

Footwear & Politics

By Thomas Crockett • Jul 15, 2025

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This morning President Trump announced, via Truth Social, a deal with Indonesia ahead of his new self-imposed August 1st deadline. Few details have been provided, but the President said the new added tariff rate for Indonesian made-goods will be 19%.

Tell me more: Indonesia faced the threat of a 32% added tariff, both in the letter President Trump sent in July and in the original reciprocal tariff list announced in April (see that list <u>here</u>).

• Like Vietnam, the deal is likely just a framework of a deal between the two leaders, and the countries will still have to work out the details in the coming weeks.

Why it matters: Indonesia is the third largest supplier of footwear to the U.S. market, accounting for 166 million pairs annually.

• A record-weak year for the rupiah helped pull average landed costs lower in 2024. This contributed to shipments from Indonesia to the U.S. rebounding to the second highest year on record. See a country breakdown of top footwear suppliers in <u>FDRA's 2025 power</u> rankings.

Tariff stacking: We continue to urge the Administration to prevent new tariffs from being stacked on top of the current high footwear tariffs. FDRA sent a <u>letter</u> to the Trump Administration last week on this critical issue.

- **Kid's shoes**: The letter highlights the negative impact added tariffs have on children's shoes, which already have high tariff rates. Children's shoes often reach rates of 20 percent, 48 percent, and higher, *before any new tariffs are added*.
- The letter states, "Footwear companies should be given a credit for the more than \$3 billion they pay to the government every year in tariff revenue. In fact, in 2025 alone, total duties paid to the government by footwear companies will reach more than \$5 billion."

Read the letter

Feedback needed: tariffs, inventory



As we prepare our advocacy and media strategy, it is critical to gain a better understanding of where we are as an industry heading into backto-school. Please take a few minutes to answer this important survey.

Q: When will your company sell through its existing shoe inventory that was imported or front-loaded before the new Trump tariffs took effect? In other words, when will highertariffed shoes start reaching consumers?

I'm already out — selling tariffed product now

We'll sell through in less than 2 weeks

We'll sell through in less than 4 weeks

We're covered until fall

Not sure

Your email will be recorded with your response and shared with the sender

Thanks for reading. As always, we will send out key updates to FDRA members as we receive them. We're available for any questions or comments you have in the meantime.

Matt and Thomas



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