

Global shoe production exceeds 20 billion pairs

According to figures from the Portuguese Industrial Shoe, Components, Leather Goods and Derivatives Association (Apiccaps), global footwear manufacturing exceeded an output of 20 billion pairs in 2010 for the first time in history.

The first World Footwear Yearbook report, which Apiccaps has produced, claims that global production last year was 20.18 billion pairs, including shoes made from all kinds of materials and for all uses. As expected, the figures the Portuguese organisation attributes to China are at the heart of the industry's having achieved this record total.

China is the clear leader in shoe manufacturing worldwide, with a 2010 production output that Apiccaps puts at almost 12.6 billion pairs. India is second on the list, with just over 2 billion pairs manufactured, followed by Brazil with 894 million pairs, Vietnam with

A report from Portuguese industry association Apiccaps, the World Footwear Yearbook, states that global shoe production surpassed 20 billion pairs for the first time in 2010. This article explains how Apiccaps arrived at the figure.

760 million, Pakistan with 295 million and Thailand with 245 million. Other countries making more than 200 million pairs of shoes a year are Mexico (244 million) and Italy (203 million).

The World Footwear Yearbook, claims that global production last year was 20.18 billion pairs, including shoes made from a variety of materials.

Shoes by Elche-based Pedro Miralles. Surprisingly, Spain showed up as having the highest per capita shoe consumption of all the big markets in 2010.

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The report suggests China made 12.6 billion pairs in 2010, but central to this is an assumption that the country exported 10 billion pairs of non-leather shoes that year.

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China debate

China is the clear leader, with a production output that Apiccaps puts at almost 12.6 billion pairs in 2010. Figures for India, Brazil, Vietnam, Pakistan and Mexico come from governments and industry associations in each of those countries, which doesn't mean they are all scientifically verifiable, free from double-counting and so on, but they are in the public domain. It is the China figure, the key to the 20 billion-pair total, that is the hardest to verify.

According to the China Leather Industry Association (CLIA), domestic consumption of footwear in China (mostly produced locally) is running at 1.9 billion pairs a year. *World Footwear* published an analysis earlier this year (July-August 2011, page 34) showing that this number seems far too low and that the real figure is probably already in excess of three billion pairs a year. In its Yearbook, Apiccaps puts China's domestic shoe consumption at 2.6 billion pairs. In terms of domestic consumption at least, the Apiccaps number appears, if anything, too low.

CLIA has published figures that suggest exports of just over 1 billion pairs of leather shoes in 2010. We have seen no corresponding figure for non-leather shoes but Apiccaps insists that leather shoes account for 10% of exports. That would put total shoe exports at 10 billion pairs. With its estimate of domestic consumption of 2.6 billion, this gives a total output of 12.6 billion pairs.

Apiccaps has told us: "To estimate the production we based [our figures] on the equation $\text{Production} = \text{Consumption} + \text{Trade balance}$. We estimated consumption and production referring to information from local trade associations and incorporated it into our models."

This is at the core of the debate. If we know the figures for exports of leather shoes (which CLIA has published) and we know that leather shoes account for 10% of total footwear exports, we can work out an overall figure for the shoes of all types that China exports. Not all of the shoes Chinese consumers buy are made in China, but it is fair to assume that most are. We know, once again from CLIA, that China imported 15.6 million pairs of leather shoes in 2010, probably towards the exclusive end of the market. This is a valuable niche (the Chinese appetite for luxury goods is extremely healthy), but in terms of volume, it's a drop in the ocean, around 0.5% of total shoe consumption there. Some shoes made from synthetic material will also be coming into China from other countries, but again the numbers will be comparatively small.

For this reason, the Apiccaps theory seems fair; the only question-mark hanging over it is the 10% figure for leather footwear's share of overall shoe exports. We have seen a statement confirming that leather shoes represent 10% of all footwear exports, but for Vietnam rather than China. All Apiccaps has told us is that the figure comes from its industry contacts in China. If it's



Annual footwear manufacturing output went past 20 billion pairs for the first time in 2010, according to Portugal's Apiccaps.

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accurate, the 20 billion pairs statement is true. If it's inaccurate, the whole argument collapses.

Per capita surprise

Some other surprising facts emerged from Apiccaps's World Footwear Yearbook. Of major consuming countries, the biggest per capita shoe consumption in the world in 2010 was in Spain, followed by the United Kingdom.

Taking into account all sales of all types of shoes, Apiccaps included in the yearbook a table showing the top ten shoe consuming countries in the world in 2010. The table concentrated on total volume, giving a top ten of (in descending order) China, the US, India, Brazil, Japan, Indonesia, the UK, Spain, France and Germany.

Together, these markets accounted for 62% of global consumption in 2010, Apiccaps said, a combined total of 10.9 billion pairs for the ten countries. Further analysis reveals that Spain and the UK had the highest per capita consumption figures. Both are struggling to achieve economic growth and have governments urging caution and austerity. In Spain's case at least, financial problems are attracting serious concern from many observers of the global economy. Nevertheless, the Apiccaps report suggests that, on average, people in Spain bought 9.3 pairs of shoes each in 2010, 427 million pairs in total.

The UK consumed 504 million pairs during 2010, with each person in the country buying an average of 8.1 pairs of shoes during the year. The US came third, buying an average of 7.5 pairs of shoes per capita (and consuming 2.3 billion pairs of shoes), followed by France, where people bought an average of 6.3 pairs of shoes each during 2010 (and consumed 415 million pairs during the year).

Japan consumed 693 million pairs of shoes during 2010, or an average of 5.4 pairs per person. Germany came next, consuming 385 million pairs, with German consumers buying an average of 4.7 pairs each. Brazilian people bought an average of 4.1 pairs of shoes per capita, while, of the big ten shoe-consuming countries, Indonesia, China and India bought the fewest pairs per capita, at 2.6, 2.0 and 1.7 pairs respectively (although, as mentioned above, Apiccaps's figure for consumption in China is lower than one published by *World Footwear* earlier this year).

The figures include all shoes bought in each country in 2010; there is no way of knowing how many pairs were bought by visitors rather than citizens of the countries concerned. 🌐



Chinese heels. Demand in the domestic market is increasing sharply.

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