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THE MAGAZINE FOR THE GLOBAL SHOE INDUSTRY



Global footwear statistics analysed

Testing times for shoe companies

SATRA conducts foot size survey

Justin Fitzpatrick, shoe snob



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Image: Peter Haynes

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News

GERMANY Chemicals-maker BASF has teamed up with two 3D printing companies to develop solutions for materials and printers. Farsoon Hi-tech will supply the printer and Laser-Sinter-Service will offer support to manufacturers using the German group's materials. Laser sintering is one method used in the field of additive manufacturing. Following a three-dimensional blueprint, a laser draws the shape of an object in a powder, such as polyamide. The material powder hit by the laser beam melts and forms the desired 3D object layer by layer.

UK Independent research and testing organisation SATRA has completed an expansion project at its Chemical and Analytical Technology (CAT) laboratory. The facility, based in Kettering in central England, has doubled in size to meet what the organisation has called the growing demand for permeation testing.

EGYPT A prominent business figure from Egypt, Nassef Sawiris, has bought a 6% stake in sporting goods brand adidas. Mr Sawiris, who made his fortune in the construction industry, has invested in a number of prominent companies since, often speaking publicly about his ambition for them and about his views on the performance of senior management.

PORTUGAL The founder and president of one of Portugal's most successful footwear groups has said most shoe manufacturers in the country are not in a position to meet new demands for a 5% increase in the minimum wage. One possible outcome of October's general election is an increase in the minimum wage from €505 per month to €550 from the start of 2016 and to €600 per month in 2019. The most senior figure in the Portuguese footwear industry, Fortunato Frederico, told local media that a small number of large footwear groups may be able to cope with the increase, but that the vast majority of shoe manufacturers in the country are not ready.

FRANCE New figures from specialist market research organisation NPD Group suggest sales of sports shoes in France will have registered growth of between 5% and 10% for 2015, which it describes as "remarkable" given that the same market grew by 8% in 2014. Sports footwear now constitutes a market worth €2.7 billion per year, with a 30% share of all footwear sold in France, it said. However, NPD Group has also said that 44% of all sports or sports-inspired shoes sold in France now are never used for sports or outdoor activity.

SOUTH AFRICA Private equity firm Silverfleet Capital has announced that it has agreed to sell footwear retail group Office to South African retailer Truworths International. Silverfleet acquired Office from serial footwear industry entrepreneur Tom Hunter in December 2010. In the course of its five years of ownership, it has expanded Office retail outlets from 75 to 115 stand-alone stores in the UK, Ireland and Germany. It also increased the number of concessions to 47. Headquartered in London and founded in 1981, Office achieved sales of £270 million last year.

ITALY High-end footwear group Tod's has paid €415 million for the Roger Vivier brand name, even though the brand has been owned since 2003 by the Della Valle brothers, Diego and Andrea, who also control Tod's. The Della Valles said on making the announcement that they were putting full ownership of the Vivier brand into the hands of the Tod's group to "remove the uncertainties connected to any licence agreement" and because the deal represents for Tod's "an important opportunity for growth and development".

AUSTRALIA Specialist sheepskin footwear brand EMU Australia has expanded the number of waterproof models in its Ever Natural collection for autumn 2016. As the name suggests, Ever Natural uses only natural materials, including a range of Australian leathers and suedes and merino wool. In addition, the brand has announced a partnership with WaterAid, in which EMU will support the aid agency's efforts to bring safe water, sanitation and hygiene to communities in the developing world.

VIETNAM Pou Chen is among the companies that have steadily stepped up production in Vietnam in anticipation of the duty-free entry to the US and other markets product from there will have under the Trans-Pacific Partnership free trade agreement. Pou Chen has told *The Nikkei Asian Review* that it made 34% of its shoes in Vietnam in 2013, 39% in 2014 and now stood at 42%.

US Retail group DSW reported a "disappointing" third quarter. Chief executive, Mike MacDonald, said unseasonably warm temperatures, cautious consumer spending and slower tourism all affected sales at the group's 400-plus stores across the US and Canada. Mr MacDonald admitted on announcing sales of \$1.95 billion for the first nine months of 2015, almost 1% up on the figure for the same period last year, that DSW had cancelled orders. Mr MacDonald will stand down at the end of this year, with current chief innovation officer, Roger Rawlins, taking over on January 1.

CHINA China's ministry of finance has announced reduced import tariffs for a range of consumer products, including leather footwear. Tariffs for leather shoe imports will reduce from more than 20% to 12% in 2016, making it cheaper for retailers to bring into the country footwear from brands in Europe and other parts of the world.

● Exports of leather shoes from China fell in volume and in value in the first eight months of 2015 compared to the same period in 2014. Between January and August this year, official figures from the China Leather Industry Association (CLIA) show that Chinese footwear manufacturers exported 570.6 million pairs of shoes with leather uppers, bringing in export revenues of \$8.3 billion. These figures represent a year-on-year decline of 11.3% in volume and of 9% in value and show an average price per pair of \$14.54 (slightly up on the average price per pair for the same period in 2014, \$14.06).

MEXICO Mexico's second-biggest shoe-producing state, Jalisco, will open a new, dedicated footwear design centre next year. The new facility, which has involved an investment of more than \$500,000, will be located in the city of Guadalajara. President of the local footwear association, Salvador González, said manufacturers in Jalisco have an opportunity to claim a larger share of the domestic market than they have had in recent years owing to the high value of the US dollar. Exchange rates are making it difficult for Mexican shoe retailers to bring product in from other origins and they are looking to domestic manufacturers to fill the gap.

NICARAGUA Nicaragua's national leather and footwear association has said an increase in the quality of the shoes local manufacturers are producing is bringing buyers from other locations to the Central American country. In recent comments to local media, association president, Alejandro Delgado, said important buyers from other countries in the region visited Nicaragua in late November to place orders totalling more than 400,000 pairs. He said Nicaragua's footwear industry produced around 6.5 million pairs in 2014 and that the figure for 2015 is likely to be 8 million.

ARGENTINA A leather industry association in Argentina, Cámara Industrial de las Manufacturas del Cuero (CIMAC), has spoken to a number of media outlets in the country to express concern about the possibility of the economy becoming too liberalised following the election win in November of Mauricio Macri. CIMAC president, Ariel Aguilar, has said his member companies are afraid of the possible consequences of a win for Mr Macri, who has talked extensively about liberalising Argentina's economy during the campaign.

Footprints

APPOINTMENTS AT WOLVERINE CEMENT AMBITIONS

Footwear group Wolverine World Wide has appointed the president of its Saucony athletic shoe brand, **Richie Woodworth**, as the new president of its lifestyle group, which includes the Sperry, Stride Rite, Keds, and Hush Puppies brands. Mr Woodworth takes up the position at the start of the new year. He will replace **Andy Simister**, who is to return to the UK for personal reasons, the group said.

Richie Woodworth has been president of the Saucony brand since 2006. Previously, he worked in various executive roles at Tommy Hilfiger Footwear and as president of the Greg Norman Collection at Reebok.

Wolverine World Wide has also appointed two senior managers to strengthen the apparel channel and consumer-direct initiatives.

Scott Sincerbeaux has been hired as president of 'consumer direct' to grow the division and omnichannel initiatives. He was most recently vice-president of North America Retail at Godiva Chocolate and has held senior positions at Ecco, Brown Shoe and several other footwear companies.

Tom Kennedy has been named as president of apparel and accessories, a newly created role.

CHANGE OF OWNERSHIP FOR HAVAIANAS MAKER

A Brazilian holding company run by the family of JBS's CEO has spent \$725 million on a 44% stake of footwear manufacturer Alpargatas, maker of Havaianas flip flops.

Camargo Corrêa sold its controlling stake to the J&F Investimentos investment company, which **Wesley Batista**, head of the meatpacking and tannery group, owns. Alpargatas also has the distribution rights for Timberland and Mizuno in the country.

TRICKER'S APPOINT NEW HEAD OF GLOBAL SALES

Men's footwear brand Tricker's has appointed **David Jeffery** as its new



ATOSSA OFFERS 3D PRINTED HIGH-HEELED SHOES FOR \$99

A start-up footwear brand specialising in 3D printed heels for women, Atossa, has launched a Kickstarter funding campaign in which people interested in the concept can receive a pair of the company's 3D printed shoes for an investment of \$99.

Founder, **Behrad Ghodsi**, has told *World Footwear* that he believes Atossa shoes will offer high levels of wearability owing to the ability of 3D printed footwear producers to make shoes that shape themselves exactly to the unique characteristics of each person's feet.

Mr Ghodsi also said he is confident, having worked on the project for more than a year, producing multiple prototypes and conducting user testing, that his shoes will prove to be as durable as mainstream high-heels. Plus, if anything goes wrong with the shoes or customers simply grow tired of them, they can send them back to Atossa for reprinting and receive a new pair at "a huge discount".

He told *World Footwear*: "This shoe prints in one piece so there is no chance of parts of it becoming detached. Secondly, we searched for a stylish, organic structure that could be printed by 3D printers. The strength of the structure, with minimum material usage, was a concern since it should be able to tolerate the pressures of the wearer's weight and her movements. We have ended up with a texture of microscopic bones, which provides both style and sturdiness for the shoes."

Originally from Iran and now based in Rochester, New York, Behrad Ghodsi worked on the Atossa project as his thesis for a Master's in industrial design at the Rochester Institute of Technology. He already holds a Bachelor of Fine Arts degree in Industrial Design from the Art University of Tehran.

head of global sales. He joined the company on December 1.

Founded in Northampton in 1829, Tricker's specialises in handmade shoes and boots for men, especially made-to-measure products. It has an own-brand store in Jermyn Street in London.

Managing director, **Martin Mason**, said he was confident David Jeffery

would help Tricker's improve its visibility and drive international expansion, bringing the brand "renewed energy and growth".

For his part, David Jeffery said: "I am absolutely thrilled to be joining Tricker's at such an exciting time. Being a local chap, it's a brand that I have always admired for their skills, craftsmanship and remaining true to

their roots."

He previously held roles at Paul Smith and Jeffery West. He is the brother of **Mark Jeffery**, co-founder of the latter brand.

CALERES NAMES BRAND PRESIDENT

Caleres, formerly Brown Shoe, has appointed of **Jay Schmidt** as president of the company's brand portfolio business, replacing John Mazurk, who is retiring at the end of the year.

Before joining the company in 2008, Mr Schmidt spent 10 years with Nine West Group and also held positions with Lord & Taylor, May Merchandising Corporation and Macy's.

CEO **Diane Sullivan** said: "I'm delighted to have Jay lead both brand portfolios. His background and experience will help us further refine our Brand Portfolio business strategy and drive collaboration across our strong collection of brands."

The group's brands include Sam Edelman, Franco Sarto, Vince, Via Spiga, Diane von Furstenberg, Naturalizer, Dr. Scholl's and Rykă

NEW PRESIDENT FOR FICE

Spanish footwear industry federation FICE has appointed **José Monzonís** as its new executive president. He replaces **José Sanchís**, who has led the organisation since 2013 following the retirement and then untimely death of former long-time president, **Rafael Calvo**.

Mr Monzonís joined FICE in July and became managing director of a newly created commercial arm, FICE Servicios, which carries out international promotion of the Spanish shoe industry.

At the time of the announcement, which followed FICE's general assembly on November 25, José Sanchís said he was confident he was leaving the organisation on a firm footing, having carried out considerable internal restructuring.

'DYNAMIC LEADER' LEAVES AMERICAN APPAREL & FOOTWEAR ASSOCIATION

The president of the American Apparel & Footwear Association (AAFA) is stepping down after a year and a half to take on a new role.

CROCKETT & JONES WON BOND MOVIE ROLE ON MERIT

High-end English men's footwear brand Crockett & Jones is pleased to have a starring role in the twenty-fourth James Bond film, *Spectre*, which premiered at the end of October.

Ian Fleming's debonaire spy, played by **Daniel Craig**, appears at various points in the film wearing no fewer than six different Crockett & Jones styles, including the Northcote, Radnor and Camberley boots, the Alex and Norwich dress shoes and the Swansea suede brogue.

Just before the film's release, the *Financial Times* published an article giving details of all the brands that have screen time in *Spectre* and stated clearly that many of them have paid handsomely to feature. For example, quoting internal company memos that have appeared on whistleblower website Wikileaks, the *FT* alleged consumer electronics firms have paid millions of dollars to be involved.

Not so Crockett & Jones, though. The Northampton-based footwear company has confirmed to *World Footwear* that, while it hopes to attract new customers through James Bond-related publicity (of which it already has experience following participation in a previous James Bond film, *Skyfall*, in 2012), its links to the films have grown thanks to what it calls "an organic process" rather than through paying for the privilege.

The company added that, while it is disinclined to disclose the details of this organic process, it is "very proud" to feature in *Spectre*.

CREDIT: CROCKETT & JONES



Juanita Duggan took over from **Kevin Burke**, who led the organisation for 12 years, in June 2014.

She remained on the board until the end of 2015 and for the move into the new headquarters close to Capitol Hill in Washington.

Rick Helfenbein, chairman of AAFA, said: "When we brought Juanita on, we knew that she was a dynamic leader with deep Washington insight which is why we selected her to chart a new course for AAFA and that's what she has done."

"Under her leadership, we have garnered important legislative wins in trade, raised the profile of the organisation, and put a new architecture in place that sets AAFA up for future success."

ADIDAS MAN TO LOOK AFTER HAGLÖFS IN NORWAY

Haglöfs has appointed a sales manager from adidas as its manager for Norway.

Stian Sunde will lead Haglöfs' Norwegian business from the Oslo office, starting on February 1.

Haglöfs established its subsidiary in

Norway in 1999 and opened a store in Oslo in 2013.

"In Stian we get a strategic and sales-driven country manager who will help us to further strengthen our position on the Norwegian market," said **Fredrik Ohlsson**, Haglöfs sales director.

NIKE AND PUMA VETERAN HEADS TO DECKERS

Footwear group Deckers has appointed Puma's chief commercial manager as its omni-channel president.

Stefano Caroti also worked at Nike for 23 years, in positions including general manager of the Europe, the Middle East and Africa region.👤

For the latest footwear industry news please visit:

footwearbiz.com

Products & Services

MATERIAL MANUFACTURER TAKES A BIG FOOTWEAR COMPONENT STEP

Chinese materials manufacturer Hua Feng has begun to play a more important role in the production of athletic footwear.

The company's director of innovation, Dr Thomas Schmidt, told the 2015 Manufacturers' Forum of the World Federation of the Sporting Goods Industry (WFSI) in Hong Kong on December 3, which innovation Hua Feng has been able to bring to the mesh fabrics it makes in Fujian province has allowed it to turn the fabrics into what he called semi-finished footwear upper components.

"The components we make are nearly finished," Dr Schmidt explained. "All the footwear factory needs to do is attach the outsole, do a little bit of stitching around the heel, attach the tongue and the shoe is good to go."

BASF INVESTS IN MORE SUSTAINABLE PIGMENT PRODUCTION

BASF is strengthening its global production network for pigments with two new investments. At its site in Nanjing, the company has increased its production capacities for high-performance diketopyrrolopyrrole pigments (DPP). In Ludwigshafen, BASF is going to expand its capacities for the production of versatile alpha blue pigments by the fall of 2016.

What it calls "the colour-intensive and extremely lightfast and weatherproof DPP pigments", marketed by BASF under the product name Irgazin, are used in plastics for coatings and a number of other applications.

"DPP pigments are a high-quality alternative to lead-chromate-based pigments that are increasingly being regulated all over the world. With these innovative products, we help our customers develop more sustainable solutions," said Jeff Knight, senior vice-president of the company's dispersions and pigments Asia-Pacific business unit.



COVESTRO SIGNS UP CHINESE COMPANY TO ITS INSQIN MANUFACTURERS PROGRAMME

Polymer materials supplier Covestro is extending its Insqin partner manufacturer programme with newly signed partner, Kunshan Xie fu New Material, a Chinese producer of PU-coated fabric for global markets.

The two companies will collaborate to promote sustainable PU materials in a range of sectors, including apparel and footwear.

Launched in July 2015, the Insqin partner manufacturer programme aims to connect manufacturers and brand owners across the PU-coated fabric supply chain. Partners must demonstrate an ongoing commitment to sustainability and transparency, using Covestro's waterborne PU coating technology and industry-leading processes to meet the sustainability needs of brand owners.

Xie fu is the second company to earn a place on the programme, following in the footsteps of Korean PU synthetic materials manufacturer Duksung.

"A growing number of brands and retailers are becoming interested in sourcing sustainable materials and they need more assurances about the origins and integrity of those materials," said Nick Smith, global head of textile coatings at Covestro. "The programme was developed to link these brands with manufacturers capable of efficiently delivering innovative materials and sustainability best practice."

He said Covestro is proud to welcome Xie fu to the programme and looks forward to supporting the growth of sustainable PU-coated textiles in the fashion apparel and footwear markets worldwide.

ADIDAS COMMITS TO RID OCEAN OF PLASTIC WITH 3D PRINTED MIDSOLE CONCEPT

Following on from a shoe upper concept made with yarns sourced from recycled ocean plastic, adidas has launched a 3D printed midsole and has given *World Footwear* further details of the partnership with Parley for the Oceans.

The shoe is not suitable for use as it's not cushiony enough, but is said to be an indication of things to come. "We don't know how to scale up this process [3D printing], but we have to keep working on it," said Eric Liedtke, head of global brands at adidas.

The midsole is 3D printed using recycled polyester and gill net content. It is made from a 72 km long fishing net

obtained from a 'pirate' fishing vessel that the Sea Shepherd ship chased for 200km.

Taiwan-based supplier Far Eastern New Century is making the polyester for the shoe.

CTCR PROMISES FOOTWEAR BREAKTHROUGH FROM MILK WASTE

CTCR, the dedicated footwear technology centre in the Spanish region of La Rioja, has launched a new project called Lactishoe with the aim of developing new value-adding applications for footwear using microencapsulated lactic acid.

Officials at the centre said on launching the project that they expect enhanced skin health as the main benefit to wearers of the shoes, thanks to the rejuvenating and moisturising properties of lactic acid. If the idea works, people wearing the shoes should find their skin becomes softer and more supple.

Technologists at CTCR plan to develop a new hybrid fermentation process to extract lactic acid with particularly high levels of purity and performance from whey. After microencapsulation, the idea is to put the lactic acid into the soles and linings of shoes. "Whey has never been used in the footwear industry before," the centre said. "It's a waste material and we believe this represents an important innovation in the footwear sector, one that has an important environmental benefit."

CTCR, situated in the footwear manufacturing hub of Arnedo, is currently engaged with shoe companies in 29 different innovation projects and has been involved in more than 150 projects in all since its inception in 2007. The partners it will work on for Lactishoe are safety footwear manufacturer Garmaryga and insole specialist Arneplant, both local companies.

ZDHC INCLUDES LEATHER CHEMICALS IN NEW MRSL

The Zero Discharge of Hazardous Chemicals (ZDHC) programme has extended its Manufacturing Restricted Substances List (MRSL) to include for the first time chemical formulations and substances that it wants companies involved in leather production to be

VIBRAM EXTENDS FIVEFINGERS RANGE WITH NEW WOOL PRODUCT

Soling technology and minimalist footwear developer Vibram has added a new model to its FiveFingers five-toe shoe range, launching the FiveFingers CVT Wool.

As the name suggests, the new product has an upper made from wool, which Vibram describes as "warm and transpiring to ensure comfort and warmth, even on the coldest days". It has the company's proprietary Ictrek rubber inserts for grip and stability, even on slippery surfaces.



aware of and avoid.

ZDHC formed as a coalition of six brands and retailers (H&M, Puma, Nike, C&A, Li-Ning and adidas) in 2011 following a campaign against hazardous chemicals in clothing and footwear by Greenpeace. It now has a total of 26 brands and organisations as signed-up supporters.

It has had an MRSL in place for textiles for some time but announced earlier this year that it would work with multi-stakeholder body the Leather Working Group to review the textiles list and adapt it for the leather industry. The new version, published on December 9, includes this update.

MICROBAN TARGETS OUTDOOR INDUSTRY WITH ANTIMICROBIAL PRODUCT

Antimicrobial specialist Microban is increasing investments in the outdoor industry and has launched a new product, Excalibur, for footwear and apparel combining antimicrobial and an odour absorbing functionality.

Excalibur is intended for hiking boots, running shoes and sandals. It is also compatible with high performing water repellent systems.

'SIGNIFICANT ADVANCEMENTS' LEAD TO 3D PRINTED MIDSOLE FROM NEW BALANCE

Following in the footsteps of adidas, New Balance has launched a 3D printed midsole, following "significant advancements in the performance of printed parts for running shoes".

It makes use of 3D Systems' new

elastomeric powder, DuraForm Flex TPU, which it says balances flexibility, strength, weight and durability.

It is produced by selective laser sintering (SLS), a process that converts new powder materials into solid cross-sections, layer by layer, using a laser.

"This project represents an unprecedented technical collaboration in footwear," said Sean Murphy, New Balance's manager of innovation and engineering.

"To deliver this level of performance with a 3D printed component, we paired experts in running and biomechanics with leaders in plastics engineering, material development and generative design. These are the types of collaborations that will drive footwear design and manufacturing in the future."

The limited edition running shoe will launch in Boston in April 2016 and then in selected stores around the world.

FRENCH GROUP UNVEILS SMART SHOE THAT CHANGES COLOUR

A trio of French companies have launched smart shoe that can change colour to match outfits.

Phoceis, Eram and Design Studio have integrated electronics into the sole of #CHOOSE to allow bluetooth communication with a smartphone.

LEDs inside the shoe are able to reproduce any colour, which is then transmitted to the material.

This project received funding from trade competitiveness cluster Picom and European Fund for Economic and Regional Development. 



Backtrack

World Footwear's publishing cycle and limitations on space make it impossible for us to run more than a carefully selected sample of news from across the industry. However, we publish hundreds more stories on **www.footwearbiz.com**. The site is updated every day with news from every continent and every part of the industry, making footwearbiz.com one of the most

comprehensive archives of news anywhere on the web for the global footwear industry.

We list below just a few of the headlines that have appeared on the site in recent weeks –

www.footwearbiz.com allows you to read those you have missed.

09.12.15

English Leather Company to offer cordovan

FDRA praises more factories as 'responsible manufacturers'

UITIC call for papers hailed as a success

08.12.15

Timberland: Organic and recycled content percentage continues to decline

07.12.15

Tamara Mellon brand enters Chapter 11

Italian shoe companies urged to embrace digital marketplace

04.12.15

Tanneries unveil performance footwear leathers

03.12.15

Spanish outdoor footwear manufacturer celebrates 50 years

02.12.15

Foot health technology provider makes senior appointments

30.11.15

Caleres reports flat sales but 'good performance' in third quarter

25.11.15

Confident Foot Locker sees sales rise in third quarter

24.11.15

Berlin event to include new footwear and accessory segment

23.11.15

Deckers clamps down on fake Uggs

Aquazzura founder makes personal appearance in Florida

20.11.15

Abrameq takes innovation seminars to Peru

19.11.15

Anti-mould solutions provider to enter the US market

BASF makes its largest investment ever at Ludwigshafen

17.11.15

Chinese demand for Italian shoes boosts Ferragamo

Optimism for Simac 2016

16.11.15

Nike and Bayer in top 100 innovators list

School shoe programme remains in place in Nicaragua

13.11.15

Sanitized names footwear partner and expands in US

12.11.15

Italian shoe brand partners Manchester United

Vibram to take a tough line on counterfeiters

11.11.15

Shoe fitters association takes foot health appeal to UK Parliament

Reef branches into 'outside' footwear after rapid growth in sector

Oboz creates business analyst role for German outdoor enthusiast

Italian machinery manufacturers in new Vietnam deal

10.11.15

Puma to increase focus on female customers

Early feedback on Momad Shoes brings a date-change

09.11.15

China's one child policy can offer opportunities for footwear companies - BFA

FDRA recognises "responsible" shoe factories

05.11.15

UITIC congress adds factory visits to programme

Footwear and ethical sourcing move up the agenda for retailers

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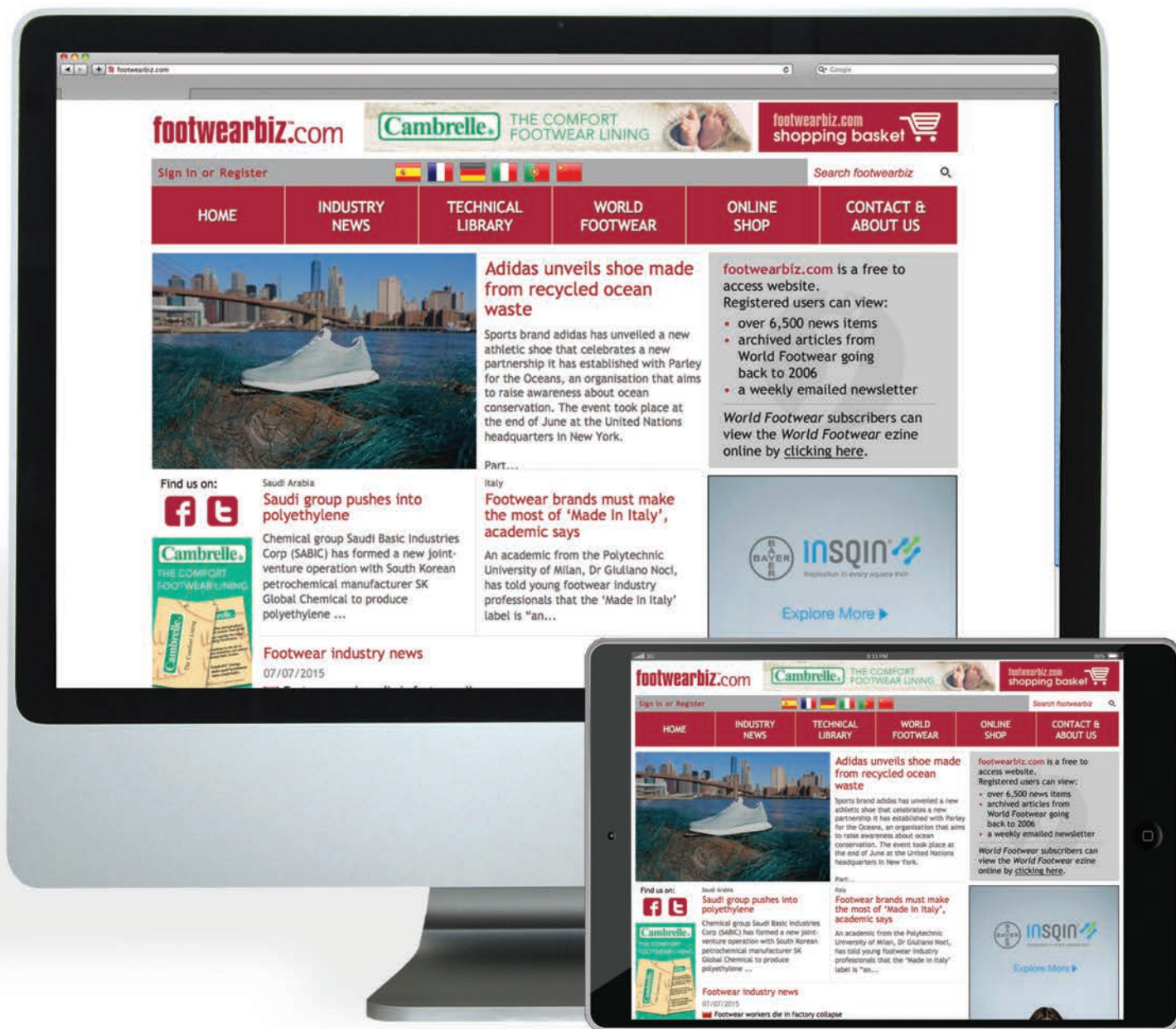
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Vietnam's victory

After years of delays, debates and frustrations, the 12 countries negotiating the Trans-Pacific Partnership (TPP) have signed a preliminary deal and for the footwear industry it signals the start of what could be a big shift in sourcing from China to Vietnam. While this has been gradually happening over the past few years, when the deal is finally passed, the zero percent tariff to countries included in the deal will further accelerate the trend.

Of the countries included in the deal – Australia, Brunei Darussalam, Japan, Canada, Chile, the US, Malaysia, Mexico, New Zealand, Peru, Singapore and Vietnam – it is the China-Vietnam-US shift that will affect footwear the most. Wages are around 40% cheaper in Vietnam than China and investment is flooding in.

In the year to the end of September, exports from Vietnam to the US rose 21% in volume and 26% in value – the fourth consecutive year of around 20% growth. It is the second largest exporter of shoes after China, and while this still falls a long way behind its larger neighbour, this is expected to change.

"Historically, Vietnam has been a country that has produced athletic shoes, but now we're seeing a lot more movement to other types of product, so there's mass footwear now being produced for companies such as Target and Walmart, as well as fashion and leather," says Matt Priest, president of the

The signing of the Trans-Pacific Partnership will make the South East Asian country increasingly attractive for sourcing, and the Footwear Distributors and Retailers of America estimates it will lead to \$450 million in savings for the US in the first year alone.

Footwear Distributors and Retailer of America (FDRA) which counts 80% of the US footwear industry as members. "While it can never replace China in terms of sheer volume of product, it is becoming an important part of our sourcing paradigm and the growth is really important."

The FDRA estimates that in the first year alone, the savings will amount to \$450 million for US importers, and more than \$6 billion over the 12-year deal period. This will result in more jobs along the supply chain as the volumes of imports increases, according to the organisation. "This is a once-in-a-generation opportunity for us to cut into that \$2.5 billion duty bill and that means more innovation in the supply, for mass

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retail it means lower prices, more footwear jobs, more product coming across our borders so ports are more active, truck drivers are more active, distribution centre workers are more active. We can't overemphasise the impact this will have throughout the supply chain."

From 120 footwear classifications (at the 8 digit level), 108 will be tariff free from the day the TPP goes into force. Eighteen lines were deemed sensitive by the US government and the domestic footwear industry, but even for those there will be substantial cuts. "For certain athletic lines, we have a 40% cut," adds Mr Priest. "This will create a lot of growth in the industry once it's passed."

Sourcing shift

Vietnam has been preparing for the deal since before negotiations began in 2008. Investment has been pouring in from Taiwanese, Thai and Chinese corporations, building footwear factories in anticipation of the benefits and taking advantage of 'push factors' such as rising wages and skills shortages in China. Wolverine announced last year that while 75% of the company's supplies come from China, it will cut this to a third by 2020 and leave the rest to Vietnam, which currently supplies 15%. Taiwanese group Ever Rite, a supplier to Payless and Zara, launched production in Vietnam in 2013 and now runs 60 assembly lines there.

However, while many brands have been sourcing from there for decades, questions have been raised over whether Vietnam has the infrastructure and supply chains to cope with much larger volumes of product. There have also been some issues with strikes over wages, although not as many as in neighbouring Cambodia, and the minimum wage was raised 15% to around \$145 from January 2015, which some manufacturers' associations worried could deter brands.

For apparel sourcing, a major sticking point in the TPP negotiations was the 'rules of origin' – namely, how much of the garment had to originate in Vietnam for it to qualify: do the yarn and the textile have to be made there, or can the material be imported, and the garment just cut and sewn? For footwear, there was a similar debate. The conclusion was that it depends under which part of the agreement the component falls. For example, leather and rolls of PU will be able to be brought into Vietnam, as they are not classified in Chapter 64 of the Harmonised Tariff Schedule. However, many footwear components such as heels do fall under this category and will have to originate from Vietnam.

"My suspicion is that most of our members will be in a position to use the first rule of origin; it's less onerous, there's less bookkeeping and less dots to connect from a supply chain perspective," says Mr Priest. "There is a lot of fully integrated footwear production; from the material level on, there is everything you need. So you may need to bring in rolls of leather, or PU or zips, but once you get it in you will be able to ship the shoes duty free. The rules are pretty flexible in terms of opportunities."

This will help leather shoe manufacturers; Vietnam's leather supply chain is not as robust as China's, as there are fewer tanneries operating in the country. Observers have suggested the country will need 45% more leather between now and 2020 to service demand. This opens opportunities for other countries to supply the material. India's Council for Leather Exports is targeting a 20% increase in its exports to Vietnam



Workboots, leather footwear and fashion styles are increasingly finding a home in Vietnam, traditionally a source of athletic shoes.

CREDIT: GURYANOV ANDREY / SHUTTERSTOCK.COM

and Brazilian tanneries have been courting manufacturers in the country. Exports of leather shoes from China fell 11% in volume the first eight months of 2015 compared with the same period in 2014, according to the China Leather Industry Association (CLIA), which could open further opportunities for Vietnam to step in.

Vietnam is also set to benefit from the ASEAN Economic Community (AEC), which was due to be established by the end of 2015 (although this might run over the deadline). This deal will offer duty-free access to Indonesia, Malaysia, the Philippines, Singapore, Thailand, Brunei, Cambodia, Laos and Myanmar. Vietnam achieved shoe sales of \$1.8 billion in ASEAN partner states in 2014, making the prospects for growth under the AEC strong.

Additionally, the European Union and Vietnam last summer agreed in principle to a free trade agreement, which will remove nearly all tariffs on traded goods. The deal, which took more than two years to negotiate, is expected to conclude in late 2017 or early 2018, with some tariffs eliminated gradually over a 10-year period.

Vietnam's leather and footwear association, Lefaso, estimates that the 600,000 footwear workers will increase to around 1 million once these deals are passed.

Losers?

While the TPP represents something of a coup for footwear manufacturers and brands in Vietnam, it might harm trade in other areas.

Indonesia and Cambodia, both of which have burgeoning footwear industries, are not included in the deal, and it could make them less competitive in terms of exporting to the US and Japan. Indonesia and South Korea have recently expressed interest in joining.

"Indonesia is the number three supplier to the US market so it's an important aspect," agrees Mr Priest. "As we get close to the end, those that made the decision to sit out are maybe regretting that decision because there's a lot of opportunity."



The agreement foresees this kind of dynamic, where countries can join in later, but that is something that's years down the road."

As well as exporting countries, it could also have an effect on countries such as Mexico whose domestic manufacturing will be in competition with cheaper Vietnamese imports. "We have warned the government about this from the outset," says Ysmael López García, former president of Guanajuato-based footwear association CICEG. "Countries such as Vietnam, Malaysia and even Singapore are never going to buy from us, but Vietnam as a competitor presents a risk to us."

Manufacturing countries outside of the deal might also feel the pinch. For instance, UK-made leather shoes will be at a disadvantage to US shoes in Japan, an important market.

Within the US, there have also been opponents to the TPP. Even though New Balance imports 75% of its shoes, it vocally opposed the deal because of the effect it could have on its domestic operations in Skowhegan, Norridgewock and Norway [Maine] and Massachusetts. "Vietnam doesn't need a reduction in tariffs to continue to thrive," said its director of public affairs, Matt Le Bretton, during negotiations. "We need tariffs to remain in place for our ability to continue to operate here. It is a very simple argument."

Even US-based outdoor brand Patagonia voiced concerns about whether environmental and labour protections will be enforced under the deal. "The question, ultimately, isn't whether trade is free, which it mostly is around the globe, but who benefits from a new trade pact," stated its CEO, Rose Marcario. "Does it serve the many, in our country and abroad, or only a few – those who have the economic and political muscle to get their interests written, opaquely and without public oversight, into law?"

Increased innovation?

Mr Priest is in no doubt who the deal will serve: brands, retailers, the supply chain and even consumers in the US, he says. If the shoes retail at the same price, there will effectively be higher margins for brands. In the mass retail space, where there is a lot of competition between retailers, prices might

Target stores selling Vietnam-made footwear in the US should benefit once the TPP agreement comes into force.

CREDIT: TARGET BRANDS, INC.

fall as a bargaining tool.

"It will create innovation and increase revenue for the brands and we're not ones to shy away from counting that as something that's valuable to the industry because of the jobs that our industry creates, and the jobs that depend on our ability to import product, so there will be a lot of benefit to consumers and a lot of benefits to the overall supply chain."

As well as 'innovation' in the athletic and outdoor footwear sectors, it might also be apparent in terms of less restrictive designs. The current tariff system, which involves 436 categories and is described by Mr Priest as "arcane", means designs are bound by where they fall in the tariff code and how much that duty rate is going to be. For example, boots that are lined with fur or another insulator are classed as 'insulating' and carry 37.5% duty rate, but if the fur stops at the ankle the rate is 10%. "In cold weather it might be nice to have the additional protection but you are currently penalised by adding value in the boot," explains Mr Priest.

However, TPP is not a done deal. All participating countries still have to pass it through their parliaments and agree on the final terms, which could take many more months. In the US, the backdrop of the presidential elections next year could mean debate will get swallowed up, and the further into the next year it gets, the more difficult it might be to finalise under Barack Obama's term, say observers. But Mr Priest is adamant the administration is working "pretty aggressively", publishing the text just a month after the announcement, while the president notified Congress of his intent to sign within 90 days. "All those things are positive and there's going to be a really aggressive push. That's why we're not waiting to see what happens, we're getting our members excited about it now, so that when the time comes, this thing is teed up and ready to go," he says. "As of now I'm optimistic; if it gets to February and nothing much has changed, we might be having another conversation." 🔄



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Testing body SGS wants to bring a new initiative called Tiered Testing to the leather and footwear sector. It insists that suppliers' necessity to comply with regulations and restricted substance lists (RSLs) is only going to intensify in years to come. As there is nowhere to hide, it wants companies at all stages of the supply chain to share the compliance burden.

Time for testing to have one voice

Inspection, verification, testing and certification company SGS has said it wants to help companies in the footwear and leather sectors make the cost of compliance "more sustainable". It began looking at this question a year ago and started raising it in public during the course of 2015. It has organised a series of seminars, with events taking place so far in China, the UK, US, France, India, Vietnam and Indonesia to examine this issue. It said after these events that it had received a positive response from the representatives of leading footwear brands and retailers who took part. It then asked companies to contribute to an industry-wide chemical testing protocol it wants to establish but has made clear it accepts the need to recognise the tests, standards, certificates and approvals of rival organisations in its efforts to convince partners operating at different points in the supply chain to share the burden and cost of compliance.

Knowledge share

For Paul Bridge, business development manager of SGS's footwear and leather division, who led the series of seminars, the main benefit of having footwear professionals take part in events like these is to be able to share with them his knowledge of the footwear and leather supply chain. Something of a veteran of the UK and (later) global shoe and leather industry, Mr Bridge started his career at Sanders & Sanders in Rushden and went on to become production

Leather needs to pass both brands' and regulatory requirements

CREDIT: SGS



manager of Northampton-based manufacturer John White before continuing his career for almost a decade at British United Shoe Machinery and, afterwards, moving into leather production at Pittards and Ecco. "I love the industry," he says, "and all I want is to share my knowledge of it and support it." He is convinced the footwear industry's need for knowledge and support is great and about to become considerably greater, and all because of the rising demand for materials and finished products to comply with increasingly complex product safety criteria.

Extended REACH

He fears many leather and footwear manufacturers have been too reluctant to move forward in terms of providing the reassurance their customers and end consumers need with regard to testing and product safety. "Yes, it's in the interests of SGS and other testing houses for companies to do this well," he says, "but that's not why I am saying it. I have been in my current role at SGS for two years now, but that's after 33 years on the other side of the fence. The requirements of customers regarding compliance are a problem for the industry and too many people have opted to stick their heads in the sand, hoping this problem will go away. It won't go away; I think it will get worse. There are currently 163 products on the candidate list of substances of very high concern under REACH regulations. In five years there will be 500, and in ten years there will be 2,500."

SGS's main tool for helping to make it more sustainable, more economically viable, for companies to invest in the testing of materials is a new initiative the organisation is calling Tiered Testing. Retailers are worried about compliance, Mr Bridge explains, for the simple reason that if products they sell harm consumers, it's the retailers' names that will make the news. Big retail groups who, in many markets, bring almost all of their shoes in from other countries, are asking importers to make sure shoes are compliant before they reach the shelves of the shops. In other markets, shoe manufacturers are being asked to bear a similar burden. Tiered Testing is a method of pushing responsibility for compliance testing further upstream, as we are seeing with manufacturing restricted substance lists (MRSLs), but with companies in each tier sharing the cost of testing the materials and components they are responsible for. If retailers in the scenario above are tier one, the manufacturers (or distributors) of the finished shoes are tier two and the suppliers of leather, other upper materials, toe-puffs, soling components and materials, heels and so on are tier three. The layers of supply chain complexity continue upstream all the way to raw materials, but Mr Bridge says that the Tiered Testing for leather and footwear that SGS is introducing will concentrate, initially at least, on these last three tiers: retailers, finished product suppliers and component suppliers (including tanners).

Before going public with its idea, SGS ran a trial with Northamptonshire-based Goldline, a sourcing partner that brings more than five million pairs of shoes into the UK each year from overseas manufacturers and distributes them to retail clients. It worked alongside Paul Bridge and his colleagues to see if they could convince suppliers to make sure their products were compliant before going into a shoe; all parties were pleased with the progress they made.

TESTING OFFERINGS

- SGS offers tannery training as a one-day course. It explains manufacturing from raw material to finished product, the chemistry of leather manufacturing, aesthetic and performance possibilities and limitations of different leathers, industry requirements from a performance and restricted substance viewpoint and industry challenges.
- For footwear manufacturers and retailers, services include footwear defect analysis, Ecoresure certification for components and Ecoresure Product Mark. Mould and chromium VI prevention are newer services specifically aimed at the footwear and leather industry.
- SGS Global Softlines has a network of 40 laboratories, with the most recent openings in Turkey and Indonesia. The lab in Turkey provides a full range of physical and chemical testing services for footwear and leathers. The Indonesia lab is located in Jakarta and builds on the country's footwear testing services, offered since 2011.
- The group can also help brands to understand national requirements in new markets.

Mr Bridge gives the example of tanners testing finished leather for the presence of hexavalent chromium (chrome VI) before shipping it to a footwear manufacturer. This continues to be a thorny issue. There are two forms of chromium compounds that leather and footwear companies need to know about. The first is found in the materials that are used for tanning most hides. Here the chromium is in the trivalent state and is harmless. In the second form, the chromium is in the hexavalent state, which is toxic to humans and animals. Leather chemicals manufacturers insist that they manage all their processes under very strict conditions to make sure chromium-based tanning products are chrome VI-free, but



SGS footwear and leather division business development manager, Paul Bridge, speaking at one of the seminars the company has set up to introduce Tiered Testing to the industry.

CREDIT: SGS

STEPS TOWARDS PREVENTING PRODUCT RECALLS

For retailer and brands, it is imperative that the products they put on shelves are safe and free from restricted substances, but the issue is complex. A relatively simple shoe or boot can have 20 types of components, and each carries its own risk.

SGS's technical manager for footwear and leather, Andrew Hudson, says one thing he's learned is that concerns change. "Twenty years ago, one thing we were always concerned about was performance of leather, such as colour fastness, but restricted substances, chemicals and the environment is a top concern for retailers now."

The good news is that product recalls are falling, as once an issue is identified, producers work towards eliminating it. In 2014, independent testing body RAPEX recorded 70 recalls across all softlines (which includes textiles) compared with 160 cases in 2010 – a decline of 56%. Most of these fails were in Germany, Spain and France, which Dr Hudson explains is indicative of how much testing they do rather than more defective products. About 90% of the failures originated from China, with India making up most of the rest.

Restricted substances can be found in finished products for a number of reasons: variations in how products are manufactured, they can be added to aid or speed up part of the process – to emulsify products, to help penetration of dyestuffs – or to add performance. There are instances where some chemicals are impurities, some chemicals break down to release a restricted substance, or certain restricted substances that are not restricted in absolute terms.

"Chrome VI is a big concern," says Dr Hudson; "78% of recalls in 2014 were due to chrome VI. If you were only going to test for one substance, it would be chrome VI."

With around 80% to 85% of the world's leather tanned with chrome III (which is harmless, but can convert into harmful chrome VI in certain conditions), it seems the problem is hard to sidestep. "Of the leathers we test, depending on the region, we have a failure rate of between 5% and 10%," he says.

One of the biggest issues is that chrome VI forms in situ so the leather or finished product can pass the test in one continent but fail once it arrives at its destination. "You can imagine the arguments that go on in the supply chain."

Dr Hudson recommends that manufacturers and brands work closely with suppliers – "a lot of people don't have visibility back to the tannery" – look at transport issues and talk to suppliers about changing certain chemicals. "Chrome VI is fairly unique because it cannot be prevented just by monitoring your chemicals. You needed to build up the environment within the leather so the chrome III does not want to oxidise to chrome VI. You have to surround it by friendly chemicals, and that can be done. It can be prevented."



SGS's technical manager for footwear and leather, Dr Andrew Hudson. CREDIT: ASBCI

Recommendations for tanners include:

- Minimise soluble chrome III
- Fix at pH of 3.5-4.0 using formic acid
- Carry out a washing step at the end of the wet processes
- Use veg tans where possible
- If not possible, use alternative anti-oxidant systems
- Take care in the selection of the fatliquor system
- Avoid ammonia, especially in pre-dyeing
- Avoid chromate-based pigments

"If you are not testing your leather, you are likely to have an issue," Dr Hudson concludes. "It does depend on your supply chain, I don't want to lump all tanneries together, but if you're sourcing products from China or India there's a very high relative rate of failure. Should we be concerned? Yes, but no more than we've ever been concerned. Concerns change, but they should drive us to action, we should use them to protect and minimise the risk we have in our supply chains."

they acknowledge that it is possible for chromium compounds to convert from the trivalent state to the hexavalent state under extreme temperatures and oxidative conditions, even if all good tanners know how to avoid the formation of hexavalent chromium. These are the facts, but no one can deny that there is still widespread confusion about chrome and a clear need for chemical manufacturers to be able to reassure tanners, for tanners to reassure footwear brands and for footwear brands to reassure retailers and consumers that their products are sound. Where chrome VI is concerned, this is proving difficult.

Too big, too fragmented?

"The point is that there needs to be clarity throughout the supply chain," Mr Bridge continues. "It's true that some companies have told us they have doubts that Tiered Testing can work in this industry because it's too large and too fragmented, but it's been working in automotive for 30 years and each car can have between 60,000 and 200,000 different components. Automotive companies know everything about every one of those components because they have to. Footwear companies could do this, too, but they have to take their heads out of the sand first."

Fresh voices

SGS will facilitate the Tiered Testing initiative but insists it wants the industry to run it. It has sent newsletters to all the companies that have taken part in the seminars so far and is helping them set up a voluntary industry experts' panel, which already has representation from major footwear brands and retail groups. Representatives of the panel will be elected in future, with fresh voices always coming in. 🗣️



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Global manufacturing update

by Stuart Cleaver

In summarising the global shoe sector at end of 2014 (*World Footwear* January/February 2015), questions were asked as to how the industry was faring in the early post recession period and how it was expected to develop in 2014 to 2015 and beyond.

Global production of finished footwear rose by 1.2% in 2014 to breach the 20 billion pairs mark, an increase of 1.06 billion. This represents a smaller relative increase than in 2013 but does not include part finished footwear or components such as closed uppers.

Of course, with the overwhelming importance of the leading five countries of China, India, Vietnam, Indonesia and Brazil, whatever happens in these countries is pivotal to the global situation. Together, these five represent 81% of global shoe production with a combined output of 16.4 billion pairs. China alone is responsible for 56% of world footwear production. They are however in many ways all very different.

The top five

China is the all powerful giant which has been able to dominate most export markets. However, it has not had, of late, an entirely smooth upward rise. The Chinese economy whilst

still the envy of almost everyone else, has been advancing less strongly. The rise in wages has caused some concern and increasingly made careful buyers look at possible alternative sources, whilst the Chinese themselves have been exploring other areas of their country to see if costs can be reduced. The much heralded switch from exports to domestic consumption may be taking longer than expected, but the 2015 announcement of the relaxing of the one child per family rule, may give an added impetus in the longer term to this development.

India has the potential to rival China and has been making some strides to overcome its traditional obstacles to increasing efficiency in production and trade. Shoe exports, however, still only amount to 6.4% of global production and domestic consumption is barely two pairs per capita. Even another extra one pair would add over a billion pairs to the level of production. So, although progress is being made, there is still an untapped market both internally and externally that the Indian shoe industry can exploit. The portents that much progress can be made in the next decade are therefore fairly positive. China and India together are the powerhouse of global shoe production as they are responsible for 69% of world output.

CREDIT: VLADSV / SHUTTERSTOCK.COM





India's footwear industry could well grow to rival China in terms of exports. CREDIT: FARIDA GROUP

The other three leading producers, Vietnam, Indonesia and Brazil are all important in their own right but on nothing like the same scale as the 'big two', mostly due to scale of population.

Vietnam has, for some time, been touted as the heir apparent to China in the footwear exports sector. This feeling has gathered momentum particularly with China rumoured to be switching to a domestic focus from an export driven one. Has this manifested itself? The fact is, Chinese footwear exports rose by 'only' 1.3% in volume terms, as compared, for example, with a 4.5% rise in 2013. Vietnam, by contrast, achieved a rise of 16.1% in 2014 compared with 7.9% in 2013. Thus, in percentage terms, Vietnam made greater strides.

In absolute terms, however, China exported 113 million pairs more than in 2013 and Vietnam 79 million pairs more than the previous year. Furthermore, the gap between them in volume of exports is very large, with China at 8.78 billion pairs and Vietnam at 569 million. To put it in perspective, it will therefore take some years before Vietnam is really in a position to challenge China in terms of export volume.

Indonesia had a steady 2014 in that both output and exports rose by 3%. The latter increased by 10 million pairs to a total of 354 million, so the country fell further behind both China and Vietnam. With the pressure on for wage increases, it again looks like a long term struggle if Indonesia is ever to seriously threaten the hegemony of China or Vietnam in volume exports.

The last high volume shoe producer and, the only non-Asian one, is Brazil which at one time promised more but, for various reasons, has not made the progress once predicted. In 2014 its results were mixed. Shoe production actually fell by 2.5% to 877 million pairs. Exports, on the other hand, did increase and by no less than 5.4% or almost 7 million pairs. Nevertheless, its 129 million pairs of exports do not in any way challenge the 8.78 billion pairs of China, and their value fell by 2.6%.

On the basis of these statistics, there is little likelihood that the 'pecking order' in volume exports will change any time soon and with China only allowing a few crumbs to fall from its table.

Longer term alternatives

Due to the rapidly rising costs in China's traditional shoemaking areas, there is always a possibility that production will move to ever lower cost regions of the country. Even so, higher labour costs could well start impacting more on the country's exports from 2014 onwards. Organisations such as the FDRA (Footwear Distributors and Retailers of America) and AAFA (American Apparel and Footwear Association) in the United States have been considering possible alternative low cost sources of supply for the US market.

The most cited names have been Nicaragua, Cambodia, Ethiopia and Bangladesh. We can look at these four countries in terms of 2014 to make an assessment as to their progress in absolute terms and to evaluate if they are making any inroads into the share of the top five producing countries.

In 2014, Bangladesh achieved a 7.6% increase in shoe production and, perhaps more importantly, a 19.4% upturn in shoe exports. However, as both of these increases amounted in either case to a rise of less than 10 million pairs, it is still not taking share from the top producers. What is positive for the future is the development of large scale initiatives such as the 30 million pairs coming on stream from Young One and Blue Ocean. There are in fact now over 100 Bangladeshi shoe companies said to be exporting.

In Cambodia, shoe production rose by 14.6% and exports by 17%, with the US, UK and Germany amongst the leading markets. However, we are again speaking of an increase of less than 10 million pairs in absolute terms. Whilst incidents such as the Wing Star fire have not helped, there is certainly a more positive aspect with the growing presence of large sports shoe developments such as Maruchen, Pou Chen and Can Sports.*

Great expectations have been heaped on Ethiopia as a template for what it is possible to achieve in an African country. Again there has been progress during 2014 but, needless to say, the relative progress made has not created great inroads into Chinese, Vietnamese or Indonesian large scale exports.

Shoe production achieved a 10% increase and exports a more limited 4.8% rise, with little exported to European countries. The German shoe producer Ara had looked at manufacturing in the country but it did not make any progress. On the more positive side, the development of the Chinese shoe company Huajian looks promising whilst companies such as Anbessa and Tikur Abay are trying out the safety footwear market.*

The opportunity for a low cost supplier close to the large scale United States market is still there and it was felt by some informed shoe people that Nicaragua could fit this bill, helped by the active ProNicaragua organisation. Studies have shown, as indicated in last year's article, that costs in Nicaragua are amongst the lowest in the global footwear industry. For women's dress shoes, Nicaraguan costs at \$10.95 compare favourably with Chinese, for example, at \$14.02 (2012). The arrival of two Brazilian shoe companies, Schmidt and Aniger, seems to lend substance to these claims. However, rumours as to the long term viability of one of these has dampened down expectations somewhat. Actual results were again modest with exports barely registering compared with the Chinese, etc.

Free trade

Apart from the dominant influence of the five leading shoe countries and the possible rise of others to take up any slack, there is the question of what effect increasing economic blocs could have on global trading. The seemingly constant introduction of more and more Free Trade areas has been a feature of global trading over the past few years. Perhaps the one that has been causing most concern is the TPP, the Trans-Pacific Partnership, and, with Japan having joined in 2013, covers 12 countries with a total population of 792 million and a combined GDP representing 40% of the world economy (see separate article in this section).

An important step was taken in October 2015 when an agreement was reached after five years of working towards a goal of lower trade barriers such as tariffs, enhanced trade and investment, the promotion of innovation, economic growth and development, and the creation and retention of jobs. The countries covered are the United States, Canada, Australia, Mexico, Malaysia, Singapore, Chile, Peru, New Zealand, Vietnam, Brunei and Japan.

At present China is an obvious omission but the Chinese have stated that they are interested in joining if issues such as intellectual property rights and standards on trade and investment can be resolved. Other countries to have registered an interest include Colombia, Philippines, Thailand, Indonesia, Taiwan and South Korea. It is viewed by some as a companion agreement to the Transatlantic Trade and Investment Partnership (TTIP) between the United States and the European Union but is, in fact, an expansion of the Trans Pacific Strategic Economic Partnership Agreement of 2005.

There is substantial resistance to TTIP, however, with fears that, for example, multinationals could sue governments and become over dominant. Opposition has come from global health professionals, internet freedom activists, environmental organisations, organised labour, advocacy groups as well as elected officials. At present, therefore, the countries in the TPP do not include the leading five shoe producing nations with the exception of Vietnam. Vietnam is also the only significant shoe exporter in this group of countries.



Leather inspection at PrimeAsia China. The Chinese footwear industry is well supported by modern tanneries. CREDIT: WTP

There are many other regional free trade areas as, for example, ASEAN, the Association of South East Asian Nations. This was set up in 1967 and has 10 members including Vietnam, Thailand, Indonesia, and Cambodia. These and other developments are all pointing to stronger regional free trade which may well affect the global footwear industry over the next few years.

Conclusion

There is little evidence as yet that China is being seriously challenged in terms of its export performance as, although its exports to the United States for example fell in 2014, its overall volume increase was still greater than its competitors. The small emerging nations such as Nicaragua and Ethiopia have potential but their export results are still relatively modest.

Of the much vaunted BRICS, Brazil has had its problems, Russia is embroiled in economic and political stand-offs, China is frightening the world's economists with its slowdown such that the threatening words 'global recession' are again being heard.

India, meanwhile, is heading to becoming the third largest economy in the world by 2040 with its population not set to peak until after that point in time. If it succeeds in attracting more foreign direct investment (FDI) it will be in a strong position to produce and trade in high volumes. Of course, it also needs to improve infrastructure, reduce red tape and the chronic inequality of living standards which, if not addressed, could cause social problems at some stage even greater than at present. It could well emerge as a rival to China in the export of footwear, especially as its labour costs are lower, although that again may have to change as expectations rise.

China and India are also scheduled to become larger importers of footwear than at present as the middle classes in these countries are on the increase and are starting to demand brands from the West in ever greater quantities.👉

This article is based on extracts from the author's 7th annual World Shoe Review.

**Full details to appear in the author's upcoming World Sports Shoe Review 2016 and World Safety Footwear Review 2016.*

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CREDIT: SATRA

Global foot size distribution

**MIKE WILSON AND ZACH ARMITAGE,
SATRA TECHNOLOGY CENTRE**

One of the perennial questions asked of SATRA is what is the most common foot size or, alternatively, the percentage distribution of foot sizes in the adult population. These questions are usually asked by retailers who are looking to review their size ordering quantities of footwear for the following season, to ensure that they order the optimum pairage of different sizes to satisfy their customer base.

These are simple and obvious key commercial questions. However, as is so often the case, they just touch the tip of the iceberg, with more questions unfolding below the surface. These include, what is the size range and distribution for men and women in different parts of the world, is there a significant difference in size distribution for different age groups, how is the size distribution modified for unisex footwear and how influential is width

fitting on consumer choice of shoe size? Some basic findings from SATRA's ongoing global foot survey which has been conducted over the last three years with the assistance of a number of SATRA members has helped throw some light on this subject.

Started 2012, the survey has been conducting foot measurement surveys around the world with teams of technicians working across the UK, the USA and China, measuring thousands of feet using a three-dimensional foot scanner. This uses an array of lasers and cameras to capture a full 3-D digital model of each foot. This can be analysed later to provide a series of accurate measurements of different foot parameters, including length, joint girth and instep height. So far the survey has included thousands of subjects, both men and women, from the UK, USA and China. For each one, both left and right foot scans have been recorded with any

inaccurate scans as, for example, when subjects moved, discarded before analysis.

DEFINING FOOT LENGTH

Before considering any results, the method for measuring foot length and size needs to be clearly defined. Foot length can be measured in several slightly different ways, depending on how the lengthwise axis of the foot is defined. The traditional manual method used by SATRA is to measure the 'inside tangent' (the line glancing the inside heel swell and inside ball joint). Foot length can also be measured to the 'central axis' of the foot, which takes a line through the centre or midpoint of the forefoot. This is how the foot scanner measures foot length. In practice, however, and within uncertainty of measurement, there is no practical significant difference between results obtained by these two methods.

Irrespective of which method is used, foot length is measured in millimetres and defined as the maximum horizontal distance from the centre of the back of the heel (maximum point of heel curve) to the end of the most prominent toe. This is done with the subject standing with the weight of the body equally distributed on both feet and either barefoot or wearing thin hose that does not significantly affect the dimensions of the foot.

Size, whether of feet, lasts or shoes, refers specifically to length. At this point, we are not concerned in any way with foot width. That is not to say that foot width does not influence the choice of shoe size selected by a customer, a topic discussed later in this article. How foot length is converted from millimetres to UK, US and Chinese sizes also requires specifying. In short, UK size is defined with respect to foot length (weight-on and as discussed above). Please note that the UK grade interval between whole sizes is 8.47mm and 4.24mm for half sizes.

US size is defined in the same way as for the UK. However, for the US men's scale, one full size is added to the UK size marking so that UK size 8 becomes men's US size 9. For the US women's scale, two sizes added to the UK size marking, so UK size 4 becomes women's US size 6. The Chinese system is very simple as the size marking is just the corresponding foot length. Thus, China size 250 equates to a foot length of 250mm.

DATA ANALYSIS

The data collected for this project has been assessed against ideal normal distribution using mathematical regression techniques. These demonstrate that the data does closely approximate the expected normal distribution. As such, the ideal normal distribution curve can be calculated. This curve then provides an idealised size distribution graph from which we can determine, for instance, the percentage of a population that has a particular UK foot size.

The data indicates that over 95% of UK women fall into the UK 3-9 size range, a span of seven full sizes and that the most common foot size is UK 6. The corresponding range for UK men is UK 6-12, again seven sizes, with the most common size being UK 9. Size distribution for US women closely

mirrors that for their UK counterparts. Over 95% fall in the range UK 3-9 (US 5-11), with UK 6 (US 8) being the most common. The most common men's foot size found in the USA was UK 9 (US 10), the same as in the UK. However, the size distribution was found to be wider in the USA than in the UK. Over 95% of men fell in the range UK 5-12 (US 6-13).

In China, things are rather different. The most common foot size is UK 4½ for women and UK 7 for men. These correspond to Chinese size 235 for women and 255 for men. Furthermore, the size distributions of both genders were found to be narrower than in either the USA or the UK. More than 95% of women's foot sizes fell in the range UK 2-7 (Chinese sizes 210-255) while for men it was UK 4-10 (Chinese sizes 230 to 280).

Of course, while this information helps to break down and quantify different markets around the world, for the really big global brands there may be some value in combining all the survey data into a single population size distribution. While small, niche manufacturers may want to target and customise products to specific geographic regions, the global brands would ideally like to produce a single product range that can be sold into any market, thus minimising production costs.

Another question that these findings raise is whether it would be beneficial for manufacturers to change their last model sizes. Traditionally, these have been UK size 4 (US size 6) for women's footwear and UK size 8 (US size 9) for men's. However, on the basis that it is desirable to make first footwear samples and optimise fitting properties at the middle of the production size range, a move to UK size 6 (US size 8) and UK size 9 (US size 10) for women and men respectively might be recommended. Indeed, some companies have already moved their sample size because it makes it easier to find wearers for fitting and wear trials.

FOOT LENGTH VERSUS SHOE SIZE

During the data collection for this project, participants were asked for the shoe size that they would normally purchase. Such observations have been made before at retail and other situations, but this new survey perhaps enables us to investigate them in more detail.

For instance, there appears to be a

trend for men to purchase larger than indicated sizes, with 37% choosing a size larger. Conversely, there is a distinct trend for women to purchase a smaller size than indicated, with 27% choosing a size lower. It is difficult, however, at this stage to identify all the factors that may be in play here.

One major factor alluded to earlier is certainly foot width. People with above-average foot width will inevitably tend to purchase a larger size when they can, in order to accommodate their foot width in comfort. The shoes may be too long, but will be more comfortable in joint and instep width and across the toes. This is probably a particular factor for men, who generally do not have to accept compromises on fit comfort that is associated with the more severe styles and fashion influences faced by women. This trend also aligns with our survey findings, that today's men's average foot width is greater than present guidelines suggest.

It has long been suggested anecdotally that many women have a desire for a more petite aesthetic, wishing to minimise the visual size of their feet. Unisex footwear is likely to be designed and sized to men's foot dimensions, as they tend to be wider than women's feet. This again points toward women possibly buying smaller sizes than otherwise recommended. Finally, another key potential factor affecting either sex might be incorrect size marking or size conversion of footwear by the manufacturer.

IN CONCLUSION

SATRA's new foot surveys are generating data which is being analysed in numerous ways to address important industry questions. Optimising size distribution is one particular key question for retailers that is addressed in part by this article. It demonstrates the desirability for footwear manufacturers to change their last model size to bring it in line with the most common shoe size worn by the end market. The difference between purchased shoe size and shoe size predicted by foot length raises some interesting questions, particularly regarding the balance between length fit and joint width fit and the effect joint girth has on comfort. The SATRA foot sizing survey has provided data that is also being used to identify such relationships. 📊



Magnified image of a water globule on a feather helps illustrate the minute world of nanotechnology. CREDIT: ISTOCK.COM/EDELMAR

Nanofoot project

The 24-month Nanofoot project which began in September 2013 (see *World Footwear* March/April 2015) is now complete. Its purpose has been to pursue the development of advanced and innovative nanotechnology-based solutions for leather and polymer components for footwear products, sustainable and customer-driven production of consumer goods where health, environment, high quality of components, fair marketing communication and retail price are combined to promote a company's competitiveness. The project was a European R&D initiative to develop innovative nanotechnology-based solutions for leather and polymer components for footwear, supported by the European Executive Research Agency (REA).

Extensive research has been carried out over the past 24 months to develop a technological shoe that combines comfort with environmental care by changing the concept of footwear to make it functional, from production to

final disposal, by exploring the potential benefits of nanoparticles (NPs). During the course of the project, new leather and microfibre materials for uppers and linings were created as well as new polymer materials for insoles and soles, and innovative leather footwear and footwear suitable for vegans. Five SMEs and four Research and Technological Development institutions (RTDs) took part as listed in the earlier article.

EUROPE'S PROBLEM

According to APICCAPS, the Portuguese Footwear Association, estimates global production of footwear in 2013 reached 22 billion pairs, with Asia continuing to be the principal source at 87%. Europe and Asia do however specialise in different product segments, with Europe concentrating on high quality, added value products and Asia on mass production and lower priced items.

The European footwear Industry has faced severe competition from countries with lower labour costs and

less regulation, which has forced EU producers to adopt serious restructuring strategies and policies based on high added value production to target middle class consumers. As a result, a large number of SMEs have been forced to reinvent their business models over the past 20 years to become modern companies that need to innovate continuously in order to offer their customers adequate goods and services.

Where footwear was once regarded as a traditional manufacturing sector, it has showed its innovative and development capability by making a heavy investment in R&D to create advanced and high quality products and processes. Nowadays, it uses sophisticated technologies and automated manufacturing processes to produce specialised and high quality products. The quality and specialisation of the footwear now produced also depends on the materials, components and type of construction used in the development of the final product.

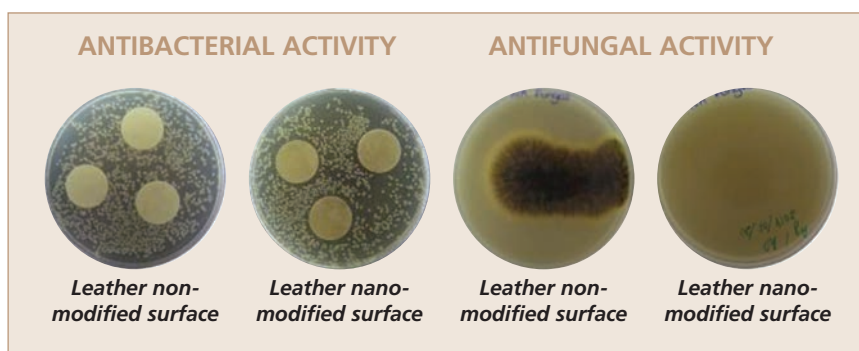
PROCESSING

SMEs are under pressure from rapidly changing demands due to fashion-related and seasonal fluctuations, as well as emerging consumer needs in terms of well-being, health and sustainability. The Nanofoot project explored potentialities and benefits of using NPs such as Ag (silver), ZnO (zinc oxide), Cu (copper) and CuO (copper oxide) that are already available in the market and used in sectors such as aerospace, health, cosmetics and other industries for footwear and associated components. Areas explored included the following which, if successful, will help SME's to remain competitive.

1. Natural leathers and microfibres with antimicrobial and breathability properties.
2. Polymers for footbeds, insoles and outsoles with thermal and electrical conductivity.
3. Processing and coating materials incorporating NPs for natural and artificial leathers.
4. Leather for orthopaedic and comfort/fashion for footwear vegans.
5. Competitive processes for producing workplace and environment friendly materials.
6. Replacing bulk materials with NPs and improving their formulations and manufacture.

To achieve these objectives, the following research activities were selected for the RTDs.

1. Screening, selecting and modifying NPs to solve stability and dispersion limitations.
2. Investigate the application of the selected NPs to develop the results specified.
3. New formulations of functional processing products and coatings based on NPs.
4. Leather and microfibres similar to leather and their manufacturing processes.
5. Polymeric composite materials and components and their manufacturing processes.
6. Develop footwear products that maximise antimicrobial and thermal properties.



Comparative images showing antibacterial and antifungal activity on normal and nano-modified material surfaces. CREDIT: CTCF

IMPROVING FOOTWEAR

Footwear is designed to provide comfort, pleasure and to protect the feet from hard and rough surfaces. In the case of safety footwear, it also offers protection against aggressive and health threatening conditions. Consumers now increasingly search for footwear which promotes their comfort, health and welfare. To remain competitive, manufacturers need to put their efforts into the development of advanced products to meet these changing needs.

At present, despite the vast amount of footwear available in the market and an increase in product quality, there are several properties that need improvement, namely, antibacterial and antifungal properties linked with foot malodours, skin problems, degradation of leather during storage, thermal properties to solve temperature and humidity problems inside the shoe and electrical conductive properties to allow the dissipation of charges.

Furthermore, these properties while not isolated, are interconnected, so it is necessary to find an optimum balance between them. For example, the antibacterial and antifungal properties of footwear are not achieved by merely using antifungal and antibacterial products. The temperature and the humidity of feet and materials also play a major part. Again, the material on its own will not solve the problems so it is necessary to develop footwear to create synergies between all these parameters.

In actual fact, thanks to the fundamental research work done in the last twenty years, the development of nano-functionalised materials for a variety of applications (e.g. health,

automotive, consumer goods, etc.) where mechanical, thermal, electrical, barrier, chemical, antibacterial, antifungal or other functional properties as well as aesthetic properties are required, is pursued worldwide. The use of nanoparticles or nano-sized objects is now being explored because only a small amount may be needed to achieve enhanced or new properties and characteristics.

RESULTS

The following positive results have been obtained by the project.

Microbe resistant leathers and microfibres based on nanoparticles and nanofillers, water resistant leathers and materials usable in shoe uppers, linings and insoles.

Polymers and composites with thermal and electrical management properties based on nanoparticles and nanofillers which suggest that antistatic nanocomposites would improve both comfort and safety as they reduce the accumulation of electrostatic charges.

Thermally comfortable footwear, antistatic and electrical conductive footwear, vegan comfort fashion footwear and leather made orthopaedic footwear would all benefit from the use of NPs in their manufacture.

Replacing bulk materials by NPs and improving nanoparticle-based formulations and their manufacturing procedures can produce environmentally friendly materials and footwear at an acceptable cost.

Although it is still early days as far as full commercialisation is concerned, Nanofoot has clearly established the potential of using NPs in footwear manufacture and it will be interesting to see what the future will bring. 📌

Supporting Goodyear welted

Goodyear welted remains a very traditional form of producing footwear where the basic construction has remained fundamentally unchanged for more than a hundred years. As a result, with various refinements, the machinery used has also remained essentially the same except as regards lasting and the introduction of forepart lasters in the early 1960s. These replaced the existing pullover and toe lasting machines with a single one that performed both tasks in one operation. They thus replaced two highly skilled operators with just one and offered cost savings without any loss of quality.

No further short cuts could be taken without sacrificing quality in one way or another and the welted construction was largely replaced by the cheaper cemented and direct injection moulded methods which offered substantial cost savings in an ever more competitive world market. They also required fewer highly skilled operators which were in any case becoming harder to attract and retain. By the Millennium, there were relatively few welted manufacturers left and those were all either at the top end of the footwear market or specialist producers for whom there was no practical alternative. As a consequence, there was little incentive to develop new machinery.

Existing welted machines were predominantly by USM in the U.S. or BUSM in the UK; built to extremely high standards they had very long working lives. However, welted production stabilised and, more recently, has begun to increase on the back of demand in developing

economies for high quality and traditionally made footwear. So, while there was no demand for new machines, there was however a niche market for reconditioned ones, a niche that has been filled by Roberto Petrozzi and his European Shoe Machinery Company based in Kettering, UK.

BACKGROUND

Roberto's father was a shoe machinery dealer and his son was fascinated by the complexity of shoe machinery from an early age as was his older brother Ezio. Their father unfortunately died at a relatively young age and Ezio took over the business. As he grew older, Roberto joined his brother where he learned more about the Goodyear welted process and how superior the old British United

machines were. Nevertheless, despite being extremely well engineered, they were beginning to wear out. With a significant number of footwear manufacturers still committed to the process, someone had to look after these machines and Roberto saw an opportunity.

"Initially we offered a simple service to help keep machines running. The trouble was these old machines were often in such a bad way, they would eventually need a complete overhaul. This meant sourcing components which were very hard to find. We managed to get hold of some original BUSM drawings so we could explain to engineers what we needed making. Stripping down these unbelievably complex machines was fraught with danger as one missed component, one



The EUHT heel and sole edge trimmer replaces two machines with one.

ALL CREDITS: ESM



There are no compromises in manufacturing standards of any ESM replacement parts.

bad setting or poorly made replacement part could end up causing more damage than when you started. We learned fast and became probably the world's most knowledgeable business in terms of Goodyear welted machines and how they worked."

However, it was soon discovered that the engineering tolerances of the parts suppliers were not up to the standard required and the company began to invest in its own CNC machines and precision engineers. Starting with the most complex needs first, equipment was added over the years until it became totally self-sufficient. Roberto says: "With such a passion for quality, we were really excited when we were able to engineer virtually every component possible to our own standards. This meant our customers could get the very best as our facilities meant we could strip and rebuild any BUSM machine. As our knowledge grew, we were able to learn what components from the original designs were the weakest, failed the most and why. This meant we were able to recreate the components with the weaknesses removed, making the machines better than the original. No other company did that. Even BUSM machines will naturally wear components but you can limit this with good manufacturing using the best materials."

FINE TOLERANCES

While this made each component more expensive to buy, it was nevertheless decided from the beginning not to compromise manufacturing standards. "If we create the best, our reputation is guaranteed. We know you can buy cheaper spares than ours, but they won't last as long. The tolerances by which they are made and the materials they are made from can create subtle increases to vibration in the machine and excess wear on something else. The end result of cheaper components is increased machinery failure and increased machinery downtime. Factor that in

and ESM spares become cost effective.

"We even go so far as to make our own bolts and screws. We also polish components using ceramics so the surfaces generate less friction in use. They look stunningly beautiful and then we go and hide them deep inside a machine where no one can see them. I know that sounds like unnecessary effort to go to but, for us, the quality of the end product is paramount. If you set out to deliver the best, you can't accept anything less can you? We have a saying, 'go beyond just tolerance'. It means don't stop at the stated limit, exceed it and improve it."

ESM in fact offers quite a range of services to welted manufacturers in terms of spares, rebuilt machinery and servicing packages. More exciting, however, are the upgrades and new machinery it produces based on its extensive knowledge and experience of BUSM machines. These comprise a suite of specially designed upgrades that improve operator comfort, significantly increase performance and provide a level of fine controls that offer further increased productivity. An important aspect of these upgrades is that operators still have machines with which they are totally familiar and do not need to go through a new learning curve.

It has also brought digital electronics into what was previously an analogue world in the form of induction



The EWS 4c HP welt sewer has less moving parts than the original USM model.

motors which offer incredibly high performance, which in outsole stitching enables up to 1200 stitches per minute yet stop instantly and then restart for just the odd stitch. R&D is a continual process and when a new improvement is conceived it is refined and tested until the company is confident it can be released. The most recent innovation has been the addition of the Sensornomic electronic footplate with an intuitive range of sensor control that is ergonomically proven to reduce operator fatigue and improve accuracy.

UPGRADES AND NEW MACHINES

In addition to upgrades, the last two years have seen the introduction of a range of brand new Goodyear welted machines covering virtually all making room operations plus one in finishing. Designed and built entirely in-house, these are said to offer marked improvements in productivity, reliability and longevity. There are currently 15, so customers therefore have a choice as to whether to go for a traditional machine with an upgrade or for a completely new one. Three ESM machines in particular are worth mentioning in more detail as they cover three key operations: welt sewing which is the foundation of the welted process, outsole stitching which is fundamental to the finished shoe's integrity and edge trimming on which the final presentation of the shoe depends.

The EWS 4c HP welt sewer is the result of a great deal of research and months of live testing which has resulted in a significantly reduced number of components compared to the original USM model. Needless to say, it has a number of sophisticated features including a high performance digital brushless motor, Omron touchscreen control offering 12 pre-programmable progressive speed options, waxpot temperature readings and, not least, digital control of the machine's welt cut-off feature for all-round welts.

Automatic welt butting was introduced by USM some 40 years ago. Traditionally, it had been done by stopping the seam before the two welt ends met, cutting them with a knife to create a vertical 'butted' joint and then

sewing over the top. This was slow and greatly reduced output. The new attachment makes a shallow scarf cut on both ends so that they overlapped and the seam is completed without stopping. It also led to the development of continuous welts which cut wastage and reduced material cost. It did however call for a highly skilled operator as everything was judged by eye. The EWS 4c's electro-pneumatic attachment uses a fully programmable feeler to control the cut-off and remove this difficulty.

This is certainly a well thought out machine which ESM says can improve output by up to 30% depending on the nature of the materials involved. A further plus is the greatly reduced vibration and noise levels compared to the old machines. Most traditional welted machines were extremely noisy and, as standards have risen, it has become increasingly difficult for manufacturers to meet them using sound absorbent hoods. All new or

upgraded ESM machines meet European standards mainly due to the fine tolerances referred to earlier which reduce the principal source of the problem, vibration.

The BHSS 10 HMI outsole stitcher is an extensively upgraded version of the BUSM No. 10 which has been in existence for just over 100 years. While it still uses the original main castings, these have been strengthened and stiffened by additional reinforcements. It also has a number of features that take it to a new level of performance compared to the old machine. The main one is the use of a Mitsubishi servo motor which can deliver up to 1200 stitches per minute, while at the same time being extremely smooth and quiet. It can also stop instantly and then rotate for exactly one, two, three or more stitches. A touchscreen controller is again used with a display of motor speed plus a Neetronic system to manage needle power so that the high 1200 stitch rate is achieved without



The BHSS 10 HMI outsole stitcher has outstanding levels of control.

creating excessive heat.

The machine also features a controlled work feed which has a positive effect in two ways. First, this ensures that the stitch length never varies once set by the operator to produce between 3-16 per inch. Second, there is no strain on the awl as it remains correctly aligned with the needle even at 1200 stitches per minute. This results in a regular depth of thread lock to provide a tight seam on all types of welted, veldtschoen and threadlasted footwear. A final plus is the optional Sensonomic footplate mentioned earlier, which reduces the pressure on the operator's lower back and legs associated with traditional foot pedal controls.

The old No. 10 is widely considered to be the best outsole stitcher ever built which is why it became the industry standard. It was, however, highly complex and to design a replacement from scratch would not be commercially viable. It was also an extremely well engineered machine which despite its age has provided a sound base for the new version. Manufacturers get the best of all things in a machine that is second nature to operators and yet is able to raise both output and quality in this key shoemaking operation.

The EUHT Heel & Sole Trimmer is a real production improvement as it combines edge and heel trimming with one simple operation by incorporating some clever technical features. The problem with combining these two operations has always been the sudden change in depth at each heel breast. The EUHT overcomes this through the use of sensors to constantly monitor cutting thickness and make appropriate adjustments whilst in operation. In addition, the tilting feed wheel can be instantly moved to create up to 15 degrees of taper for Cuban heels which makes the machine suitable for a wide range of footwear types.

A high speed motor is again used to provide electronically controlled cutter speeds of 9,000 -15,000 rpm for a fine edge surface on almost all materials. Where a lipped edge is called for—as in the case of most welted shoes where it will also be waxed and set—a light skim round on a conventional edge trimmer is sufficient. For all other types of

footwear, ESM says the initial cut edge has proved satisfactory. Trimming waste falls into a trough under the cutter unit and is immediately extracted. On its own, this would still leave some of the fine dust produced, so the machine also has an intelligent nebuliser that sprays a fine mist when cutting begins and then ceases when it stops.

LOOKING FORWARD

Starting out 20 years ago, ESM's early customers were top quality welted manufacturers in the UK, including Crockett & Jones, Church & Co. and Alfred Sargent. It now supplies welted footwear manufacturers all over the world. Roberto Petrozzi believes that Goodyear welted

footwear is here to stay. "We've supported the oldest businesses and helped the newest to start up too. Our commitment is to keep the businesses operating for years to come and our next venture is to establish a national training academy for Goodyear Welted machinery operators. Looking after apprenticeship development as well as experienced operators who are looking to develop their knowledge and stay up-to-date with machinery advances is important. This will help our customers and ESM protect the future skills of this wonderful industry." In the meantime, R&D continues and we can expect to see more new machines and upgrade options emerging in the future. 



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*Actis has begun offering
"a middle way" on fully
automated production lines.*

ALL CREDITS: ACTIS RB SYSTEM

A middle way on automation

French robotics and automation technology provider Actis RB System believes in using advanced technology in the footwear production sector just as strongly today as it did at the time of its launch in 1982; it grew out of an older technology provider that supplied Goodyear welting machines to shoe manufacturers in France throughout most of the second half of the twentieth century. Although the global footwear sector looks completely different almost 35 years later, the fundamentals remain unchanged, according to the company's general manager, Caroline Blanc-Andrei. Automation and robotics, such as roboticised tooling cells or pick-and-place applications for loading lasts onto injection machines or putting inserts into moulds, can increase lean thinking, efficiency and quality in footwear factories if manufacturers are

Automation and robotics technology provider Actis RB System has adapted its approach to the footwear production market in Asia. It is now sure that the right mix of a traditional workforce with some carefully chosen and correctly integrated automation will offer shoe producers in most markets significant efficiencies and an acceptable return on investment.

able to integrate them into their production processes correctly.

Clearly, the biggest change that Ms Blanc-Andrei has been able to observe in the years since Actis began to look at the automation technology needs of the footwear industry is that most of the French footwear producers who used to be the mainstay of the company's customer list are no longer in operation and a huge proportion of

shoe manufacturing has now moved to Asia. "We can automate anywhere," she points out, "and if 80% of the business is now in Asia, that's where we need to focus too. Asian manufacturers are beginning to be ready for automation, but we have realised that it can be hard for companies there to get the return on investment they need and we have had to adapt."

The simple truth is that if volume footwear manufacturing has, largely, left Europe and North America for Asia, it's because labour costs in the Far East are far easier for price-conscious producers to bear. Expensive automation technology, logically, is at its most appealing in locations in which labour costs are relatively high as the savings it can offer are more attractive. Nevertheless, with labour costs now rising in China and in Vietnam, the once-baffling argument that shoe manufacturers there might consider using automation instead of recruiting more people (often in very competitive labour markets) is beginning to resonate.

ASIA-SPECIFIC

In Actis's case, a joint venture, established in June 2004, with Hong Kong-based group Fung Yu is helping. Fung Yu has a sales office across the border in Dongguan, the fulcrum of footwear manufacturing in southern China, and a team dedicated to presenting Actis RB System's concepts to companies there. Actis has kept research and development in France but has licensed Fung Yu to use its patented technology to build some of its systems in China.

Ms Blanc-Andrei explains that what Actis has sought to do is "find a way to develop a system for Asia specifically", which she says will mean achieving the same gains in quality and productivity but with a lower level of investment on the part of the footwear producer. "Fifteen years is too long for these companies to wait for a return on their investment," she says. Central to the new Actis approach is to concede that shoe manufacturers can have roboticised cells only at certain points along their production lines. There is no need to invest in having this level of automation all the way along. What's important is to invest carefully and to choose to put in automation precisely where it will make the greatest difference. "The robot is not the main thing," the general manager says. "If customers feel they cannot afford fully roboticised systems they will not buy them, and we don't mind that; there is more to automation than robotics. It's like cars—you don't need a Ferrari to go five kilometres along a road that has a speed-limit of ten kilometres per hour."



One idea, using automation to roboticise specific cells, has been to process soles and uppers on the same line.

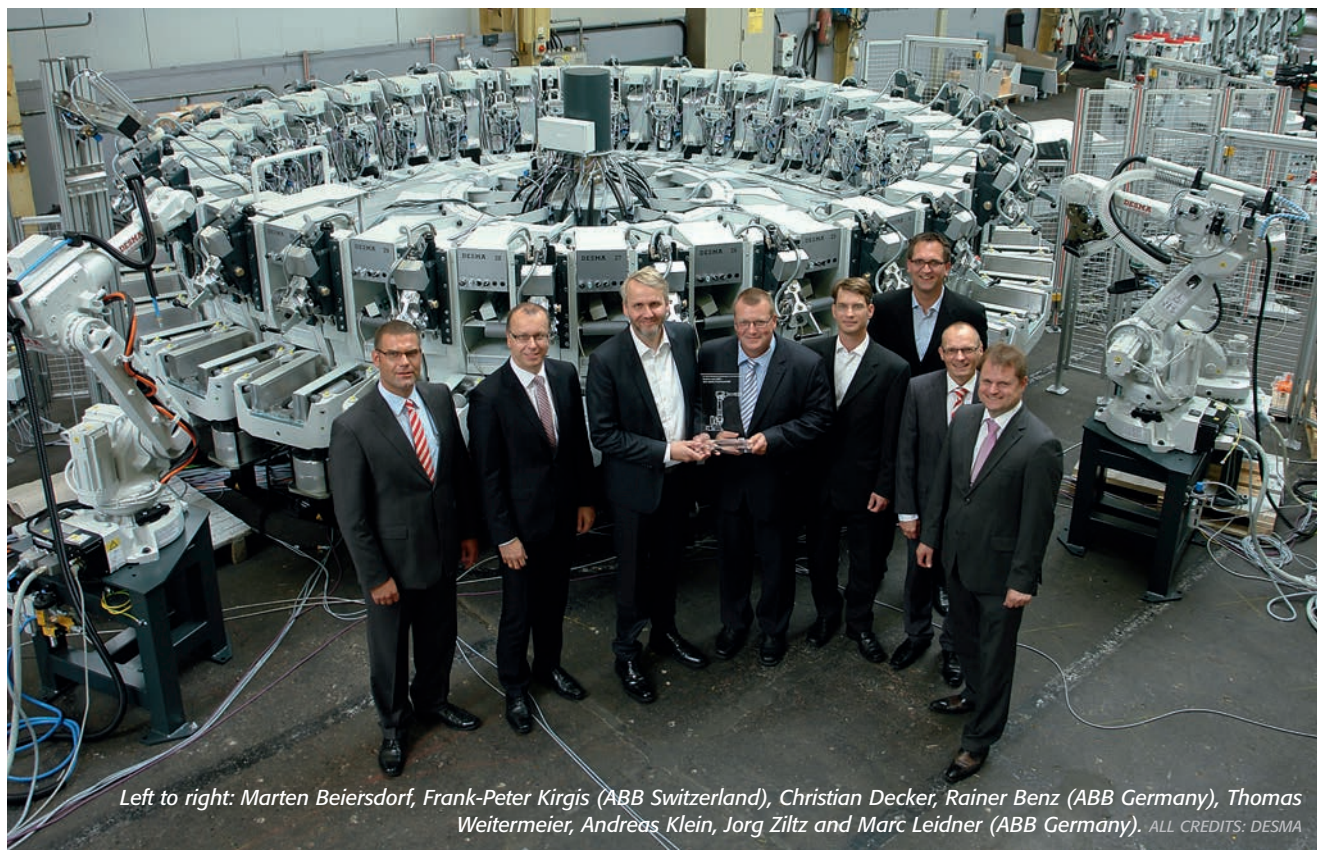
AFFORDABLE LEAN THINKING

Recently, the technology provider developed a system that allows manufacturers to introduce some automation and some lean thinking at a much more affordable level. It's a set-up that allows them to process soles and uppers on the same line. "The old way was one line for uppers and another for soles," Caroline Blanc-Andrei explains. "Yes, it's slower, but some robots can do both, even in operations that still use cementing rather than direct injection." Actis still believes people are needed in footwear factories but, if company owners integrate robotics and other forms of automation correctly, the operators they continue to employ can be more effective and enjoy their work more. Ms Blanc-Andrei continues: "Humans are still cleverer than robots. The robot's role is to help the operator work more efficiently."

Her company's new system consists of a double working table that brings the upper and the sole to the operator at the right moment to make sure the employee is never waiting. Actis makes it clear that it wants its

customers to achieve better efficiency, to increase quality in their manufacturing of shoes and to instil lean thinking into their operations. "But it can't be just by pushing a button and having all your problems solved immediately," Ms Blanc-Andrei says. "There has to be a middle way and we believe we have found it."

She refers to it as roboticising specific cells on the production line on a modular platform, with a proprietary software application to manage the way different tools move to carry out scouring, roughing, priming and cementing of uppers and so on. She accepts completely that moving to a single line for soles and uppers will require training and some adjustment on the part of the workers, and that it is also important for footwear manufacturers' management teams and for technology providers to listen to the workers. "We know that in some factories, some employees were spending as much as 30% of their time waiting for materials, looking for something to do, waiting for things to happen," the Actis general manager says. "It is possible to have a much better flow management than that." 🔄



Left to right: Marten Beiersdorf, Frank-Peter Kirgis (ABB Switzerland), Christian Decker, Rainer Benz (ABB Germany), Thomas Weitermeier, Andreas Klein, Jorg Ziltz and Marc Leidner (ABB Germany). ALL CREDITS: DESMA

A very special partnership

While Desma is principally known for its advanced injection moulding machines for polyurethane soles, it has also been a leading pioneer in the use of automation within the footwear industry using robotic arms from ABB in Sweden. Andreas Klein, head of automation at Desma, can hardly contain his enthusiasm for the exciting developments he has already seen during his career with the company. "Automation means reliability, cost-cutting and perfect reproducibility, which all adds up to top quality products and that is what every customer is looking for."

Co-operation with Swedish ABB began back in the 1980s, with the adaption by Desma of one of its robots especially for use within the footwear industry by placing it alongside one of the company's rotary injection moulding machines. The new concept was first exhibited at the world famous shoe fair in Pirmasens the centre of Germany's footwear industry at that

time, where it caught everyone's attention. This installation was then sent on a world tour where it was exhibited at all the important fairs of the time. All manufacturers who saw the exhibit immediately realised that this was the future of the industry. It was clear to both Desma and ABB that here was a marriage made in heaven.

The very first customer to take delivery was shoe giant adidas, with others quickly following suit. In 1990 alone, 70 robots were supplied to the industry, undertaking tasks such as roughing, spraying release agent and adhesive application. Manufacturers saw the advantages immediately through greatly improved product quality while, at the same time, not only were employees being relieved of hazardous tasks but more accurate use of materials enabled considerable cost savings to be made. Over 1,200 ABB robots have now been supplied to Desma customers all over the world.

As regards the future, Andreas Klein says that "Since the start of this Millennium we have seen a huge

increase in customers needing stand-alone solutions. The introduction of cells means even customers who are producing traditionally can still use Desma technology in terms of sole cells and laser cells. We're also seeing increased interest in the amir c system. Automation is unstoppable and Desma and ABB have grown together strategically and are now able to offer customers unbeatable solutions."

ABB robots supplied through Desma have recently had a face lift by a change of colour from orange to light grey. Although this change might appear to be insignificant, Desma sees it as a major step forward. Originally seen as a source of danger, robots were accordingly painted orange. With the introduction of the YuMi, at the Hannover Fair last year, the way is opening for collaborative work between human operative and robot, where the latter is no longer a hazard, but a colleague. This is reflected in the new colour choice which also marks 30 years of a very successful partnership. 



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Colour features heavily in the dress shoes by J Fitzpatrick.
ALL IMAGES: PETER HAYNES

Justin Fitzpatrick started his blog to educate men on well-made shoes and provide a portal for like-minded enthusiasts. His brand is based on dress shoes with a modern twist and it's beginning to make its mark in Asia.

Shoe 'snob' dreams of better-shod men

If more men wore elegant and well-made shoes, they would feel better about themselves without even realising the reasons for it, according to Justin Fitzpatrick, also known as the Shoe Snob. For the past 10 years he has been working towards his goal of becoming "the best shoe designer and businessman" and developing his brand, a dress shoe collection under the name J Fitzpatrick. "It's important to wear good shoes because it's the foundation of your whole being in terms of your outfit; it all starts at your feet. Having a nice, well-polished pair of shoes speaks volumes."

Recent trends in men's fashion have seen the rise of the 'dapper gentleman' – bearded and suit-wearing – emulating an era when dressing well was important, and this is accelerating demand for better shoes, he says. "More and more people are becoming more appreciative of the footwear, something that's refined and elegant. People used to put more emphasis on their clothing and shirked on their shoes but they are realising you can't do that anymore. You can fake nice clothes but you can't fake nice shoes because leather is real and it's very noticeable when it's poor quality."

He credits his upbringing in Seattle, US, with his fascination with footwear. There, what you wear on your feet is a reflection of social status and credibility. "Growing up, if you're not wearing Reebok Classics or Nikes you're not part of the cool crowd, plain and simple. Everyone wants to be cool and liked," he says.

After graduation, he took a job in the shoe section of department store Nordstrom, hoping to gain an insight into the customers and make connections that might further his ambitions of launching his own brand. Rather than the traditional entry route of completing a shoe design or fashion course, or even spending time within a brand, he chose to start at what he deems the underbelly of the industry: an apprenticeship in a workshop in central Italy. "I knew that if I wanted to make a ready-to-wear line that was competing with factories with a lot of history and credibility behind them, then I had to be able to physically make a shoe. Design schools are very theoretical, they're not as hands-on as a full apprenticeship where you're building shoes, using nails, hammers, knives – blood, sweat and tears!"

A colleague's father knew Stefano Berner, a prestigious shoemaker in Florence, and Justin was able to secure a 10-month work placement. "Boy, was that an eye opener," he says. "The world of design, of detail, the shapes, the patterns, the lasts. It's where my deep love of shoes began. Every day I would go into the shop and stare at the shoes; it was the best thing that happened to me."



Justin Fitzpatrick amassed an online following as the Shoe Snob that meant a ready-made customer base for his footwear brand.

Online escape

Returning to the US, he became frustrated that ambitions to launch a brand had stagnated while he worked to save more money, and hit upon the idea of sharing experiences and love of shoes with the public after discovering this kind of resource lacking. "My dad told me if you really want growth in your blog you have to engage the readers, so in the beginning I was quite provocative – 'If you wear this, you'll look like this' – but I don't do things like that anymore because I have more of a reputation and business to think about," he explains.

Reader numbers climbed to 100,000 a month, and he extended the blogs to a YouTube channel, adding videos on how to polish shoes and insider tips, some of which have been viewed 175,000 times. "On the business side, I knew if I could



Coloured laces give a modern twist to his Snoqualmie Burgundy Chromexcel design.

amass a following, once I launched a retail company I could have clients lining up. The blog is a driving force behind the shoes. The vision was before the blog but the blog is what catapulted the name of the company, the branding and created a persona."

Moving to London to take up a job as shoe polisher at prestigious tailor Gieves & Hawkes on London's Savile Row gave him time to sketch out and formulate his designs. "I knew I could make things happen in London as London's a mecca for great shoes and great shoemakers." He finally settled on Spain as a manufacturing destination, partly because the costs were lower than making in England, but he also found the Spanish to be more flexible in their approach. "Because they aren't as famous as the Italians and the English for shoemaking, they don't have this idea that they know everything. If you go into a British or Italian factory they're going to be stubborn in the way they do things and, automatically, that limits you as a designer. I also didn't want my shoes to have a particular look. You can tell a British shoe or an Italian shoe, but my shoes are unplaceable and I like not having a regional look to them."

The designs are based on "modern classics with a personal twist", with inspiration from designers such as Paul Smith, and from his mentor in Italy. Familiar styles are modernised with flashes of colour and a mixture of materials. Leathers are mainly from Italy with suedes from England – he found that former suppliers in France began to be inconsistent as tanners were bought by conglomerates that favoured their own brands first.

The collections are sold mainly online and through a few selected stockists in Asia – he had just returned from a successful trunk show in Asia when we spoke. The breadth of customers – from 70-year-old judges in Texas to 18-year-old students in Germany – means he'd rather have control of the retail chain where possible, he says. "My customer is just the shoe enthusiast, someone who appreciates shoes, because the guy that just

needs a pair of shoes might not spend hundreds of pounds on a dress shoe, and if he does he's probably buying a famous brand. So the people that buy my shoes are people that appreciate shoes for what they are. They don't actually need them, they just want them."

The ultimate goal is to have shops all over the world, but starting with two – one in New York and one in London. The UK capital is home to the first showroom, which is set to be open by February 2016. "The ultimate goal would be to be the biggest name in footwear, but I'm not sure how feasible that is," he laughs. "I would love the Shoe Snob to be a world-recognised name. Obviously, I want to have a comfortable life, but I really want more people to be educated on shoes and wear nicer shoes and take pride in what they're wearing." 

Mr Fitzpatrick updates classic shapes with textiles.





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Paris-based luxury group Kering decided in mid-December 2015 to sell the only one of its portfolio of brands to be devoted almost entirely to shoes, Sergio Rossi. Industry commentators wasted no time in wondering aloud if this says something about shoes failing to fit in properly with a wider group focused more on ready-to-wear luxury clothing.

Kering kicks off its shoes

At the end of 2015, luxury group Kering announced that it had reached an agreement to sell the Sergio Rossi brand to an investment group, Investindustrial. Kering had owned the Italian high-end footwear brand since the turn of the century.

It said in a statement that it believed the agreement will allow the Sergio Rossi brand to continue its path of development with “a strategic partner that can support the brand solidly and with prospects for long-term growth”. At first glance, this is the fairly anodyne kind of phrase we are all-too-used to seeing in communications of this type, but veteran luxury industry commentators have read more into it. Does it imply, they have asked, that Kering no longer feels it can support “solidly” a footwear-devoted luxury brand such as Sergio Rossi? Does Kering now doubt that Sergio Rossi would have “prospects for long-term growth” under its large luxury umbrella?

Small-town start

Sergio Rossi's story starts in the small Emilia Romagna town of San Mauro Pascoli, a heritage it shares with several high-end footwear brands, including Baldinini, Fernando Pensato and, most famous of all, Giuseppe Zanotti. The eponymous Sergio Rossi learned his father's craft of shoemaking and inherited his workshop in the 1950s. As Italy slowly recovered from the devastation of World War II, talented young local craftsmen were able to make a living by making sandals and other shoes during the winter to sell to tourists at nearby resorts such as Rimini during the summer. Sergio Rossi spent several years working in this way before, in the 1960s, boutiques in Bologna began sourcing more formal shoes from him. His reputation grew and, in the 1970s, Sergio Rossi came to be a name on the lips of the new global fashion superstars of Milan, with Gianni Versace the first to spot the San Mauro man's genius. The 1980s was a period of international expansion for the now-established brand, with own-name boutiques opening first in Ancona, then elsewhere in Italy and soon expanding to Brussels, New York, Los Angeles, and London. Between 1980 and 1999, an average of two Sergio Rossi boutiques opened each year. The Gucci Group acquired it in 1999, at just the time it was negotiating its own strategic partnership with Kering (then called PPR) and thus began the Paris-based luxury group's 15-year relationship with Sergio Rossi, which has taken



Angelina Jolie sporting Sergio Rossi shoes. The brand has grown from a humble start in San Mauro Pascoli to become a genuine worldwide footwear phenomenon.

CREDIT: SHUTTERSTOCK/EVERETT COLLECTION

the brand from humble beginnings in a small town in eastern Italy and establishing the brand as a genuine worldwide footwear phenomenon.



Kering's decision to sell the Sergio Rossi's brand has caused commentators to question the ease with which shoes fit into a wider luxury focus in which ready-to-wear dominates.

CREDIT: SERGIO ROSSI

Under new ownership

Immediate comments in the Italian footwear industry appear to welcome Sergio Rossi's change of ownership. Investindustrial is a diverse group with its main offices in London, but it is run by Andrea Bonomi, who grew up in London but is a member of one of the most successful business dynasties in Italy's history (a status it shares with the Agnellis, the Pirellis, et cetera); its investment links to southern Europe in general and to Italy in particular have always been strong. Major Italian brands that are now part of the Investindustrial portfolio include furniture design company B&B Italia and high-end jewellery brand Strolli. At the time of the announcement in December, Andrea Bonomi said he was proud to have been "chosen" by Kering to take Sergio Rossi forward.

Footwear fairy tale

However, veteran luxury industry commentator, Vanessa Friedman (formerly fashion editor of the *Financial Times*, now carrying out the same role at the *New York Times*), was one of the first to raise an eyebrow. She says there is something about this move that appears to run counter to the fashion industry's faith in "the power of shoes to buoy profits". She contends that, despite its deep pockets, Kering has been unsuccessful in its attempts to raise the profile of Sergio Rossi to the same extent as it has done with "other small brands" such as Stella McCartney and Alexander McQueen.

For Ms Friedman, there are signals in the change of ownership of Sergio Rossi that, in 2016, a "pure-play" footwear



Sergio Rossi has come a long way from its early days of selling sandals to tourists on the beach at Rimini.

CREDIT: SERGIO ROSSI

label may not fit quite as easily as many assumed into the wider "strategic mould" of a diverse luxury group whose main focus is ready-to-wear. She goes as far as to suggest that the footwear story that fashion has told for a number of years now may turn out to be no more than a "shoe fairy tale". Andrea Bonomi has other ideas and may yet prove her wrong. 🗣️



Kering has decided to sell the Sergio Rossi brand after 15 years of ownership.

CREDIT: SHUTTERSTOCK/NICKOLASTOCK

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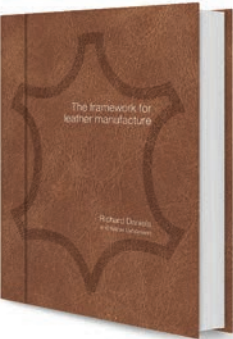
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