

The world's footwear manufacturers may be about to feel extra pressure on their production capacities if demand for shoes in China doubles.

China's shoe requirements to rise

China will soon need two billion extra pairs of shoes a year, according to the China Leather Industry Association (CLIA). The organisation has predicted that footwear consumption in China will double in the near future.

In comments she made at the All China Leather Exhibition in Shanghai at the start of September, CLIA president, Madam Zhang Shu Hua, said that, although official figures are hard to put together, her organisation estimates that Chinese consumers buy an average of 1.5 pairs of shoes each per year at the moment. But she said that this was likely to double, which means—with the country's population estimated at more than 1.3 billion—that the global footwear industry will soon have to find a way of supplying China with an extra 2 billion pairs of shoes a year.

To give the figure a bit of context, this is ten times the total number of shoes produced in Italy in 2009 when national production fell 12.1% in volume to 198 million pairs. Putting questions of quality to one side for a moment, no one would doubt that Italy is an important producer of shoes for the world market and the news from the CLIA suggests that the global footwear manufacturing industry is going to have to find ten new producers with the capacity of Italy just to meet the extra demand from China.

Naturally, the CLIA is confident domestic manufacturers will be able to meet a large proportion of the demands of Chinese consumers and it is fair to say they are already gearing up for this. The country's major domestic footwear brands—including Aokang, Belle International, Senda and Red Dragonfly—are expanding rapidly. For example, Aokang turned over \$1 billion in 2009, runs three footwear manufacturing centres, and two research and development centres in different parts of China and now has a chain of more than 3,000 retail stores across the country. Belle International increased its revenue from footwear by 21.4% in 2009, reaching \$1.75 billion and the company now has 9,600 stores in its retail network, although not all are devoted exclusively to shoes. It may be worth recalling that 2009 was one of the most challenging business years globally in living memory.

In volume terms, the production of leather shoes in China during the first seven months of this year went

up by 17.9% compared to the same period in 2009. Chinese footwear manufacturers produced almost 2.2 billion pairs of leather shoes from January to July and the value of the shoes increased by 22.6% year on year to reach around \$27.8 billion. The average unit export price for Chinese-produced leather shoes increased by 7.1% to \$9.84 dollars per pair. The average price of imported leather shoes is still much higher at \$36.52 dollars per pair, although the volume is much lower.

Across the board, the figures suggest strongly that, if an additional two billion pairs of footwear per year are to find their way onto the shelves of Chinese shoe shops, there will be extra business for manufacturers both inside and outside the country.

However, some involved in the footwear manufacturing industry in China have suggested that Madam Zhang's figures may be misjudged. One senior figure has told *World Footwear* that he thinks talk of a doubling of domestic consumption is premature, although with migration from rural areas into the cities a continuing reality and people living and working in the cities buying more shoes than those in the country, demand is going up—as the expansion of Belle International, Aokang and the other big names proves. If the CLIA statement does nothing more than offer a warning to the global industry that it needs to prepare for a rise in demand from Chinese consumers, it will have been a useful exercise. 

Domestic footwear brands such as Aokang, Belle International, Red Dragonfly and Senda are increasing production and their retail presence.

CREDIT: ALL CHINA LEATHER EXHIBITION

