

# 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 21<sup>st</sup> 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**.

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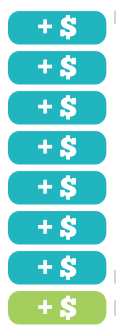
TPP includes the U.S., Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, and Vietnam.

## 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%  
average duty  
on footwear

**vs.**

1.4%  
average duty  
on consumer goods

American footwear consumers pay an estimated **\$7.5 billion each year** in added costs, the result of an outdated tariff system created in 1930.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.

**\$500 million  
savings  
in 1 year**

**\$6 billion  
savings  
over  
10 years**

## Passing TPP would result in:



**Significant  
savings for  
hard working  
American  
families**

Savings will quickly make their way to consumers through the fiercely competitive nature of the mass retail footwear market.



**New design,  
materials,  
and U.S.  
production  
technologies**

Savings will enable companies to invest in designing new types of materials and shoes, using 3D printing technology and advanced manufacturing to help them compete well into the 21<sup>st</sup> century.



**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.

# Tariffs on Children's Shoes Don't Fit

