual production in the local market on payment of duties and taxes.
- i. Allow Export Oriented units (EOUs) duty exempt import all input materials/goods including the machinery etc. The scheme EOUs allowing 20% sells of their annual production in local market on payment of Duties and Taxes and Engineering units can sell upto 50% of their production in the local markets for the first 3 years and 20% of their production in the subsequent years.
- j. Pakistan and USA Generalized System of Preferences (GSP)



12. Pakistan Ranked No. 6 in Top Footwear Producing Countries of the World

Pakistan is ranked No. 6 in Footwear Producing Countries of the world according to Portuguese Footwear, Components, Leather Goods Manufacturers' Association (APICCAPS). Year Book 2024. List of Top 10 Footwear Producing countries is as follows :

| Rank | Country | Pairs (In Millions) | World Share |
|------|------------|------------------------|-------------|
| 1 | China | 12,300 | 54.9% |
| 2 | India | 2,600 | 11.6% |
| 3 | Vietnam | 1,400 | 6.3% |
| 4 | Brazil | 866 | 3.9% |
| 5 | Indonesia | 807 | 3.6% |
| 6 | Pakistan | 561 | 2.5% |
| 7 | Turkiye | 502 | 2.2% |
| 8 | Bangladesh | 423 | 1.9% |
| 9 | Mexico | 217 | 1% |
| 10 | Iran | 176 | 0.8% |

(Source: APICCAPS Year Book 2024)

13. Compliance and Standards

Footwear Manufacturers believe in compliance of international standards to satisfy their buyers may it be on quality standards, ISO standards, Reach Compliance, LWG Guidelines, CADS, BSIC, ICS, SA 800, HING Index. Environment Compliance, Social Compliance. Footwear lab testing with ISO 17025 is also available in Pakistan, which also follows lab-testing standards like DIN, BS, BSEN ISO etc.

14. Fairs and Events

a. Pakistan Footwear Material & Machinery Show (PFMMS)

Pakistan Footwear Material & Machinery Show (PFMS) is annual Event organized by PFMA from 27-29 Mar each year at Lahore Expo Centre. Besides show casing products for international buyers PFMA also organize Seminars and Workshops for skill development of Footwear Industry Human Resources.

b. Participation in Expo Riva Del Garda

Expo Riva Del Garda is the largest trade Fair which pulls in the cream of the footwear manufacturing industry of the Europe. PFMA organizes.

Pakistan Pavilion in Expo Riva Del Garda twice a year where prominent.

Footwear exporters of Pakistan show case their products for international buyers.



Pakistan Footwear Manufacturers Association

6-F Rehman Business Center, 32-B-III
Gulberg III, Lahore, Pakistan



PHILIPPINE FOOTWEAR INDUSTRY REPORT

MR. ROGER S. PY, JR.

Board of Director, Philippine Footwear Federation Inc.
Board of Director, Filipino-Chinese Footwear & Allied Industries Association

PH FOOTWEAR MARKET SIZE

2023 PH EXPORTS VS PH IMPORTS*

USD 83.7 Million PH Exports

USD 624.4 Million PH Imports

#60

PH Trade Performance Rank in the World for HS : Exports and imports of footwear, gaiters and the like, parts thereof*

Philippines holds less than 1% of the global footwear market, but it is a growing player, especially with increasing demand for sustainable and locally made products.

2025 PH Projected revenue is **USD 55.87 Million** and is expected to show an **annual growth rate (CAGR 2025-2029) of 10.35%**, resulting in a **projected market volume of USD 82.86 Million by 2029**

Source: <https://tradecompetitivenessmap.intracen.org/>

PRODUCT COVERAGE



LEATHER FOOTWEAR

Footwear with leather uppers & outer soles of leather, rubber, plastic, wood, cork, or other materials.



NON-LEATHER FOOTWEAR

Footwear with uppers of rubber, plastic, textile or other materials & outer soles of rubber, plastic, wood, cork, or other materials.



SPORTS FOOTWEAR

Footwear with uppers of leather, rubber, plastic, textile or other materials, specifically for athletic or sports purposes.



SLIPERS & SANDALS

Footwear with uppers of leather, rubber, plastic, textile or other materials and outer soles of leather, rubber, plastic, wood, cork or other materials.



SPECIAL USE

Footwear designed for specific usage in fields of medicine and other line of work.



PARTS OF FOOTWEAR

1.includes stiffeners, outer soles, uppers, gaiters, shoe shanks, cleats, toe caps, rubber straps, or similar articles.

FOOTWEAR HS CODES

| HS Codes | Description |
|----------|---|
| 64.01 | Waterproof footwear with outer soles and uppers of rubber or of plastics, the uppers of which are neither fixed to the sole nor assembled by stitching, riveting, nailing, screwing, plugging or similar processes. |
| 64.02 | Other footwear with outer soles and uppers of rubber or plastics. |
| 64.03 | Footwear with outer soles of rubber, plastics, leather or composition leather and uppers of leather. |
| 64.04 | Footwear with outer soles of rubber, plastics, leather or composition leather and uppers of textile materials. |
| 64.05 | Other footwear. |
| 64.06 | Parts of footwear (including uppers whether or not attached to soles other than outer soles); removable in-soles, heel cushions and similar articles; gaiters, leggings and similar articles, and parts thereof. |

TOTAL EXPORTED FOOTWEAR

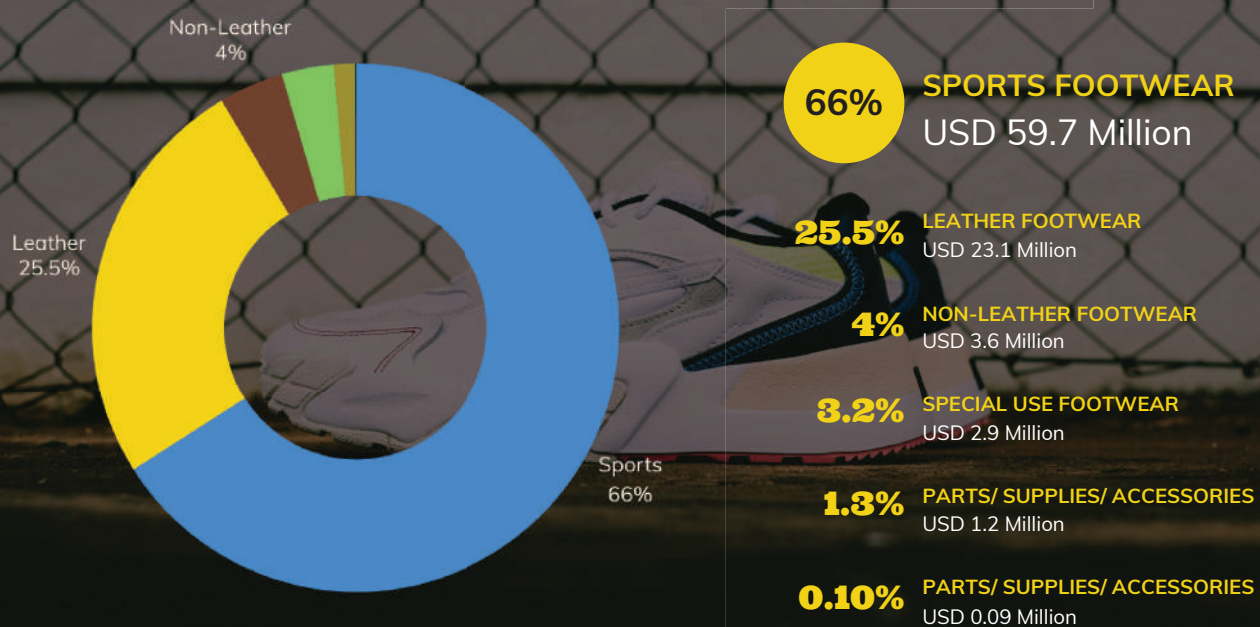


-5.5%

**COMPOUNDED ANNUAL
GROWN RATE (CAGR)
FY 2020-2024
FOB Value in USD \$**

Source: Philippine Statistics Authority

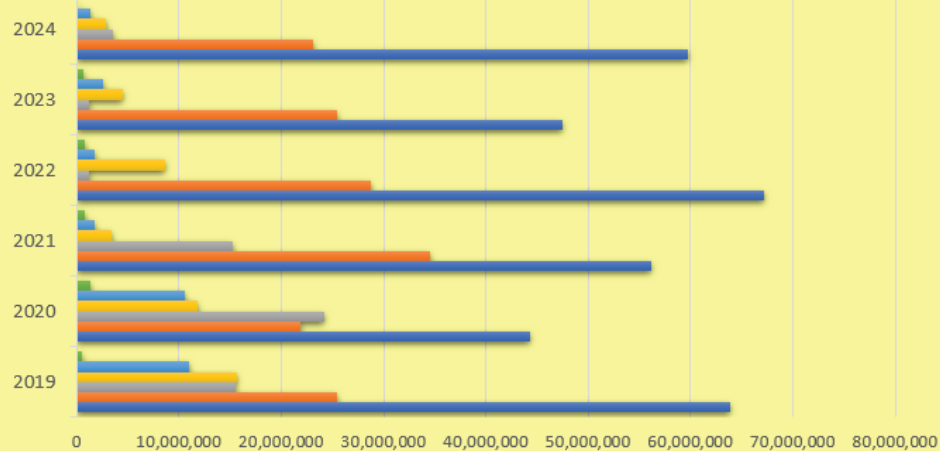
2024 PH EXPORTS OF FOOTWEAR BY PRODUCT



Source: Philippine Statistics Authority

PHILIPPINE MERCHANDISE EXPORTS OF FOOTWEAR

FOB VALUE IN US\$
FY 2020 TO 2024



Source: PSA

Some of the International Footwear Brands manufactured in the Philippines



The Philippines excels with footwear manufacturing through a mix of domestic and cross-border investors



|  | | |
|---|---------------------------------|------------------------|
| TOP 10 EXPORT MARKETS OF FOOTWEAR | | |
| RANK | MARKET | 2024 VALUES (IN US \$) |
| 1 | UNITED STATES OF AMERICA | 23,911,604 |
| 2 | CZECH REPUBLIC | 23,711,961 |
| 3 | JAPAN | 6,809,814 |
| 4 | KOREA, REP. OF (SOUTH) | 6,750,085 |
| 5 | SINGAPORE | 4,660,869 |
| 6 | UK GREAT BRITAIN AND N. IRELAND | 4,361,761 |
| 7 | NETHERLANDS | 2,559,560 |
| 8 | MEXICO | 2,123,240 |
| 9 | CANADA | 1,723,127 |
| 10 | SOUTH AFRICA | 1,663,722 |

Note: Ranking based on 2024 international trade data from Philippine Statistics Authority (PSA), and processed by DTI-EMB, as of April 7, 2025

BENEFITS OF INVESTING IN THE PHILIPPINES



Southeast Asia: Foreign investments resilient despite global economic uncertainties – ASEAN Investment Report 2024 (UNCTAD)
ASEAN countries are poised to sustain the momentum with their favorable investment climate, continued regional integration and stable GDP growth

The Philippine Footwear Industry

Our Value Proposition

The Philippines' rich cultural heritage manifested in our craftsmanship and creative designs, coupled with an enabling innovative and cost-efficient business environment, enjoying strategic access to key global markets means that investors can profitably and productively manufacture footwear in the Philippines.



THE PHILIPPINES
MAKE IT HAPPEN

PH- Home of Renowned Shoe Designers

- **Ivan Fabia and Chad Gabrielle Tanutan** won the top awards of 2024 International Footwear Design Competition.
- **Thian Rodriguez** won the 2019 International Footwear Design Competition.
- **Nikko Pelaez's** "Along With the Gods" sneaker design, won the 2018 Vans Asia Custom Culture Competition.
- **Jojo Bragais** designs shoes for celebrities and beauty queens including the country's newest Ms. Universe Catriona Gray.
- **Nere Ku** has designed shoes for Mariah Carey and Beyoncé, and local celebrities such as Sarah Geronimo.
- **Maco Custodio**, one of the innovative designers of Zapateria which is a co-creation hub for shoemakers and designers.



THE PHILIPPINES

HOME OF TALENTED DESIGNERS

Winners of the 15th Filipino Footwear Design Competition (FFDC) of which mission is to cultivate a new generation of footwear designers.



Fred Leysa's "Aikab"



Ely-Knows Enterprise's "Aranva"



Bon Marter's "Perra's Freedom"



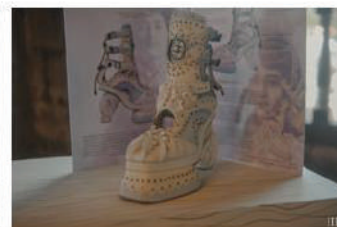
Chad Gabrielle Tanutan's "Bagani"



Hazel Roldan's "Piñahon"



Catrina Suarez's "Sala"



Jeremiah Castro's "La Reina de Oriente"



D118 Studio's "Pomana"

image courtesy of JIP Studio from NB: Fashion & Beauty Lifestyle Article by John Legaspi titled "These creatives are redefining the future of Filipino footwear design" published online May 05, 2025

Sustainability and Circularity in Philippine Footwear manufacturing



Philippine footwear industry manufactures shoes made from abaca and other locally-sourced fibers for local and export markets. These Philippine-made shoes are mostly exported to Europe and Japan. Some of the local manufacturers and exporters are Jhaz Footwear and Ai-she footwear in Liliw Laguna. The strong worldwide interest and acceptability for “green” and “organic” products made manufacturing companies, especially in Europe, turn to natural and bio-degradable raw materials including in the manufacture of footwear.



Philippine shoe manufactures adopts raw materials which can be used as alternative to leather such as Piñatex. The fibers for Piñatex are extracted entirely from the leaves of pineapple so there is much less waste as compared to those coming from animals. It looks, acts and performs like leather. It is also natural, renewable and eco-friendly. International footwear manufacturer such as Puma have adopted Piñatex as among the green raw materials of their shoes.

THE PHILIPPINES
MAKE IT HAPPEN

Sustainability and Circularity in Philippine Footwear manufacturing



Philippine shoe manufactures are using as raw materials, the rubber of used tires, in the production of their footwear products from formal shoes to sandals. Marikina based footwear manufacturers such as Black Wing and Shoe Cycle are adopted this process of circularity in their shoe production.



The DOST has teamed up with the local textile and footwear industries to design and produce a shoe insole which is made from natural textile fiber-based nonwovens and knitted and woven fabrics. This could be a green and more environment-friendly alternative to the leather shoe insole.

THE PHILIPPINES
MAKE IT HAPPEN

A strong partnership between the academe, the industry and the government ensures the availability of skilled and trainable workforce for the Footwear Industry



- Shoe-making in high school curriculum of select schools in the country



- A proposed college degree on footwear engineering



- Ladderized training and issuance of certification on related training pertaining to shoe-making provided by the Philippine Technical Education and Skills Development Authority

- Establishment of training institutions

With these academe and training agency/ institution curriculums and programs for footwear, leathersgoods and garments produced **42,638** and **52,858** graduates in 2017 and 2018 respectively.



Footwear Academy in Marikina

THE PHILIPPINES
MAKE IT HAPPEN

Government Support Facilities for Footwear and Allied Industries

FABLABs



Shared Service Facilities





INVESTMENT INCENTIVES, FTAs & PROCESSING ZONES

The Department of Trade and Industry - Bureau of Investments stands ready to formulate and help deliver an attractive ‘development package’ for investors in footwear manufacturing which can include

- **Reduction of Corporate Income Tax (CIT) Rate from 30% to 25% effective 1 July 2020**
- **President’s flexibility in granting incentives for highly desirable projects** with minimum investment capital of P50 billion or at least 10,000 job generation
- **Removal of export and nationality bias**
- **Incentives Package for a maximum of 17 years for qualified projects under the SIPP**
 - Income Tax Holiday (ITH)
 - 5% Special Corporate Income Tax (SCIT) based on Gross Income Earned, for 10 years, in lieu of all national and local taxes
 - Enhanced Deductions
 - Depreciation Allowance of Assets - additional 10% for buildings; and additional 20% for machineries and equipment
 - Additional Deduction on Labor Expense, R&D Expense, Training Expense, Domestic Input Expense, Power Expense, and Reinvestment Allowance to Manufacturing Industry; Enhanced Net Operating Loss Carry Over (NOLCO)
 - Duty exemption on importation of Capital Equipment, raw materials, spare parts, or accessories
 - VAT exemption on importation and VAT Zero-rating on local purchases

CREATE MORE ACT: A GAME-CHANGER FOR THE PHILIPPINE ECONOMY



Lower corporate income taxes



Simplified VAT procedures for easier compliance.



Encourages foreign investments.



Boosts job creation and infrastructure development.



The CREATE MORE (Corporate Recovery and Tax Incentives for Enterprises) MORE Act is set to transform the Philippine business landscape and aims to enhance the country's business environment, promote economic growth, and create jobs.

Key Provisions

1. Reduced Corporate Income Tax: From 30% to 20-25% for large corporations.
2. Improved Tax Incentives: Enhanced incentives for strategic industries (e.g., manufacturing, innovation).
3. Simplified Tax Compliance: Streamlined procedures and reduced bureaucratic hurdles.
4. Increased VAT Exemption: Expanded Value-Added Tax (VAT) exemptions for critical sectors.
5. Enhanced Intellectual Property Protection: Strengthened IP rights enforcement.

Targeted Sectors

1. Manufacturing
2. Innovation and technology
3. Tourism
4. Agriculture
5. Infrastructure
6. Creative industries
7. MSMEs

Information

Access a copy of the DAO and the prescribed forms through this link:

<https://tinyurl.com/eoodocs>

Contact us at:

createmoreexports@dti.gov.ph

(+632) 7791.3274

Mailing Address:

Addressed to: DTI-Export Marketing Bureau
15th Floor Filinvest Building, 367 Sen. Gil Puyat Avenue, 1200 Makati City, Philippines

PHILIPPINE FREE TRADE AGREEMENTS



7 Existing Philippine FTAs under ASEAN

ASEAN Trade in Goods Agreement (ATIGA)
ASEAN-China Free Trade Agreement (ACFTA)
ASEAN-Korea Free Trade Agreement (AKFTA)
ASEAN-Australia-New Zealand Free Trade Agreement (AANZFTA)
ASEAN-Japan Comprehensive Economic Partnership Agreement (AJCEPA)
ASEAN-India Free Trade Agreement (AIFTA)
ASEAN-Hong Kong Free Trade Agreement (AHKFTA)

3 Bilateral Agreements

Philippine-Japan Economic Partnership Agreement (PJEPA)
European Free Trade Association (EFTA) FTA
PH-Korea Free Trade Agreement (FTA)

Generalized System of Preferences (GSPs)

EU, Canada, Russia

Regional Comprehensive Economic Partnership Agreement (RCEP)

Australia, Brunei, Cambodia, China, Indonesia, Japan, South Korea, Laos, Myanmar, New Zealand, Singapore, Thailand and Vietnam

ASEAN (10 members): Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand, and Vietnam

ASEAN Partners: China, Japan, South Korea, India, Hong Kong, Australia, and New Zealand

Europe: EFTA (Switzerland, Norway, Iceland & Liechtenstein), EU (GSP+), Russia GSP

Americas: Canada GPT



PEZA OVERVIEW

- Created by virtue Republic Act No. 7916 or "The Special Economic Zone Act of 1995", the Philippine Economic Zone Authority (PEZA) is an investment promotion and incentive-granting agency primarily tasked to oversee the creation, policy development, management and expansion, and promotion of economic zones in the Philippines.
- PEZA is a pioneer in ecozone development and a huge contributor to the country's economy, supervising economic zones (public or privately developed) nationwide that are proclaimed under its mandate.

MANDATE

-  Promote Investments
-  Create Employment
-  Generate Exports
-  Spur Countryside Development

KPIs







-  **14.62 %** of the Philippines' GDP
-  **56.91 %** of the Philippines' Exports of Commodities and Goods
-  **45.29 %** of service exports

*Data as of 2023 based on PSA and BSP

WORLD CLASS AND ENVIRONMENT-FRIENDLY ECOZONES



PEZA hosts **427 Ecozones** and **4,382 Locator Companies/projects** nationwide
(as of June 2024)

- | | |
|---|---|
|  304 IT Parks |  24 Agro-Industrial Parks |
|  60 IT Centers |  17 Tourism |
|  79 Manufacturing |  3 Medical Tourism |



PEZA BRAND OF SERVICE

A One-Stop Shop

- Issuance of PEZA-Visa (PV)
- Building and Occupancy Permits
- Environment Clearance Certificate
- Exemption from Local Government Permits and Fees
- Provision for training facility for workers (Mold Technology Support Center in Cavite Economic Zone)

and a Non-Stop Shop

- Provides 24 hours a day, 7 days a week of continuous service
- Adheres to the mandate to the Anti-Red Tape mandate
- Has maintained its **QMS ISO 9001:2015 certification** for the last 15 years and counting
- Digitalization: Cashless & paperless transaction systems and processes, electronic import permits & export declaration system

Core Values and Culture

- | | |
|---------------------------|--|
| Z ero corruption | • Integrity |
| O ne-stop shop | • No Red Tape, Only Red-Carpet Treatment |
| N on-stop shop | • Innovation |
| E xcellent service | • Sustainability |



MARCOS ISSUES EXECUTIVE ORDER FOR INVESTMENT 'GREEN LANES'

Executive Order (EO) No. 18, which was signed on 24 February 2023, is seen to boost foreign direct investments in the country.

ECONOMIC LIBERALIZATION MEASURES:

- | | |
|-----------------------------------|-----------------------|
| • Public Services Act | • CREATE MORE Act |
| • Retail Trade Liberalization Act | • Blue Economy Bill |
| • Foreign Investments Act | • Maritime Trade Bill |
| • Renewable Energy Act | |
| • Tatak Pinoy Act | |
| • Universal Healthcare Law | |

PHILIPPINES' BUILD, BETTER, MORE PROJECT

PEZA IN THE LUZON ECONOMIC CORRIDOR



| POINT | LEC AREAS | NO. OF PEZA OPERATING ECOZONES | NO. OF PEZA RBEs |
|--------------|------------------|--------------------------------|------------------|
| A | ZAMBALES (Subic) | 1 | 5 |
| B | PAMPANGA (Clark) | 3 | 26 |
| C | TARLAC | 7 | 19 |
| D | MANILA | 188 | 1,181 |
| E | BATANGAS | 16 | 471 |
| TOTAL | | 215 | 1,702 |

PH PRIORITY INFRA PROJECTS (Php 9 Trillion Budget)



AEROTROPOLIS ZONES AND INTERNATIONAL AIRPORTS

- Laguindingan Airport
- Sangley Point International Airport
- Southern Batangas Airport
- New Clark City Industrial Estates
- New Manila International Airport (NMA) / Bulacan International Airport
- Clark International Airport Infra Expansion



DOTR'S NEW AIR, SEAPORTS, TRAIN PROJECTS AND AIRPORT MODERNIZATION

- North-South Commuter Railway (NSCR)
- Metro Manila Subway
- Metro Manila Transit Line 7 (MRT-7)
- EDSA Busway Privatization
- Clark Urban Transport System
- 14 New RoRo (Roll On / Roll Off) ports
- CAAP's PHP 12.4 B airport improvement project
- Subic-Clark-Manila-Batangas Railway
- Central Luzon Bus Rapid Transit



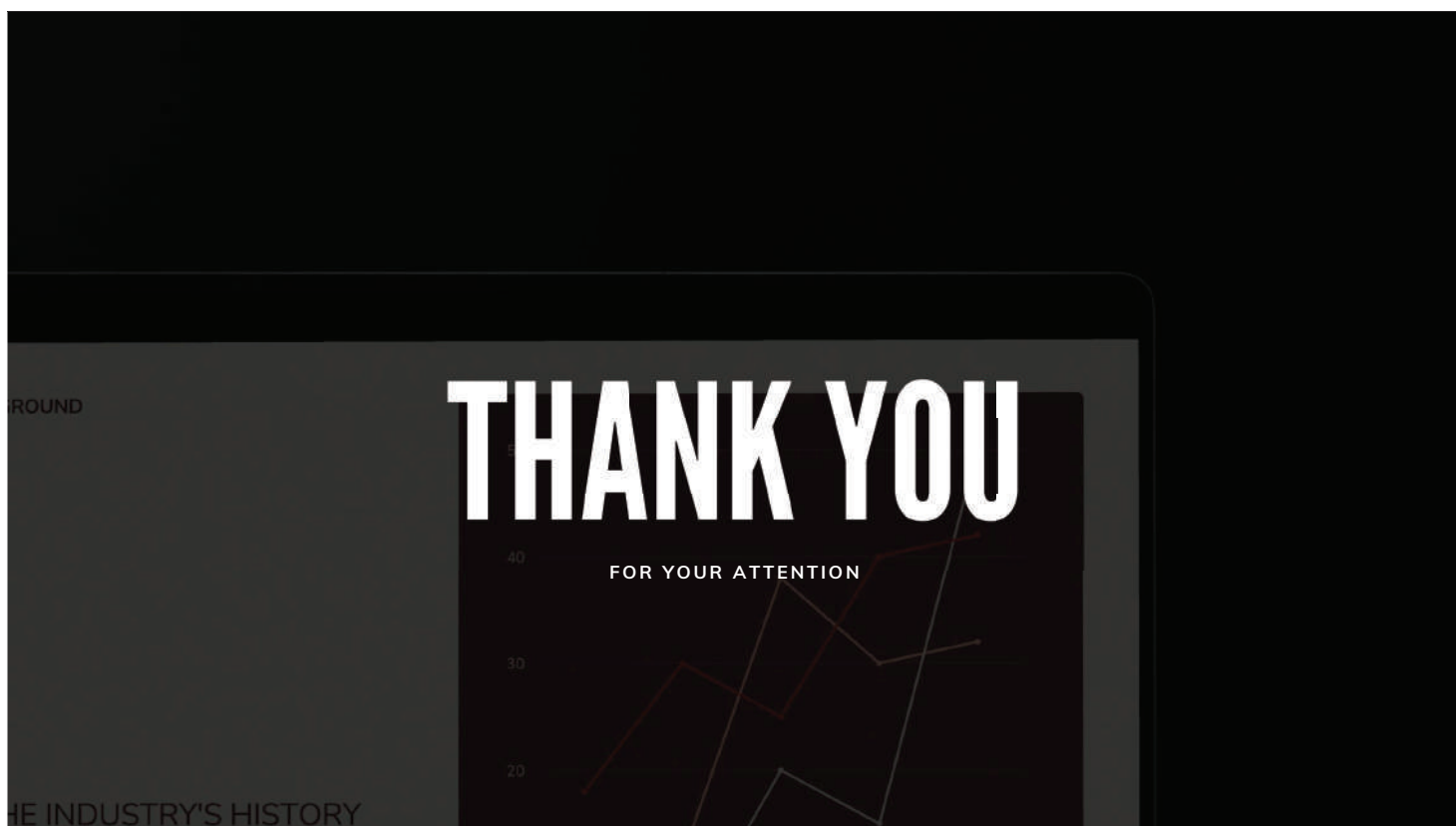
DICT TELECOMM INFRA

- National Fiber Backbone Project
- Common Tower Program



DPWH INFRA PROJECTS

- 7.7-km NLEX-SLEX Connector Road, 32-km Southeast Metro Manila Expressway, 44-kilometer CAVITEX, 17.4 km.-road from SLEX Mamplasan to Silang-Aguinaldo Interchange
- C5 South Link Expressway
- Laguna Lakeshore Road Network Project – Phase I
- New bridges crossing Pasig River and Manggahan Floodway
- North & South Harbor Bridge and Palanca-Villegas Bridge crossing Pasig River
- National Food Storage Terminal
- Eastbank-Westbank Bridge 2
- Guadalupe and Lambingan bridges
- Inter-Island Linkage Bridge Program (32-km Bataan-Cavite Interlink Bridge across Manila Bay)
- Manila Bay Reclamation Project
- Subic Bay (Redondo-Ilanin) bridge
- Central Luzon Link Expressway Phase II
- North Luzon East Expressway
- Manila Bay-Pasig River-Laguna Lake Ferry System
- Kalaanan Irrigation Project
- Luzon Bypass Infrastructure Project
- Poro Point Seaport Modernization



South Africa Footwear Status Status Report 2024

A comprehensive analysis of South Africa's footwear and leather industry performance, market trends, and strategic opportunities.

Prepared by South Africa Footwear and Leather Export Council

 by SAFLEC



South Africa at a Glance

60M+

Population

World's 24th most populous nation

\$870B

GDP

Measured on purchasing-power-parity basis

11

Official Languages

Including Zulu, Xhosa, Afrikaans, English

Sector Overview and Performance

Industry Value

Worth 54.9 Billion Rand, the sector is the third most labor-intensive in South Africa, following clothing and furniture.

Employment Impact

175 bargaining council compliant manufacturers employ approximately 18,000 people across the value chain.

Growth Challenges

Investment gaps, skills deficit, cheap imports, and pandemic impacts remain key obstacles to sector expansion.

Manufacturing is concentrated in KwaZulu Natal, producing completed products, components, and partially completed goods.



Industry Governance Structure

Bargaining Council

Regulates labor relations and fair wage practices

Unions

NULAW and SACTU represent worker interests



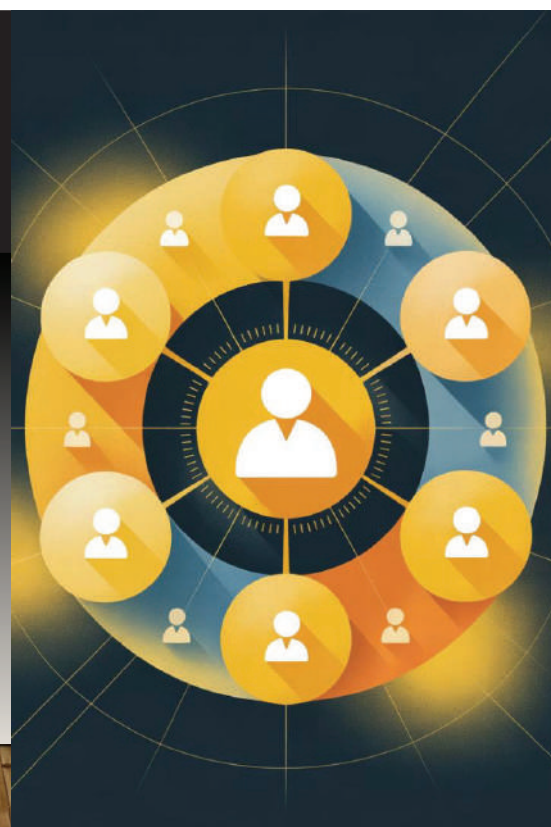
SAFLIA

South African Footwear & Leather Industries Association

SAFLEC

South Africa Footwear and Leather Export Council

The industry is structured with representative bodies ensuring fair labor practices and coordinated development efforts.





Industry Collaboration Framework



Six Sub-Sectors

Footwear, Leather, Small Leather Goods, and Accessories operate under coordinated frameworks.



Export Councils

SAFLEC partners with Ostrich Export Chamber to promote South African products globally.



Government Support

The dtic provides sector development through clusters and incentive programs.

Collaborative frameworks strengthen the industry's capability to



Manufacturing Excellence



Design

Innovative design capabilities blend global trends with African aesthetics.



Production

Modernized facilities ensure quality and efficiency.



Distribution

Strategic logistics networks facilitate timely delivery.



Market Access

Trade agreements provide preferential entry to key markets.

South African manufacturers combine traditional craftsmanship with modern production techniques.

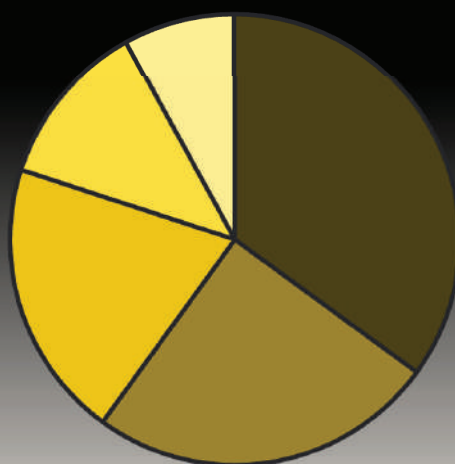
Trade Agreements Overview

- 
African Continental Free Trade Area (AfCFTA)
 Creates a single market for goods and services across Africa.
- 
EU Free Trade Agreement
 Provides preferential access to all European Union countries.
- 
African Growth Opportunity Act (AGOA)
 Current under review with Recipacol of tariffs imposed of 30%
- 
Regional Agreements
 SACU, SADC, and MERCOSUR agreements enhance regional trade opportunities.

These agreements significantly enhance South Africa's global market access.



Market Dynamics Analysis



Formal Footwear Athletic/Sport Casual Children's Specialty

The South African footwear market shows strong demand across multiple segments. Formal footwear leads with 35% market share, followed by athletic/sport at 25%.



Footwear Statistics Overview



Production Capacity

Annual output of 24 million pairs



Employment

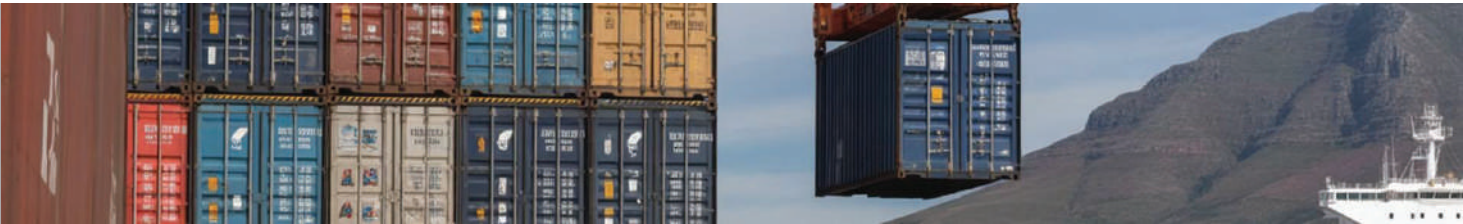
18,000 direct jobs created



Export Markets

Primary destinations include SADC, EU, and US

The sector demonstrates resilience despite challenging global conditions. Local manufacturers focus on quality and competitive pricing to maintain market position.



Export Performance Analysis

Footwear Exports

Reached R350 million in 2023, with primary markets in SADC region.

Leather Goods

Specialty items gaining traction in European boutique markets.

1

2

3

4

Handbag Exports

Growing at 12% annually, particularly luxury leather goods.

Future Projections

Expected 15% growth in export volume by 2025.

Export diversification strategies target new markets in Asia and North America.



Footwear Import Analysis

| Top Source Countries | 2024 Value (R Million) |
|----------------------|------------------------|
| China | 10,220.38 |
| Vietnam | 3,123.05 |
| Indonesia | 1,647.12 |
| Italy | 1,157.93 |
| India | 363.03 |

China dominates imports at R10.2 billion. Casual footwear and sports shoes represent the highest import categories by volume.

Export Sector Performance

| Footwear | 2023 | 2024 | % Change |
|----------|---------------|---------------|----------|
| Qty | 14 915 482 | 16 567 103 | 11.1% ↑ |
| Value | 1 989 899 168 | 1 797 374 578 | -9.7% ↓ |

| Handbags and L/Goods | 2023 | 2024 | % Change |
|----------------------|-------------|-------------|----------|
| Qty | 9 251 884 | 11 688 719 | -9.5% ↓ |
| Value | 723 293 966 | 864 072 375 | -0.0% |

Footwear

Specialty leather shoes and safari boots lead export growth. SADC markets account for 65% of total footwear exports.

Leather

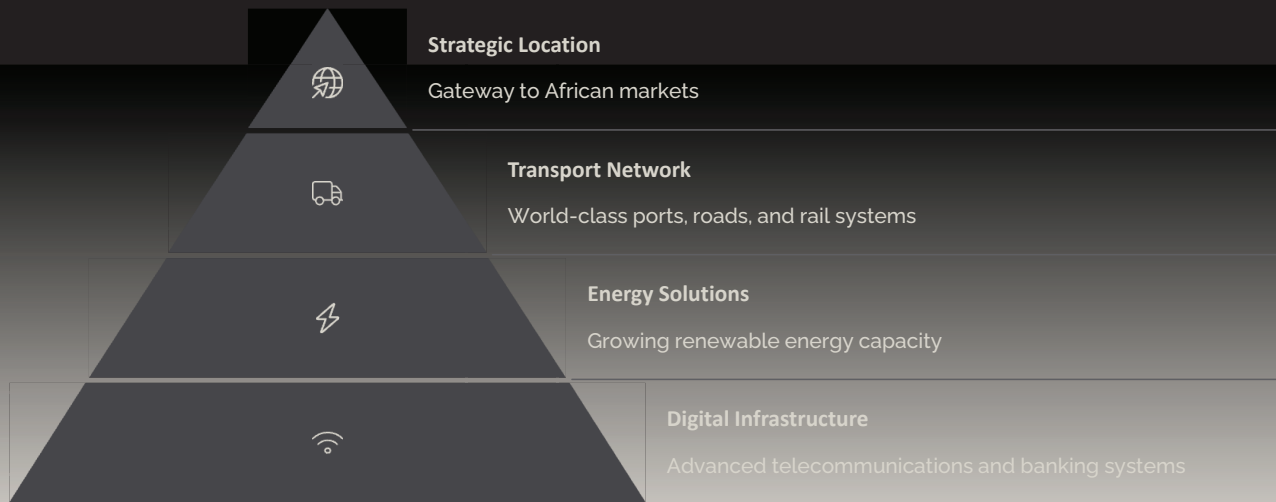
Premium grade leather exports increased by 18%. Ostrich leather commands premium pricing in luxury markets.

Handbags & Accessories

Handcrafted items with African design elements gaining international recognition. EU market penetration growing steadily.

Export diversification strategies have yielded positive results across all three sub-sectors.

Infrastructure Advantages



Government Support Initiatives

Black Industrialists Scheme (BIS)

Leverages state capacity to unlock industrial potential within Black-owned and managed businesses.

Sector Specific Assistance Scheme (SSAS)

Funds non-profit business organizations to stimulate export growth and expand the export base.

Clothing, Textiles, Footwear and Leather Growth Programme (CTFLGP)

Improves competitiveness and grows manufacturing industries through targeted support.

These dtic incentives provide crucial support for South African owned factories.



Making positive strides

Working together

Enhance Market Access

Accelerate Localization and Globalization

Contact: nerisha@saflec.co.za | +27 31 266 1472

Together, we step forward....TOGETHER WE ARE STRONGER !!!





台灣製鞋工業同業公會
TAIWAN FOOTWEAR MANUFACTURERS ASSOCIATION

Taiwan Footwear Industry Report

Report by : Sabrina Yang
TFMA



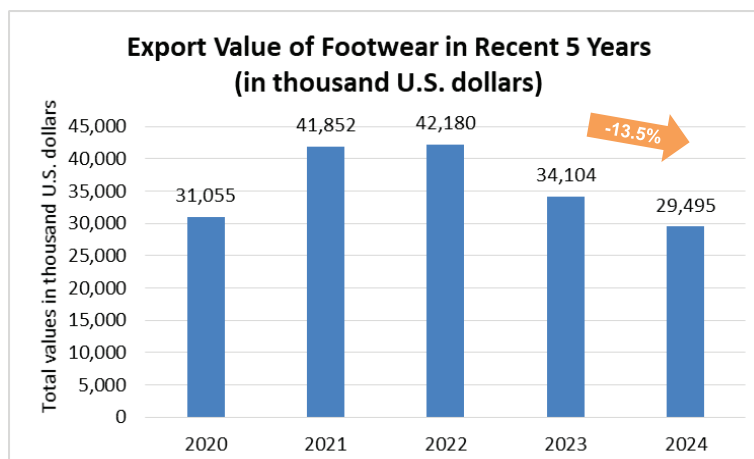
2025/07/24



台灣製鞋工業同業公會
TAIWAN FOOTWEAR MANUFACTURERS ASSOCIATION

Taiwan's Export Value of Footwear in Recent 5 Years

Unit:1000USD

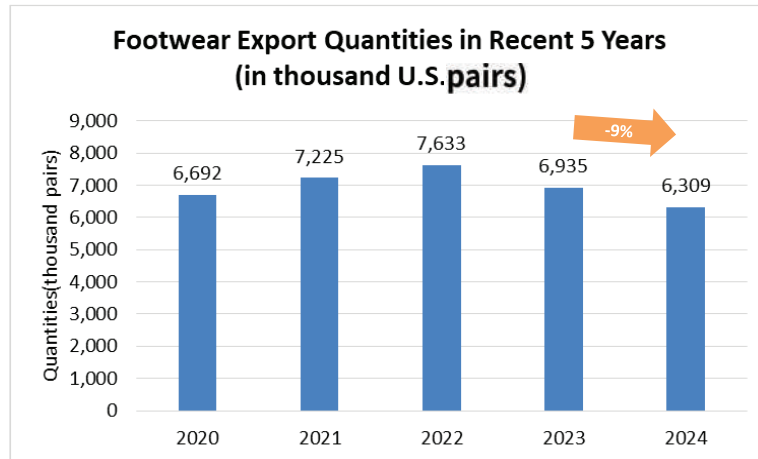


Source: Customs Administration, MOF

P.1

Taiwan's Exports by Quantity of Footwear in Recent 5 Years

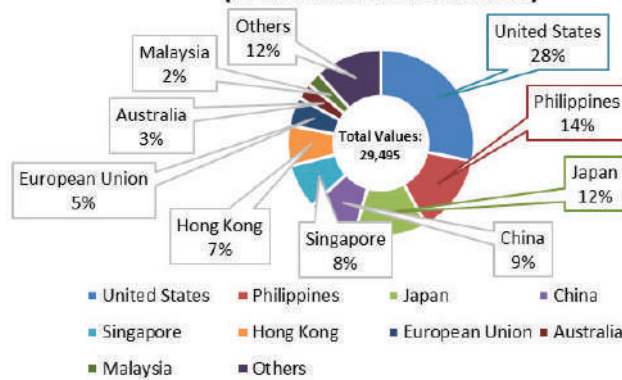
Unit:1000PRS



Source: International Trade Administration, MOEA

P.2

Major Footwear Export Markets by Value in 2024 (in thousand U.S. dollars)



Source: Customs Administration, MOF

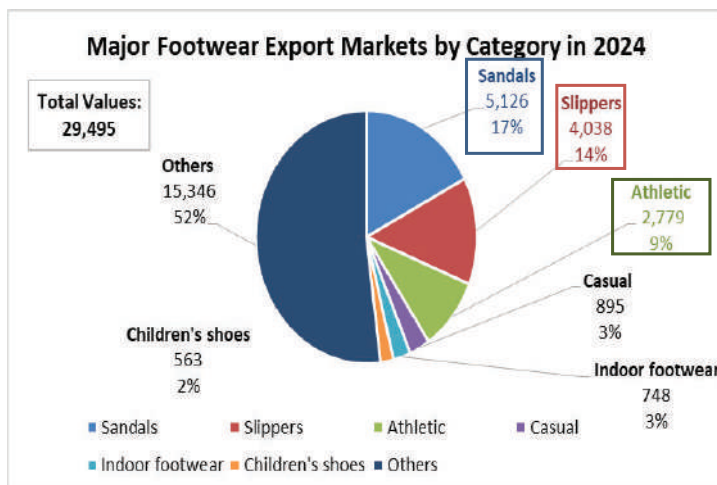
- The **U.S.**, **Philippines**, and **Japan** are the main export destinations for Taiwan's footwear industry.

Taiwan's Major Footwear Export Markets by Value in 2024

Unit:1000USD



P.3



➤ **Sandals, slippers, and athletic shoes**, are the most exported shoe categories.

※ Athletic shoes include other sports footwear, jogging shoes, gym shoes, basketball shoes, tennis shoes, etc.

Taiwan's Major Footwear Export Markets by Category in 2024

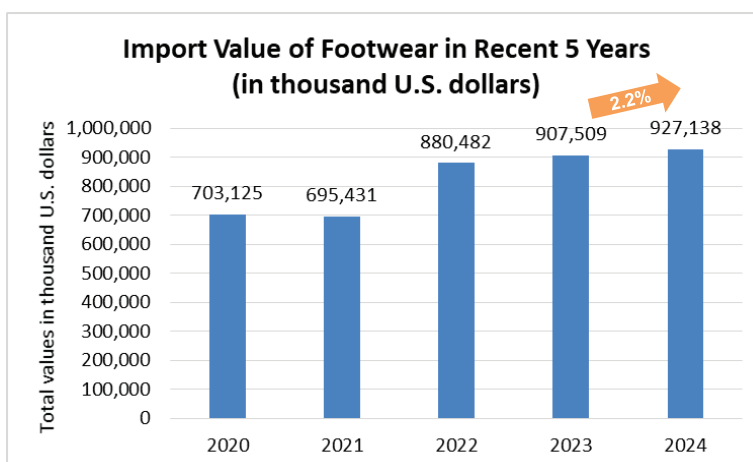
Unit:1000USD



P.4

Taiwan's Import Value of Footwear in Recent 5 Years

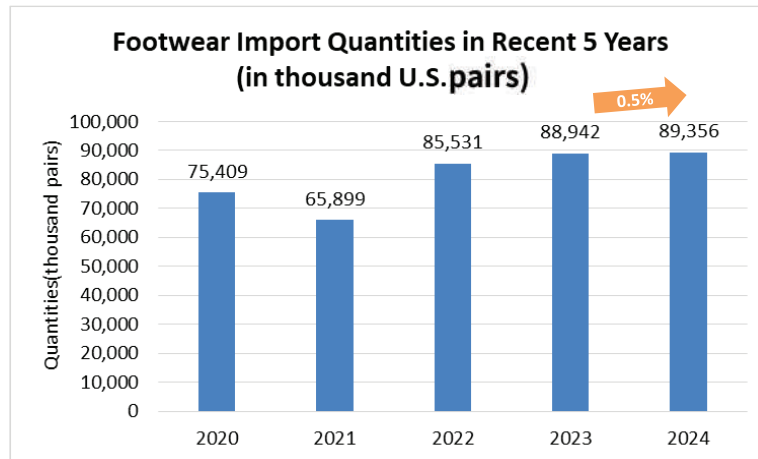
Unit:1000USD



P.5

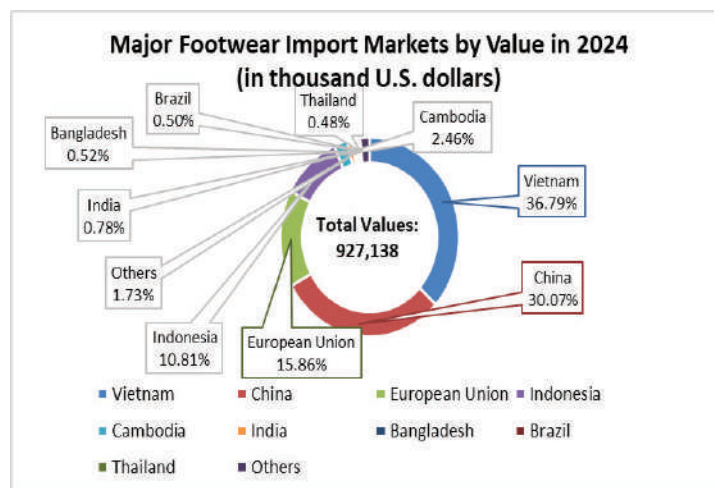
Taiwan's Imports by Quantity of Footwear in Recent 5 Years

Unit:1000PRS



Source: International Trade Administration, MOEA

P.6



Source: Customs Administration, MOF

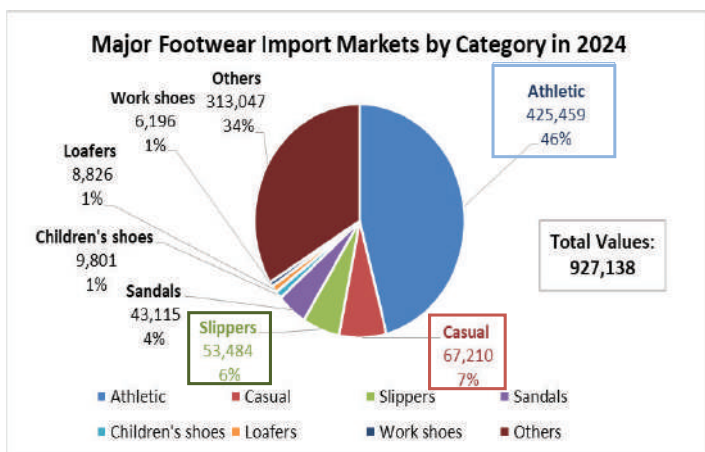
- **Vietnam, China, and the EU** are the major importers of Taiwan's footwear industry.

Taiwan's Major Footwear Import Markets by Value in 2024

Unit:1000USD



P.7



Source: Customs Administration, MOF

➤ **Athletic shoes**, **casual shoes**, and **slippers** are the main imported footwear products.

Taiwan's Major Footwear Import Markets by Category in 2024

Unit:1000USD



P.8

Wage Scale of Footwear Manufacturer:2024

(Unit: USD)



| Classification Salary | Technicians | Administration Clerks | Assistant | Leadman | Skilled Workman | Semi-Skilled Workman | Workman | Annual Net Working Hour (Average per Employee) |
|-----------------------|-------------|-----------------------|-----------|---------|-----------------|----------------------|---------|--|
| Average | 1,500 | 1,018 | 994 | 1,200 | 1,133 | 1,016 | 914 | 2,128 |
| Highest | 1,667 | 1,100 | 1,093 | 1,300 | 1,267 | 1,100 | 933 | 2,416 |
| Lowest | 1,333 | 937 | 895 | 1,067 | 1,000 | 933 | 895 | 1,840 |

P.9

Raw Material Cost: Leather

| ITEM | PRICE (USD) | |
|----------------------|-------------|------------|
| COW LEATHER | 2.9 | 1.2-1.4 MM |
| COW SUEDE | 1.85 | 1.2-1.4 MM |
| GOAT LEATHER | 2.0 | 0.8-1.0 MM |
| SHEEP LEATHER | 2.35 | 0.9-1.1 MM |
| COAT SUEDE | 2.45 | 1.1-1.3 MM |
| PIG LEATHER | 1 | 0.7-0.9 MM |

P.10

Raw Material Cost: Synthetic Leather

| ITEM | PRICE (USD) | REMARK |
|---|-------------|-------------------|
| 0.8 R/P (pu內裡) | 2.9 | Yard ² |
| 0.8mm | 4.6 | Yard ² |
| 0.8mm emboss (壓紋) | 5.2 | Yard ² |
| emboss+ print | 6 | Yard ² |
| 0.8mm microfiber (lady shoes) 仿麂 | 4.7 | Yard ² |
| 1.3~1.5mm Microfiber (Althletic) 真超纖 | 16 | Yard ² |

P.11



Major Shoe Brands in Taiwan



P.12

Top Five Department Stores in Taiwan 2024

1



**Shin Kong Mitsukoshi
Taichung Zhonggang**
USD 786.1 million

2



Taipei 101
USD 721.2 million

3



**Top City Taichung
(Far Eastern Department Store)**
USD 636 million

4



**Pacific SOGO Department Store
(Fuxing Store)**
USD 578.3 million

5



Hanshin Arena Shopping Plaza
USD 544.7 million



P.13

Future of Taiwan Footwear Industry



Taiwan Intelligent Shoe Machine

- Unite Taiwan's footwear and machinery industries to enhance global competitiveness through strategic collaboration.
- Leverage Taiwan's strengths in ICT and government support to develop smart production lines and modular factory export solutions.

ESG

- Advanced sustainability by participating in the ZDHC Roadmap to Zero Programme and collaborating with the Taiwanese government on green initiatives.
- Improved system performance and user experience through CMS program optimization.

Uncovering Investment Opportunities

- Support Taiwanese enterprises in exploring overseas markets through digital transformation and strategic partnerships.
- Connect with emerging-market buyers to unlock new opportunities for international trade and investment.

P.14

Strategies for Taiwanese Footwear Manufacturers in Response to U.S. Tariffs

01 Reassess Supply Chain Layout

- High tariffs on Vietnam, Cambodia and Indonesia impact major production hubs.
- Consider diversifying production to India or other regions not subject to high tariffs.

02 Strengthen Communication with Brand Clients

- Brands like Nike and Skechers have not clarified tariff cost handling.
- Proactively discuss strategies, cost-sharing, or order adjustments.

03 Ensure Country-of-Origin Compliance

- U.S. customs enforces strict origin labeling.
- Avoid penalties from origin mislabeling ("origin laundering").

P.15

Strategies for Taiwanese Footwear Manufacturers in Response to U.S. Tariffs

04 Utilize Government Support

- Participate in government programs for resource assistance.

05 Enhance Risk Management & Flexibility

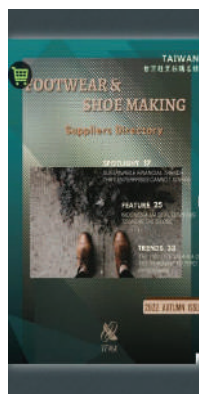
- Diversify markets and adopt agile production plans to handle uncertainty.



P.16

Taiwan Footwear Manufacturers Association Information Platform

TFMA E-book



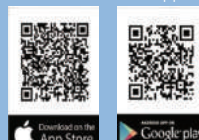
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P.17



TFMA

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**Taiwan Footwear Manufacturers
Association**



tfma-sabrina@umail.hinet.net



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886-2-2506-6190



886-2-2508-1489

P.18

2025

Country Report

Footwear Industry Club,
The Federation of Thailand Industry

The Export Footwear and parts of Thailand

01

Footwear with
outer soles of
Leathers



02

Sports
Footwear



03

Parts of
Footwear



04

Slipper

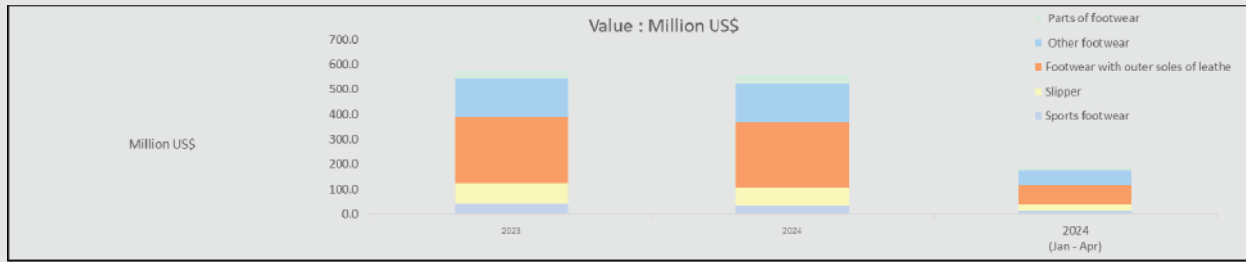


05

Other
Footwear

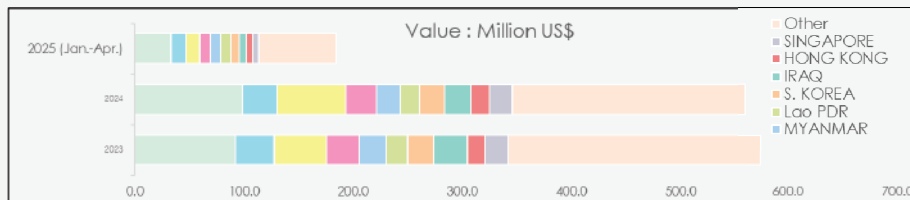


Summary Export Footwear and parts thereof

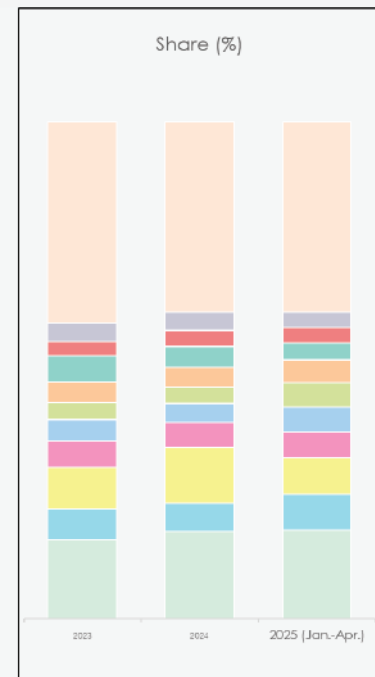


| Product | Value : Million USD | | | | Growth rate (%) | | | |
|--------------------------------------|---------------------|--------|--------|--------|-----------------|--------|--------|-------|
| | 2023 | 2024 | 2024 | 2025 | 2023 | 2024 | 2024 | 2025 |
| Sports footwear | 42.94 | 32.65 | 9.57 | 10.62 | -8.09 | -23.95 | -48.22 | 10.95 |
| Slipper | 81.02 | 72.33 | 28.79 | 27.91 | -13.08 | -10.73 | -4.93 | -3.04 |
| Footwear with outer soles of leather | 266 | 261.57 | 70.31 | 76.85 | -7.84 | -1.66 | -8.01 | 9.3 |
| Other footwear | 154.48 | 159.11 | 48.26 | 57.76 | -21.18 | 2.99 | -11.46 | 19.69 |
| Parts of footwear | 30.47 | 35.1 | 10.9 | 10.71 | -24.47 | 15.21 | 7.33 | -1.81 |
| Total | 574.92 | 560.77 | 167.83 | 183.85 | -13.53 | -2.46 | -11.61 | 9.55 |

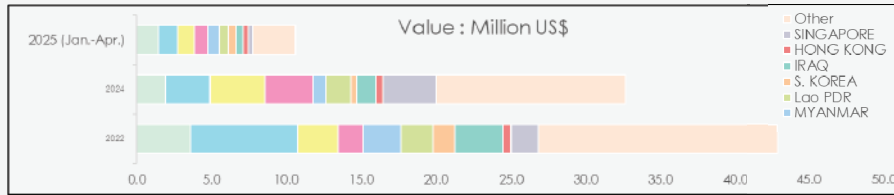
Export Footwear and parts thereof



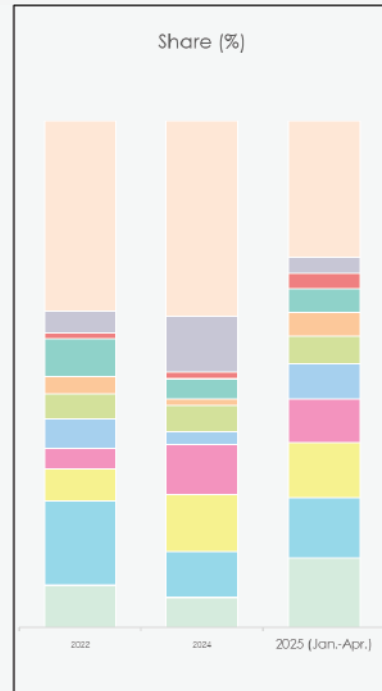
| Country | Value : Million US\$ | | | | Growth rate (%) | | | |
|----------------------|----------------------|--------|-------------|-------------|-----------------|--------|-------------|-------------|
| | 2023 | 2024 | 2024 | 2025 | 2023 | 2024 | 2024 | 2025 |
| | | | (Jan.-Apr.) | (Jan.-Apr.) | | | (Jan.-Apr.) | (Jan.-Apr.) |
| U.S.A. | 92.02 | 98.72 | 28.74 | 32.84 | -41.13 | 7.28 | -7.32 | 14.2 |
| MYANMAR | 35.54 | 31.28 | 12.52 | 13.46 | -10.72 | -11.97 | -9.31 | 7.4 |
| CHINA | 48.06 | 63.17 | 14.96 | 13.26 | 24.2 | 31.44 | 67.21 | -11.4 |
| JAPAN | 30.21 | 28.46 | 9.59 | 9.56 | 37.06 | -5.81 | -14.95 | -0.3 |
| DENMARK | 24.42 | 21.6 | 8.47 | 9.23 | -8.67 | -11.55 | -13.67 | 0 |
| INDIA | 19.54 | 17.73 | 1.87 | 9.04 | -1.59 | -9.26 | -71.71 | 384.1 |
| UNITED ARAB EMIRATES | 23.98 | 22.72 | 7.91 | 8.53 | -11.84 | -5.26 | -0.42 | 7.9 |
| FRANCE | 30.75 | 23.82 | 8.4 | 5.96 | -8.83 | -22.54 | -26.91 | -29.0 |
| VIETNAM | 16.12 | 17.63 | 7.6 | 5.9 | -35.39 | 9.39 | 43.53 | -22.2 |
| RUSSIAN FEDERATION | 21.6 | 20.5 | 6.37 | 5.68 | 111.63 | -5.08 | 16 | -10.8 |
| Other | 232.68 | 215.13 | 61.4 | 70.4 | -12.32 | -7.54 | -21.47 | 14.6 |
| Total | 664.91 | 574.90 | 149.67 | 126.80 | 13.01 | -13.54 | -11.36 | -15.28 |



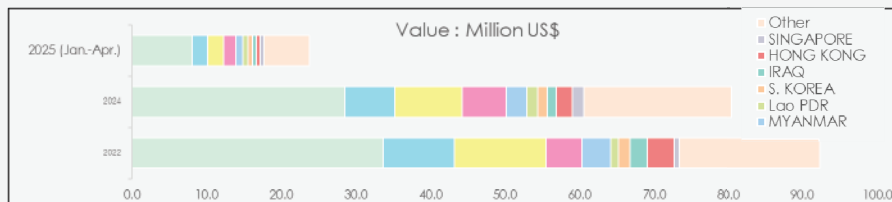
Sport Footwear



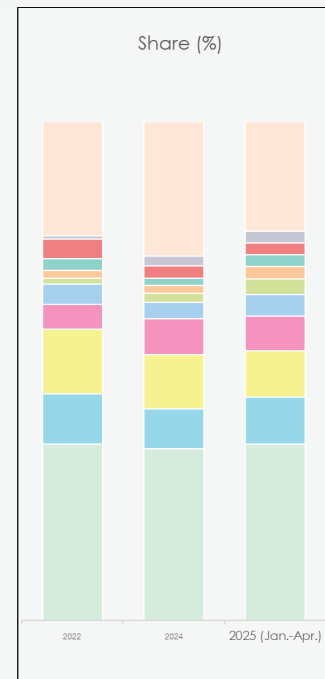
| Country | Value : Million US\$ | | | | Growth Rate (%) | | | |
|----------------------|----------------------|-------|---------------------|---------------------|-----------------|--------|---------------------|---------------------|
| | 2023 | 2024 | 2024 (Jan.-Apr.) | 2025 (Jan.-Apr.) | 2023 | 2024 | 2024 (Jan.-Apr.) | 2025 (Jan.-Apr.) |
| DENMARK | 3.58 | 1.93 | 0.92 | 1.45 | -38.42 | -46.21 | -56.04 | 57 |
| U.S.A. | 7.17 | 2.99 | 0.81 | 1.27 | -43.78 | -58.25 | -77.96 | 55.74 |
| CHINA | 2.72 | 3.66 | 1.75 | 1.16 | 95.84 | 34.8 | 244.54 | -33.89 |
| UNITED ARAB EMIRATES | 1.68 | 3.22 | 0.98 | 0.91 | 225.17 | 91.11 | 3352.59 | -6.71 |
| S. KOREA | 2.52 | 0.83 | 0.44 | 0.74 | -15.45 | -66.96 | -75.73 | 67.55 |
| MYANMAR | 2.13 | 1.69 | 0.71 | 0.58 | 42.05 | -20.56 | -6.75 | -19.32 |
| SINGAPORE | 1.44 | 0.39 | 0.17 | 0.51 | 355.28 | -72.62 | -43.12 | 194.93 |
| JAPAN | 3.24 | 1.31 | 0.16 | 0.49 | 57.03 | -59.59 | -91.78 | 206.08 |
| CANADA | 0.52 | 0.42 | 0.15 | 0.33 | -58.1 | -19.16 | -52.78 | 119.29 |
| LAO PDR | 1.83 | 3.59 | 0.57 | 0.33 | 2.91 | 95.99 | -8.35 | -42.42 |
| Other | 16.11 | 12.62 | 2.9 | 2.86 | -1.52 | -21.67 | -54.44 | -1.39 |
| Total | 46.72 | 42.94 | 15.88 | 8.04 | -18.85 | -8.09 | -4.55 | -49.41 |



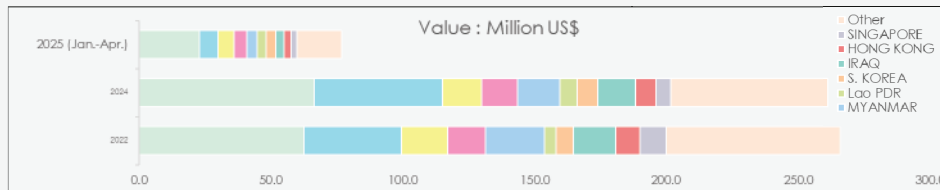
Slipper



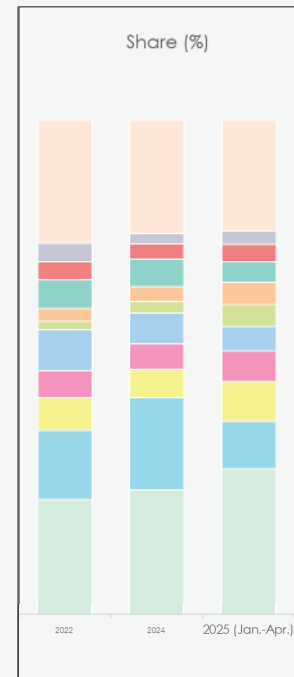
| Country | Value : Million US\$ | | | | Growth Rate (%) | | | |
|----------------------|----------------------|-------|---------------------|---------------------|-----------------|--------|---------------------|---------------------|
| | 2023 | 2024 | 2024 (Jan.-Apr.) | 2025 (Jan.-Apr.) | 2023 | 2024 | 2024 (Jan.-Apr.) | 2025 (Jan.-Apr.) |
| MYANMAR | 33.67 | 28.50 | 9.08 | 8.04 | 5.85 | -15.36 | -6.01 | -11.44 |
| UNITED ARAB EMIRATES | 9.61 | 6.71 | 1.88 | 2.13 | -8.71 | -30.19 | -39.27 | 13.70 |
| CAMBODIA | 12.25 | 9.00 | 2.43 | 2.10 | 11.70 | -26.53 | -16.30 | -13.34 |
| PHILIPPINES | 4.75 | 5.95 | 1.57 | 1.58 | 135.44 | 25.16 | 58.98 | 0.98 |
| VIETNAM | 3.87 | 2.74 | 0.77 | 0.98 | 74.77 | -29.13 | -16.66 | 27.35 |
| S. KOREA | 1.09 | 1.52 | 0.59 | 0.71 | 1,837.19 | 40.01 | 60.32 | 21.12 |
| RUSSIAN FEDERATION | 1.49 | 1.31 | 0.33 | 0.58 | -55.04 | -12.34 | -25.98 | 78.31 |
| LIBYA | 2.31 | 1.14 | 0.75 | 0.54 | 40.06 | -50.54 | -39.90 | -27.90 |
| SAUDI ARABIA | 3.66 | 2.10 | 0.75 | 0.54 | 50.95 | -42.54 | -63.82 | -28.03 |
| KUWAIT | 0.69 | 1.58 | 0.68 | 0.52 | 13.96 | 130.74 | 146.23 | -24.31 |
| Other | 18.94 | 20.02 | 7 | 6.1 | -6.26 | 5.7 | 11.17 | -12.9 |
| Total | 93.22 | 81.02 | 24.58 | 22.92 | 3.75 | -13.08 | -14.70 | -6.74 |



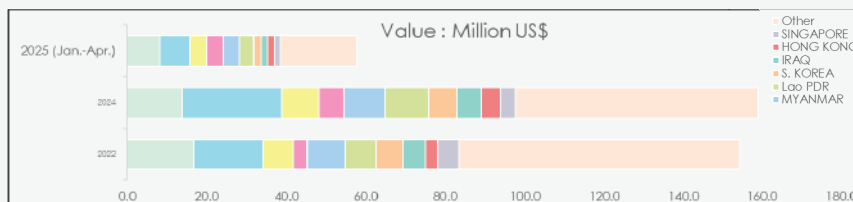
Export Footwear with outer soles of leather



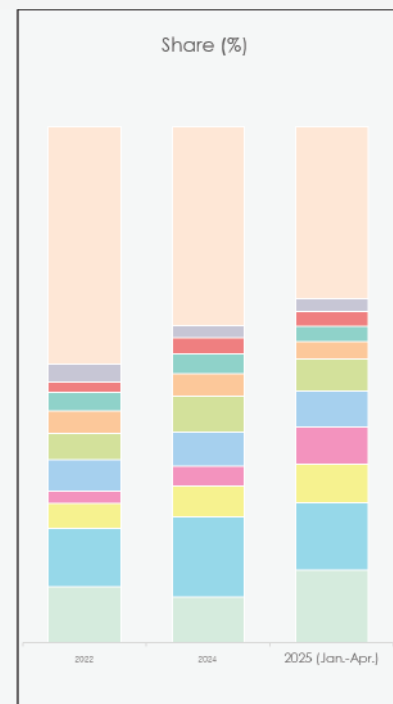
| Country | Value : Million US\$ | | | | Growth Rate (%) | | | |
|----------------------|----------------------|--------|------------------|------------------|-----------------|--------|------------------|------------------|
| | 2023 | 2024 | 2024 (Jan.-Apr.) | 2025 (Jan.-Apr.) | 2023 | 2024 | 2024 (Jan.-Apr.) | 2025 (Jan.-Apr.) |
| U.S.A. | 62.54 | 66.49 | 20.54 | 22.73 | -37.69 | 6.32 | 5.66 | 10.67 |
| CHINA | 36.77 | 48.5 | 8.63 | 7.39 | 27.02 | 31.91 | 61.17 | -14.41 |
| DENMARK | 17.7 | 14.77 | 6.08 | 6.1 | 16.46 | -16.56 | -5.9 | 0.44 |
| JAPAN | 14.29 | 13.74 | 4.24 | 4.84 | 33.93 | -3.83 | -0.49 | 14.21 |
| FRANCE | 22.26 | 15.97 | 5.8 | 3.73 | -0.02 | -28.27 | -25.66 | -35.67 |
| GERMANY | 4.28 | 6.4 | 1.93 | 3.52 | -22.43 | 49.62 | 21.22 | 82.49 |
| AUSTRALIA | 6.73 | 7.82 | 1.46 | 3.44 | -39.32 | 16.19 | -26.86 | 136.03 |
| RUSSIAN FEDERATION | 15.97 | 14.62 | 4.02 | 3.21 | 119.71 | -8.47 | 6.1 | -20.11 |
| UNITED ARAB EMIRATES | 9.65 | 7.97 | 2.46 | 2.6 | 10.38 | -17.4 | -31.71 | 5.69 |
| NETHERLANDS | 9.77 | 5.45 | 1.03 | 2.17 | -47.46 | -44.23 | -76.58 | 111.01 |
| Other | 66.05 | 59.85 | 14.12 | 17.11 | 10.13 | -9.39 | -20.44 | 21.13 |
| Total | 288.63 | 266.00 | 58.19 | 49.22 | 26.38 | -7.84 | -1.83 | -15.41 |



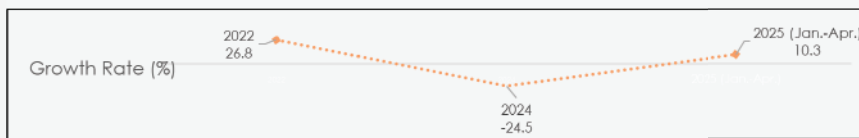
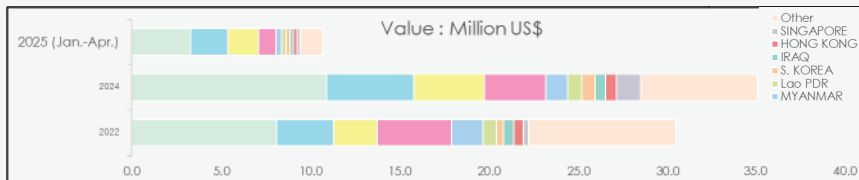
Other Footwear



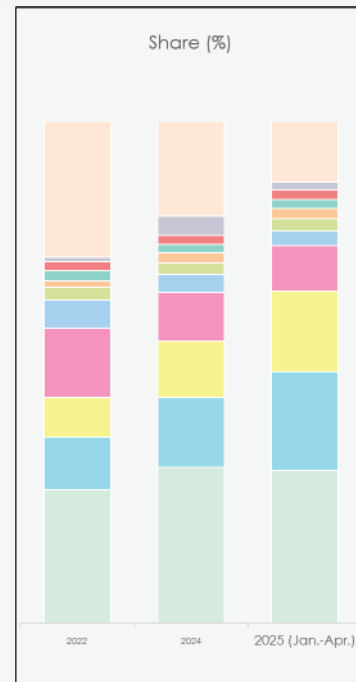
| Country | Value : Million US\$ | | | | Growth Rate (%) | | | |
|----------------------|----------------------|--------|------------------|------------------|-----------------|--------|------------------|------------------|
| | 2023 | 2024 | 2024 (Jan.-Apr.) | 2025 (Jan.-Apr.) | 2023 | 2024 | 2024 (Jan.-Apr.) | 2025 (Jan.-Apr.) |
| INDIA | 16.79 | 13.95 | 0.9 | 8.17 | -3.4 | -16.89 | -85.17 | 808.37 |
| U.S.A. | 17.38 | 24.82 | 6.61 | 7.52 | -52.9 | 42.79 | 5.97 | 13.66 |
| CHINA | 7.53 | 9.42 | 4.07 | 4.3 | 6.51 | 25.21 | 57.09 | 5.65 |
| MYANMAR | 3.54 | 6.19 | 1.7 | 4.14 | 10.75 | 74.75 | 56.02 | 143.31 |
| JAPAN | 9.55 | 10.44 | 4.98 | 4.04 | 6.64 | 9.4 | 5.77 | -18.89 |
| ITALY | 7.8 | 11.09 | 2.46 | 3.62 | -35.01 | 42.16 | 0.94 | 47.15 |
| FRANCE | 6.82 | 6.98 | 2.27 | 1.9 | -27.91 | 2.39 | -25.19 | -16.13 |
| MALAYSIA | 5.63 | 6.23 | 2.77 | 1.71 | -3.14 | 10.78 | 31.88 | -38.2 |
| DENMARK | 2.96 | 4.79 | 1.4 | 1.66 | -46.94 | 61.91 | 20.28 | 18.07 |
| UNITED ARAB EMIRATES | 5.4 | 3.72 | 1.51 | 1.46 | -31.86 | -31.1 | -27.46 | -3.47 |
| Other | 71.09 | 61.46 | 19.58 | 19.25 | -13.02 | -13.55 | -14.84 | -1.7 |
| Total | 196.00 | 154.47 | 43.44 | 38.26 | 8.44 | -21.19 | -18.42 | -11.93 |



Part of Footwear



| Country | Value : Million US\$ | | | | Growth Rate (%) | | | |
|-----------|----------------------|-------|---------------------|---------------------|-----------------|--------|---------------------|---------------------|
| | 2023 | 2024 | 2024 (Jan.-Apr.) | 2025 (Jan.-Apr.) | 2023 | 2024 | 2024 (Jan.-Apr.) | 2025 (Jan.-Apr.) |
| VIETNAM | 8.1 | 10.9 | 5.05 | 3.26 | -43.47 | 34.51 | 115.1 | -35.49 |
| INDONESIA | 3.21 | 4.89 | 1.53 | 2.1 | -46.33 | 52.47 | 15.27 | 36.73 |
| LAO PDR | 2.4 | 3.94 | 1.15 | 1.74 | -20.49 | 64.27 | 97.42 | 50.86 |
| U.S.A. | 4.2 | 3.44 | 0.29 | 0.96 | -1.21 | -18.12 | -80.86 | 231.22 |
| PORTUGAL | 1.75 | 1.2 | 0.56 | 0.32 | -34.32 | -31.49 | -34.36 | -43.34 |
| SRI LANKA | 0.76 | 0.82 | 0.27 | 0.25 | 1819.2 | 7.28 | 72.62 | -7.52 |
| SLOVAKIA | 0.4 | 0.74 | 0.26 | 0.22 | -1.7 | 82.99 | 166.06 | -14.21 |
| HONG KONG | 0.57 | 0.59 | 0.2 | 0.2 | -46 | 3.73 | 2.36 | 1.73 |
| CAMBODIA | 0.56 | 0.6 | 0.18 | 0.2 | -39.32 | 7.37 | -1.45 | 7.89 |
| INDIA | 0.27 | 1.39 | 0.06 | 0.18 | 12.77 | 424.07 | 618.87 | 216.12 |
| Other | 8.26 | 6.6 | 1.35 | 1.28 | 10.85 | -20.05 | -53.42 | -4.65 |
| Total | 40.34 | 30.47 | 7.58 | 8.37 | 26.80 | -24.47 | -30.29 | 10.32 |



Import Footwear

01
Footwear with
outer soles of
Leathers



02
Sports
Footwear



03
Parts of
Footwear



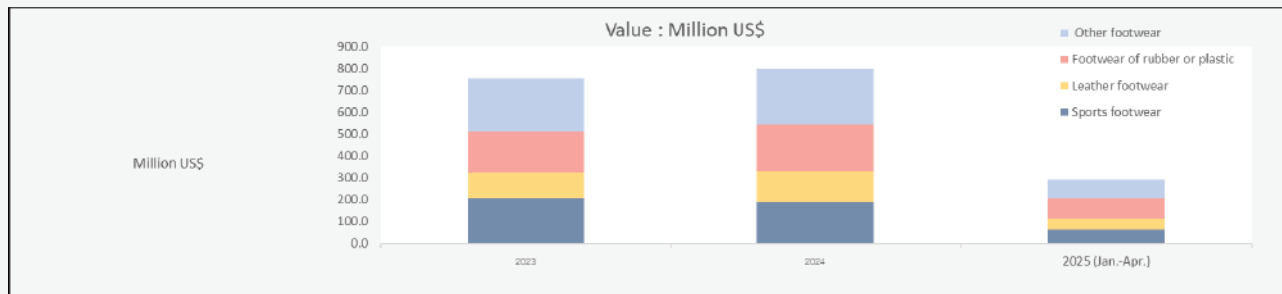
04
Slipper



05
Other
Footwear

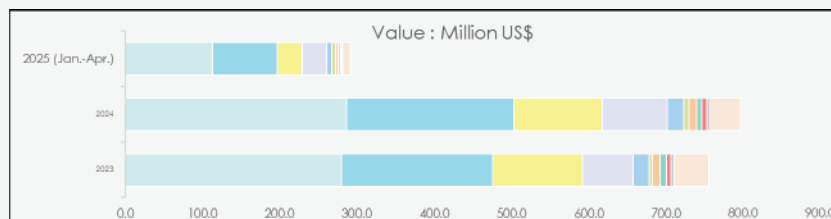


Summary Import Footwear

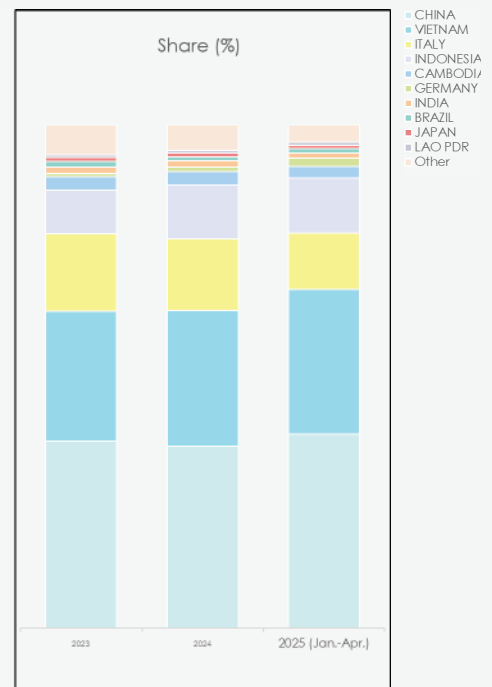


| Footwear and parts thereof | Value : Million US\$ | | | | Growth Rate (%) | | | |
|-------------------------------|----------------------|--------|------------------|------------------|-----------------|-------|------------------|------------------|
| | 2023 | 2024 | 2024 (Jan.-Apr.) | 2025 (Jan.-Apr.) | 2023 | 2024 | 2024 (Jan.-Apr.) | 2025 (Jan.-Apr.) |
| Sports footwear | 205.66 | 188.71 | 65.84 | 61.9 | 30.78 | -8.24 | -6.09 | -5.98 |
| Leather footwear | 119.63 | 138.18 | 45.82 | 51.09 | 38.96 | 15.5 | 21.61 | 11.5 |
| Footwear of rubber or plastic | 184.61 | 218.21 | 67.2 | 91.36 | 7.63 | 18.2 | 4.1 | 35.95 |
| Other footwear | 245.49 | 252.3 | 85.56 | 87.71 | 15.53 | 2.77 | 8.85 | 2.52 |
| Total | 755.39 | 797.40 | 264.42 | 292.06 | 25.21 | 20.40 | 56.14 | 4.69 |

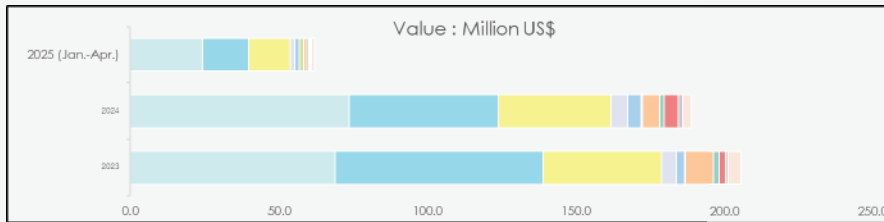
Footwear



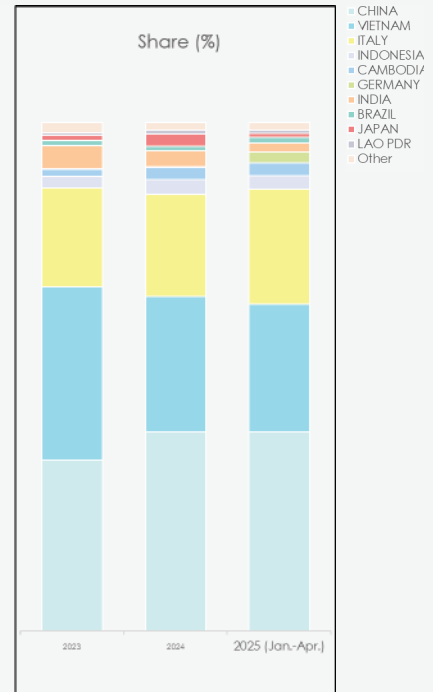
| Country | Value : Million US\$ | | | | Growth Rate (%) | | | |
|-----------|----------------------|--------|------------------|------------------|-----------------|--------|------------------|------------------|
| | 2023 | 2024 | 2024 (Jan.-Apr.) | 2025 (Jan.-Apr.) | 2023 | 2024 | 2024 (Jan.-Apr.) | 2025 (Jan.-Apr.) |
| CHINA | 280.19 | 287.17 | 94.02 | 112.45 | 13.16 | 2.49 | 4.03 | 19.6 |
| VIETNAM | 195.65 | 216.59 | 69.79 | 84.42 | 41.04 | 10.71 | 12.78 | 20.96 |
| ITALY | 116.04 | 113.35 | 43.69 | 32.4 | 29.32 | -2.32 | 8.61 | -25.85 |
| INDONESIA | 65.63 | 84.74 | 24.41 | 31.95 | 52.44 | 29.12 | 9.09 | 30.9 |
| CAMBODIA | 20.35 | 21.5 | 7.82 | 6.73 | -16.3 | 5.62 | 13 | -13.92 |
| GERMANY | 4.9 | 6.85 | 2.34 | 4.76 | 2.43 | 39.97 | 37.99 | 103.69 |
| INDIA | 9.51 | 10.08 | 3.32 | 3 | 43.73 | 5.94 | 6.19 | -9.83 |
| BRAZIL | 8.35 | 6.56 | 1.77 | 2.58 | 23.07 | -21.39 | -43.74 | 45.81 |
| JAPAN | 6.12 | 6.1 | 1.39 | 1.99 | 35.32 | -0.4 | -43.6 | 43.06 |
| LAO PDR | 3.7 | 4.41 | 1.65 | 1.75 | -67.4 | 19.09 | 14.96 | 5.87 |
| Other | 44.94 | 40.03 | 14.23 | 10.05 | -9.9 | -10.92 | -17.81 | -29.34 |
| Total | 627.36 | 755.38 | 193.53 | 202.61 | 25.21 | 20.40 | 56.14 | 4.69 |



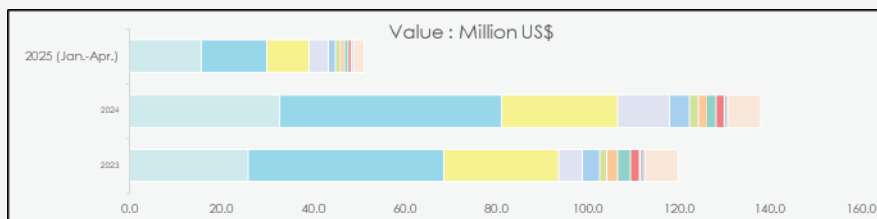
Sports Footwear



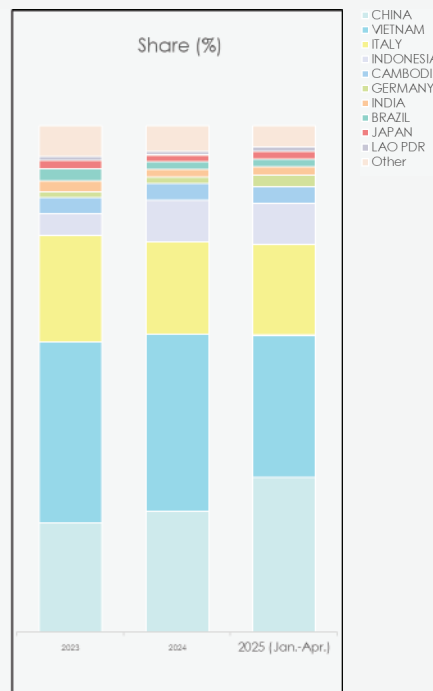
| Country | Value : Million US\$ | | | | Growth Rate (%) | | | |
|-----------|----------------------|--------|------------------|------------------|-----------------|--------|------------------|------------------|
| | 2023 | 2024 | 2024 (Jan.-Apr.) | 2025 (Jan.-Apr.) | 2023 | 2024 | 2024 (Jan.-Apr.) | 2025 (Jan.-Apr.) |
| VIETNAM | 68.85 | 73.8 | 23.15 | 24.21 | 56.41 | 7.2 | 7.18 | 4.57 |
| CHINA | 70 | 50 | 19.17 | 15.59 | 27.66 | -28.56 | -20.59 | -18.69 |
| INDONESIA | 39.94 | 37.98 | 12.87 | 13.88 | 39.13 | -4.9 | -12.4 | 7.83 |
| ITALY | 4.82 | 5.51 | 2.59 | 1.68 | 105.28 | 14.32 | 71.24 | -35.29 |
| CAMBODIA | 2.88 | 4.39 | 1.66 | 1.54 | 73.16 | 52.09 | 60.97 | -7.4 |
| GERMANY | 0.14 | 0.43 | 0.16 | 1.36 | -41.8 | 213 | 313.59 | 767.31 |
| SINGAPORE | 9.53 | 5.85 | 2.48 | 1.1 | -36.34 | -38.56 | -28.71 | -55.53 |
| JAPAN | 1.97 | 1.71 | 0.38 | 0.74 | 28.83 | -13.34 | -43 | 96.74 |
| INDIA | 2.23 | 4.69 | 1.59 | 0.45 | 10.76 | 110.04 | 72.69 | -72.04 |
| HONG KONG | 0.98 | 1.41 | 0.58 | 0.42 | -14.83 | 43.7 | 179.55 | -28.39 |
| Other | 4.33 | 2.93 | 1.21 | 0.95 | -25.25 | -32.16 | -33.76 | -21.76 |
| Total | 157.25 | 205.64 | 53.64 | 53.00 | 7.23 | 30.77 | 52.59 | -1.21 |



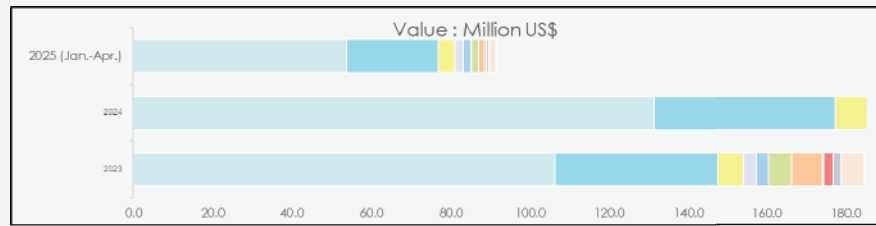
Leather Footwear



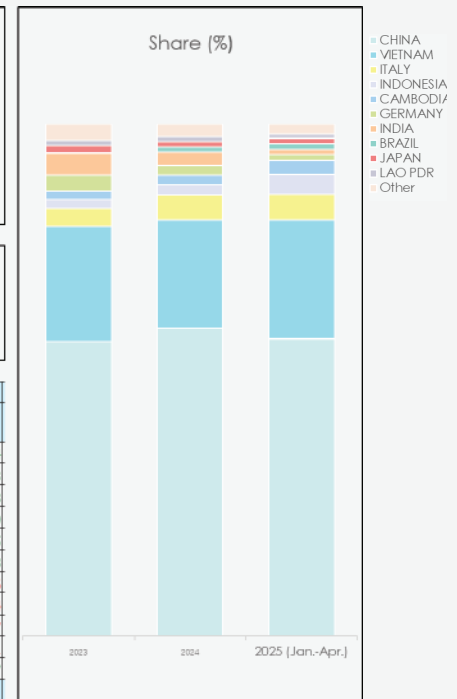
| Country | Value : Million US\$ | | | | Growth Rate (%) | | | |
|-----------|----------------------|--------|------------------|------------------|-----------------|--------|------------------|------------------|
| | 2023 | 2024 | 2024 (Jan.-Apr.) | 2025 (Jan.-Apr.) | 2023 | 2024 | 2024 (Jan.-Apr.) | 2025 (Jan.-Apr.) |
| VIETNAM | 25.85 | 32.76 | 10.69 | 15.58 | 59 | 26.71 | 36.05 | 45.83 |
| ITALY | 42.72 | 48.29 | 17.57 | 14.32 | 46.01 | 13.04 | 33.53 | -18.47 |
| CHINA | 25.12 | 25.4 | 8.16 | 9.21 | 21.48 | 1.12 | 3.01 | 12.87 |
| INDONESIA | 5.09 | 11.42 | 2.01 | 4.16 | 89.85 | 124.42 | 7.1 | 106.94 |
| CAMBODIA | 3.8 | 4.36 | 1.79 | 1.6 | 70.3 | 14.64 | 50.69 | -10.96 |
| GERMANY | 1.49 | 1.9 | 0.65 | 1.18 | 8.82 | 27.33 | 15.3 | 81.66 |
| LAO PDR | 2.4 | 2.11 | 0.91 | 0.89 | -16.55 | -12.44 | -1.1 | -1.34 |
| INDIA | 2.88 | 2.02 | 0.65 | 0.8 | 18.71 | -29.81 | -27.51 | 21.91 |
| U.S.A. | 2.02 | 1.86 | 0.58 | 0.67 | 33.35 | -7.71 | -5.69 | 16.18 |
| PORTUGAL | 0.93 | 0.83 | 0.37 | 0.51 | -9.35 | -10.81 | 30.71 | 38.1 |
| Other | 7.32 | 7.23 | 2.45 | 2.17 | 27.1 | -1.34 | 1.94 | -11.49 |
| Total | 86.09 | 119.63 | 29.93 | 35.20 | 32.61 | 38.96 | 68.66 | 17.62 |



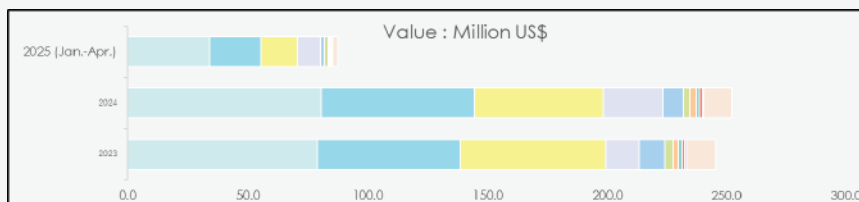
Footwear of rubber or plastic



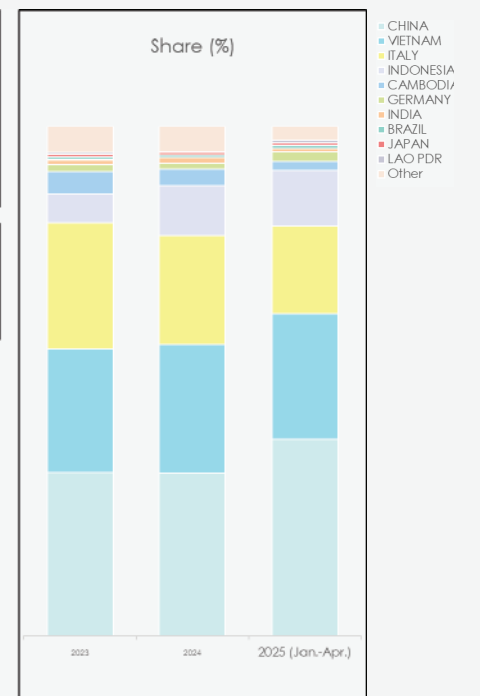
| Country | Value : Million US\$ | | | | Growth Rate (%) | | | |
|-----------|----------------------|--------|------------------|------------------|-----------------|--------|------------------|------------------|
| | 2023 | 2024 | 2024 (Jan - Apr) | 2025 (Jan - Apr) | 2023 | 2024 | 2024 (Jan - Apr) | 2025 (Jan - Apr) |
| CHINA | 106.18 | 131.14 | 39.6 | 53.72 | -2.68 | 23.51 | 8.97 | 35.64 |
| VIETNAM | 41.43 | 46.13 | 14.96 | 23.01 | 35.85 | 11.34 | 7.74 | 53.83 |
| INDONESIA | 6.71 | 10.66 | 2.84 | 4.33 | 101.2 | 58.83 | 25.35 | 52.48 |
| GERMANY | 3.03 | 4.39 | 1.48 | 2.18 | 4.12 | 44.94 | 44.63 | 47.19 |
| CAMBODIA | 3.1 | 4.33 | 1.11 | 1.97 | 6.9 | 39.69 | 17.55 | 77.75 |
| BRAZIL | 5.86 | 3.78 | 1.28 | 1.82 | 143.22 | -35.49 | -48.92 | 42.68 |
| ITALY | 7.69 | 5.81 | 2.43 | 1.4 | -19.87 | -24.44 | -26.92 | -42.36 |
| LAO PDR | 0.3 | 2.25 | 0.73 | 0.51 | 34.74 | 642.18 | 671.35 | -29.74 |
| MALAYSIA | 2.53 | 2.29 | 0.69 | 0.5 | -23.38 | -9.69 | -28.18 | -28.17 |
| TAIWAN | 1.91 | 1.81 | 0.72 | 0.32 | -28.9 | -5.33 | -12.56 | -55.31 |
| Other | 5.85 | 5.6 | 1.37 | 1.6 | 28.58 | -4.23 | -42.91 | 17.27 |
| Total | 171.53 | 184.60 | 47.83 | 47.92 | 63.90 | 7.62 | 49.68 | 0.18 |



Other footwear



| Country | Value : Million US\$ | | | | Growth Rate (%) | | | |
|-----------|----------------------|--------|------------------|------------------|-----------------|--------|------------------|------------------|
| | 2023 | 2024 | 2024 (Jan - Apr) | 2025 (Jan - Apr) | 2023 | 2024 | 2024 (Jan - Apr) | 2025 (Jan - Apr) |
| CHINA | 78.89 | 80.62 | 27.09 | 33.94 | 25.26 | 2.19 | 23.27 | 25.28 |
| VIETNAM | 59.52 | 63.9 | 21 | 21.63 | 24.13 | 7.36 | 13.24 | 2.97 |
| ITALY | 60.81 | 53.73 | 21.11 | 15 | 25.31 | -11.63 | -5.08 | -28.94 |
| INDONESIA | 13.89 | 24.68 | 6.69 | 9.59 | 66.76 | 77.69 | 88.94 | 43.31 |
| CAMBODIA | 10.57 | 8.42 | 3.25 | 1.62 | -39.67 | -20.31 | -13.28 | -50.14 |
| INDIA | 3.51 | 2.89 | 0.88 | 1.59 | 171.71 | -17.61 | -12.51 | 80.31 |
| BRAZIL | 2.16 | 2.5 | 0.35 | 0.56 | -46.83 | 15.78 | -35.48 | 62.68 |
| JAPAN | 1.39 | 1.47 | 0.49 | 0.55 | 4.07 | 5.36 | 11.58 | 11.27 |
| SPAIN | 1.27 | 1.25 | 0.6 | 0.45 | 8.12 | -1.75 | 23.05 | -25.31 |
| MYANMAR | 0.82 | 0.29 | 0.08 | 0.45 | 25.18 | -64.49 | -71.18 | 479.53 |
| Other | 12.66 | 12.54 | 4.01 | 2.33 | -32.21 | -0.96 | -30.87 | -41.83 |
| Total | 212.50 | 245.51 | 62.13 | 66.50 | 14.98 | 15.53 | 58.94 | 7.03 |



Brand shoes

Of Thailand

Brand Of Shoes Thailand

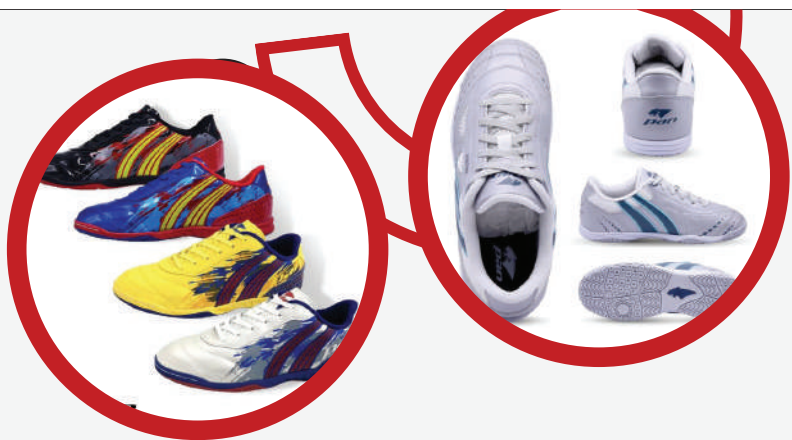
ADDA



KITO

Brand Of Shoes Thailand

PAN



TAYWIN

Brand Of Shoes Thailand

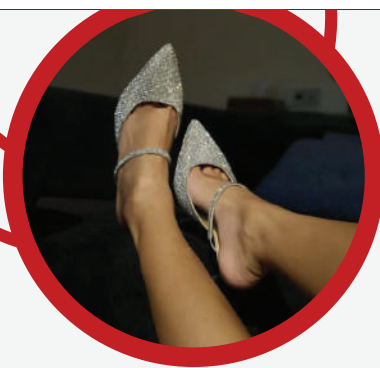
Gentle Woman



Oyster

Brand Of Shoes Thailand

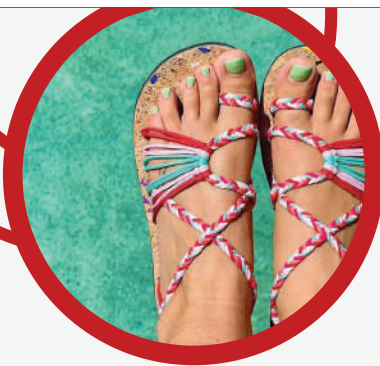
Darin



Minx

Brand Of Shoes Thailand

Mamoris



Vpada

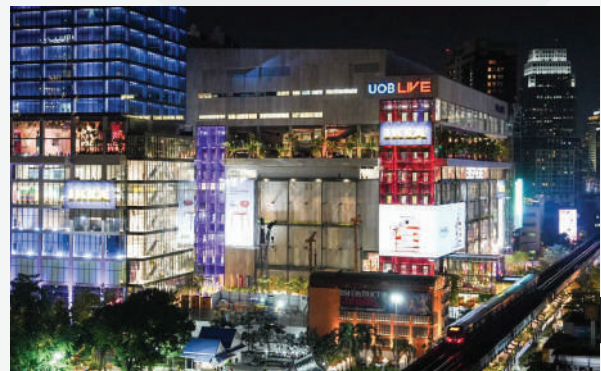
The Famous Department Store

In Thailand

Iconsiam



Emsphere



Emporium



Emquartier



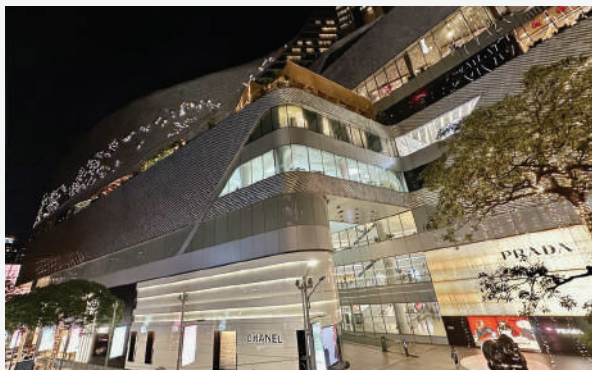
Siamparagon



Central Chidlom



Central Embassy



Central World



Unit : Baht per day

| No. | Minimum Wage Rate (Baht per day) | Number of Provinces | The Enforced Jurisdictions |
|-----|----------------------------------|---------------------|---|
| 1 | 400 | 4 Provinces | Chachoengsao, Chonburi, Phuket, Rayong |
| 2 | 380 | 1 District | Koh Samui District, Surat Thani (specific to this district only) |
| 3 | 372 | 2 Districts | Mueang Chiang Mai District, Chiang Mai (specific to this district only) |
| 4 | 359 | 6 | Hat Yai District, Songkhla (specific to this district only) |
| 5 | 358 | 1 | Bangkok, Nakhon Pathom, Nonthaburi, Pathum Thani, Samut Prakan, and Samut Sakhon |
| 6 | 357 | 1 | Nakhon Ratchasima |
| 7 | 356 | 1 | Samut Songkhram |
| 8 | 355 | 5 | Khon Kaen, Chiang Mai except Mueang Chiang Mai District, Prachinburi, Phra Nakhon Si Ayutthaya, and Saraburi |
| 9 | 354 | 1 | Lopburi |
| 10 | 352 | 3 | Nakhon Nayok, Suphan Buri, and Nong Khai |
| 11 | 351 | 2 | Krabi and Trat |
| 12 | 350 | 15 | Kanchanaburi, Chanthaburi, Chiang Rai, Tak, Nakhon Phanom, Buriram, Prachuap Khiri Khan, Phang Nga, Phitsanulok, Mukdahan, Sakon Nakhon, Songkhla (except Hat Yai District), Sa Kaeo, Surat Thani (except Koh Samui District), and Ubon Ratchathani |
| 13 | 349 | 3 | Chumphon, Phetchaburi, and Surin |
| 14 | 348 | 3 | Nakhon Sawan, Yasothorn, and Lamphun |
| 15 | 347 | 5 | Kalasin, Nakhon Si Thammarat, Bueng Kan, Phetchabun, and Roi Et |
| 16 | 345 | 5 | Chai Nat, Chaiyaphum, Phatthalung, Sing Buri, and Ang Thong |
| 17 | 337 | 16 | Kamphaeng Phet, Phichit, Maha Sarakham, Mae Hong Son, Ranong, Ratchaburi, Lampang, Loei, Sisaket, Satun, Sukhothai, Nong Bua Lam Phu, Amnat Charoen, Udon Thani, Uttaradit, and Uthai Thani |
| | 345 | 4 | Trang, Nan, Phayao, and Phrae |
| | 337 | 3 | Narathiwat, Pattani, and Yala |

Office of the Permanent Secretary, Ministry of Labour
Labour Economics Division

Minimum Wage Rates for 2025
According to the Wage Committee Notification on Minimum Wage Rates (No. 13) dated December 23, 2024, the rates will take effect from January 1, 2025, onwards.



Thank You



TÜRKİYE ECONOMY & FOOTWEAR INDUSTRY STATUS REPORT **2025**

CONTENT

- TURKISH ECONOMY
- MAIN COUNTRIES IN WORLD FOOTWEAR TRADE
- TURKISH FOOTWEAR INDUSTRY & EXPORTS
- FOOTWEAR INDUSTRIALISTS ASSOCIATION OF TÜRKİYE
- AYMÖD INTERNATIONAL FOOTWEAR FASHION FAIR

PREPARED BY FOOTWEAR INDUSTRIALISTS ASSOCIATION OF TÜRKİYE (TASD)



TURKISH ECONOMY

► Türkiye has the 17th largest economy in the World and 6th largest economy in Europe.

► Despite the negative trend in World economy;

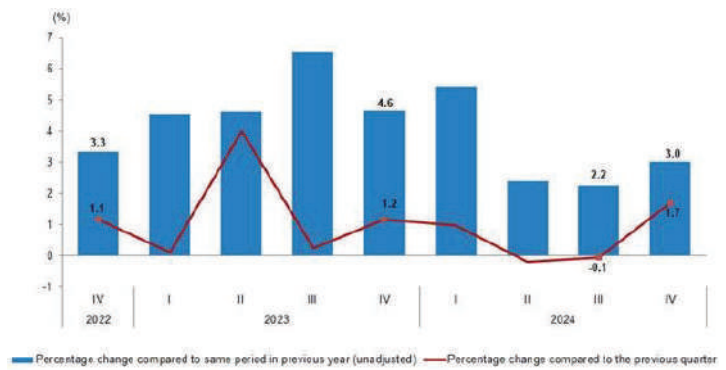
• Turkish economy managed to grow 3,2 % in 2024.

• Per capita GDP is about 15 thousand USD in Türkiye.

• Türkiye's GDP is about 1,3 trillion USD.

• Türkiye is one of the two countries in OECD with the highest growth rate in 2024.

• Türkiye's unemployment rate is 7,9 %. Lowest in last 13 years.



TURKISH ECONOMY

► Türkiye is a regional economic power and it has a lot of advantages in international competition;

• Türkiye has liberal economy and democratic political system.

• Political stability.

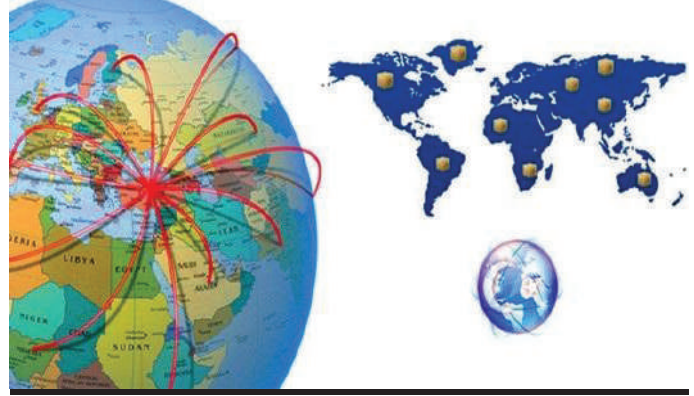
• Türkiye is near to developed Western markets and near to growing rich Middle East and Gulf markets.

• İstanbul has 41 neighbour countries and 78 cities in 3 hours travel time, 53 neighbour countries and 118 cities in 4 hours air travel.



TURKISH ECONOMY

- Türkiye is one of the countries mostly integrated into world trade with many multilateral and bilateral trade agreements and networks.
- Türkiye is one of the G20 and OECD Countries.
- Türkiye has Customs Union with the EU and zero tax in exports to EU market.
- Türkiye has free trade agreement FTA with 23 countries and preferential trade PTA with 3 countries.



MAIN COUNTRIES IN GLOBAL FOOTWEAR TRADE

Türkiye has 5th place within World export in quantity

| WORLD FOOTWEAR EXPORT | | |
|-----------------------|--------------------|------------|
| 1000 \$ | 2024 | % |
| CHINA | 50,999,681 | 28.7% |
| VIETNAM | 33,914,766 | 19.1% |
| ITALY | 13,250,448 | 7.5% |
| GERMANY | 11,990,359 | 6.7% |
| BELGIUM | 8,418,023 | 4.7% |
| WORLD | 177,721,736 | 100 |

| WORLD FOOTWEAR IMPORT | | |
|-----------------------|--------------------|------------|
| 1000 \$ | 2024 | % |
| USA | 28,387,905 | 17.4% |
| GERMANY | 13,942,382 | 8.5% |
| FRANCE | 9,087,404 | 5.6% |
| ITALY | 8,240,660 | 5.0% |
| NETHERLAND | 6,527,464 | 4.0% |
| WORLD | 163,224,091 | 100 |

THE TURKISH FOOTWEAR INDUSTRY HAS AN IMPORTANT ROLE IN THE WORLD AND COUNTRY'S ECONOMY

- Turkish Footwear Industry has leading position in global footwear industry with the volume of 5 - 6 billion dollars
- Türkiye ranks 7th in the world and leader in Europe with its 500 million pairs of footwear production.
- Turkish footwear exports has 60 % share in total leather and leather products of Türkiye.
- Turkish footwear manufacture industry includes almost 15 thousand producer and trader firms and 300 thousand workers in production level.



TURKISH FOOTWEAR EXPORTS IN 2024 & 2025

- Turkish Footwear Exports reached to 1,2 billion USD in 2024.
- Turkish Footwear Exports reached to 250 million pairs during 2024.
- Turkish Footwear Exports reached to 320 million USD during Jan-March 2025.
- Turkish Footwear Exports reached to 50 million pairs during Jan-March 2025.
- Turkish footwear e-exports reached to almost 300 million USD in 2024 that contributed a lot to total export performance.

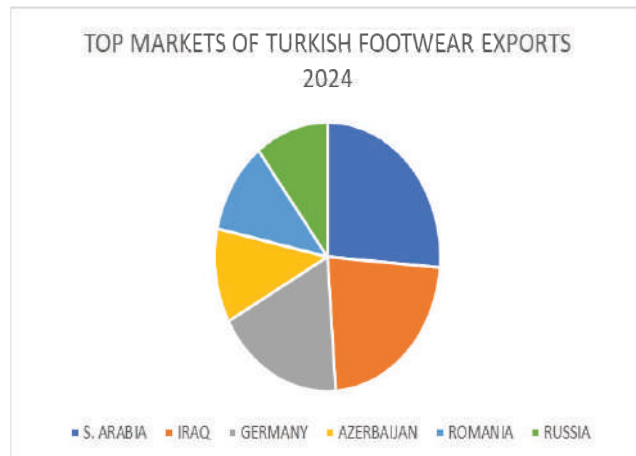


Turkish Footwear Exports Reached to 1,2 billion USD in 2024

| HS CODE | HS DESCRIPTION | 2024 (million \$) |
|---------|--|-------------------|
| 6401 | Footwear with rubber or plastics soles | 14,2 |
| 6402 | Other footwear with rubber or plastics | 343,6 |
| 6403 | Leather shoes | 481,4 |
| 6404 | Footwear with textile soles | 215,4 |
| 6405 | Other footwear | 51,6 |
| 6406 | Parts of footwear | 55,4 |



TOP MARKETS OF TURKISH FOOTWEAR MARKETS



| TOP MARKETS OF TURKISH FOOTWEAR EXPORTS (2024) (1000 \$) | |
|---|------------------|
| COUNTRY | EXPORTS |
| S. ARABIA | 117.455 |
| IRAQ | 100.896 |
| GERMANY | 81.325 |
| AZERBAIJAN | 50.517 |
| ROMANIA | 49.757 |
| RUSSIA | 46.948 |
| TOTAL FOOTWEAR EXPORTS | 1.161.542 |

- Türkiye has many advantages in footwear industry.
- Türkiye has a long and old history and experience in footwear production.
- Turkish footwear industry is flexible and accepts minimum orders also.
- Turkish footwear industry has ability to produce every kind of footwear.
- Türkiye is solution partner for foreign buyers and investors.
- Türkiye and Turkish footwear industry benefit from rich, dynamic and young population in Türkiye.
- Turkish footwear industry has experienced and highly qualified work force.



Young Population



- ✓ Türkiye is open for trade partnership and new investments.
- ✓ Turkish footwear industry is ready and has capacity for new orders.
- ✓ Footwear Industrialists Association of Türkiye (TASD) was established in 1985 to represent the industry and today the Association has over 850 members all around Türkiye.
- ✓ TASD represents the footwear industry at national and international level and the Association is a bridge between the sector and the government.
- ✓ Footwear Industrialists Association of Türkiye (TASD) is ready to support any potential buyer and investor to match with Turkish partners.



- ✓ Organisation of AYMÖD International Footwear Fashion Fair, the largest footwear fair in Türkiye and the region, by the Industry itself (TASD).
 - ✓ 7th World Footwear Congress was organized by CEC and TASD in Istanbul, Türkiye in November 2023. The World Footwear Congress, was a good opportunity to help the Turkish footwear industry to become more global and more international.
 - ✓ Increased number of participation to International fairs.
 - ✓ B2B events in different countries like USA, S. Korea, Netherlands, Kazakhstan.
- **Sustainability is very important. It is not a fashion. It should be a must.**



▪With 60.000 m² area, approx. 400+ companies and 40.000+ visitors, **AYMOD is the biggest footwear fashion fair in Türkiye & Europe.**

▪AYMOD is organized by the Footwear Industrialists Association of Türkiye (TASD) twice a year. The next AYMÖD Fair will be on **2nd–5th September, 2025 in Istanbul.**

▪In AYMÖD, international designers and brands are represented and the trends, designs and colors of the upcoming season are presented.

▪Footwear companies operating on an international scale offer women's and men's shoes, children's shoes, sports shoes, bags and saddlery product groups to foreign participants from countries around the world.

AYMOD INTERNATIONAL FOOTWEAR FASHION FAIR



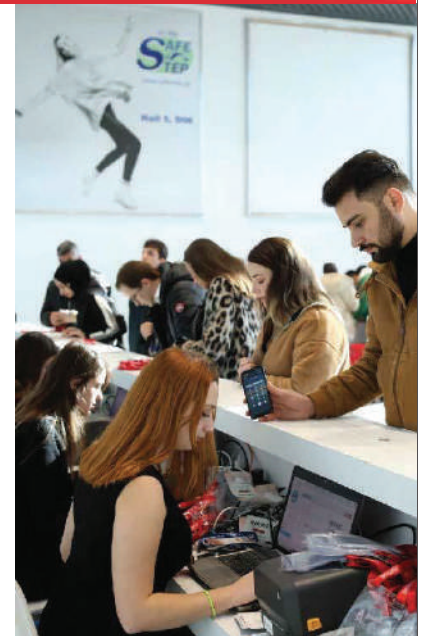
- With its dynamic and stable structure in the direction of growth, it is the most comprehensive fair that is at the forefront of its international identity and continues to grow every year. AYMÖD International Footwear Fashion Fair, stands out as the most important commercial platform that brings together the latest models and trends in footwear and saddlery fashion.
- It provides the opportunity to seize new business opportunities and establish new collaborations with its wide participant profile, unrivaled in terms of quality and diversity.
- AYMÖD fair, which is a pioneer in introducing the Turkish footwear industry to the world, has been held uninterruptedly for about 36 years.

AYMOD INTERNATIONAL FOOTWEAR FASHION FAIR



WHY YOU SHOULD VISIT AYMÖD INTERNATIONAL FOOTWEAR FASHION FAIR?

- You can closely follow the latest trends and innovative approaches in footwear and leather goods with AYMÖD, the Largest Trade Platform of the Turkish Footwear Industry.
- AYMÖD allows you to evaluate new business opportunities by establishing new collaborations in mutual Business Meetings with companies from all over the world and Türkiye.
- You can benefit from advantageous business partnerships by getting together with Turkish footwear industry companies, which have an important place in the world footwear industry with their design, quality and reasonable price policy.
- At AYMÖD Fair, you can have access to thousands of new classic, sports and handmade models from women's and men's shoes to children's shoes under one roof.



Thank You...

www.tasd.com.tr

TASD

TÜRKİYE AYAKKABI SANAYİCİLERİ DERNEĞİ
FOOTWEAR INDUSTRIALISTS ASSOCIATION OF TÜRKİYE

Overview of Vietnam Footwear Industry Opportunities and Challenges

July 24, 2025

1

Content

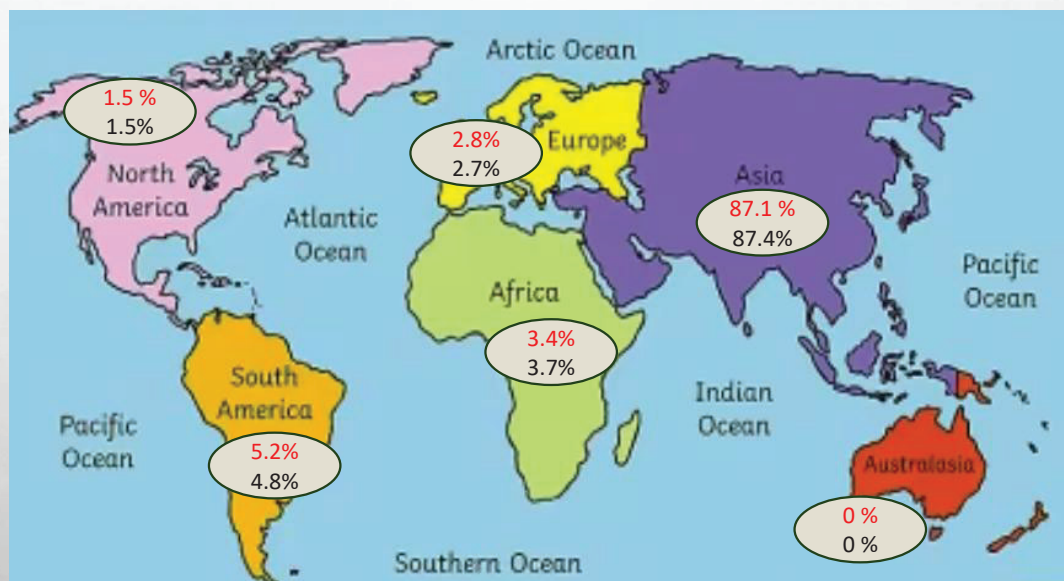
- Achievements of VFI in 2024.
- Opportunities and Challenges.
- Key Solutions.
- Development Trend of VFI.

Achievements of Vietnam Footwear Industry (VFI) in 2024.

Footwear Production by Continents

■ Last year
■ Year before

World Footwear Market



22.4 million pairs were produced last year – Production by continents is somewhat stable

4

Top 10 Footwear Production countries

World Footwear Market

| Country | Last year | | | Year before | | |
|------------|-----------|-------------|------|-------------|-------------|------|
| | Quantity | World share | Rank | Quantity | World share | Rank |
| CHINA | 12,300 | 54.90% | 1 | 13,047 | 54.60% | 1 |
| INDIA | 2,600 | 11.60% | 2 | 2,600 | 10.90% | 2 |
| VIETNAM | 1,400 | 6.30% | 3 | 1,300 | 5.40% | 3 |
| BRAZIL | 866 | 3.90% | 4 | 849 | 3.50% | 5 |
| INDONESIA | 807 | 3.60% | 5 | 1,026 | 4.30% | 4 |
| PAKISTAN | 561 | 2.50% | 6 | 519 | 2.20% | 7 |
| TURKEY | 502 | 2.20% | 7 | 582 | 2.40% | 6 |
| BANGLADESH | 423 | 2.20% | 8 | 467 | 2.00% | 8 |
| MEXICO | 217 | 1.00% | 9 | 205 | 0.90% | 9 |
| IRAN | 176 | 0.80% | 10 | 176 | 0.70% | 11 |

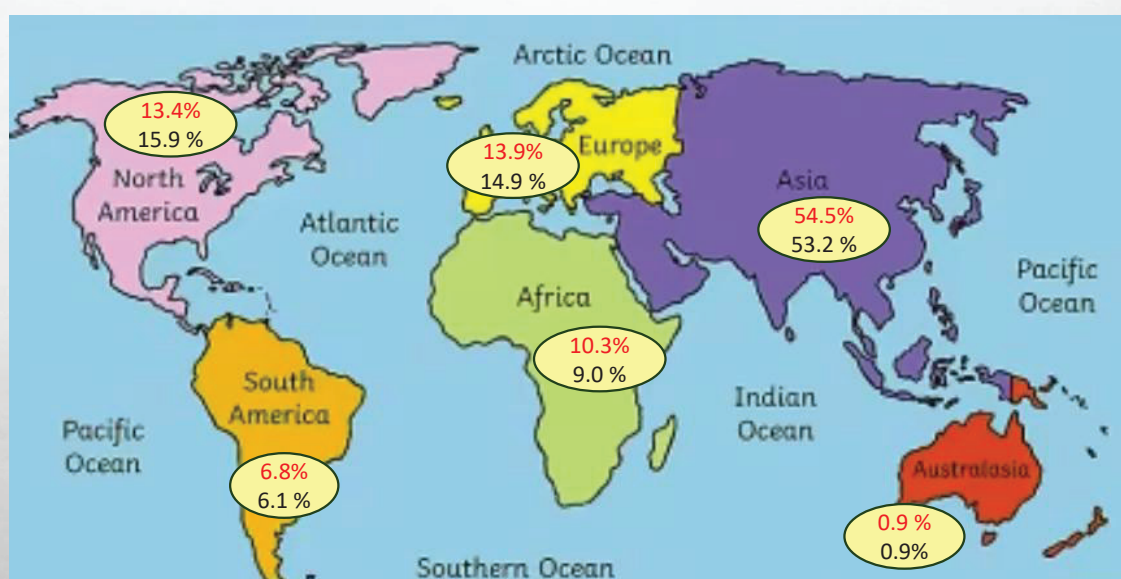
5

Except the reduction of China and Indonesia, other production countries nearly no changed

Footwear Consumption by Continents

■ Last year
■ Year before

World Footwear Market



6

Consumption from North America and Europe decreased due to economic difficulties.

Top 10 Footwear Consumption countries

World Footwear Market

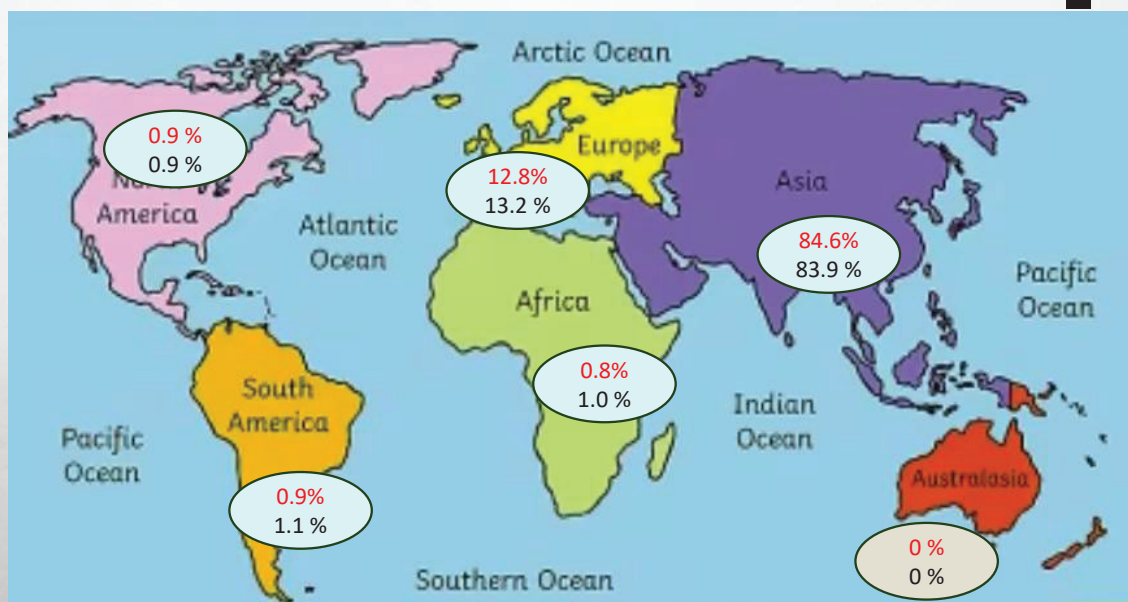
| Country | Last year | | | Year before | | |
|---------------|-----------|-------------|------|-------------|-------------|------|
| | Quantity | World share | Rank | Quantity | World share | Rank |
| CHINA | 3,532 | 17.10% | 1 | 3,930 | 17.90% | 1 |
| INDIA | 2,563 | 12.40% | 2 | 2,526 | 11.50% | 3 |
| UNITED STATES | 1,934 | 9.40% | 3 | 2,683 | 12.20% | 2 |
| BRAZIL | 776 | 3.80% | 4 | 732 | 3.30% | 4 |
| JAPAN | 616 | 3.00% | 5 | 620 | 2.80% | 6 |
| PAKISTAN | 544 | 2.60% | 6 | 540 | 2.50% | 7 |
| INDONESIA | 544 | 2.60% | 7 | 702 | 3.20% | 5 |
| RUSSIA | 428 | 2.10% | 8 | 342 | 1.58 % | 12 |
| BANGLADESH | 355 | 1.70% | 9 | 380 | 1.76 % | 11 |
| MEXICO | 340 | 1.60% | 10 | 315 | 1.45 % | 14 |

Consumption from USA and China sharply decreased

7

Footwear Export by Continents

World Footwear Market



Export form Asia increased, export from Europe decreased

8

Top 10 Footwear Export countries

World Footwear Market

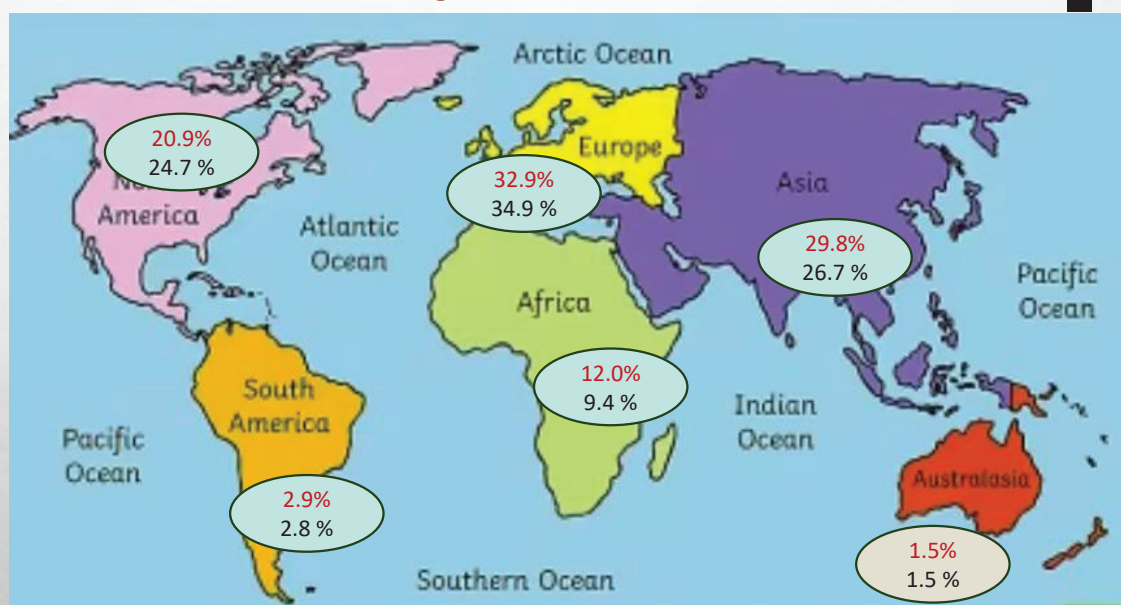
| Country | Last year | | | Year before | | |
|-----------|-----------|-------------|------|-------------|-------------|------|
| | Quantity | World share | Rank | Quantity | World share | Rank |
| CHINA | 8,958 | 63.80% | 1 | 9,308 | 51.30% | 1 |
| VIETNAM | 1,335 | 9.50% | 2 | 1,276 | 7.30% | 2 |
| INDONESIA | 445 | 3.20% | 3 | 535 | 3.50% | 3 |
| GERMANY | 349 | 2.50% | 4 | 378 | 2.50% | 5 |
| TURKEY | 301 | 2.10% | 5 | 378 | 2.50% | 4 |
| INDIA | 257 | 1.80% | 6 | 285 | 1.90% | 6 |
| BELGIUM | 220 | 1.60% | 7 | 242 | 1.80% | 7 |
| ITALY | 191 | 1.40% | 8 | 216 | 1.40% | 8 |
| CAMBODIA | 165 | 1.20% | 9 | 190 | 1.30% | 10 |
| SPAIN | 156 | 1.10% | 10 | 159 | 1.03% | 11 |

Exports from all countries in top 10 decreased, except Vietnam

9

Footwear Import by Continents

World Footwear Market



Europe and North America reduced import, but Asia and Africa increased

10

Top 10 Footwear Import countries

World Footwear Market

| Country | Last year | | | Year before | | |
|----------------------|-----------|-------------|------|-------------|-------------|------|
| | Quantity | World share | Rank | Quantity | World share | Rank |
| UNITED STATES | 1,986 | 16.20% | 1 | 2,729 | 20.50% | 1 |
| JAPAN | 608 | 4.90% | 2 | 612 | 4.60% | 3 |
| GERMANY | 606 | 4.90% | 3 | 793 | 6.00% | 2 |
| FRANCE | 433 | 3.50% | 4 | 501 | 3.80% | 4 |
| RUSSIA | 389 | 3.20% | 5 | 301 | 2.30% | 10 |
| UNITED KINGDOM | 342 | 2.80% | 6 | 403 | 3.00% | 5 |
| ITALY | 333 | 2.70% | 7 | 389 | 2.90% | 6 |
| SPAIN | 315 | 2.60% | 8 | 328 | 2.50% | 8 |
| UNITED ARAB EMIRATES | 280 | 2.30% | 9 | 279 | 2.33% | 11 |
| NETHERLANDS | 260 | 2.10% | 10 | 337 | 2.50% | 7 |

11

US and Germany reduced import, but Russia increased

Achievements of Vietnam in 2024

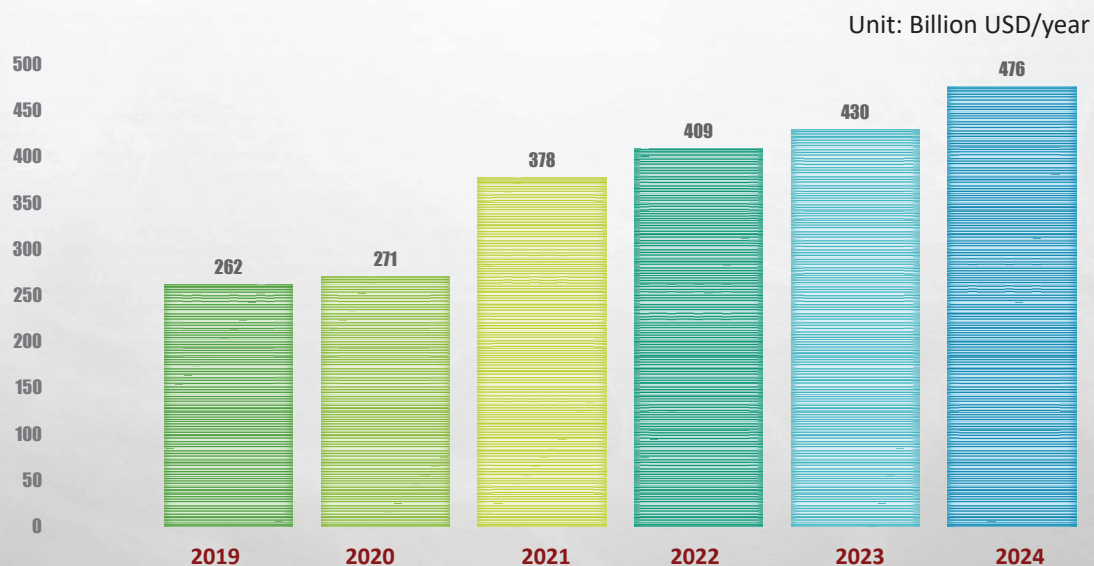
Vietnam's Economic Situation

| Indicator | Unit | 2024 | 2023 | 2024/2023 |
|-----------------------------|------------|----------|----------|-----------|
| Vietnam GDP | Bil. USD | 476,3 | 444.8 | + 7.09 % |
| Vietnam GDP ranking | Ranking | 33/190 | 35/190 | + 2 |
| Foreign investment | Bil. USD | 25.35 | 23.17 | + 9.4 % |
| Inflation | % | + 3.63 % | + 3,35 % | + 1.08 % |
| Total Import - Export value | Bil. USD | 786,3 | 683 | 15.1 % |
| GDP per capita | USD/person | 4.700 | 4,323 | + 8.7 % |

12

Source: General Statistics Office

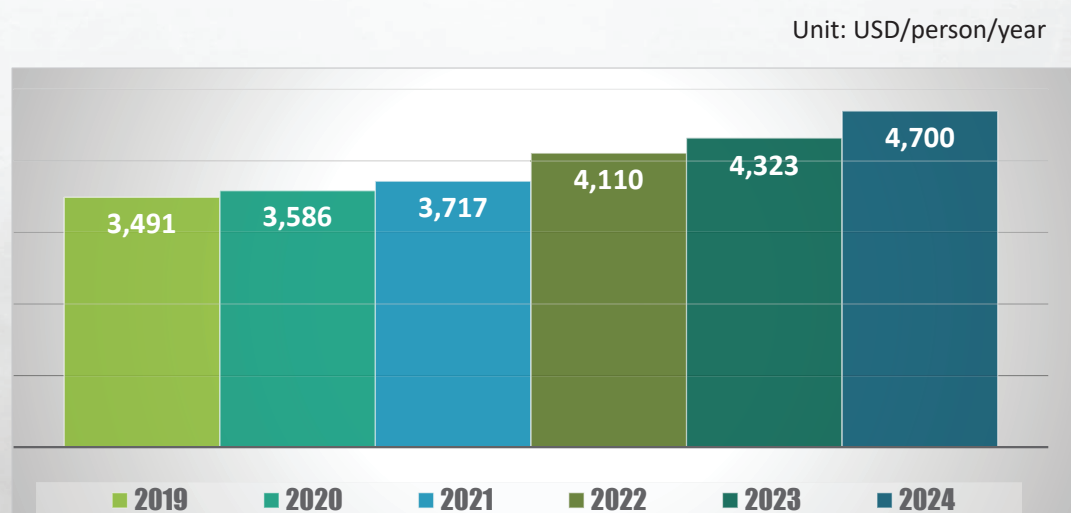
Vietnam's GDP over the years



In 2024, Vietnam ranks 33rd among the countries with the largest GDP in the world

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GDP per capita of Vietnam over the years



Rank of Vietnam's GDP per capita: year 2000: 173; year 2021: 124; year 2024: 117.

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Export of Footwear and Bags by years

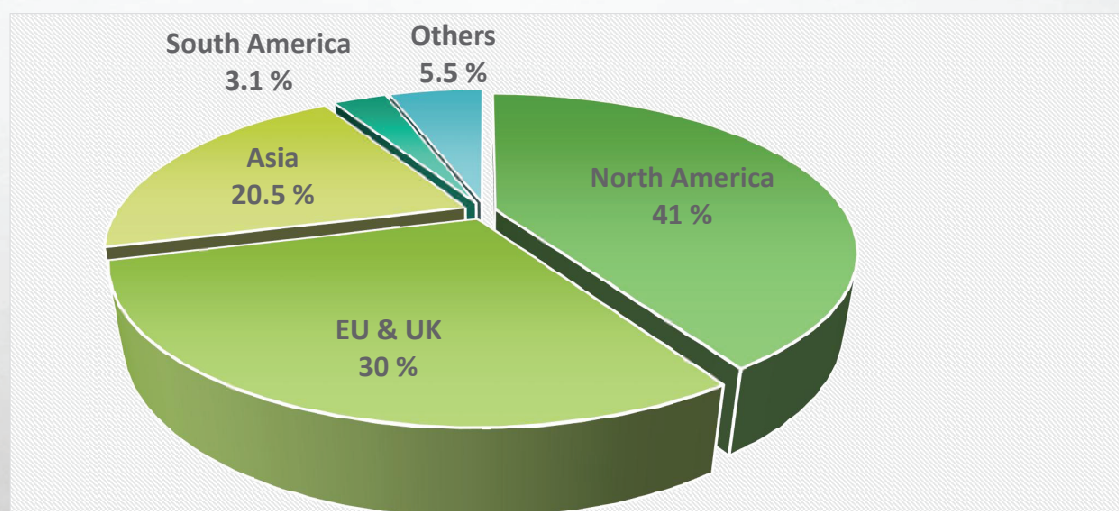
Unit: Billion USD



Export of the industry in 2024 increased 12.8 % compared with 2023, but still lower than 2022

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Export of Vietnamese Footwear to global market

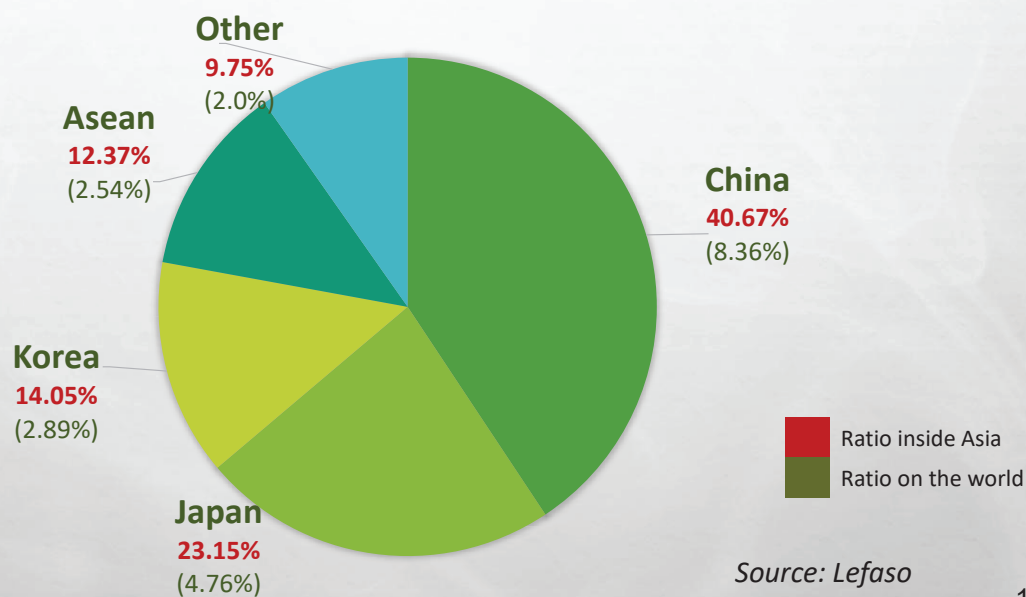


Source: Lefaso

North America, especially USA is still the biggest market

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Export of Vietnamese Footwear to Asian countries



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The position of Vietnam's Footwear industry in the world

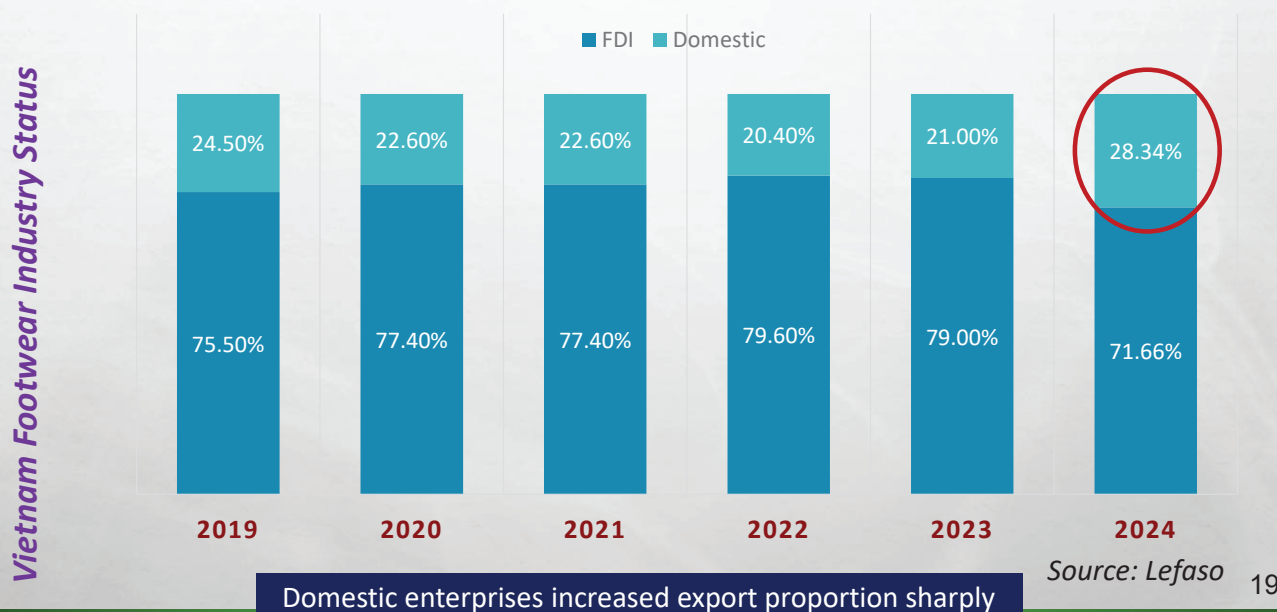
Vietnam Footwear Industry Status

| INDEX | LAST YEAR | | | YEAR BEFORE | | |
|-------------|---------------|-------------|------------------|---------------|-------------|------------------|
| | Million Pairs | World share | Ranking | Million Pairs | World share | Ranking |
| PRODUCTION | 1,400 | 6.30% | 3 rd | 1,300 | 5.40% | 3 rd |
| EXPORT | 1,335 | 9.50% | 2 nd | 1,276 | 7.30% | 2 nd |
| IMPORT | 185 | 1.51% | 19 th | 215 | 1.60% | 14 th |
| CONSUMPTION | 250 | 1.21% | 19 th | 210 | 0.90% | 22 nd |

All indices are increased except import

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Export by Enterprise sectors



Top 10 provinces/cities have large footwear export turnover

| Rank | Province | Value (mill USD) | Region |
|------|------------|------------------|---------------|
| 1 | Dong Nai | 4,508.9 | South-East |
| 2 | Thanh Hoa | 2,479.4 | North Central |
| 3 | HCM City | 1,930.7 | South-East |
| 4 | Binh Duong | 1,872.1 | South-East |
| 5 | Hai Phong | 1,461.5 | Red River |
| 6 | Long An | 1,366.2 | Mekong Delta |
| 7 | Ninh Binh | 1,018.9 | Red River |
| 8 | Tien Giang | 1,010.7 | Mekong Delta |
| 9 | Hai Duong | 810.6 | Red River |
| 10 | Binh Phuoc | 795.9 | South-East |

Opportunities and Challenges

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Opportunities of Vietnam's economy

Vietnam's Economic Situation

- Vietnam is a safe country and has many geopolitical advantages for investment.
- Vietnam is a country with many Free Trade Agreements (FTA), accounting for over 60% of global trade volume.
- Vietnam benefits well from the restructuring of many large supply chains in the world.
- Vietnam is facing the opportunity of the fourth wave of FDI. This FDI wave focuses on high-tech industries such as electronics, semiconductors, AI and renewable energy.

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External Challenges of Vietnam's economy

- Risk of US tariffs:
 - Vietnam has the third largest trade deficit with the US.
 - Many Chinese companies invest in Vietnam, especially in product processing, this puts Vietnam at risk of becoming a target for trade investigations.
- Dependency on raw materials from China:
 - Vietnam still relies heavily on imported raw materials from China.
 - This can lead to risks when the supply chain is disrupted or when trade tensions increase.
- World economic instability:
 - World economic growth is forecast to recover slowly or even decline in 2025, affecting Vietnam's export demand.

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Internal Challenges of Vietnam's economy

- Depending on foreign investment, FDI enterprises account for over 70% of country export turnover.
- Most domestic enterprises are small and have low competitiveness.
- Supply chains are still fragmented, small and not competitive enough.
- The level of technology application in business administration and production management is still low, resulting in low labor productivity.
- Many policies are not yet complete, still have potential lack of transparency and request-grant mechanisms.

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Opportunities of Vietnam Footwear Industry



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From the global footwear market

- Opportunities*
- The global footwear market shows signs of warming up from 2024 and forecasted to continue growing in 2025.
 - Consumers around the world increasingly prefer footwear “Made in Vietnam”.
 - Vietnam Footwear industry benefits from restructuring the supply chain of major footwear brands in the world.
 - Most major footwear brands consider Vietnam a safe place to produce.

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From Economic and Political Position of the Country

Opportunities

- Vietnam is a country with many FTA's, coverage of over 60 % global footwear trade volume.
- With export orientation, the Vietnamese Government has built many policies attracting domestic and foreign investment.
- High-quality labor source is a huge national advantage.
- Vietnam is in a good position to develop an international logistics system.
- Efforts to develop a convenient domestic transportation system, promising to expand production to remote areas at low cost.

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From the Industry's Efforts

Opportunities

- Vietnamese Footwear industry has a quite strong supply chain, able to meet over 60% of the demand for mid-level products.
- Lefaso plays an increasingly important role in advising the Government on developing strategies and policies for the industry.
- Lefaso's international relationships with other Associations around the world, with major global footwear brands and many organizations are increasingly expanding, helping to enhance the position of the Vietnamese Footwear Industry.

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From the Efforts of the Business Community

Opportunities

- The application of 4.0 technology achievements in corporate management has helped Vietnamese Footwear Enterprises step by step improve efficiency in production and export.
- Many Enterprises have performed their own R&D work and created many shoe designs.
- Footwear Enterprises in VN have good understanding of green production, circular production... and comply with the strict requirements of import markets.
- Footwear Enterprises in VN have ability to train internally, helping to improve the skills of their own workers.

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Challenges of Vietnam Footwear Industry

Challenges



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Challenges from world instability

- War in Ukraine and instability in many regions, such as Middle East...
- Trade war between US - China and some other countries.
- The unpredictable economic and political policies of the Trump Administration 2.0.

Challenges



- ✓ Consumption decreased as the consumers fear war, many governments also reduced policies to support their people.
- ✓ Energy scarcity causes prices to rise.
- ✓ International shipping becomes riskier, with longer shipping times and higher costs.
- ✓ Prices go increasing and consumptions go decreasing.

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Challenges from the Future of Global Footwear Market

- Economic fluctuations and changing consumer behavior.
- Pressure from Fast Fashion Footwear Trend.
- Sustainability and ESG^(*) regulations.
- Technology and innovation in manufacturing.
- Changes in distribution channels and e-commerce.
- Supply chain disruptions and rising production costs.
- Market trends change rapidly.

Challenges

^(*) Environmental, Social & Corporate Governance

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Top 10 Footwear Players in the world (as of December 2024)

Challenges

| Biggest shoe companies | Market value | Revenue |
|------------------------|------------------|----------|
| 1. Nike | \$117.38 billion | \$ 50.01 |
| 2. Adidas | \$43.83 billion | \$ 24.64 |
| 3. Deckers Brands | \$30.82 billion | \$ 4.65 |
| 4. On Holding | \$19.24 billion | \$ 2.17 |
| 5. ASICS Corporation | \$14.81 billion | \$ 4.11 |
| 6. Skechers | \$10.44 billion | \$ 8.71 |
| 7. Birkenstock | \$ 9.83 billion | \$ 1.86 |
| 8. VF Corporation | \$ 8.12 billion | \$ 9.99 |
| 9. PUMA | \$ 6.99 billion | \$ 9.30 |
| 10. Crocs | \$ 6.48 billion | \$ 4.07 |

Source: www.oberlo.com, www.threads.net

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Potential players

Challenges

Global Brands

- Geox
- Ecco
- Wolverine World Wide
- Under Armour
- Zara

Chinese Brands

- Shein
- Temu
- Anta Sports
- Li-Ning
- Xtep.

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Challenges from the Country

Challenges

- The population will age rapidly, but the growth rate is slow in the coming years.
- With rapid development of the country, GDP per capita will increase fast and cause less competitiveness.
- National resources are being shared among hi-tech industries.
- Policies for labor-intensive industries will gradually reduce stimulus.

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Challenges from the Industry itself

Challenges

- Developing supporting industries, especially raw materials.
- Increasing labor costs impact to the advantage of industry.
- Satisfying higher and higher sustainability requirements as environmental protection, green & circular production, CO₂ reduction, CBAM from EU...
- Supply chain and logistics risks.

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Challenges from the Business Community

Challenges

- Many enterprises still focus on processing (CMT), although less risky but profits are low and there is no opportunity for development.
- Less ability of in-house products development.
- Less ability to catch and satisfy the new requirements of global market, especially from FTA.
- Less ability to apply automation, AI technology to enterprises organization and production management, especially among SME's.

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Key Solutions

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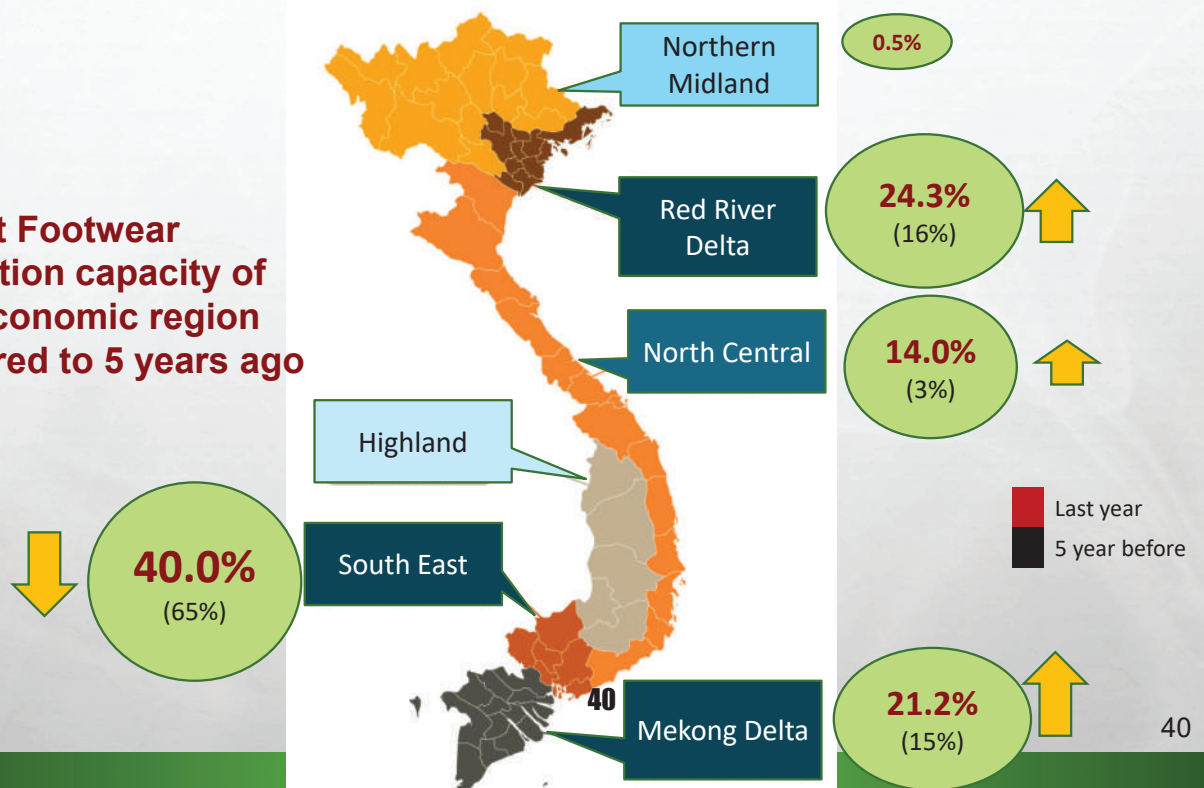
Key Solutions

Key Solutions

- Move production to regions with lower production costs (Mekong Delta, North Central).
- High-cost regions as Red River, South-East will focus on supplying of raw materials, technology, logistics, commercial offices...
- Increase the localization rate of raw materials by attracting investment for developing local supply chains
- Forming a complete and sustainable supply chain.
- Application of science and technology, especially automation, in business administration and production.
- Take advantage of Free Trade Agreements.
- Capture and respond to ESG regulations.

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Current Footwear production capacity of each economic region compared to 5 years ago



Development Trend of Vietnam Footwear Industry

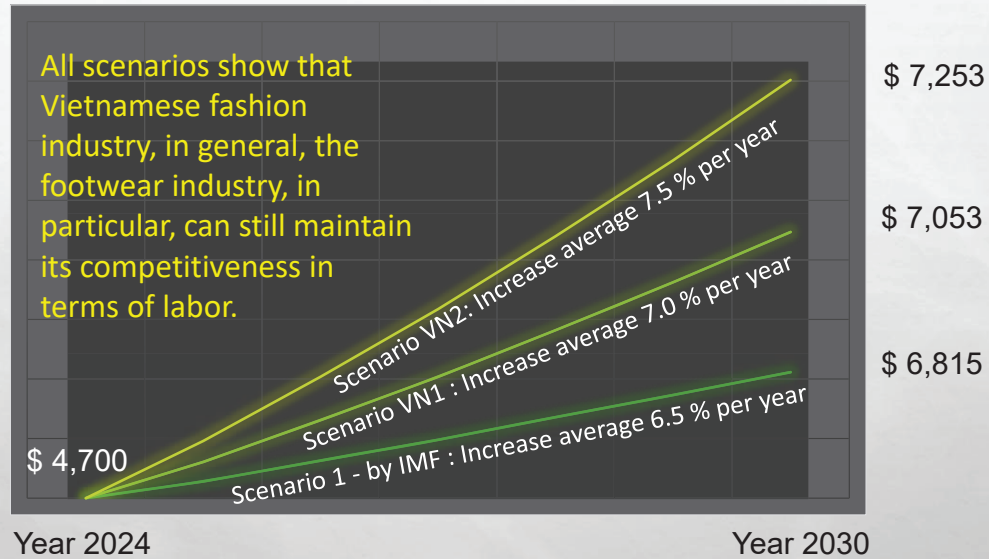
41

Key trends

- Increase added value through in house R&D, products development and improve product quality.
- Develop sustainable fashion, complying with international requirements.
- Apply science and technology to production, especially automation
- Move to regions with abundant labor resources.
- Focus on the US market and markets with FTAs.
- Expand domestic market.

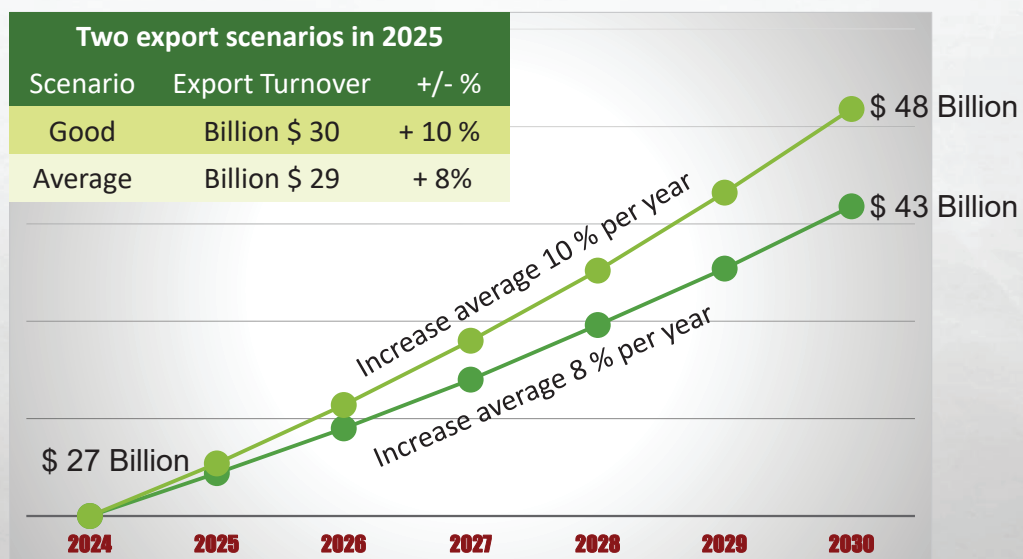
42

Three scenarios for Vietnam's GDP per capita growth



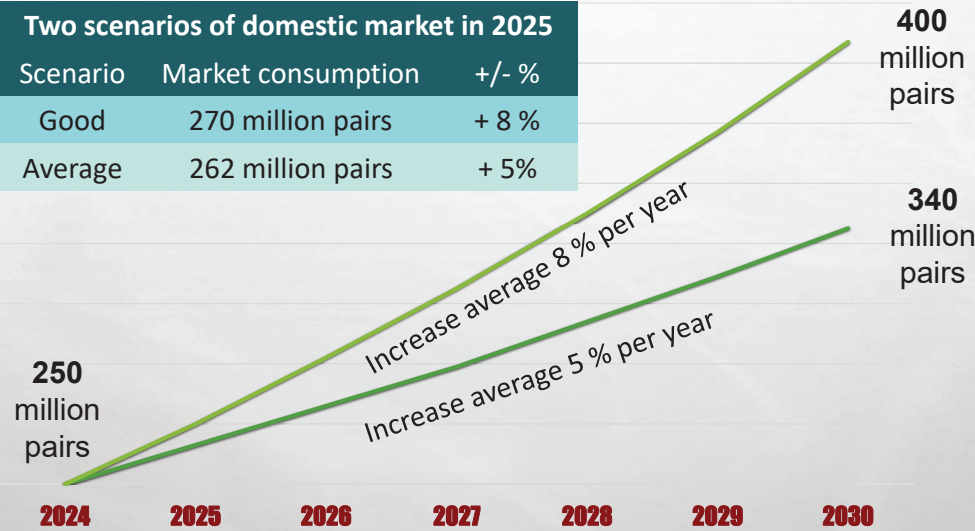
43

Two export scenarios of Vietnam's Footwear & Bags industry



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Two scenarios of the domestic footwear market



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Thank you for your attention

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