

# SHOE SOURCING REPORT 2019

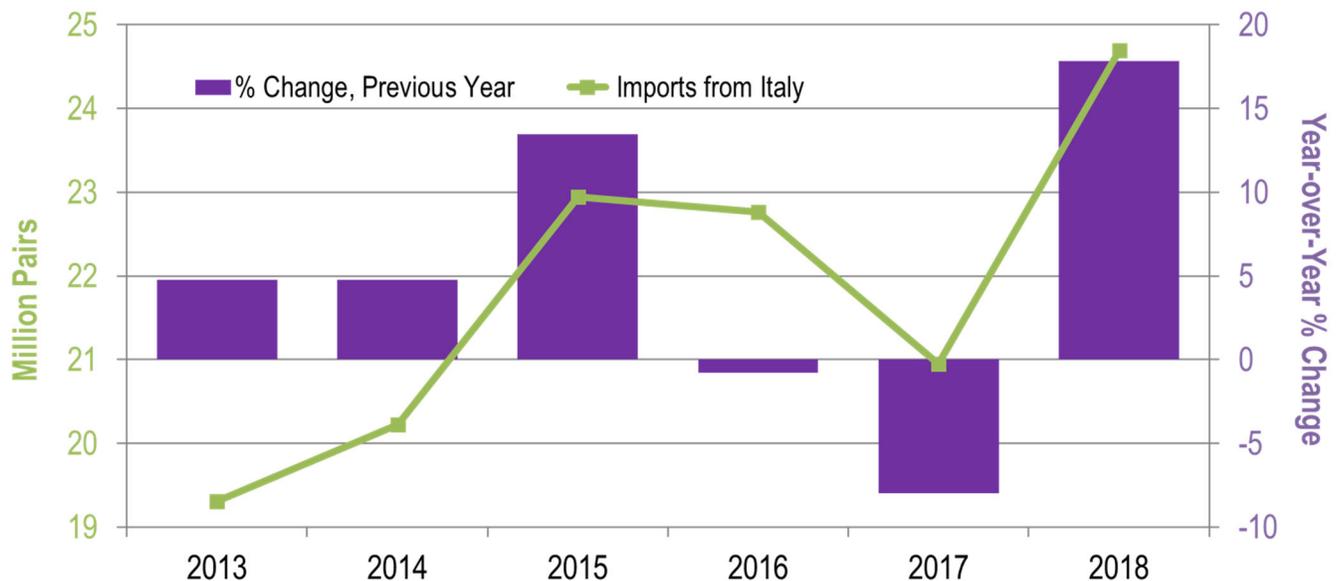
## Italy Shoe Production Snapshot

One of the world's most revered manufacturers of high-end footwear, Italy also is one of the biggest producers and exporters of *total* footwear. The domestic sector enjoyed for more than €14.2 billion in annual sales last year, employs 76,600 people and exports 85% of its production. Shipments destined abroad in 2018 reached a near-record \$12.3 billion, pegging the country as the third-largest exporter in the world behind lower-cost suppliers China and Vietnam. Indeed, Italy has achieved this lofty global status in spite of having an average export cost of \$48.15 per pair, more than *four times* the world average export cost.

Key markets are spread across Europe and in the United States, where shipments rebounded in 2018 to an eleven-year high of 24.7 million pairs worth a record \$1.5 billion, implying an average landed cost of \$62.27 per pair, also several times the average landed cost from the rest of the world. These trends are not new, as Italy has been a top-7 footwear supplier to America—in volume *and* value terms—every year for the last quarter century, all while shipping products with an average cost well above the world average.

One way the country has managed this remarkable feat is through its long-standing reputation in craftsmanship and specifically in leather footwear. Indeed, Italy reportedly has the highest density of bespoke shoemakers for any country in the world, often combining the best materials, techniques, fit, and finishing available. In a global industry of often commoditized products where cost often is the main driver, Italian footwear naturally cannot compete with cheaper Asian rivals. Instead, Italy has managed to grow to become *the* dominant supplier—by far—of high-end footwear to markets in America and around the world.

### US FOOTWEAR IMPORTS FROM ITALY REBOUND IN 2018 TO AN 11-YEAR HIGH



Source: USITC