

FDRA Shoe Sourcing Snapshots: China Alternatives

India

Boasting an annual production capacity of some 2.4 billion pairs, India is the second-largest footwear producer in the world. And the 26 million pairs shipped to American shores peg the country as the fifth-largest supplier to the U.S., *despite* having average landed costs at the US port well above the world average cost every year for the last two decades. The country's large and young workforce, relatively low wages, and abundant cattle supply make it a viable competitor in the global footwear market.

At 1.3 billion, the current population is second to only China, but growing much faster. The median age is just 27.9 years old. The country's footwear industry employs over 1.1 million workers, dwarfing the industries in most other countries around the world.

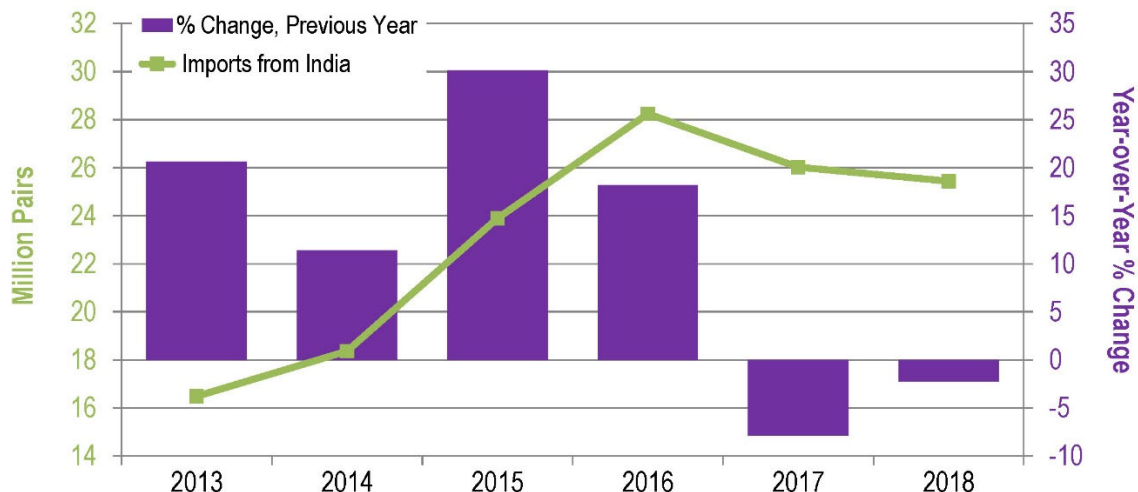
While India has no national minimum wage per se, minimum wages may be set by state or sector of industry. Typical wage rates in the domestic footwear industry—adjusted for currency differences—are near the low end of the scale witnessed across Asia.

With more than 306 million head of cattle, India has the world's biggest livestock herd. Unsurprisingly, leather footwear make up 48% of the volume of Indian footwear exports.

Despite these advantages, hardly 10% of the footwear produced domestically is exported. However, with government support (i.e., Make in India) and growing foreign direct investment in the country's footwear manufacturing sector, the country is increasing its presence in the global footwear export market. Indeed, many international footwear and fashion companies are manufacturing footwear products in India and shipping them aboard.

The Indian footwear industry is highly fragmented with almost 15,000 small and medium-sized enterprises operating with at most several dozen people each.

US FOOTWEAR IMPORTS FROM INDIA EASE FROM THE 2016 RECORD



Source: USITC