

Ara's shoes are created by production processes requiring intensive hand-crafting and up to 130 individual operations.

CREDIT: ARA



Expensive Europe attractive again

German footwear company Ara has expanded its manufacturing operation in Seia in central Portugal. Its workforce there will increase from 320 people at the start of this year to around 370 and the facility is upping its production from 1.4 million pairs per year to two million.

As well as the increase in personnel, Ara has also invested approximately €3 million in new technology at the Seia factory, installing the DESMA D522 direct soling machine to inject polyurethane (PU) soles straight onto uppers. It is technology such as this that will allow the company to achieve a production increase of more than 40% with just a 15% increase in people at the factory.

You are not alone

This important investment in innovation came after careful consideration, but Ara is convinced its commitment to high-tech footwear manufacturing solutions will pay off. Plus, it has not had to make the transition alone.

Ahead of the opening of Ara's new production line in

Footwear manufacturers are making major investments in innovation to automate production. As the example of Ara's factory in Portugal shows, new technology is transforming operations in high labour cost western Europe, making it attractive again as a manufacturing location.

Portugal, the European footwear team at chemical products manufacturer Huntsman helped the shoe company develop a series of PU-based prototypes. The samples were created at Huntsman's footwear development centre in Everberg in Belgium, using a DESMA RGE 400 roundtable TPU casting-injection unit, equipment that the Huntsman team in Everberg invested in last year, specifically to help footwear



Huntsman invested in direct soling technology from DESMA in 2013 to help it show footwear clients the way forward in automation. CREDIT: HUNTSMAN



Huntsman's research and development centre for footwear at Everberg in Belgium. CREDIT: HUNTSMAN

producers make their European operations more efficient. Huntsman had the equipment and the expertise to allow Ara to create a replica manufacturing environment ahead of go-live and together the two companies were able to identify and resolve any potential production issues up front, ensuring that Ara could put its new, high-tech production line into operation quickly and efficiently.

A move to direct soling

Alfons Tremml, commercial manager for footwear at Huntsman Polyurethanes, explains that the two companies have enjoyed a positive relationship for almost 20 years, with his company supplying Ara with PU and TPU. "Ara always used unit soles before," he says, "so this move to the direct soling process was new and the company was not so used to the technology. It was a big investment and using our facility for the prototypes was a good idea."

There was another important benefit: five or six members of Ara's production team were able to travel to Belgium to have in-depth training and hands-on experience of using the DESMA machinery during prototype production and take the skills and knowledge back to Portugal. It is this small team that is now leading the running of Ara's own PU casting-injection unit in Seia. The machines are "roughly the same", Alfons Tremml claims. Huntsman has four stations compared to Ara's 30 because its DESMA machine is in a laboratory rather than a factory environment like Ara's. "The focus for the prototypes was on ladies' shoes," Mr Tremml continues, "but the technology has a production capacity of 500,000 pairs per year, so I think they will look at different types of shoes in the future."

Ara makes a wide range of sporty, casual styles for women, under the banner of Ara Modern, and for men, too, as well as fashion shoes for women under its Jenny brand. Last year, it exported 950,000 pairs from its factory in Portugal and registered earnings of €25 million. The German footwear brand has been producing shoes in Portugal since 1974 and, since 2003, it has been selling its collections there too in a mix of multi-brand stores and Ara outlets.

The attractions of Europe

Its story and its commitment to innovation make Alfons Tremml optimistic about the future of shoe production in Europe. He says the continent is, once again, becoming an attractive footwear manufacturing location, particularly for high-end production projects. "China remains the biggest shoe manufacturing country in the world," he continues, "producing around 13 billion pairs per year. But labour costs there have increased dramatically in recent years. Chinese wage bills are now around four times higher than they were eight years ago. While costs have been creeping up in China, European suppliers to the footwear industry have adopted a more automated approach to manufacturing, narrowing the cost differential between the regions."

He says that Ara's deployment of TPU casting-injection equipment is just one example among many. "I can't list all our customers' names without their approval," he explains, "but I can say that I have a dedicated footwear team here that knows the European market very well and I can tell you that there is lots of investment in new footwear machinery going on. Yes, it's partly to replace old machinery, but there are more than 10 companies that I can think of who are increasing capacity here in Europe. The trend of moving to Asia has stopped and some capacity is certainly coming back."

Deciding the best place to set up a shoe-manufacturing operation is not a black-and-white matter today, the Huntsman commercial manager contends. The type of shoes you want to make, using which technology and in what volume are all major factors, he says. But he insists the gap in costs between Asia and Europe is now narrowing, and European producers have the advantage of being closer to important consumer markets close to home.

"Something else I think is interesting is that it's in western Europe that technology providers such as DESMA, Main Group and others are installing their latest machinery, not in the cheapest countries. Everyone talks about higher labour costs there, but there is no doubt that if companies can automate, or partly automate, their processes in expensive countries, these locations will become attractive again. It's happening." 