FDRA FOOTWEAR DISTRIBUTORS & RETAILERS OF AMERICA

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ICYMI: FDRA Warns New Tariffs, Rising Costs, and Consumer Price Pressures Will Shape Footwear Industry in Second Half of 2026

WASHINGTON, D.C. — The **Footwear Distributors and Retailers of America (FDRA)** hosted a press call to discuss the latest tariff developments, key findings from FDRA's Q2 Executive Survey, and growing cost pressures confronting footwear companies and consumers. During the briefing, **FDRA President & CEO Matt Priest** outlined how rising tariffs, increasing material costs, and renewed freight pressures are creating significant challenges for the industry as companies prepare for the back-to-school season and the remainder of 2026.

Watch Matt's remarks HERE.

Key Highlights from the press call

Tariff Pressures Continue to Mount

Priest emphasized that footwear companies are already among the most heavily tariffed industries in America and warned that additional trade actions could further increase costs for businesses and consumers. He noted that while the industry is currently working through the tariff refund process, uncertainty remains regarding future tariff policies and the potential reimposition of duties through other trade mechanisms.

> "We have been highly concerned about the impact tariffs have had on our costing and the ability to not pass on those costs to our consumers. And that ability is pretty much gone at this point."

Throughout the briefing, Priest stressed that footwear remains an essential purchase for American families and warned that continued tariff increases ultimately affect consumers.

Rising Oil Prices Are Beginning to Hit Footwear Production

FDRA also warned that the industry is beginning to see significant increases in the use of petroleum-based materials across footwear manufacturing.

According to Priest, footwear companies are already reporting substantial increases on key inputs, driven in part by instability in global energy markets.

> "Some of our members highlighted upwards of a 25% increase on those inputs because of the conflict with Iran."

Priest noted that these increases could eventually translate into roughly a 5% increase in the cost of finished footwear products sold to consumers.

Container Rates Are Rising Again

FDRA highlighted another emerging challenge facing the industry: escalating freight costs.

Companies are increasingly front-loading inventory and accelerating imports ahead of potential tariff actions, creating renewed pressure on container shipping rates.

> "Container rates are spiking right now. We're seeing those spikes because there's front-loading happening, people bringing in product to try to beat out additional tariffs that will come down the pipe here at any moment."

Q2 Executive Survey: Industry Braces for More Volatility

FDRA shared findings from its Q2 Executive Survey, which reveal an industry increasingly concerned about tariffs, rising costs, and weakening consumer sentiment heading into the second half of the year. Survey respondents highlighted several themes shaping footwear business decisions today:

Rising Costs Create New Headwinds

Executives expressed growing concern about multiple layers of cost pressure impacting the industry, including:

- Existing tariffs and uncertainty surrounding future trade actions.
- Petroleum-based material costs increasing across the footwear supply chain.
- Container and freight rates moving higher as companies rush to secure inventory ahead of potential tariff changes.
- The diminishing ability of brands and retailers to absorb costs without passing increases along to consumers.

"The retailer/importer and the consumer are caught between a rock and a hard place… Import numbers coming down are beginning to weigh on inventory, but at the same time, higher duties mean higher costs that need to be passed along."

Companies Are Managing Through Uncertainty

Footwear companies reported adjusting inventory and sourcing strategies as they navigate changing trade policies and volatile market conditions. Many companies are seeking ways to mitigate risk while maintaining competitive pricing for consumers.

For more information about FDRA or to schedule an interview with Matt Priest, please email fdracomms@cgagroup.com

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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 98% of the total U.S. footwear industry. Learn more: **fdra.org**