What TPP means for the U.S. Footwear Industry & American Consumers

What is TPP?

After 5+ years of work on this historic free trade agreement that provides significant duty reduction, strengthens job creation, and drives 21st century footwear innovation, the Trans-Pacific Partnership (TPP) was signed by the U.S. on February 4, 2016. TPP consists of 12 Pacific nations accounting for 40% of global GDP and 1/3 of world trade. TPP includes the U.S., Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, and Vietnam.

Why is TPP so important?

7.7 pairs of shoes are imported each year for every man, woman, and child in the U.S.

A record $3 billion in duties were paid by the footwear industry in 2015.

- $11 billion savings over 10 years
- $500 million savings in 1 year
- 1.4% average duty on consumer goods vs. 11% average duty on footwear

American footwear consumers pay an estimated $7.5 billion each year in added costs, the result of an outdated tariff system created in 1930. The TPP reduces 18,000 taxes on American businesses, saving footwear companies and consumers $500 million the first year of implementation, and $6 billion over the first decade.

Passing TPP would result in:

- Significant savings for hard working American families
- New design, materials, and U.S. production technologies
- 1,000s of new American footwear manufacturing, supply chain, and retail jobs
- 100% of current U.S. footwear jobs depend on international trade. TPP savings will go back into the footwear supply chain with more good-paying U.S. jobs, from domestic plants to retail stores.

FDRA strongly supports the TPP and believes delivering value to American consumers and growing innovative jobs in the footwear industry through the agreement should be a top priority for Congress. Learn more at fdra.org.
Tariffs on Children's Shoes Don't Fit

- girl's flats: 37.5%
- girl's sneakers: 48%
- hiking boots: 37.5%
- boy's sneakers: 20%
- moccasins: 37.5%

Tariffs Rates Based on Assumed Footwear Composition

- notebook: 0%
- cell phone: 0%
- basketball: 4.8%
- tablet: 0%
- water bottle: 3%
- tote bag: 6.3%

FDRA
FOOTWEAR DISTRIBUTORS AND RETAILERS OF AMERICA