

2007

ShoeStats 2007 provides a snapshot of U.S. footwear industry market trends for 2006 (the most recent full year data available).

The information in *ShoeStats 2007* is derived from AAFA's annual 2006 *Trends: An Annual Compilation of Statistical Information on the U.S. Apparel and Footwear Industries* publication. *Trends* is the most comprehensive and authoritative source for U.S. footwear industry statistics. Comprised of data drawn from a variety of sources, *Trends* contains detailed information on imports, retail sales, retail prices, consumption, employment, exports, and domestic production. You will also find relevant economic indicators and other demographic information to provide some perspective on the footwear data.

For more information about *Trends* and/or additional resources for market data, please check out AAFA's Web site at <http://www.apparelandfootwear.org> or contact us.



June 2007

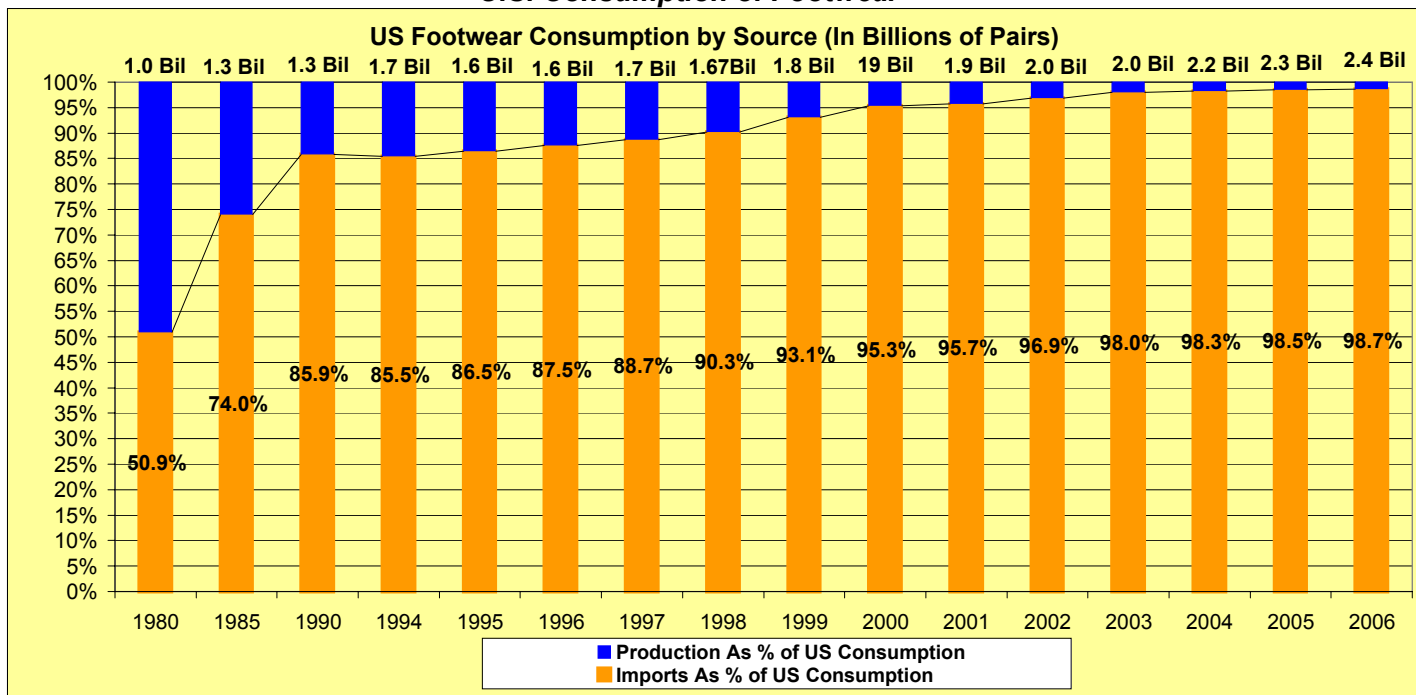
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U.S. Consumption of Footwear



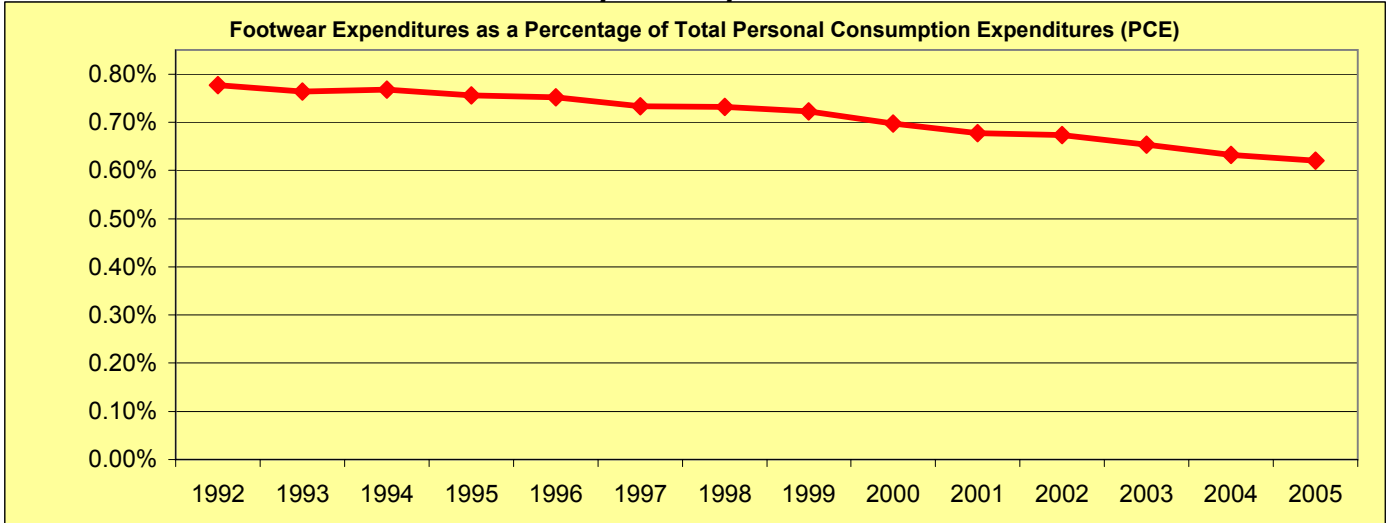
1,000s of Pairs	1980	1985	1990	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Production	497,300	336,400	184,568	242,500	220,400	196,000	190,100	163,200	120,877	86,645	79,718	61,400	39,810	36,698	34,021	31,936
Imports	514,900	957,100	1,120,662	1,425,834	1,409,232	1,376,080	1,488,118	1,512,323	1,632,622	1,764,900	1,784,687	1,898,066	1,968,089	2,123,761	2,252,451	2,371,201
Imports from China		36,407	395,719	949,419			1,037,103	1,107,566	1,239,700	1,368,344	1,405,785	1,525,520	1,602,365	1,772,464	1,924,474	2,043,582
US Consumption	1,012,200	1,293,500	1,305,230	1,668,334	1,629,632	1,572,080	1,678,218	1,675,523	1,753,499	1,851,545	1,864,405	1,959,466	2,007,899	2,160,459	2,286,472	2,403,137
Import Penetration	50.9%	74.0%	85.9%	85.5%	86.5%	87.5%	88.7%	90.3%	93.1%	95.3%	95.7%	96.9%	98.0%	98.3%	98.5%	98.7%
China % Share	0.0%	2.8%	30.3%	0.0%	58.3%	0.0%	61.8%	66.1%	70.7%	73.9%	75.4%	77.9%	79.8%	82.0%	84.2%	85.0%

Quantity in 1,000s of Pairs	U.S. Production				U.S. Imports				China 06	U.S. Consumption				% Change 05-06	Import Penetration	
	2003	2004	2005	2006	2003	2004	2005	2006		2003	2004	2005	2006		Total 06	China 06
Nonrubber																
Total Nonrubber	22,375	19,210	17,136	15,628	1,660,988	1,818,737	1,937,201	2,057,074	1,771,301	1,683,363	1,837,947	1,954,337	2,072,702	6.2%	99.2%	85.5%
<u>By Product Class</u>																
Men's	12,731	12,094	11,490	10,916	213,284	220,484	225,551	235,878	194,136	226,015	232,578	237,041	246,794	4.6%	95.6%	78.7%
Men's Work	8,063	8,869	8,781	8,692	26,544	27,766	31,544	33,879	32,311	34,607	36,636	40,325	42,571	7.4%	79.6%	75.9%
Women's	5,188	4,669	4,202	3,782	730,534	814,354	879,901	944,613	831,254	735,722	819,023	884,103	948,395	7.4%	99.6%	87.6%
Juveniles'	277	222	199	180	251,454	259,821	291,269	316,690	283,137	251,731	260,043	291,468	316,870	8.7%	99.9%	89.4%
Athletic	119	120	125	130	345,271	361,836	374,119	371,631	281,445	345,390	361,956	374,244	371,761	-0.7%	100.0%	75.7%
Slippers	3,873	1,937	968	484	84,510	124,871	120,789	130,520	128,080	88,383	126,807	121,757	131,004	8.1%	99.6%	97.8%
Other	187	168	151	136	9,391	9,605	14,028	23,863	20,938	9,578	9,773	14,179	23,999	70.1%	99.4%	87.2%
Rubber																
Total Rubber	17,435	17,488	16,885	16,308	307,100	305,024	315,250	314,127	272,281	324,535	322,512	332,135	330,435	-0.4%	95.1%	82.4%
<u>By Category</u>																
Rubber/Fabric	11,271	10,707	10,172	9,664	225,668	188,354	175,719	169,859	141,210	236,939	199,061	185,891	179,523	-3.3%	94.6%	78.7%
Plastic/Protective	6,164	6,780	6,713	6,646	18,322	19,227	21,463	18,864	13,009	24,486	26,007	28,176	25,510	-12.1%	73.9%	51.0%
Total Footwear	39,810	36,698	34,021	31,936	1,968,088	2,123,761	2,252,451	2,371,201	2,043,582	2,007,898	2,160,459	2,286,471	2,403,137	5.3%	98.7%	85.0%

2006 U.S. Consumption Highlights, Sources, & Notes

- In 2006, U.S. footwear consumption increased 5.1 percent over 2005, with U.S. consumption surpassing 2.4 billion pairs.
- Based on the U.S. Census Bureau's 2006 population estimate of 299,398,484 people, 8.0 pairs of shoes were purchased by every man, woman, and child in the United States in 2006.
- Note: 2004, 2005 and 2006 U.S. production numbers represent AAFA estimates based on historical trends and anecdotal information.
- Source: U.S. Imports for Consumption, U.S. International Trade Commission's Trade Dataweb (<http://dataweb.usitc.gov>).
- Source: U.S. Production, Current Industrial Report, U.S. Census Bureau (<http://www.census.gov/cir/www/alpha.html>).

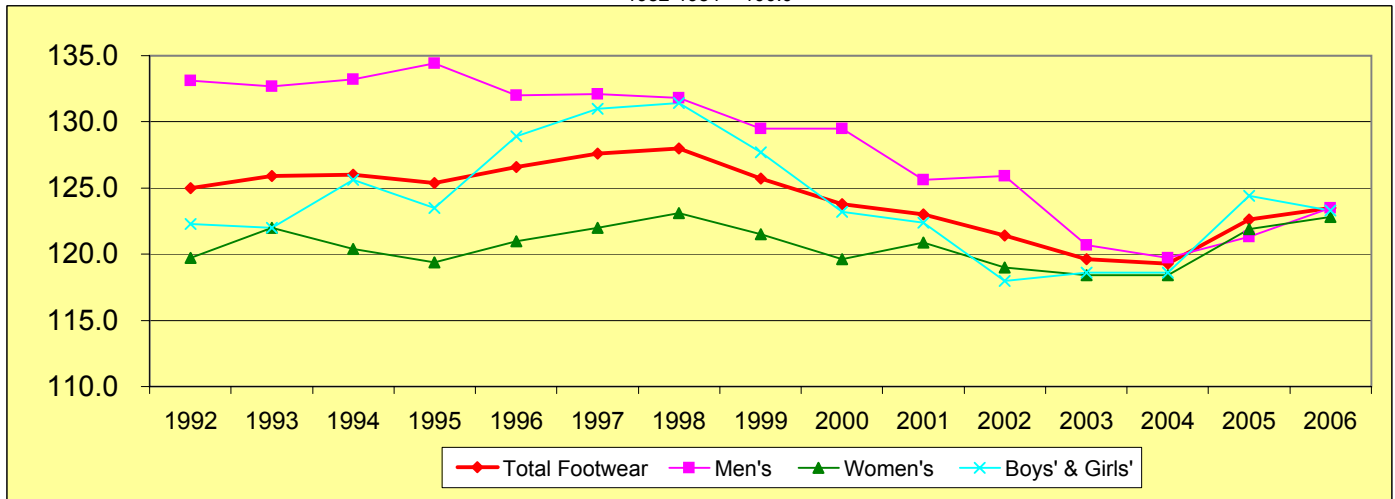
U.S. Personal Consumption Expenditures & Retail Prices



	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	% Change 04-05
Total Footwear Expenditures (in Billion \$)	\$32.9	\$34.2	\$36.4	\$37.6	\$39.5	\$40.7	\$43.0	\$45.4	\$47.0	\$47.8	\$49.5	\$50.3	\$51.9	\$54.2	N/A	4.4%
Footwear % of Total PCE	0.78%	0.76%	0.77%	0.76%	0.75%	0.73%	0.73%	0.72%	0.70%	0.68%	0.67%	0.65%	0.63%	0.62%	N/A	-1.9%
Footwear % of Nondurable Goods	2.47%	2.48%	2.53%	2.53%	2.54%	2.51%	2.55%	2.52%	2.41%	2.37%	2.38%	2.30%	2.21%	2.13%	N/A	-3.6%
Footwear % of Clothing & Shoes	14.83%	14.88%	15.29%	15.56%	15.79%	15.77%	15.87%	15.86%	15.79%	16.06%	16.31%	16.18%	15.96%	15.86%	N/A	-0.7%

Footwear Retail Prices (Consumer Price Indices (CPI)) by Product Class

1982-1984 = 100.0

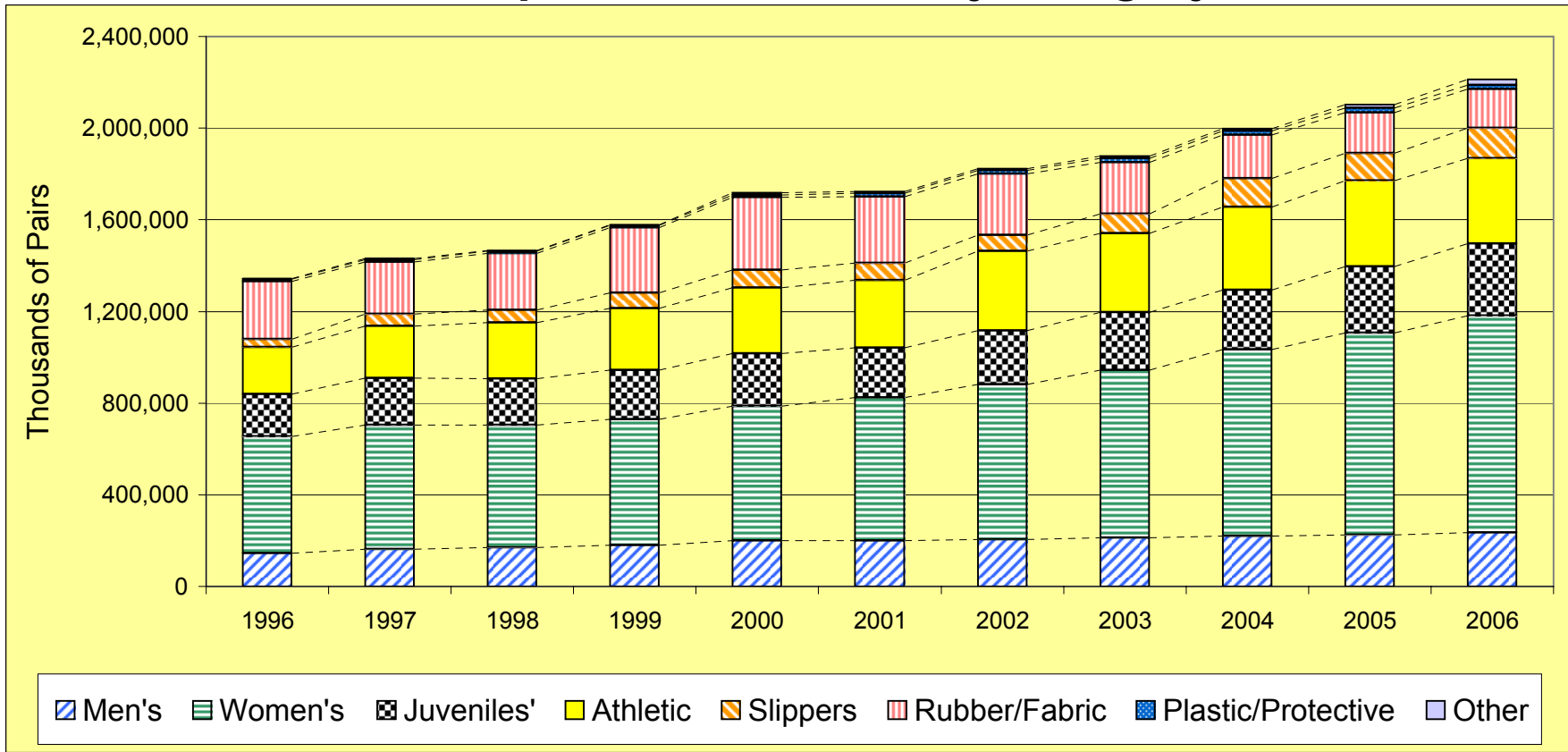


CPI	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	% Change 05-06
Overall Retail Prices (Total CPI)	140.3	144.5	148.2	152.4	156.9	160.5	163.0	166.6	172.2	177.1	179.9	184.0	188.9	195.3	201.6	3.2%
Total Footwear	125.0	125.9	126.0	125.4	126.6	127.6	128.0	125.7	123.8	123.0	121.4	119.6	119.3	122.6	123.5	0.7%
Men's	133.1	132.7	133.2	134.4	132.0	132.1	131.8	129.5	129.5	125.6	125.9	120.7	119.7	121.3	123.5	1.8%
Women's	119.7	122.0	120.4	119.4	121.0	122.0	123.1	121.5	119.6	120.9	119.0	118.4	118.4	121.9	122.8	0.7%
Boys' & Girls'	122.3	122.0	125.6	123.5	128.9	131.0	131.4	127.7	123.2	122.4	118.0	118.6	118.6	124.4	123.3	-0.9%

2006 U.S. Personal Consumption & U.S. Retail Prices Highlights & Sources

- Although footwear Personal Consumption Expenditures (PCE) rose 4.4% in 2005 to \$54.2 billion, footwear PCE as a % of overall and non-durable goods PCE continued to decline.
- Footwear retail prices fell 3.5% between 1998 and 2006, while overall retail prices rose 23.7% during the same period.
- Note: Personal Consumption Expenditure (PCE) figures for 2006 for individual products like footwear will not be released until August 2007.
- Source: Personal Consumption Expenditure: U.S. Department of Commerce, Bureau of Economic Analysis (<http://www.bea.gov>).
- Source: Consumer Price Index: U.S. Department of Labor, Bureau of Labor Statistics (<http://www.bls.gov>).

U.S. Imports of Footwear by Category



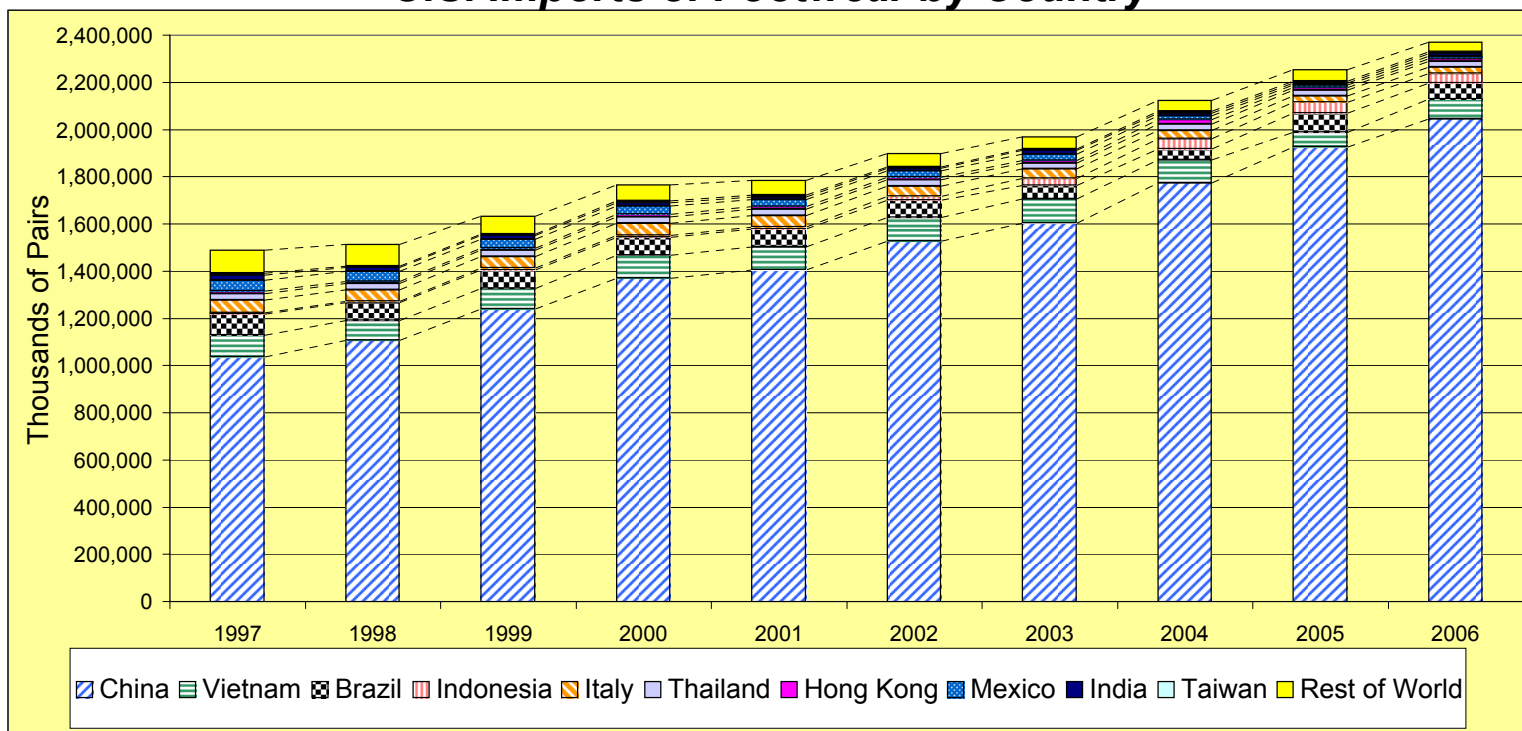
U.S. Total Footwear Imports by Category

Thousands of Pairs	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	% Change 05-06	% Share of Total '06
Total Imports	1,376,080	1,488,118	1,512,323	1,632,622	1,764,900	1,784,687	1,898,066	1,968,088	2,123,761	2,252,451	2,371,201	5.3%	100.0%
Men's	146,010	163,115	170,826	178,621	200,464	199,539	205,551	213,284	220,484	225,551	235,878	4.6%	9.9%
Men's Work	18,138	20,218	20,030	21,037	24,094	23,778	24,366	26,544	27,766	31,544	33,879	7.4%	1.4%
Women's	509,267	542,385	533,124	551,234	587,171	623,775	676,127	730,534	814,354	879,901	944,613	7.4%	39.8%
Juveniles'	183,631	204,043	201,503	214,310	228,336	218,566	234,436	251,454	259,821	291,269	316,690	8.7%	13.4%
Athletic	204,519	227,090	244,994	269,723	288,064	293,464	347,686	345,271	361,836	374,119	371,631	-0.7%	15.7%
Slippers	34,239	51,725	56,107	66,979	76,251	75,890	68,461	84,510	124,871	120,789	130,520	8.1%	5.5%
Other	3,056	4,590	3,248	3,358	9,869	7,757	6,877	9,391	9,605	14,028	23,863	70.1%	1.0%
Rubber/Fabric	254,117	228,589	246,841	284,799	317,261	289,599	267,160	225,668	188,354	175,719	169,859	-3.3%	7.2%
Plastic/Protective	9,571	10,255	9,787	9,615	10,398	14,350	16,525	18,322	19,227	21,463	18,864	-12.1%	0.8%

• Note: The above categories will not equal total U.S. footwear imports because they do not include zories.

• Source: U.S. Imports for Consumption: U.S. International Trade Commission's Trade Dataweb (<http://dataweb.usitc.gov>).

U.S. Imports of Footwear by Country



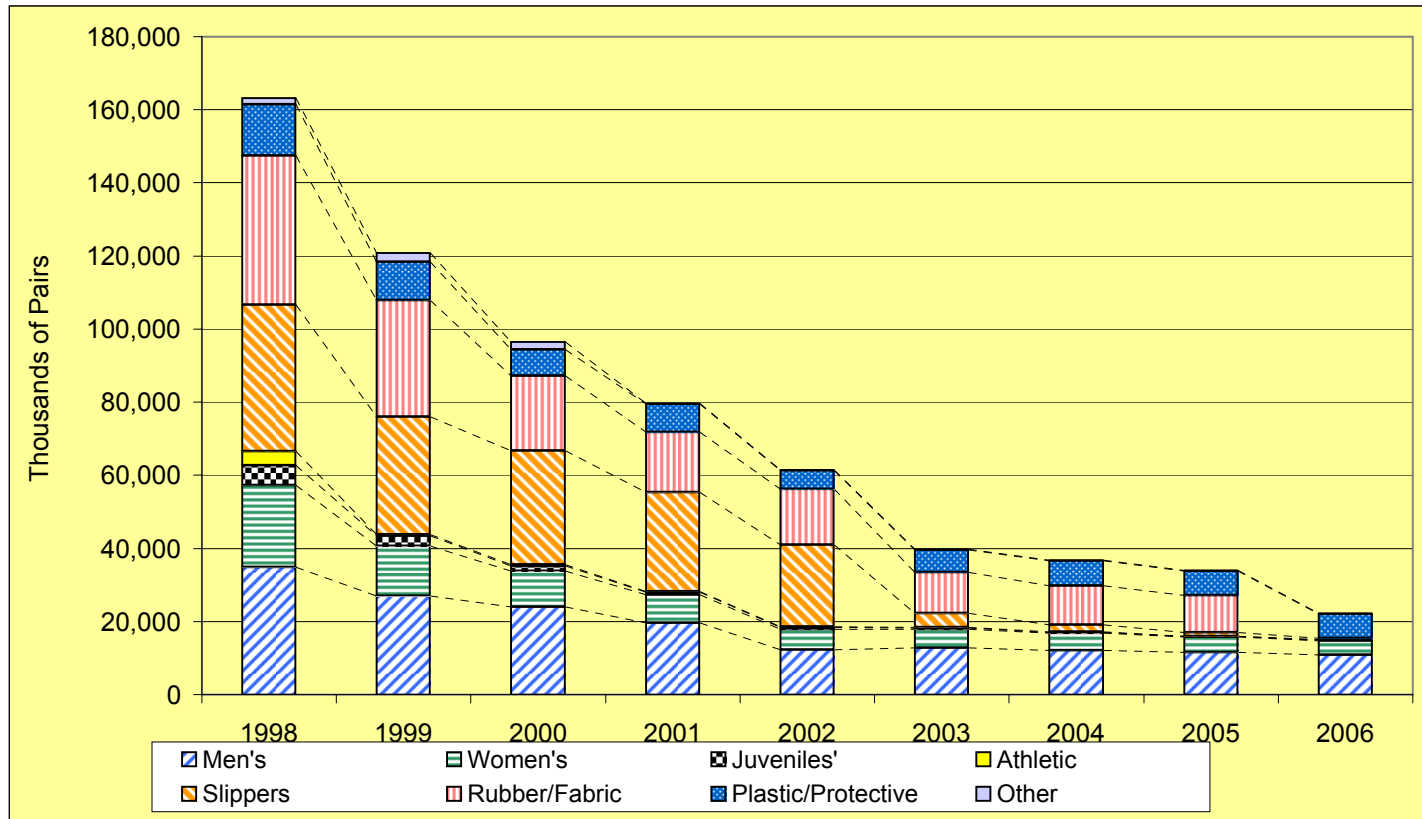
1000s of Pairs	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	% Change 05/06	% Share of Total '06
China	1,037,103	1,107,566	1,239,700	1,368,344	1,405,785	1,525,520	1,602,365	1,772,464	1,924,474	2,043,582	6.2%	86.2%
Vietnam	90,626	83,294	85,563	98,540	97,462	101,627	103,275	98,834	64,480	86,115	33.6%	3.6%
Brazil	89,838	74,279	79,454	76,145	75,161	73,103	56,947	46,728	79,318	66,714	-15.9%	2.8%
Indonesia	6,267	7,175	8,294	7,319	8,285	17,537	30,460	43,707	46,288	42,185	-8.9%	1.8%
Italy	53,162	48,683	48,074	52,287	48,555	43,550	40,256	35,264	27,783	25,490	-8.3%	1.1%
Thailand	26,309	26,485	27,167	27,571	26,578	27,077	25,329	25,305	24,450	23,578	-3.6%	1.0%
Hong Kong	13,164	8,326	8,794	10,577	10,616	10,301	9,802	19,058	10,000	12,672	26.7%	0.5%
Mexico	44,249	42,782	38,282	34,748	30,394	26,247	28,387	15,722	10,338	11,095	7.3%	0.5%
India	21,683	15,855	15,156	13,740	11,102	10,185	14,058	13,139	9,513	10,383	9.1%	0.4%
Taiwan	7,604	5,958	6,598	7,096	6,757	6,566	7,372	8,037	9,092	8,955	-1.5%	0.4%
Rest of World	98,113	91,920	75,540	68,532	63,952	56,353	49,837	45,503	46,716	40,433	-13.5%	1.7%
Total Imports	1,488,118	1,512,323	1,632,622	1,764,899	1,784,647	1,898,066	1,968,088	2,123,761	2,252,451	2,371,201	5.3%	100.0%

\$ Value (in 1000s of U.S. Dollars)	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	% Change 05/06	% Share of Total '06
China	\$7,235,968	\$7,909,327	\$8,339,971	\$9,098,588	\$9,647,478	\$10,114,068	\$10,396,087	\$11,185,922	\$12,467,866	\$13,600,167	9.1%	72.8%
Vietnam	\$97,503	\$114,902	\$145,672	\$124,491	\$132,000	\$223,921	\$324,407	\$472,812	\$716,111	\$950,833	32.8%	5.1%
Brazil	\$1,138,983	\$1,019,866	\$956,516	\$1,146,928	\$1,159,756	\$1,078,393	\$1,038,486	\$1,079,644	\$1,017,196	\$893,488	-12.2%	4.8%
Indonesia	\$1,079,953	\$746,283	\$751,041	\$730,982	\$724,356	\$730,399	\$569,203	\$492,528	\$510,098	\$471,113	-7.6%	2.5%
Italy	\$1,183,625	\$1,157,759	\$1,175,611	\$1,250,743	\$1,251,237	\$1,175,142	\$1,233,530	\$1,241,615	\$1,128,717	\$1,101,622	-2.4%	5.9%
Thailand	\$378,752	\$341,738	\$325,304	\$328,908	\$314,153	\$277,076	\$284,442	\$286,574	\$291,618	\$292,940	0.5%	1.6%
Hong Kong	\$97,961	\$59,873	\$57,018	\$66,494	\$80,741	\$67,157	\$60,082	\$85,754	\$50,730	\$70,856	39.7%	0.4%
Mexico	\$287,111	\$261,840	\$271,336	\$283,477	\$250,335	\$223,788	\$235,356	\$201,811	\$203,886	\$222,156	9.0%	1.2%
India	\$96,726	\$83,540	\$93,251	\$108,820	\$98,278	\$92,330	\$107,879	\$124,437	\$138,056	\$153,343	11.1%	0.8%
Taiwan	\$170,718	\$133,891	\$102,113	\$86,356	\$70,685	\$67,085	\$70,072	\$75,207	\$56,594	\$47,370	-16.3%	0.3%
Rest of World	\$1,615,472	\$1,518,181	\$1,414,185	\$1,283,117	\$1,174,802	\$1,029,837	\$933,423	\$939,032	\$912,778	\$889,883	-2.5%	4.8%
Total Imports	\$13,382,772	\$13,347,199	\$13,632,018	\$14,508,904	\$14,903,821	\$15,079,196	\$15,252,969	\$16,185,336	\$17,493,650	\$18,693,771	6.9%	100.0%

2006 U.S. Import Highlights & Sources

- China controlled 86.2% of all U.S. imports, while rapidly growing Vietnam surpassed Brazil to become the second largest supplier to the U.S. market in 2006.
- Source: U.S. Imports for Consumption: U.S. International Trade Commission's Trade Dataweb (<http://dataweb.usitc.gov>).

U.S. Footwear Production



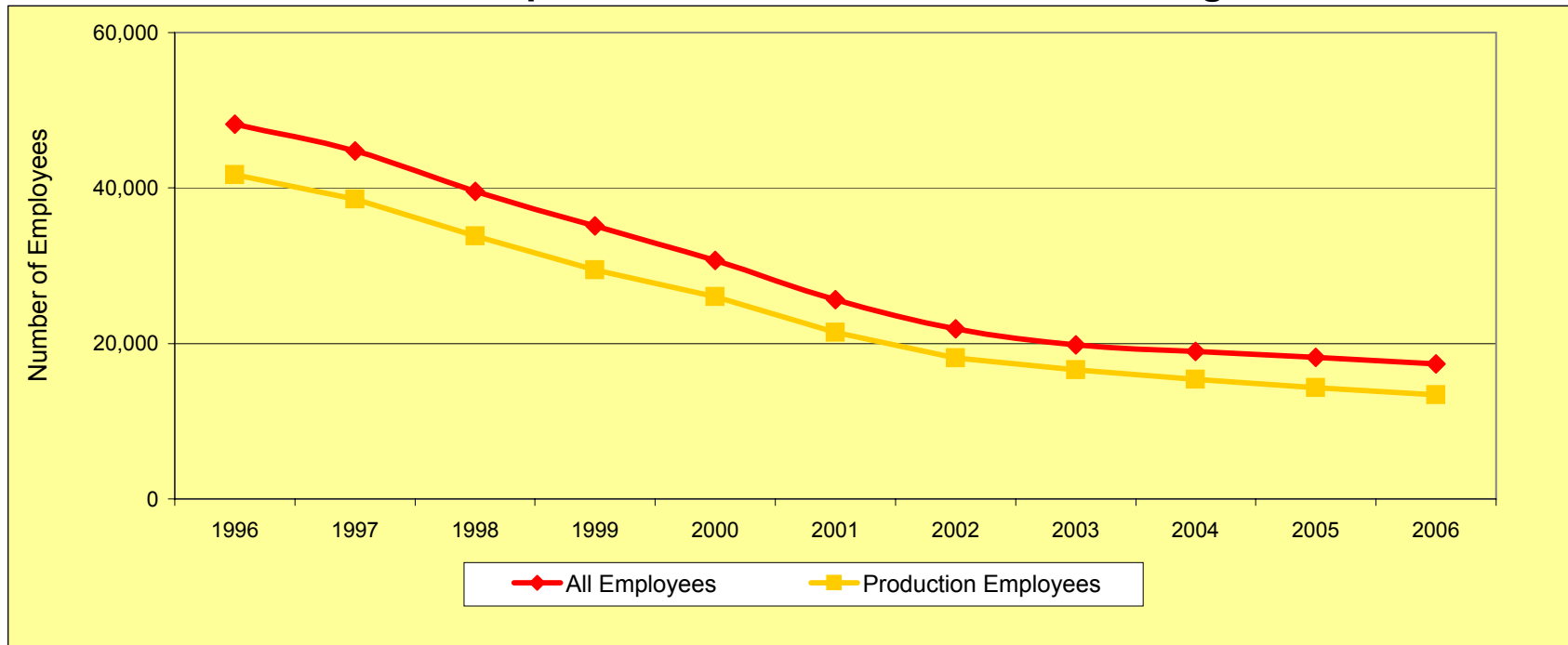
U.S. Production by Category

Thousands of Pairs	1998	1999	2000	2001	2002	2003	2004	2005	2006	% Change 98-06	% Change 05-06
Total Production	163,200	120,877	86,645	79,718	61,400	39,810	36,698	34,021	31,936	-80.4%	-6.1%
Men's	34,845	26,982	23,983	19,645	12,245	12,731	12,094	11,490	10,916	-68.7%	-5.0%
Men's Work	12,201	9,392	9,158	8,730	7,063	8,063	8,869	8,781	8,692	-28.8%	-1.0%
Women's	22,476	13,632	9,796	7,603	5,650	5,188	4,669	4,202	3,782	-83.2%	-10.0%
Juveniles'	5,409	2,842	1,389	778	491	277	222	199	180	-96.7%	-9.5%
Athletic	3,737	313	310	157	149	119	120	125	130	-96.5%	4.0%
Slippers	40,189	32,235	31,181	27,225	22,464	3,873	1,937	968	484	-98.8%	-50.0%
Other	1,803	2,577	2,007	204	167	187	168	151	136	-92.5%	-9.9%
Rubber/Fabric	40,800	31,825	20,587	16,301	15,266	11,271	10,707	10,172	9,664	-76.3%	-5.0%
Plastic/Protective	13,900	10,471	7,188	7,805	4,968	6,164	6,780	6,713	6,646	-52.2%	-1.0%
Factory Closings	15	11	3	6	3	6	3	0	1		

2006 U.S. Production Highlights, Notes & Sources

- Note: 2006 U.S. production numbers represent AAFA estimates based on historical trends and anecdotal information.
- Source: Current Industrial Report, U.S. Census Bureau (<http://www.census.gov/cir/www/alpha.html>).

Snapshot of U.S. Footwear Manufacturing



Employment, Hours & Earnings in the U.S. Footwear Manufacturing Industry

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	% Change 05-06
All Employees	48,200	44,800	39,600	35,100	30,700	25,600	21,900	19,800	19,000	18,200	17,400	-4.4%
Production Employees	41,700	38,600	33,800	29,500	26,000	21,400	18,100	16,600	15,400	14,300	13,400	-6.3%
Average Hourly Earnings	\$8.46	\$8.85	\$9.25	\$9.43	\$9.77	\$10.01	\$10.25	\$10.80	\$11.39	\$11.50	\$11.45	-0.4%
Average Weekly Hours	36.6	37.2	36.4	36.9	38.2	37.0	37.7	38.8	37.7	37.7	37.7	0.0%

Employment and Factory Closings

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	% Change 03-04
Total Employees	48,200	44,800	39,600	35,100	30,700	25,600	21,900	19,800	19,400	18,200	17,400	-4.4%
Net U.S. Factory Openings/Closings	(12)	(10)	(7)	(11)	(15)	(11)	(3)	(6)	(3)	0	(1)	N/A
Cumulative Openings/ Closings since 1967	(747)	(757)	(764)	(775)	(790)	(801)	(804)	(810)	(813)	(813)	(814)	N/A

2006 U.S. Manufacturing Highlights & Sources

- The continued decline in U.S. slipper production reduced overall U.S. footwear manufacturing employment in 2006.
- Source: Employment, Hours & Earnings, U.S. Department of Labor, Bureau of Labor Statistics (<http://www.bls.gov>).
- Source: Factory Closings, AAFA Estimate.