

PRESS RELEASE | September 7, 2018

U.S. Footwear Industry Continues to Oppose New Tariffs

Shoe companies join multi-industry letter sent to Trump Administration in opposition to third round of potential Chinese tariffs

Hundreds of U.S. companies, including leading U.S. footwear brands, sent a letter to the Trump Administration today opposing new tariffs on \$200 billion in consumer goods. Raising concerns that the proposed tariffs would disproportionately hurt U.S. consumers, workers, and companies, more than fifty FDRA member companies signed the letter, including Ariat, Allen Edmonds, NIKE, DSW, Clarks, Fila, and Wolverine Worldwide.

Matt Priest, President & CEO, of Footwear Distributors and Retailers of America (FDRA) – the footwear industry's trade group – stated:

"Even though footwear is not on the third list proposed by the Trump Administration, many other consumer goods and production machinery is at risk, driving up prices for all American consumers. Higher costs for our consumers hurts our ability to sell more shoes and that impacts jobs in our industry. As footwear companies made clear in the letter today, new hidden taxes that touch every single American consumer is simply the wrong approach."

The letter, which can be found below, specifically outlines key challenges of supply chain agility and costs:

"We cannot simply shift our supply chains outside of China without massive disruption and cost increases due to materials availability, quality, compliance, and capacity in other countries. Moreover, because China accounts for such a large percentage of imports for consumption or further manufacturing, any additional tariffs would likely translate into added costs and price increases in the United States.

Millions of U.S. jobs in our industry's global value chains – including those in research and design, supply chain, manufacturing, compliance, logistics, and retail – would be put at risk if a new 10% or 25% tax were imposed, due to fewer sales, less investment, and cost increases throughout U.S. supply chains."

A copy of the letter can be found <u>here</u>.

About FDRA

FDRA is governed and directed by footwear executives and is the only trade organization focused solely on the footwear industry. Serving the full footwear supply chain, it boosts its members' bottom lines through innovative products, training, consulting on footwear design and development, sourcing and compliance, trade and customs, advocacy, and consumer and sales trend analysis for shoe retailers around the world. FDRA supports 500 companies and brands worldwide, representing 95% of the total U.S. footwear industry. Learn more: **fdra.org**