

# Footwear

Laura Venecia Rodriguez

## Change from 2017 to 2018:

- **U.S. total exports of footwear: Increased by \$127 million (8.8 percent) to \$1.6 billion**
- **U.S. general imports of footwear: Increased by \$927 million (3.6 percent) to \$26.6 billion**

In 2018, U.S. total exports of footwear, composed largely of footwear parts,<sup>1</sup> increased by \$127 million (8.8 percent) (table FW.1).<sup>2</sup> Leading export destinations included Vietnam, to which exports (primarily footwear parts) rose sharply for the second consecutive year, by \$64 million (35.5 percent). The two other leading destinations were Canada, to which exports decreased by less than \$500,000 (0.1 percent), and China, to which exports (primarily footwear parts and athletic shoes) grew by \$38 million (36.8 percent).

In 2018, imported footwear accounted for 99 percent (2.5 billion pairs of shoes) of the total U.S. market for footwear.<sup>3</sup> Fueled by stronger consumer spending on footwear,<sup>4</sup> U.S. imports rose by \$927 million (3.6 percent) to \$26.6 billion. China remained the largest supplier of footwear to the United States (table FW.1), accounting for over one-half (nearly 53 percent, or \$14.1 billion) of total U.S. footwear imports in 2018. However, its share continued to shrink, declining steadily from two-thirds or nearly 66 percent of U.S. imports in 2014. In contrast, the respective shares of lower-cost, second-tier Asian suppliers—Vietnam, Indonesia, and Cambodia—continued to climb in 2018.<sup>5</sup> U.S. imports from Italy and Mexico, suppliers reputed for quality leather footwear,<sup>6</sup> also grew in 2018, gaining \$172 million (up 12.6 percent) and \$84 million (up 20.2 percent), respectively, over 2017.

---

<sup>1</sup> Most exports of footwear parts consist of miscellaneous footwear parts not elsewhere specified and including items such as gaiters and similar articles.

<sup>2</sup> Unless otherwise noted, the export data used in this investigation are domestic exports. For more information on trade terminology, please refer to USITC, “Special Topic: Trade Metrics,” *Shifts in U.S. Merchandise Trade, 2014, 2015*, [https://www.usitc.gov/research\\_and\\_analysis/trade\\_shifts\\_2014/trade\\_metrics.htm](https://www.usitc.gov/research_and_analysis/trade_shifts_2014/trade_metrics.htm).

<sup>3</sup> FDRA, “Sourcing and Compliance: 2.5 Billion Pairs of Shoes” (accessed May 28, 2019); FDRA industry representative, email message to USITC staff, May 9, 2019.

<sup>4</sup> FDRA representative, email message to USITC staff, May 9, 2019; FDRA, “Sourcing and Compliance: 2.5 Billion Pairs of Shoes” (accessed May 28, 2019).

<sup>5</sup> Worldwide, Asia accounts for 87 percent of all footwear manufactured. Just-style, “World Footwear Production and Exports,” August 24, 2018.

<sup>6</sup> IBISWorld, *Global Footwear Manufacturing*, October 2018, 13; IBISWorld, *Shoe and Footwear Manufacturing in the US*, December 2018, 7; Shoes from Mexico, “Mexican Leather Footwear Brands,” May 28, 2019.

**Table FW.1** Footwear: U.S. exports and general imports, by selected trading partners, 2014–18

Country/item	Million \$					Absolute change, 2017 to 2018	% change, 2017 to 2018
	2014	2015	2016	2017	2018		
<b>U.S. exports of domestic merchandise:</b>							
China	48	76	80	102	140	38	36.8
Vietnam	86	104	116	179	243	64	35.5
Indonesia	12	24	29	29	40	11	38.9
Italy	4	6	4	8	9	1	12.4
Mexico	49	42	40	36	33	-3	-7.9
India	2	3	1	2	3	2	102.0
Cambodia	(a)	(a)	0	0	(a)	(a)	(b)
Dominican Rep	16	11	9	7	7	(a)	-5.3
Spain	3	4	2	3	3	(a)	10.2
Canada	139	150	165	156	156	(a)	-0.1
All other	467	429	341	337	350	13	3.8
<b>Total domestic exports</b>	<b>827</b>	<b>848</b>	<b>788</b>	<b>859</b>	<b>984</b>	<b>125</b>	<b>14.5</b>
Foreign exports	629	616	579	573	575	2	0.3
<b>Total U.S. exports (domestic and foreign)</b>	<b>1,456</b>	<b>1,464</b>	<b>1,367</b>	<b>1,432</b>	<b>1,559</b>	<b>127</b>	<b>8.8</b>
<b>U.S. general imports:</b>							
China	17,066	17,276	14,821	14,255	14,061	-194	-1.4
Vietnam	3,623	4,474	4,911	5,525	6,208	682	12.4
Indonesia	1,235	1,426	1,462	1,509	1,539	30	2.0
Italy	1,444	1,408	1,358	1,370	1,542	172	12.6
Mexico	499	493	413	416	500	84	20.2
India	349	468	503	448	440	-9	-1.9
Cambodia	128	218	255	271	329	58	21.5
Dominican Rep	297	327	312	271	257	-14	-5.2
Spain	213	224	243	233	242	9	3.7
Canada	59	73	50	52	51	(a)	-0.5
All other	1,106	1,264	1,306	1,291	1,399	108	8.4
<b>Total general imports</b>	<b>26,018</b>	<b>27,650</b>	<b>25,634</b>	<b>25,640</b>	<b>26,567</b>	<b>927</b>	<b>3.6</b>

Source: Compiled from official statistics of the U.S. Department of Commerce.

Note: Import values are based on U.S. customs value; export values are based on free alongside ship value, U.S. port of export. Calculations are based on unrounded data. The countries are sorted by largest total U.S. trade (U.S. general imports plus U.S. domestic exports) in these products in the most recent year.

<sup>a</sup> Less than \$500,000.

<sup>b</sup> The amount of change was not meaningful for purposes of comparison.

On average, 7.4 pairs of shoes per person were imported into the United States in 2018.<sup>7</sup> Total consumer spending on footwear reached an estimated \$82.5 billion in 2018,<sup>8</sup> with the rate of consumer spending rising by 3 percent, compared with an increase of under 1 percent in 2017.<sup>9</sup> In 2018, as in the

<sup>7</sup> FDRA, “Sourcing and Compliance: 2.5 Billion Pairs of Shoes” (accessed May 28, 2019).

<sup>8</sup> Consumer spending is the retail value of footwear, which is several times greater than the U.S. import value. FDRA, “Shoecconomy: The Economics of the U.S. Footwear Industry” (accessed May 28, 2019).

<sup>9</sup> USDOC, BEA, Personal Consumption Expenditures, May 2019, table 2.4.5U.

past two to three years, sales of fashion footwear<sup>10</sup> remained strongly dominated by sports leisure footwear. A rebound in boots and sandals sales also contributed to the growth of fashion footwear sales, as functional fashion and comfort have become increasingly important to U.S. consumers. Footwear firms also report that their success results from their ability to differentiate their products to meet consumer demand.<sup>11</sup>

## U.S. Exports

Total U.S. exports of footwear, consisting of exports and re-exports (foreign exports), rose by 8.8 percent in 2018 over the previous year after fluctuating during 2014–17. During the same period, the share of total U.S. exports accounted for by re-exports continued to fall, declining from 43.2 percent in 2014 to 36.9 percent in 2018. Canada and Mexico continued to be the largest markets for re-exports, accounting for 57.4 percent and 12.3 percent, respectively, of total U.S. re-exports in 2018.<sup>12</sup>

In 2018, U.S. exports, consisting primarily of footwear parts, accounted for about 28 percent of U.S. footwear industry revenue.<sup>13</sup> Domestically produced footwear, which supplied only 1 percent of the U.S. market in 2018, has a global reputation for high quality and durability, as well as for serving specialized niche markets. Examples include athletic shoes produced by New Balance that have value-added features such as gel arch support, as well as protective footwear and work boots, and high-end leather dress shoes.<sup>14</sup>

For the fifth consecutive year, Vietnam, Canada, and China were the top three export markets for U.S. producers, accounting for 25 percent (\$243 million), 16 percent (\$156 million), and 14 percent (\$140 million), respectively, of U.S. exports of footwear by value in 2018. U.S. exports to these top markets differed, however, in their product composition and trade patterns. In 2018, U.S. exports to Vietnam rose the most by value (\$64 million), compared with a \$38 million increase in U.S. exports to China and virtually no change in U.S. exports to Canada. Although U.S. footwear exports to Canada encompassed a variety of shoes—leather, athletic, and work footwear—almost all (99.7 percent) of U.S. footwear exports to Vietnam were parts sent to contractors in Vietnam and used to assemble shoes for the U.S. market.<sup>15</sup> These exports of footwear parts to Vietnam reflect the country’s growth as a supplier of footwear to the U.S. market that offers an alternative to Chinese sources.

As with Vietnam, a large share—almost half (47 percent)—of U.S. footwear exports to China in 2018 were footwear parts used to assemble shoes for the U.S. market. However, athletic footwear also

---

<sup>10</sup> The NPD Group, which produces market research reports on footwear, defines fashion footwear as “dress, casual, and evening shoes and slippers.” McDonald, “How Consumer Demand for Comfort Is Driving Fashion,” January 18, 2019.

<sup>11</sup> Two footwear executives’ presentations at the FDRA Executive Summit, April 4, 2019, addressed product differentiation: Tim Boyle, “Transformational Leadership in These Monumental Times,” and Diane Sullivan (Caleres), “Corporate Evolution 140 Years in the Making.” See also articles by Goldstein, “Fashion Footwear and Accessories,” January 18, 2019, and the NPD Group, “Leisure Sneakers Lead U.S. Footwear Sales Gains,” June 4, 2018.

<sup>12</sup> USITC DataWeb/USDOC (accessed June 6–7, 2019).

<sup>13</sup> IBISWorld, *Shoe and Footwear Manufacturing in the US*, December 2018, 18.

<sup>14</sup> IBISWorld, *Shoe and Footwear Manufacturing in the US*, December 2018, 18, 26–29.

<sup>15</sup> Nike, one of the largest U.S. footwear brands, manufactures virtually all of its footwear outside the United States using independent contractors in Vietnam and other Asian countries. Nike, “NIKE 2018 Form 10-K,” 2018, 57.

accounted for a significant share (41 percent) of U.S. footwear exports to China, more than doubling to \$56.9 million in 2018 from \$26.8 million in 2017. The growth in U.S. exports to China of well-known higher-end U.S. brands of athletic footwear (such as New Balance) may be attributed to a sophisticated and informed segment of the Chinese population that has a growing interest in sports, health, fitness, and fashion.<sup>16</sup>

## U.S. Imports

Footwear manufacturing is highly labor intensive, and since the early 1980s, imported footwear has accounted for a majority of the footwear consumed in the United States.<sup>17</sup> U.S. footwear firms source much of their footwear from foreign suppliers. In particular, the firms seek to site their manufacturing in developing countries such as China, Vietnam, and Indonesia to take advantage of low labor costs.<sup>18</sup> U.S. footwear producers have consequently focused primarily on high-value-added activities—designing, marketing, and distributing shoes.<sup>19</sup> Because of increased outsourcing, U.S. footwear employment has declined steadily over the past 50 years.<sup>20</sup>

**Table FW.2** Footwear: Leading changes in U.S. exports and imports, 2014–18

Industry/commodity group (USITC code)	Million \$					Absolute change, 2017 to 2018	% change, 2017 to 2018
	2014	2015	2016	2017	2018		
<b>U.S. domestic exports:</b>							
<b>Increases:</b>							
Footwear (FW001)	827	848	788	859	984	125	14.5
<b>Total</b>	827	848	788	859	984	125	14.5
<b>U.S. general imports:</b>							
<b>Increases:</b>							
Footwear (FW001)	26,018	27,650	25,634	25,640	26,567	927	3.6
<b>Total</b>	26,018	27,650	25,634	25,640	26,567	927	3.6

Source: Compiled from official statistics of the U.S. Department of Commerce.

Note: Import values are based on U.S. customs value; export values are based on free alongside ship value, U.S. port of export. Calculations are based on unrounded data.

China continued to be the largest supplier of footwear to the United States in 2018 (table FW.1). However, U.S. imports from China fell by \$194 million (1.4 percent) to \$14.1 billion in 2018, and China's

<sup>16</sup> Daxue Consulting, "Fashion and Fitness," March 1, 2019.

<sup>17</sup> See USITC, *Nonrubber Footwear*, July 1985, A-26. As this report notes, in 1981, imports of footwear accounted for 51 percent of domestic consumption, whereas by 1984 they accounted for 71 percent of domestic consumption.

<sup>18</sup> IBISWorld, *Shoe and Footwear Manufacturing in the US*, December 2018, 4, 6.

<sup>19</sup> IBISWorld, *Shoes and Footwear Manufacturing in the US*, December 2018, 7.

<sup>20</sup> Based on preliminary statistics for 2018 from the U.S. Department of Labor, the estimated number of U.S. footwear workers decreased from 13,058 to 12,691 (3 percent) between 2014 and 2018. However, during the same period, the estimated number of footwear manufacturing establishments rose from 277 to 288 (4 percent). The increase in the number of footwear firms likely reflects the emergence of niche, handcrafted, and other specialized producers of shoes and higher-value-added footwear. USDOL, BLS, "Quarterly Census of Employment and Wages," May 2019; IBISWorld, *Global Footwear Manufacturing*, October 2018, 17; IBIS World, *Shoe and Footwear Manufacturing in the US*, December 2018, 7.

share of total U.S. imports declined from 56 percent in 2017 to 53 percent. During the past few years, U.S. footwear firms have been diversifying their sourcing, shifting especially to other low-cost Asian suppliers because of China's steadily rising wages and freight costs.<sup>21</sup> In addition, China has been reducing investment incentives in its footwear, textiles, and apparel sector to focus on high-tech industries. As a result, footwear sourcing has continued to shift to Vietnam.<sup>22</sup>

U.S. imports from Vietnam, the second-largest U.S. supplier, continued to grow rapidly in 2018, rising by \$682 million (12.4 percent) to \$6.2 billion (table FW.1). Vietnam has been capturing most of China's lost share of U.S. imports<sup>23</sup> as major U.S. footwear companies like Nike have shifted much of their production from China to Vietnam and other Asian suppliers like Indonesia.<sup>24</sup> Vietnam's footwear industry is not free of problems: it must import 60 percent of its raw materials,<sup>25</sup> and it faces productivity constraints. However, because its labor costs are competitive, its industry and the Vietnamese government are focused on expanding footwear exports in the near future.<sup>26</sup> Imports from two other low-cost and increasingly important Asian suppliers of footwear to the U.S. market—Indonesia and Cambodia—also increased, rising by \$30 million and \$58 million, respectively, in 2018.<sup>27</sup>

Industry sources attribute the substantial growth in U.S. footwear imports from Mexico in 2018—the second consecutive year of growth—to its proximity to the U.S. market and its capacity for manufacturing the quality leather shoes sought by certain U.S. footwear brands.<sup>28</sup> The increase in U.S. imports of footwear from Italy likely reflects a concerted effort on the part of the Italian footwear industry to promote “Made in Italy” shoes in the U.S. market.<sup>29</sup>

---

<sup>21</sup> IBISWorld, *Global Footwear Manufacturing*, October 2018, 5; IBISWorld, *Shoe and Footwear Manufacturing in the US*, December 2018, 17.

<sup>22</sup> *Viet Nam News*, “A Billion Pairs of Shoes Exported,” March 22, 2019.

<sup>23</sup> Priest and Friedman, “Sourcing Data Review and Commentary,” July 24, 2018, IBISWorld, *Shoe and Footwear Manufacturing in the US*, December 2018, 17; Friedman, “U.S. Footwear Imports from China Continue Slide,” June 13, 2019.

<sup>24</sup> For the fiscal year that ended May 31, 2018, Nike reported that Vietnam manufactured almost half—47 percent—of Nike's total branded footwear, compared to 26 percent for China. Nike, “NIKE 2018 Form 10-K,” 2018, 57.

<sup>25</sup> Raw materials for footwear manufacturing include a wide variety of inputs—leather, fabrics made from natural (e.g., cotton) yarns, and those made from synthetic (e.g., polyester, nylon) yarns, as well as rubber, plastic, and wood. Lattaway, *The Fundamentals of Footwear*, 2018, 57, 61, 69, 79, 83.

<sup>26</sup> *Viet Nam News*, “Leather, Footwear Sector Needs Supporting Industry,” December 28, 2018; *Viet Nam News*, “A Billion Pairs of Shoes Exported,” March 22, 2019; Just-style, “Vietnam Urged to Invest,” October 30, 2018.

<sup>27</sup> Industry sources report that the quality of footwear sourced from the smaller Asian suppliers is comparable to that imported from China because, especially for branded footwear, most production is done by factory groups from Taiwan, South Korea, or Hong Kong that have built facilities in various countries in Asia. The factory group determines the level of quality assigned to products manufactured in a particular country. Also, for smaller brands, quality will vary more from factory to factory than from country to country. FDRA representative, email message to USITC staff, June 24, 2019.

<sup>28</sup> McDonald and Schneider-Levy, “Why Trump's Latest Tariff Threat,” May 31, 2019.

<sup>29</sup> Italy's footwear industry has focused increasingly on producing comfort footwear and expanding its sales to the U.S. market. The United States represents the third-largest marketplace in the leather industry and the fourth-largest in the shoe industry; it thus appeals to Italian footwear manufacturers seeking higher-volume sales. Such sales volumes are not available in Italy, which is dominated by small shops. Velasquez, “Why Italy's Footwear Sector Is Better Prepared,” January 24, 2018.

## Bibliography – Footwear

- Barrie, Leonie. “Worldwide Footwear Production and Exports Return to Growth.” *Just-Style*, August 24, 2018. [https://www.just-style.com/news/world-footwear-production-and-exports-return-to-growth\\_id134299.aspx?utm\\_source=daily-htm&utm\\_medium=email&utm\\_campaign=24-08-2018&utm\\_term=103430&utm\\_content=540442](https://www.just-style.com/news/world-footwear-production-and-exports-return-to-growth_id134299.aspx?utm_source=daily-htm&utm_medium=email&utm_campaign=24-08-2018&utm_term=103430&utm_content=540442).
- Boyle, Tim “Transformational Leadership in These Monumental Times—A Conversation with Columbia Sportswear’s Chief Advocate.” Footwear Distributors and Retailers of America Executive Summit, conference presentation, April 4, 2019.
- Daxue Consulting (Beijing). “Fashion and Fitness: Licensed Sports Merchandise Market in China 2019,” March 1, 2019. <https://daxueconsulting.com/licensed-sports-merchandise-market-in-china/>.
- Footwear Distributors and Retailers of America (FDRA). “Shoeconomy: The Economics of the U.S. Footwear Industry,” n.d. <https://fdra.org/key-issues-and-advocacy/footwear-retail/> (accessed May 28, 2019).
- Footwear Distributors and Retailers of America (FDRA). “Sourcing and Compliance: 2.5 Billion Pairs of Shoes Were Imported into the U.S. in 2018.” <https://fdra.org/key-issues-and-advocacy/sourcing-compliance/> (accessed May 28, 2019).
- Friedman, Arthur. “U.S. Footwear Imports from China Continue Slide, as Other Top Suppliers Rise.” *Sourcing Journal*, June 13, 2019. <https://sourcingjournal.com/footwear/footwear-supply-chain/us-footwear-imports-china-156062>.
- Goldstein, Beth. “Fashion Footwear and Accessories: Keeping Up the Momentum in 2019.” NPD Group blog, January 18, 2019. <https://www.npd.com/wps/portal/npd/us/blog/2019/fashion-footwear-and-accessories-keeping-up-the-momentum-in-2019/>.
- IBISWorld. *Global Footwear Manufacturing*. IBISWorld Industry Report, October 2018.
- IBISWorld. *Shoe and Footwear Manufacturing in the U.S.* IBISWorld Industry Report 31621, December 2018.
- Just-style. “Vietnam Urged to Invest in Footwear Industry to Boost Exports,” October 30, 2018. [https://www.just-style.com/news/vietnam-urged-to-invest-in-footwear-industry-to-boost-exports\\_id134882.aspx](https://www.just-style.com/news/vietnam-urged-to-invest-in-footwear-industry-to-boost-exports_id134882.aspx).
- Lattaway, Philip. *The Fundamentals of Footwear: From Materials through the Stages of Design and Production*. Liverpool, England: WTP Publishing, 2018.
- McDonald, Samantha. “How Consumer Demand for Comfort Is Driving Fashion Footwear Sales,” January 18, 2019. <https://footwearnews.com/2019/business/retail/fashion-footwear-sales-2018-comfortable-shoes-1202732148/>.
- McDonald, Samantha, and Barbara Schneider-Levy. “Why Trump’s Latest Tariff Threat against Mexico Has the Shoe Industry Worried.” *Footwear News*, May 31, 2019.

- <https://footwearnews.com/2019/business-retail/trump-mexico-tariff-threat-shoe-companies-react-1202786998/>.
- Nike, Inc. "Form 10-K." Annual report for Securities and Exchange Commission, May 31, 2018. [https://s1.q4cdn.com/806093406/files/doc\\_financials/2018/ar/docs/nike-2018-form-10K.pdf](https://s1.q4cdn.com/806093406/files/doc_financials/2018/ar/docs/nike-2018-form-10K.pdf).
- NPD Group. "Leisure Sneakers Lead U.S. Footwear Sales Gains, with Added Boost from Other Comfort-Oriented Styles: Value and Convenience Are Also Resonating with Today's Footwear Consumers." Press release, June 4, 2018. <https://www.npd.com/wps/portal/indp/us/news/press-releases/2018/leisure-sneakers-lead-u-s-footwear-sales-gains-with-added-boost-from-other-comfort-oriented-styles>.
- Shoes from Mexico. "Mexican Leather Footwear Brands for Export/Import," May 28, 2019. <https://www.shoesfrommexico.com/en/mexican-leather-footwear-brands-for-export-import/>.
- Sullivan, Diane. "Corporate Evolution 140 Years in the Making: A Conversation with Caleres' Fearless Leader." Conference presentation, Footwear Distributors and Retailers of America Executive Summit, April 4, 2019.
- U.S. Department of Commerce (USDOC). Bureau of Economic Analysis (BEA). "Table 2.4.5U: Personal Consumption Expenditures by Type of Product." <http://www.bea.gov/iTable/iTable.cfm?reqid=12&step=1&acrdn=2#reqid=12&step=3&isuri=1&1203=17> (accessed May 1, 2018).
- U.S. Department of Labor (USDOL). Bureau of Labor Statistics (BLS). Quarterly Census of Employment and Wages. <https://data.bls.gov/PDQWeb/en> (accessed May 15, 2019).
- U.S. International Trade Commission (USITC). Interactive Tariff and Trade DataWeb (DataWeb)/U.S. Department of Commerce (USDOC). <http://dataweb.usitc.gov> (accessed May–June 2019).
- U.S. International Trade Commission (USITC). *Nonrubber Footwear: Report to the President on Investigation No. TA-201-55*. USITC Publication 1717. Washington, DC: USITC, July 1985.
- USITC, "Special Topic: Trade Metrics," *Shifts in U.S. Merchandise Trade, 2014*, 2015. [https://www.usitc.gov/research\\_and\\_analysis/trade\\_shifts\\_2014/trade\\_metrics.htm](https://www.usitc.gov/research_and_analysis/trade_shifts_2014/trade_metrics.htm)
- U.S. International Trade Commission (USITC). *Shifts in Merchandise Trade, 2015*. USITC Publication 4641. Washington, DC: USITC, 2016. [https://www.usitc.gov/research\\_and\\_analysis/trade\\_shifts\\_2015/index.htm](https://www.usitc.gov/research_and_analysis/trade_shifts_2015/index.htm).
- Velazquez, Angela. "Why Italy's Footwear Sector Is Better Prepared to Take On the U.S. Market." *Sourcing Journal*, January 24, 2018. <https://sourcingjournal.com/footwear/footwear-trends/italys-footwear-brands-courting-us-retailers-2-98620/>.
- Viet Nam News. "A Billion Pairs of Shoes Exported," March 22, 2019. <https://vietnamnews.vn/economy/507560/1-billion-pairs-of-shoes-exported.html#|VhIEIGozwz1xTgY.97>.

Viet Nam News. "Leather, Footwear Sector Needs Supporting Industry," December 28, 2018.

<https://vietnamnews.vn/economy/492855/leather-footwear-sector-needs-supporting-industry-industry.htm1#bKffq2SObMUxxEzM.97>.