

THE FOOTWEAR DIGEST



1st Edition
March, 2023

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the **footwear** digest

March, 2023

A step towards awareness in
the time of supply reformation



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THE FOOTWEAR DIGEST

THE JOURNEY BEGINS

Welcome to The Footwear Digest, a new knowledge based initiative to understand Bangladesh leather and footwear sector and beyond.

We are a group of manufacturing industry enthusiasts, pushing ourselves in shaping the footwear industry of Bangladesh by sharing our experience, creating data-driven analysis and providing insights that can motivate anyone around. We are either working as a professional in the industry or an investor in the value chain or inspired by the potential of footwear manufacturing at home or beyond.

Today, unfortunately, our investors lack adequate & expedient information to navigate in this ambiguous & uncertain time . Our buyers are unable to have clear data about the factories and their capabilities; it's impossible to make a consolidation of needs to go for an economic & technical feasibility study for backward linkage. And many more. Being a country with 32 years of footwear export experience, it's unfortunate to stay in the dark in this era of data driven business.

The 'Footwear Digest', is the first of its kind journal on the footwear industry of Bangladesh. The intention of FD (Footwear Digest) remains focused on creating a solid database, helping users with data-driven analysis and projecting economic analysis from the perspective of footwear. We find it a duty & responsibility to contribute to this uninvestigated top industry of Bangladesh.

OUR VISION

Lacing the footwear industry through experience

OUR MISSION

Curate the very best and most engaging Footwear content for our readers, both print and digital

It's also a way to give back our learning & experience to local and international networks to improve connectivity along with data-driven decision-making for future users/ promoters/ professionals/ buyers.

Panel Author and Support



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Acknowledgments

TFD would like to express special thanks and gratitude to all participants who enriched its journey by their presence, advice and well wishes. We are thankful to the community of footwear inside and outside Bangladesh for contributing to the preparation of this digest and the many industry experts who generously shared their perspectives for our interviews.

In particular, we would like to thank: *Zakaria Shahid, Hasnat Md. Abu Obida (Marshall), Jasim Ahmed, Nuruzzaman Babu, Mizanur Rahman Shamim, Masud Nizam, Razya Rahim, Sk. Zahid, Mohammed Zahir Uddin, Md. Faysal Evna Amin* for their participation and encouragement. TFD would also like to thank the team who has deep dived to prepare excellent company research and worked 24X7 to bring out the final output on time. Not an easy task as this initiative does not have a path to follow; rather it's going to create its own story.

A particular gratitude goes to Jean Baptiste Cadilhac, who encouraged us and engaged his time to deliver a series of writing from his deep experience in worldwide footwear manufacturing and sourcing. In addition, the team would like to thank *Nuno Tinoco, Vikash Bajargyan, Pavla Zezulkova, Lutmilla Ahmed and Jaidur Rahman* for supporting the cause and inspiring us by sharing their experience in their field of expertise.

TDF would like to thank each and every footwear lover around Bangladesh for making us believe, this is the time of organized data; the audience is waiting for a storyteller; and here we come with our platform.

You are welcome to join this journey; together we can enright the content - experience - knowledge.

Message from the Honorable Minister, Ministry of Information & Broadcasting



It brings me immense pleasure to learn about the publication of the first edition of the first edition of THE FOOTWEAR DIGEST.

I express my sincere gratitude to the Mother of Humanity, Honorable Prime Minister Sheikh Hasina, whose eagle's gaze and extraordinary leadership made Bangladesh like never before. We are now known as the unstoppable nation, and the Ministry of Information and Broadcasting is leaving no stone unturned to achieve the dream of our Prime Minister, a Smart Digital Bangladesh.

As information is considered one of the most valuable things now-a-days, our goal as Ministry is to enhance communication with international, regional, and local media organizations; also, we will invest in the media and communication sector. I strongly believe that this initiative of THE FOOTWEAR DIGEST will enable the footwear industry personnel to be connected through the information & catalyze the necessary initiatives that we really need for the advancement of this sector.

I deeply appreciate the initiatives of this international business magazine on the footwear industry of Bangladesh and I strongly believe that THE FOOTWEAR DIGEST team will keep up their determination year after year to keep up the quality of their publication.

Joy Bangla .Joy Bangabandhu.

May Bangladesh Live Forever.

A handwritten signature in black ink, appearing to be 'H. Mahmud'.

Dr. Hasan Mahmud, MP

Honorable Minister

Ministry of Information and Broadcasting

Govt. of the Peoples Republic of Bangladesh

Message from Member of Parliament, 221 Shariatpur - 1



The Footwear Digest team has recently published their very first Edition, helping users with data-driven analysis and projecting economic analysis from the local & global perspective of footwear and facilitating Bangladesh's footwear exports. This publication covers the much needed inputs from academia to industry experts under a single platform to collaboratively drive one of the most promising export industries of Bangladesh .

Under the visionary leadership of the Honorable Prime Minister Sheikh Hasina, the present government of Bangladesh is committed to sustainable graduation from the LDC category and to building a developed country by 2041. The government's export-led growth policy is a crucial component of this plan, and the promotion of exports is key to achieving this growth.

The Footwear digest will act as a valuable resource for exporters, researchers, global buyers, and others interested in studying the global footwear market , leather & synthetic footwear sector of Bangladesh.

I would like to express our gratitude to the team for publishing this international magazine. We hope that this publication will be of great use to all stakeholders involved in the growth and development of Bangladesh's exports through this potential sector of Footwear.

Joy Bangla, Joy Bangabandhu, Joy Sheikh Hasina.
May Bangladesh Live Forever.



MD. Iqbal Hossain, MP

Member of Parliament

Govt. of the Peoples Republic of Bangladesh





GODLY BUYERS

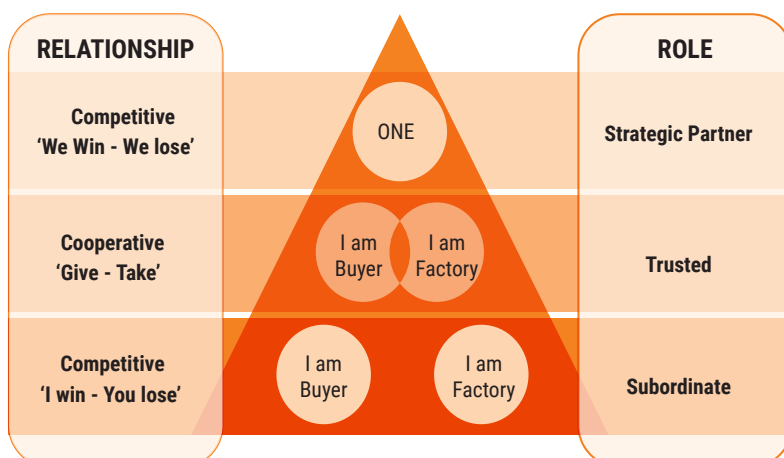
an imbalanced relationship!

What is a standard relationship approach between a supplier and buyer?



Well, by the end of these steps, how much manufacturers know about the buyer? A set of presentations if they are lucky! A website created and presented by the buyer - full of good words! And may be a set of 'words of mouth' from very limited and unauthentic local sources.

Let's talk about 'WINNING PRINCIPLE OF RELATIONSHIP'; there are numerous ways to define it, but I found the one below most relevant - A relationship status that provides a role to actors.



If we look at the existing relationship between a 'common' buyer - manufacturer today, I don't need to tell you where the manufacturers stand. it's a competitive - subordinate approach with a short term opportunist target to achieve selfish benefit. I WIN - YOU LOSE.

We can also define this 'relationship approach - daily conduct' with another simple tool; the collaboration law of relationship,



We are so unfortunate that hardly an example of an ASSERTIVE approach is seen. At the same time, the approach and relationship can not be set at right mode by only manufacturers.

The whole environment of business, maturity of governance and availability of 'positive' collaboration is the major influencer (among many).

And that's where today the manufacturers are trapped in thousand known and unknown way; One of my friend has named all the domination of buyers as 'modern indigo farming - আধুনিক নীল চাষ). They will give you the hope of 'enormous' business & suck out all the profit! Let me share few examples,

- Buyers will ask for audits at the cost of the manufacturer (!) number of audits can vary from 3 to 17 (!) audits may recommend a significant investment; and after all these, the manufacturers 'may' get a business that will 'hardly' bring profit in the first few years (or ever). And factories continue to work with a 'hope of better days'.
- If there is a quality or supply or sales issue - whoever the 'real responsible' is, sufferings of stopping the lines/ postponement of shipment/ over stock are on the shoulder of the factory. Did you ever calculate, what is the cost of keeping your factory closed for a day? For an hour? What is the cost of keeping one pair of stock for 30 days?



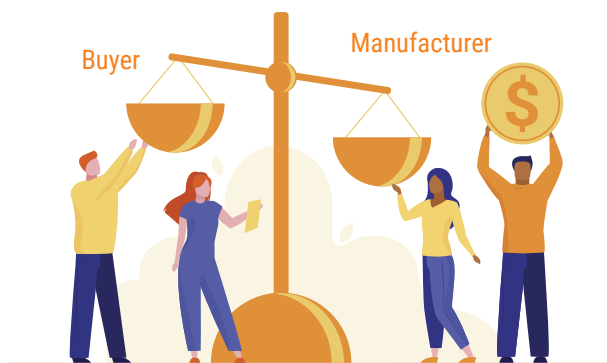
**Here is a simple math, If a factory is making 10% profit per pair (!)
2.5 days of factory closure = profit made by a factory in that month!**

- c. To keep a factory profitable, it's important to keep the factory running; in most of the cases, it's a decision that the factory has to take whether they keep the factory closed for 'X' days or they keep the factory running at '0' profit. And on the 'hope of a better days', factories keep operating as retaining workers is also important.
- d. Now, the other cost of 'entertaining all parties', cost of uncertainty - strike/ unrest/ power cut/ power shortage/ power cost/ freight cost/ cost of investment/ component price/ raw material price/ war etc and etc; who will deal with it? Who pays it when someone has to pay? Again, **'the hope of better days'** keeps factories running; but running at a loss!

And after paying for all the 'burden', uncertainty takes away all the fruits. The impact of doing business with 'unstable' buyers under 'unbalanced' relationships was very visible from the period of covid; and it continues to play a role in this post covid world due to global financial instability (inflation/ war/ power crisis etc).

COMMITMENT (IM)BALACE

- | | |
|--------------------------------|-------------------------|
| Business (!) | Committed price |
| Commitment (!) | Committed compliance |
| Mutual profit (!) | Committed capacity |
| Sustainable business model (!) | Committed elasticity |
| Support (!) | Absorb Uncertainty cost |





**Is not it a time to look at our balance sheet?
Re-calculate profit expectation - re-think on
business model? Re-visionise our goal?**

We have to revolt; we have to revolt the way it was done 200 year ago!
Will write a few of the formulas some other day (soon).

After the imbalance of commitment, here comes the imbalance of power; it's natural that the power of purchase is always held by the 'upstream'

POWER (IM)BALANCE

Supreme authority
Reluctant

Sunordinate
Accountable

Validate
Adapts as per market
Profit maker

Accept
Suffers with market change
Sacrifice Profit



**The whole process of BRANDING - RETAILING -
PURCHASING - MANUFACTURING
can be super powerful if we learn to act like a
'CHAIN' than 'SILOS'**

Unfortunately, the footwear industry of Bangladesh is suffering from two major adversities,

a. Lack of 'market leading - sustainable - strategic' brands to purchase from Bangladesh.

Today, top brand presence is low (absence of big 5) in Bangladesh; There are 'thousands' of reasons for that (will discuss some other day); and this can only be altered if a 'holistic - private - govt' approach is taken to make our industry desirable.

Long story short - Industry must have a long term strategic goal to make it happen.

Unfortunately we are still individualist rather than collaborative; we run behind personal gain rather than collective mission. The alignment - leadership - infrastructure is not enough today to workout the vision of our industry. I hope, someday, we will prove to be **smarter than clever!**

b. Infiltration of blood sucking footwear agents

In the meantime, Chinese 'manufacturer' converted into development center due to high labor cost/ 'footwear agents from China' unable to buy locally due to price pressure, are infiltrating footwear industry; and polluting the business using their long experience of 'cheating profit' by 'lowering price' with all the possible means.

The durability of these businesses is as sustainable as 'Chinese goods'; yet, manufacturers are serving them at maximum as their incapability does not allow them to look for an 'alternative'.

It's more a slavery than a business! Investing millions of dollars, manufacturers are paid \$1.5 - \$2 AS CMT of shoes made for Chinese agents! Factories manage a lot of other cost within this \$2 (best case scenario),

- Labor cost
- Overhead cost
- Thread & auxiliaries
- Chemical cost (cement/ primer/ cleaning agent etc)
- Foam/ Reinforcement

And ofcourse so called profit is also included! What an impossible equation!!! On the contrary, for each pair of shoes, these Chinese (and a few local associates) keep an 'agent commission' of 8% - 30%!

**An investment of \$10K can make you an 'aristocrat footwear agent';
Why will you take a risk of million dollars by setting up an 'unagile' footwear factory?**

Remember the INDIGO REVOLUTION - নীল বিদ্রোহ? What did they do? How did they get rid of the circle of exploitation? We have to learn **SOLIDARITY - INCLUSION - ANTICIPATION.**



FORMULA 1

ONE FOR ALL - ALL FOR ONE

MEDIATOR (ASSOCIATION?)

- Ensure right LOP (labor/ overhead/ profit): In each market, there is a '**mediator**'; specially when the power balance is absent. And mediator must prepare and propose LOP slab for each type of product. And apply this minimum cost-profit slab on behalf of the manufacturers. *A common practice (exploitation) is, asking manufacturers to buy material under bond but instead of export, it's used to produce shoes for local market. Who is responsible to ensure right regulation? Who is your mediator? What is the role of ASSOCIATION? Can you deny your part of responsibility?*

- Proactive than reactive: the job of 'mediator' is not to sit and wait for complain; they must find out the problem to

resolve before any entity suffers. Monitoring of buyers inside Bangladesh by 'mediator' to ensure 'balance of power' & 'commitment'.

- Become a policy maker: How many policy for Footwear sector in Bangladesh is written with the participation (even presence) of a footwear manufacturer/ investor/ expert?

To be a winner, one needs to write the rule of the game.

FORMULA 2

COLLECTIVE & COLLABORATIVE

INCLUSION

- Invite FDI: How many non-Bangladeshi footwear factories are operating in Bangladesh? 2/ 5/ 10? I don't know; but we must remember, an industry in a country like Bangladesh can not grow by only locals; Locals should provide Land/ Labor/ security - FDI should bring expertise/ machine/ buyers.

- We have to be together: Have to speak the same language first inside Bangladesh. Why could not we avail 12% incentive till date? What is missing? It's 5 years that the gadget is published but for 'unreasonable points', it's stuck at 4%. What is the solution? I don't know. But I know, if we are able to move collectively, we can fight over any challenge.

We have great examples in India - look at how Hero-honda became Hero Motocorp/ how Maruti-Suzuki became Maruti. And Why? Even in Bangladesh, What was the value addition of Apex-Adelchi to today's Apex?

FORMULA 3

LOOK BEFORE YOU LEAP!

ANTICIPATE

- Evaluate the proposal: act on the short-mid-long term business model and policy. Ask questions to yourself,
 - Is it opportunistic? Does it make sense in short term? Long term?
 - What do you gain? What does the buyer brings in if not profit?
 - What target you want to set with the buyer? Business? Learning?
- Evaluate the buyer: It's a must. Without evaluating, a manufacturer must not start a business relationship with a buyer. It's very important to learn about the type of buyer and set profitability goal accordingly.
- Prepare your future - no dependency approach: Create your options before you become one. Exactly the way they study the manufacturing market, prepare your buyer analysis. In this modern world, you have reach your buyer; Of-course there will be people knocking at your door; they are those 'agents', '3rd party'; to get in touch with right buyers - retailers, a manufacturer needs to approach directly. Go to their headquarters - attend the fairs - there are ways to reach them.

How many int'l fair has been attended by Bangladeshi manufacturers in last decade? 1 or 2? There are more than a 100 footwear specific fair happening around the world!

Well, there are thousands of formulas; none are incorrect.

The objective of this writing is not to indicate our incapability; It's an approach to find a solution out of our enormous opportunity. We must move; we must move ourselves better-smarter-faster. We have to reach the victory line before anyone. **Will we? I don't know ;)**

-
Hossain Tawhid Imam
Footwear Professional



Few points that can help you to prepare your 'Buyer assessment form'

| | |
|------------------------|---|
| Basis of relationship | LONG TERM STRATEGY/ OPPORTUNIST |
| Business history | >20 yrs >10 yrs 5 yrs Other |
| Presence in Bangladesh | >20 yrs >10 yrs 5 yrs Other |
| Profit margin | >12%/ >10%/ >8%/ >6% Negotiated |
| Business visibility | YES 5 YRS/ YES 3 YRS/ YES 1 YEAR/ NO |
| Business reliability | YES 6 MONTH/ YES 3 MONTH/ YES 1 MONTH/ NA |
| Business dependency | 10% 20% 50% <50% |
| Price offer | SPOT/ OPEN BOOK |
| Discount | YES/ NO |
| Retailing | DIRECT retailer/ 3rd PARTY |
| Retailing countries | EU/ USA/ ASIA/ WW |
| Technical support | YES/ NA |
| Quality control | OWN/ 3rd PARTY/ NA |
| Compliance advice | YES/ NO |
| Capacity commitment | YES 2yr/ YES 1yr/ YES 6 months/ NA |
| Team | Locally available/ Not available |
| Decision maker | Locally available/ From abroad/ Not reachable |
| Payment term | 90 DAYS/ 60 DAYS/ 30 DAYS/ AT SIGHT |
| Development support | YES/ NO |
| Mutual growth plan | YES/ NO |
| Mutual investment plan | YES/ NO |
| Local team strategy | YES/ NO |



INTERVIEW OF THE MONTH



MR JAKARIA SHAHID
MD, EDISON FOOTWEAR

1. Would you please share a bit of your personal life (including your childhood, Education, Family, Professional & others) with the readers of The Footwear Digest?

I was born and raised in Gazipur. A pure Village with lots of natural beauty. After completing my primary education from village school I moved to Gazipur District famous Govt School named Rani Bilashmoni Govt Boys High School. School life is the best part of everyone's life. Boarding or Hostel life is another important factor. It teaches how to become independent and how to fight in challenging situations. After my SSC I moved to Dhaka with my Uncle and got admitted in Dhaka City College. I completed my B.Com from the same college. I did my MBA in Finance from IRM and M.Com in accounting from Jagannath University. My father was a school teacher. So we all family members had to maintain very strict regulations. I have only one younger sister. I am married and I have one daughter and one son. Daughter will be going to university in the next Sept 2023 session and son is in grade 7. I like to travel a lot.

2. You had started your career as a service professional, why & how did you move to the world of business?

I started my career with Siemens Bangladesh Ltd. , A very renowned German multinational company. I joined as a Trainee executive. Within 2 years of my service I got promoted as commercial head and transferred to the

business division. This promotion and new position was a very vital and crucial turning point of my career and life. I started learning new things and started driving business from the front. Siemens mobile phone was very famous at that time. Business potential of mobile phones was huge and it was just at the beginning of its growth. Siemens decided to stop its Mobile business. So we started looking for alternatives. Under special approval from Siemens HQ we launched a local mobile brand and within a very short time it holds a strong position in the mobile market. After 2 years, Siemens again decided to stop doing this local brand business modality. But the potential was huge. Consumer demand and acceptance was very high. This mobile business future and its growth potential eventually drove us to move forward and started thinking something on our own.

3. What is the Key motivation to become an entrepreneur?

Business in-depth knowledge, competence is very essential for every entrepreneur. As I had started my career and gathered in- depth knowledge in this field, it gave me extra comfort to start a business. But the most important factor was my team. The entire team showed their keen interest to move and join us blindly. Only self-motivated employees can make a customer happy or can create new happy customers.

4. At the beginning what was the most difficult situation to handle in business and how did you overcome those and become successful?

I am the first generation in my family that decided to start a business after 10 years of career with a multinational company. Finance is very important for any business, especially in trading business daily cash masters. We faced huge challenges to open product LC from the bank. Because without a proven record no one feels comfortable giving finance. Finally we managed to get a big amount of personal loan from one of my partner's relatives. It helped a lot to build a solid financial record with the bank. After that banks came up and offered financial support. My personal relation with different bankers also worked as additional comfort.

5. What is your vision of Edison group? And as a person what's your dream to become?

Our vision is "To be a responsible, respectable and prominent company".

The Edison group is involved in a different nature of business. But we set common values. We are customer driven, employee oriented, socially responsible, ethical and transparent, and value our stakeholders. Personally I dream to work for branding Bangladesh not only made in Bangladesh.

6. Why have you chosen to produce synthetic footwear over the leather footwear industry?

We made several analyses before we made a diversified decision and invested in footwear. Growth potential is very much important for any new business. We observed that the footwear industry has that future potentially

which inspired us to join in the footwear industry. From Bangladesh perspective, only RMG sectors are developing day by day. However, the parallel industry is not growing significantly. So, in that sense, to establish a new industry for our country, I am motivated to establish a footwear industry. And then I planned for leather and synthetic both types of footwear. One specific challenge of sourcing compliant & ethical leather also pushed us towards synthetic footwear manufacturing.

The choice was determined finally by the demand from the market. Sports and casual footwear customers started to approach and ask for new capacity every year. And we grew our business with them keeping aside our interest in leather footwear.

7. What is your experience with your buyers? How do you evaluate your customer?

Good. We are lucky to have business sensible buyers. We face difficult times together. A good example is covid and post covid period. Of Course we went through a lot of challenges; the challenge is not over yet but we have our customer beside us to share the pain.

Moreover, a demanding customer helps to develop skills and standards. We have learnt a lot from our customers about different globally used standards. The factory increased its efficiency over the years. I take this opportunity to thank them for their contribution in developing Edison footwear. In a word I can say customers are very cooperative and truly they want establishment of the footwear industry in BD.





8. What is your approach /view about sustainability?

Edison group approach to sustainability is one that prioritizes renewable manufacturing practices, along with increased automation and more backward linkages in the supply chain. By adopting a greener manufacturing approach we can reduce our carbon footprint and minimize waste, while automation can help streamline operations and make them more efficient. Additionally, more backward linkages in the supply chain can help reduce waste and increase resource efficiency, creating a more sustainable and resilient business model.

It is obvious without sustainability this industry will not flourish. Hence, Edison is promoting renewable energy production, automation in the operational area for better sustainable operation management. You will be glad to know that Edison footwear established a 470 KW solar panel in our factory premises. It is almost 25 % of our total energy requirements.

9. How do you foresee EDISON footwear in the next 10 years?

To be in the top 3 in Bangladesh footwear industry. We want to develop our own brand and our brand's shoes will be sold directly by Buyer. In the next 5 years we have planned to produce 100 K per day and we will create a big number of new employment which will be helpful to reduce unemployment.

I foresee Edison Footwear as a leading player in the industry over the next decade. With a focus on

innovation, quality, operational excellence and customer satisfaction, I believe that Edison Footwear will continue to gain market share and compete effectively against other top players in the industry. In addition, I see Edison Footwear developing its own brand and expanding its exports to new markets, further driving growth and success.

10. How would you list down the top 3 priorities to boost footwear export from Bangladesh?

I believe Long-term, sustainable, and business-friendly policies that create a favorable environment for the industry to grow and thrive. This includes measures such as tax incentives, streamlined regulations, and a supportive infrastructure.

Also more backward linkages to reduce component lead time, which can help make the industry more efficient and cost-effective. This could involve strengthening and expanding the domestic supply chain, increasing investment in logistics and transportation, and improving access to raw materials.

Lastly branding Bangladesh as a reliable and high-quality producer of footwear. This can be achieved through efforts such as trade shows, marketing campaigns, and developing technical & manufacturing partnerships with international buyers and retailers. A strong brand can help differentiate Bangladesh from other countries and create a unique selling proposition that can help boost exports.

11. How do you analyze the geo-political situation (US vs CN Trade war): Advantage for Bangladesh? What preparation should we need to take?

The US-China trade war presents a significant opportunity for Bangladesh. With the potential to attract new investors, both locally and from abroad, manufacturers, policy makers must take special measures to capitalize on this opportunity. This includes offering attractive packages and policies to create a welcoming business environment that encourages investment both for the manufacturing & technical sector for footwear. However, time is of the essence, as other countries like India are also moving quickly to take advantage of the situation. As a country, we need to work quickly to catch up with our strategic advantages and stay competitive.

It is also important to note that, as a nation, we need to come together and focus on this sector and industry. While other sectors deserve their due importance, we must prioritize the footwear industry and work collaboratively to achieve our goals.

12. How do you see FDI in the footwear industry today?

By creating a stronger brand presence globally as a hub for the global footwear manufacturing industry, we can become more attractive to foreign investors, ultimately leading to increased FDI. Additionally, other measures such as providing incentives and improving the ease of

doing business can further encourage foreign investment in the sector. While FDI in the footwear industry is currently limited, I strongly believe there is potential for growth through strategic efforts to build the industry's reputation and attractiveness to international investors.

13. What is your advice for the younger generation, especially young entrepreneurs?

My advice to the young entrepreneurs would be to gain in-depth knowledge and competence in your chosen field before starting a business. Be self-motivated, committed, and flexible in your management style. Build a strong, self-motivated team that shares your values and vision. Stay customer-focused, socially responsible, and transparent in your business dealings, you have got a lot to learn through interactions & hurdles you overcome everyday. Prepared to face challenges and adapt to changes in the industry and market to be resilient in the future.

Remember a successful entrepreneur needs a combination of business knowledge, leadership skills, commitment, and a strong team to overcome challenges and achieve their goal.





Building Economic Resilience in Bangladesh

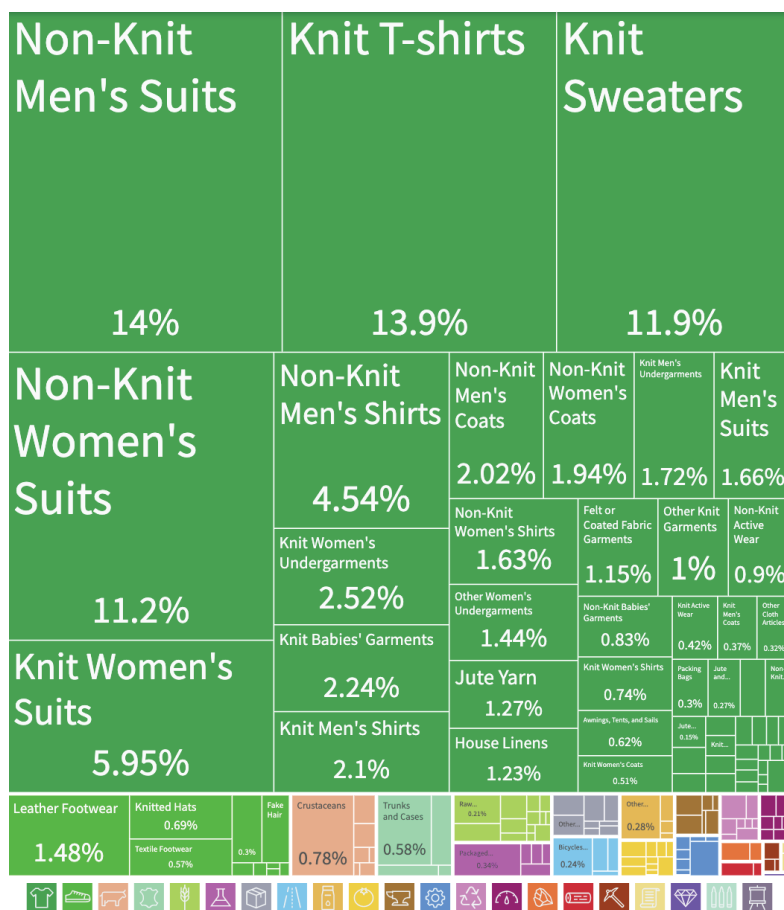
Bangladesh has seen impressive rates of growth in various socio-economic parameters, but the country's economy still reveals some structural flaws that need to be addressed. The global economy has faced many macroeconomic shocks in recent years, such as the pandemic, extreme weather events, geopolitical tensions, and war, making the development task even more challenging for countries in the Global South with limited resources and low economic resilience. Although Bangladesh is not in an economic crisis at present, it should still learn from these difficulties to avoid potential disaster in the future.

To start, Bangladesh needs to continue to leverage its strengths in the textile and garments sector while addressing the **low diversification in its export basket**. The homogeneity risks of a RMG-concentrated manufacturing sector can lead to volatility in global demand and rely heavily on human labor with poor infrastructure. While the service sector complements the RMG in the

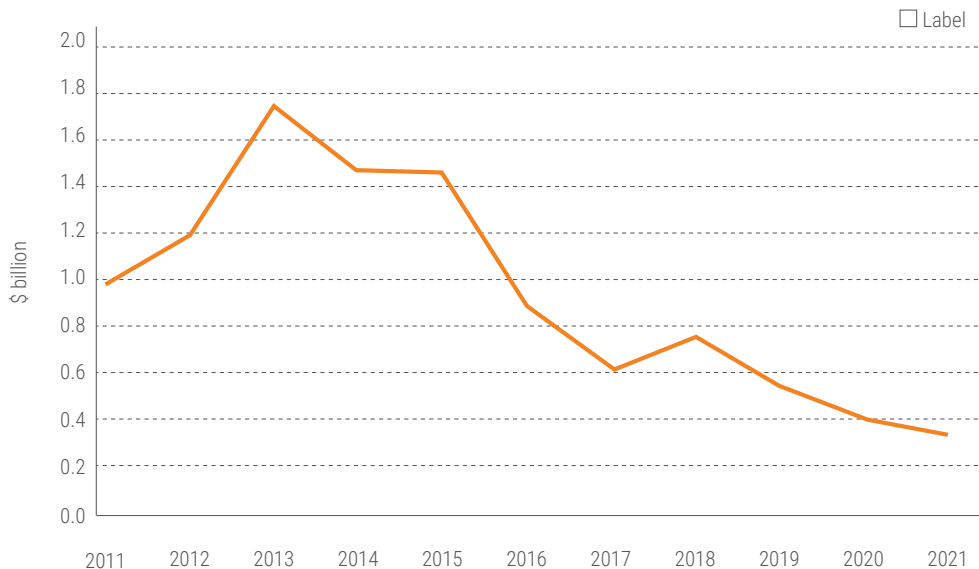
short-term, it also provides a long-term alternative to the RMG-dominant export mix.

Second, the tax administration in the country is plagued by **corruption and lacks sufficient revenue** mobilization techniques. Poor transport and energy systems, along with rising input costs, have hindered infrastructure projects and increased fiscal deficits for the government. According to Bacha's (1990) research, government budget constraints can limit medium-term growth, especially for developing economies like Bangladesh during external financial shocks. The government needs to tackle corruption and improve revenue through better tax systems and expenditure rationalization measures.

Third, declining RMG exports, **rising import bills for essential commodities**, and the direct impact of fiscal deficits have all impacted the current account balance. The government needs to address this through export promotion strategies and reducing the dependence on imported inputs. A fall in FDI, due to an unfavorable business climate, has also impacted the capital account, highlighting Bangladesh's BOP vulnerabilities.



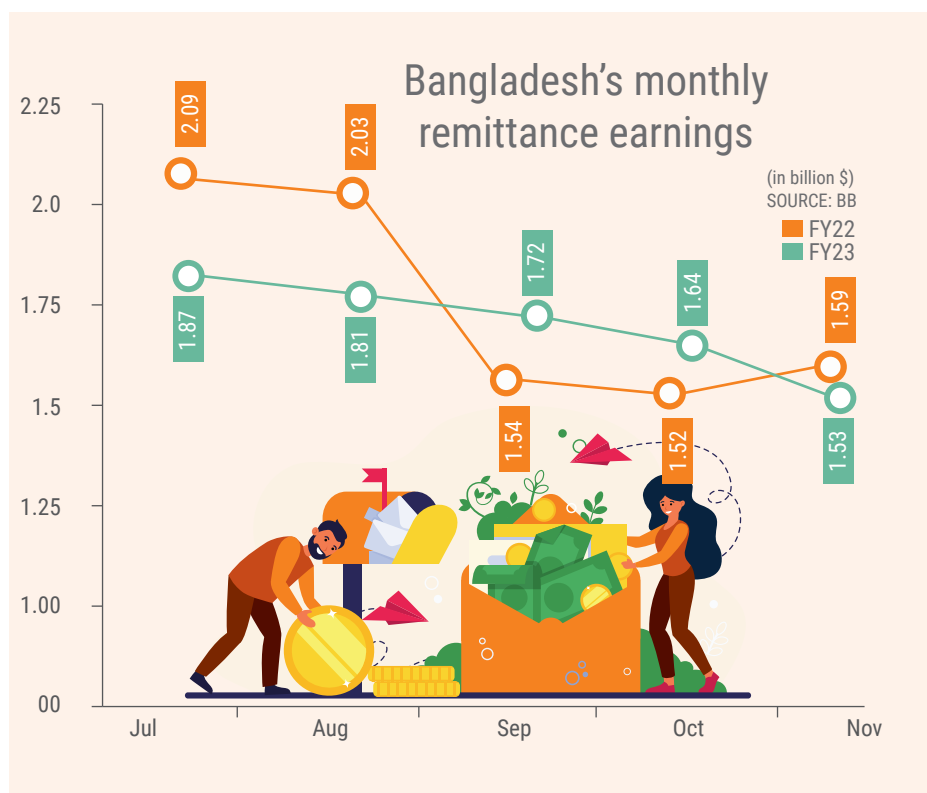
Graph: Low Diversified Bangladesh Export Portfolio <https://oec.world/>



Graph: Foreign direct investment, net inflows (% of GDP) - Bangladesh ,<https://data.worldbank.org/>

Fourth, the interconnected **macroeconomic parameters have been impacted by recent global events**, such as the contraction of remittances, FOREX depletion (reserve below 36B USD) , and weakening of the Bangladeshi Taka. The government needs to take urgent action to stabilize the domestic economy, which must be accompanied by adequate social security measures for vulnerable populations.

Fifth, the **energy sector in Bangladesh needs to address the demand-supply gap** through technological upgrades and a faster transition to renewable energy to meet excess demand without compromising growth. Inflationary pressures from rising food and fuel prices, exacerbated by the Russia-Ukraine conflict, pose short to medium-term threats to the economy. Bangladesh needs to build better domestic capacities and diverse global partnerships for resilience.

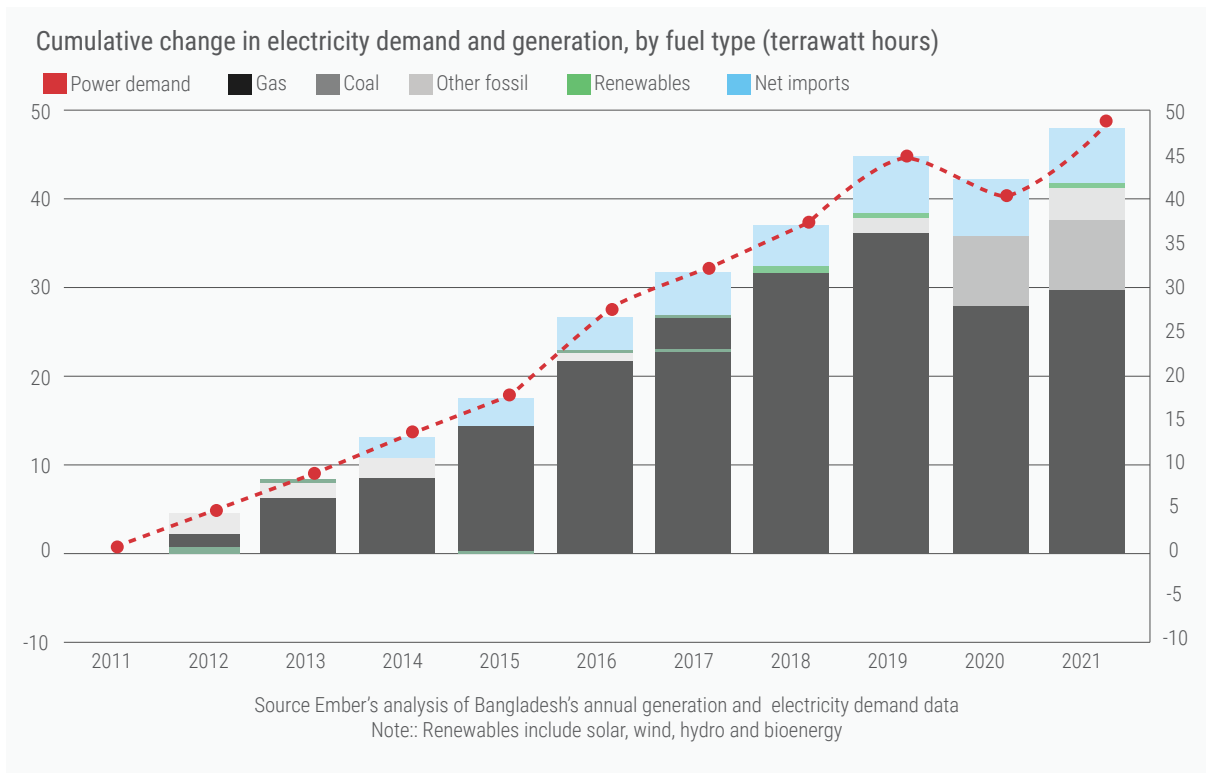


Graph : Remittance Inflow (2022-2023 Projection) , Credit : Daily Star

WB projection for remittance in South Asian countries

Years:2022
Remittances (in billion \$)
SOURCE: WB

| | |
|-------------|-----|
| India | 100 |
| Pakistan | 29 |
| Bangladesh | 21 |
| Nepal | 8.5 |
| Sri Lanka | 3.6 |
| Afghanistan | 0.4 |
| Bhutan | 0,1 |



Sixth, despite Bangladesh's progress on various socio-economic indicators, the country still needs to address inequality issues for **sustainable development** in the long term. The government will need to allocate more resources to social expenditures and stimulate more savings and investments in the economy.

Inspiration from <https://www.orfonline.org/research/a-game-of-shadows/>

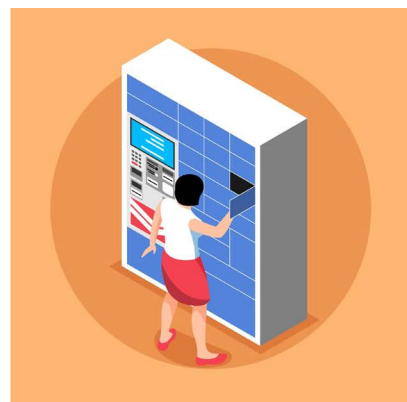
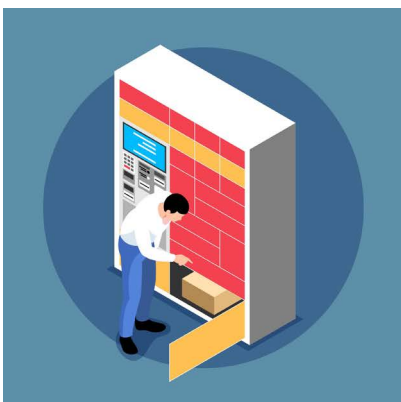
Finally, rapid climate change could soon threaten Bangladesh's growth trajectory. The country's low-lying topography means that rising sea levels could displace 15-30 million Bangladeshis from the coastal regions, exacerbating urbanization issues. Increased migration without proper planning and poor governance could lead to the proliferation of slums with poor living conditions, compromised quality of life, slow construction projects, rising poverty, and environmental pollution.



What should we know about a business PROPOSER over a business PROPOSAL?

LEARNING TRIVIA

- Who are these people, anyway? Where are the founders from?
- Where have they been educated? Where have they worked-and for whom?
- What have they accomplished-professionally and personally-in the past?
- What is their reputation within the business community?
- What experience do they have that is directly relevant to the opportunity?
- What skills, abilities, and knowledge do they have?
- How realistic are they about the venture's chances for success and the tribulations it will face?
- Who else needs to be on the team?
- Are they prepared to recruit high-quality people?
- How will they respond to adversity?
- Do they have the mettle to make the inevitable hard choices that have to be made?
- How committed are they to this venture?



WHAT'S HAPPENING IN FOOTWEAR - BANGLADESH

1. Non-leather footwear exports can reach \$1b by 2025 & \$2b by 2030 in Bangladesh as per the market assessment of Bida. Synthetic and athletic footwear industry is rapidly expanding with exports growing at a rate of 20% annually over the past six years. During the first half of the current fiscal year, non-leather footwear exports earned \$209.5 million, an increase of 19.44% YoY.

2. Taiwanese investors visited Bangladesh looking forward to future expansion. The Managing Director of Bay Group and a group of Taiwanese investors from YI JHAN CO LTD, one of the largest shoe manufacturers globally, had a meeting with the BIDA Chairman to discuss the business environment for foreign direct investment (FDI) in Bangladesh. The BIDA Chairman highlighted the recent changes in ease of doing business. The investors then visited BSMSN, Chittagong Export Processing Zone, and Bay Economic Zone to assess the investment potential of Bangladesh and expressed interest in investing.

3. ARIAT visits Bangladesh:



PHOTO: Bangladesh visit by Ariat management team.

4. 'insoleHOUSE', the first buying house focused on only footwear, opens their office in Dhaka.

The entity is looking to push forward the footwear business to the next level. As a potential market, the target is to be the local representative for small - medium brands intended to source shoes from Bangladesh. The entity is strongly working to enrich it's network with the brands from India, Japan and Europe.



WHAT'S HAPPENING IN FOOTWEAR - WORLD

1. Most goal scoring shoe of Qatar world-cup, 2022 is coming from the sports giant Nike. Of the 147 goals scored at this World Cup, 79 of them have come from a player wearing Nike boots. That is 53.7% of all goals scored so far. The most prolific model so far has been the Nike Zoom Mercurial Superfly 9, with 18 goals.



2. TOP 10 MOST SOLD SHOES IN 2022

Nike Air Force 1 Low | Nike Air Max 270 | Nike Air Vapormax Plus |
Nike Revolution 5 | Nike Air Max 97 | Adidas NMD R1 | Nike Air Max 90 |
Nike Air Vapormax Flyknit 3 | Jordan I High OG | Jordan XIII

3. Puma named global top employer of 2023. After a comprehensive survey conducted by the Top Employers Institute, a certification programme that enables organizations to assess and improve the workplace environment, Puma was given this award for the first time in North America and Latin America, while in the Asia Pacific and Europe regions was a second and fourth time winner, respectively.



4. Next step for footwear giant Pou Chen in South Asia is Tamil Nadu. Pou Chen Corporation of Taiwan, the world's largest branded athletic and casual footwear manufacturer, all set to invest more than Rs 500 crore to set up a unit. The investment is to produce footwear for Adidas and 15 other global brands is likely to generate a large number of employment opportunities.

At the same time, Pou Chen group has also acquired land in Comilla EPZ to expand their capacity in Bangladesh after their first site in KEPZ, Chittagong. The project is delayed by a few years due to Covid19.

Nearshoring for retailers - International View

Jean Baptiste Cadilhac, Shoe professional, France

Introduction and covid19

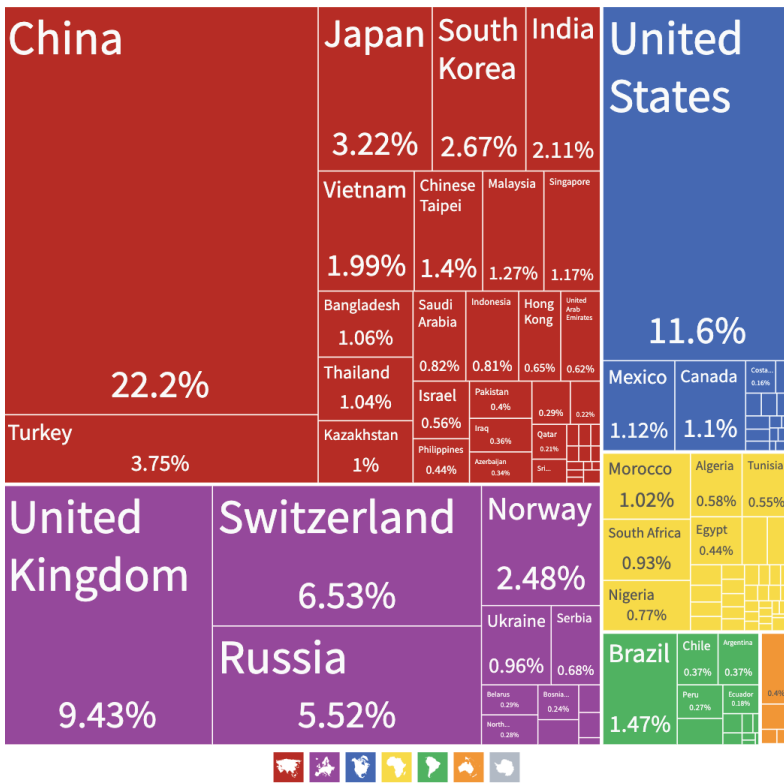
It was a time when western footwear retailers were focusing mainly on cost management. It was a time when no matter where the products were coming from, cost was one of the main, maybe the most important criteria while selecting a supplier.



This time was before the covid19 pandemic. European retailers were supplying their goods from several places in the world, and it was not uncommon that replenishment lead times were more than 100 days (from order to delivery). Worldwide supply system was based on a continuous flow of goods considering that production & sales were aligned. What we are ordering will be sold sooner or later...

But covid19 pandemic has drastically changed the views of the retailers. In the few months between the end of 2019 & beginning of 2020, all the systems got stuck. We could remember few steps driving the system to collapse :

- a. At first, the lockdown in Wuhan had only few consequences
- b. The lockdown in western countries just after, had much more impacts : stores were closed, warehouses were full, so retailers weren't needing more stock, they requested their suppliers to stop their production and postponed or cancelled many orders if not all. Main retailers were at risk considering their level of stock to finance.
- c. The lockdowns in Asia when western countries were restarting their activities (China, Bangladesh then Vietnam, mainly) that jeopardized the stock availability. Production capacities were missing in strategic areas.
- d. And from time to time the lockdowns of Shanghai or Shenzhen sea ports that completely jammed the worldwide logistic system. Containers were missing in Asia, the shipping lines capacities were not adapted to the rebound and the cost of transportations rose drastically.



Graph: Distribution of European Import by Country

All these issues were reflecting one very important point : the worldwide supply scheme can be smooth and create a lot of value for all parties (components producers, finished good producers, shipping lines, retailers..) when it's balanced worldwide. But the system is weak when a few grains of sand get into the system. And in covid19 pandemic case, it was a sandy beach in the system.

What about nearshoring?

So what would be the solution I could foresee to avoid all this to happen again ?

- What if, instead of having my goods produced thousands of kilometers away from my custom zone, I had my goods made locally, or within a week of transportation ?
- What if, instead of waiting months for my goods, I could have it in few days or couple of weeks ?
- What if, in case of a new pandemic in Asia, my supply chain was not affected ?

That could solve many of my problems and the name of this solution is nearshoring.

Wherever my footwear retailing activity is, my life will probably be easier if I could organize all my supply chain in the region.



On the paper, the solution makes a lot of sense and seems easy. What would be the main steps to make this happen :

- Recruiting agents in the region to organize and manage all the systems.
- Sourcing components producers in the region,
- Sourcing finished goods factories in the region,
- Sourcing the logistic services in the region.
- and voilà... This works easily if I'm an Asian retailer. As a matter of facts, I'll find all I need in Asia. It's been decades that western & Asian retailers have been developing footwear activities in Asia.

What if I'm a western retailer?

Let's say a European footwear retailer ? How all this will be implemented ?

- Recruiting agents in the region to organize and manage all the systems : can be done, there are still many buying houses in Italy, Spain or Portugal or even in Eastern Europe.
- Sourcing components producers in the region: can be done also; there are still components suppliers working in Europe. Leather, rubber sole, knitted fabric, woven fabric, PU coated fabrics can be found.
- Sourcing finished goods factories in the region : can be done as well ; there still exists in Europe a network of strong factories that are producing footwear all year long.
- Sourcing the logistic services in the region : can be done as well ; no issue to find them.



Difficulties related to nearshoring : Then where are the problems?

From my perspective, there are few but big issues :

- a. The main one for European retailers is the cost. Remember that for an athletic shoe, the cost is splitted into $\frac{1}{3}$ for the labor and overheads + $\frac{2}{3}$ for the materials. And when you buy a working minute for a few cents in Asia, you will buy it 2 times more in Eastern Europe and at least 4 to 5 times more in western europe. Thus you will see your labor cost line increase drastically.
- b. On the other hand, the cost of the materials and components will also impact a lot. The cost structure of the components factories are of course related to the living standards in the region but also by the norms that the factories have to follow locally. It's for good of course but it affects the total costs. Therefore, if you want to produce luxury footwear in Europe, it's highly feasible : you'll find all you need as cost is not the value that the buyers are looking at. But if you want to produce lower end footwear, you will meet difficulties... that you could partially overcome if you apply some solutions I'm proposing later on.
- c. Related to the cost, you have the typology of the shoe or its design and architecture. You may have detected it, buyers designers are focusing a lot on the style and less on its feasibility. Thus some design constraints become complex to manage on the production floor and it increases the working minutes a lot. When you are producing in a "low cost country", it's a manageable problem. But if you want to nearshore it, then it's a disaster in terms of cost then feasibility in the zone. You will find the same difficulty if the shoe is made of a technical process that is not available in Euromed. You will probably find the machine to make it but its cost again, will be highly impacted.



d. The next difficulty will be related to the installed production capacity. 75% of worldwide footwear production activity is located in the top 4 production countries : China, India, Vietnam, Indonesia. The first European production country is Turkey (actually it's in Euromed : Europe + North africa & Turkey) and is representing 2.5% of the worldwide capacity, far away from China, ranking #1 with 54%. Thus it'll be difficult to imagine all the needs of European retailers made in Euromed zone.

Could we find investors in the zone ? Yes for sure there are, but will they be interested in investing in footwear activity in Europe ? It will probably depend on the guarantees they will be able to get from the retailers - in a VUCA (Volatility, uncertainty, complexity and ambiguity) period, these guarantees may not be easy to get...

Conclusion : **some ways to ease the nearshoring in western countries** : Nearshoring is a good option to decrease the risks for the retailers and increase the product availability but its development will require some attention. Here are a few points that will ease its implementation.



- a. invest the right resource in designing the shoe : designing for producing in western countries is a critical knowhow. You should be very aware of : What kind of processes are easily available ? ie PU injection... What steps in the process should I avoid ? ie lacing, compressed eva... What material should be privileged ? ie leather, TPR... And many more fields to care about...
- b. Related to the previous point, you should avoid designing in Asia then duplicating in western countries. It will be more efficient to directly design where you will produce. The teams will directly choose the appropriate solutions.
- c. Innovate with smart design. Why should shoe architecture always be the same since centuries ? Focusing back on the customer needs and use the last available technologies in footwear or outside footwear could bring new solutions.
- d. And finally, because the cost will always be an issue, a good option could be to organize two flows in parallel in order to win in any situation : one flow made in Asia (the low cost), one flow made in western countries (the short lead time). Of course, don't forget point B, the model should be designed and industrialized in western countries.



HIGHLIGHT
FROM THE
**CASE
STUDY**

PATAGONIA - Don't buy our products!

This case won the Economics, Politics and Business Environment category award at The Case Centre Awards and Competitions 2019.

patagonia®

Patagonia, a company known for its commitment to environmental sustainability, made a bold move by launching a campaign on Black Friday in 2011, one of the busiest shopping days of the year, titled "Don't Buy This Jacket." The campaign was featured in the New York Times and aimed to raise awareness about the environmental impact of consumerism and encourage customers to think twice before making a purchase.

The ad featured a Patagonia fleece jacket, the R2, and provided detailed information about the environmental cost of its production. For example, the ad revealed that it required 135 liters of water to make the jacket, enough to meet the daily needs of 45 people. The manufacturing process also generated nearly 20 pounds of carbon dioxide, 24 times the weight of the finished product. Additionally, the ad highlighted that the jacket left behind two-thirds its weight in waste.

Patagonia's message was clear: the environmental cost of everything we make is astonishing, and it's important to consider this before making a purchase. The company also urged customers to visit its website and take the Common Threads Initiative pledge, which encourages consumers to reduce, repair, reuse, and recycle. This campaign was a significant effort by Patagonia to promote environmental sustainability and to challenge consumers to think differently about their consumption habits.

Very few companies have the audacity to tell consumers to think twice about their purchase decisions and to buy less, but Patagonia has always been a company that stands out from the rest. The company has always been transparent about its environmental and sourcing practices and has always been a leader in promoting sustainability.

Annie Leonard, the author of "The Story of Stuff," praised Patagonia's campaign, stating: "Recycling is what we do when we're out of options to avoid, repair, or reuse the product first. That's why I am so impressed with Patagonia for starting its Common Threads Initiative with the real solution: Reduce. Don't buy what we don't need. Repair: Fix stuff that still has life in it. Reuse: Share. Then, only when you've exhausted those options, recycle."

In conclusion, Patagonia's "Don't Buy This Jacket" campaign was a powerful message that urged consumers to think critically about their consumption habits and the impact they have on the environment. The company's commitment to environmental sustainability is evident in its transparent communication of the environmental cost of its products, and its call to action for consumers to take responsibility for their consumption habits. Patagonia's campaign serves as a reminder that as consumers, we have the power to make a difference by being mindful of our consumption habits and taking steps to reduce our environmental impact.



adidas

ADIDAS - GLOBAL SOURCING CHANNEL

From editor's desk - explaining the sourcing channel of Adidas

In April 2020, adidas CEO Kasper Rørsted reported negative results and uncertainty during the company's first earnings call of the year due to the ongoing global pandemic and its impact on the economy. Rørsted emphasized the importance of adidas' digital stores as most reliable channel for reaching targets in 2020, but also acknowledged the need to address questions about the future of the retail industry and adidas' place in it. He questioned the potential further disruption of the retail environment by digitalization, the company's ability to remain competitive, and the relevance of brick-and-mortar stores post-COVID-19. Rørsted also considered adidas' strategic priorities moving forward.

THE HISTORY AND GROWTH OF ADIDAS

Adidas was founded in 1949 by Adolf Dassler in Herzogenaurach, Germany with the goal of creating the best products for athletes. In the 1950s, the company began exporting its shoes to other countries and gained popularity after the German national team wore Adidas shoes during their World Cup win in 1954. However, in the 1970s, competition from brands like Nike and Reebok led Adidas to branch out into apparel, resulting in a loss of focus on its original philosophy. In the 1990s, new leadership helped the company regain its identity and return to growth. Today, Adidas is a global brand

with headquarters in Herzogenaurach and regional offices around the world. It is one of the most valuable sportswear brands globally with total revenues of €23 billion.

ADIDAS'S COMPETITIVE POSITION

Adidas has a strong brand value and legacy, being ranked as the 3rd and 10th most valuable sports brands by Forbes in 2019, with a combined value of \$12 billion. The company has a strong commitment to eco-innovation and ending plastic waste. However, there have been shortages in the supply chain and product prices may be perceived as expensive in a price-sensitive market. The growing popularity of sports and fitness provides opportunities for Adidas, but also generates threats such as competition from established brands and new market penetrators. The company aims to maintain growth by focusing on sustainability, distribution strategy, data analytics, and process optimization.

DIGITAL DISRUPTION IN RETAIL

Digital disruption in retail has drastically changed the way customers shop, leading to a need for companies to adapt and transform their operations. The shift towards digitalization has allowed for personalization and convenience, as customers can now easily research and





find products that fit their needs and preferences. To remain competitive, companies must embark on an end-to-end digital transformation, covering both front-end and back-end activities such as marketing, supply chain, and R&D. This includes implementing an omnichannel strategy to provide a seamless personalized experience for customers, and using data to coordinate operations. The goal is to put customer needs at the center of decisions while reducing costs.

Retail models to compete in the digital age

Retailers have been struggling in recent years due to the rise of e-commerce and digital technologies. This has led to a decline in footfall and sales for many brick-and-mortar stores, resulting in closures, bankruptcy, and downsizing. Despite this, the retail industry as a whole is still expanding and growing, with e-commerce forecasted to account for 20% of total retail sales by 2023. The digital age has created a new shopping experience where customers are exposed to products through various channels, and their buying habits have become hybridized. Retailers have responded by offering in-store pick-ups and returns, and some online retailers have opened physical stores as showrooms. Four retail models have emerged: traditional brick-and-mortar, purely internet-based, showrooming, and webrooming. Retailers need to employ all four models to stay competitive in the current retail environment, and it remains to be seen how the COVID-19 pandemic will further disrupt the retail industry.

2015: "CREATING THE NEW" AND ADIDAS'S ENHANCED FOCUS ON DIGITAL

In 2015, the adidas Group faced challenges as they failed to meet the targets set in their 2010 strategy, "Route 2015." This prompted the company to reevaluate and develop a new strategy, "Creating the New," which focused on key cities, speed, and open source. The company placed a strong emphasis on digital, recognizing the shift in consumer behavior and the opportunity to build direct relationships with consumers through technology. To support this strategy, various initiatives were implemented, such as increasing focus on core competencies and reducing complexity in the product portfolio, prioritizing the North American market, and aligning and streamlining operations globally.

One of the most significant digital initiatives was the opening of the "Speedfactory" in Germany, where the company utilized 3D printing technology and automation to reduce production times and bring the final product closer to the end customer. Another Speedfactory was opened in Atlanta, and the company also established a partnership with Siemens to further improve efficiency and speed in introducing new products to market. However, the production in both plants was halted two years later and the new technology was deployed directly at Asian suppliers.

In addition, the company made strategic acquisitions, such as the mobile fitness app Runtastic, which gave the adidas Group access to data from 70 million users to

further engage athletes worldwide and provide new sport experiences. The company also introduced a new initiative with Zalando in Paris to connect the company's distribution center with the e-tailer inventory system to increase efficiency and speed for online order deliveries. CEO Rørsted emphasized the importance of e-commerce for the future of the company and the need to provide customers with a more personalized shopping experience.

2016-2019: THE YEARS OF SUSTAINED GROWTH

In 2016, adidas' digital retail revenues reached €1 billion, leading the company to set a goal of quadrupling this amount by 2020. The company continued to improve its digital product offerings, such as the launch of its Futurecraft 4D shoes in 2017 and the Reebok Floatride Run in 2018, both made using advanced manufacturing technologies. The company also launched a new app that used AI and Salesforce technology to personalize content for users based on their behavior and preferences. Additionally, adidas stopped all traditional advertising and focused solely on digital channels. However, in 2019 the company realized it had overinvested in digital advertising and started to invest in traditional advertising again. These digital efforts led to strong financial performance for adidas, with all financial targets for 2019 being met.

2020 AND BEYOND: WILL DIGITALIZATION BE ENOUGH IN A POST-COVID-19 WORLD?

The COVID-19 pandemic of 2020 had a significant impact on businesses around the world, with lockdowns and social distancing measures leading to a spike in online shopping. The Adidas Group, with 70% of its 17,500 outlets closed during the first quarter of the year, saw a 96% decrease in net income compared to the previous year. However, e-commerce was the only channel that saw significant positive sales growth, with a 35% increase for the quarter. In response to this trend, Adidas CEO Kasper Rørsted announced a new strategy for the company's long-term success, focusing on digital acceleration and shifting 60% of the company's global assets to support the development of digital platforms. The company also raised its target for e-commerce revenues in 2020, aiming for beyond €4 billion. While there may be store closures in certain areas, Rørsted did not rule out opening stores in strategic locations as long as they are effective in the long term. The company's priority should be to future-proof itself in a post-COVID-19 world by continuing to focus on digitalization and adapting to the structural changes in the retail industry.



Sourcing division per geographical segment

| | Europe | Americas | Asia |
|--|--------|----------|------|
| Independent manufacturing partners by region | 9% | 17% | 73% |
| Footwear production by region | 1% | 2% | 98% |
| Apparel production by region | 3% | 6% | 91% |
| Hardware production by region | 19% | - | 81% |

.includes Middle East and Africa

..Figures include independent manufacturing partners of the adidas and Reebok brands, but exclude local sourcing partners, sourcing agents, subcontractors, second-tier suppliers and licensee factories.”

...Figures include the adidas and Reebok brands.

Volume percentage of the largest sourcing countries

| Footwear | | Apparel | | Hardware | |
|---------------------------|-----|---------------------------|-----|---------------------------|-----|
| Total pairs (in millions) | 448 | Total units (in millions) | 528 | Total units (in millions) | 127 |
| Vietnam | 43% | Cambodia | 23% | China | 37% |
| Indonesia | 28% | China | 19% | Pakistan | 22% |
| China | 16% | Vietnam | 19% | Turkey | 18% |

Key strategic partner relationships

| | Total | Footwear | Apparel | Hardware |
|--|-------|----------|---------|----------|
| Number of key strategic partners | 45 | 11 | 22 | 12 |
| Average years as key strategic partner | 17.0 | 16.8 | 16.2 | 18.6 |
| Share of all production volume | 90% | 92% | 88% | 93% |
| Share of all production value | 89% | 90% | 88% | 93% |
| Strategic relationships < 10 years | 16% | 27% | 14% | 8% |
| Strategic relationships 10-20 years | 49% | 36% | 59% | 42% |
| Strategic relationships > 20 years | 36% | 36% | 27% | 50% |



SPOT LIGHT

NEW FACTORY

INOVA POLYMER®

The first export oriented TPR manufacturer in Bangladesh established in 2020. Inova is targeting to serve the growing needs of TPR granules for sole in the export market. They are also preparing to cater for other export oriented products like insulators for electric wire, refrigerator and other TPR based items.

| | | |
|-------------------------|---|---|
| REGISTERED NAME | : | Inova polymer limited |
| OWNERSHIP | : | 100% Local |
| DEVELOPMENT FACILITY | : | Bangladesh & Europe |
| TECHNICAL JOINT VENTURE | : | India & Europe |
| TOTAL HUMAN RESOURCE | : | 30 (Indian & Bangladeshi) |
| CAPACITY | : | 4,000 Tons/ Year |
| PRIME BUYER | : | Decathlon |
| TARGET BUYER | : | H&M, Apex, Bata, Bangladesh Machine tools, Walton |
| EXPANSION PLAN | : | 2023 - To set up a facility to serve domestic market |
| ADDRESS | : | Lot No: 3 F-1, Block B, Pingfood Industrial Park, Aminbazar, Savar, Dhaka |
| CONTACT | : | Mirza Golam Mostafa (Chairman) |
| Email | : | golam.mostafa@inovapolymer.com |
| Phone | : | +8801675000471 |
| WEB | : | www.inovapolymer.com |

Inova is working on creating an offer library considering the variety of hardness and abrasion resistance it can bring in TPR. The company is planning to triple its capacity by 2024 moving from 4,000 tons to 12,000 tons to serve the major export and domestic needs of the country. The main challenges today are to ensure all raw material imports from various countries of origin including Korea/ Thailand/ India etc. As well as, Inova is struggling in finding local human resources with the right experience-expertise on thermo plastic R&D and production. Inova aims to continuously contribute to the economy of the country.



DECODING FOOTWEAR

FINAL INSPECTION OF SHOE: AQL METHOD

Quality defects in the footwear industry are often related to dimensions, excess glue, degumming, marks and dents, asymmetry, packaging, and incorrect labeling. During a quality control inspection of shoes, an inspector covers quantity, package and packaging, product style/construction, logo, labeling, markings, accessories, measurement, functional and performance tests, and more.

AQL standard results in Acceptance sampling that was popularized by Dodge and Romig (pioneers of modern Quality Control) and was originally applied by the U.S. military for testing bullets during World War II. **The**

dilemma was, if every bullet was tested in advance, no bullets would be able to ship on time.

The acceptable quality level (AQL) is a measure applied to products and defined in ISO 2859-1 as the "quality level that is the worst tolerable." The AQL tells you how many defective components are considered acceptable during random sampling quality inspections. The AQL is an important statistic for companies seeking a Six Sigma level of quality control, which is a quality-control methodology developed in 1986 by Motorola, Inc. AQL is also known as the **ACCEPTABLE QUALITY LIMIT**.



To simplify the topic, we can divide the process of inspection into 3 steps,

STEP 1: PICK THE RIGHT UNIT OF PRODUCT FOR INSPECTION - Sampling

| SAMPLE SIZE CODE LETTERS | | | | | | | |
|--------------------------|---------------------------|----|-----|---------------------------|----|----|----|
| Lot Size | General Inspection Levels | | | Special Inspection Levels | | | |
| | I | II | III | S1 | S2 | S3 | S4 |
| 2 to 8 | A | A | B | A | A | A | A |
| 9 to 15 | A | B | C | A | A | A | A |
| 16 to 25 | B | C | D | A | A | B | B |
| 26 to 50 | C | D | E | A | B | B | C |
| 51 to 90 | C | E | F | B | B | C | C |
| 91 to 150 | D | F | G | B | B | C | D |
| 151 to 280 | E | G | H | B | C | D | E |
| 281 to 500 | F | H | J | B | C | D | E |
| 501 to 1,200 | G | J | K | C | C | E | F |
| 1,201 to 3,200 | H | K | L | C | D | E | G |
| 3,201 to 10,000 | J | L | M | C | D | F | G |
| 10,001 to 35,000 | K | M | N | C | D | F | H |
| 35,001 to 150,000 | L | N | P | D | E | G | J |
| 150,001 to 500,000 | M | P | Q | D | E | G | J |
| 500,001 and over | N | Q | R | D | E | H | K |

TABLE A

| SINGLE SAMPLING PLANS FOR NORMAL INSPECTION | | | | | | | | | | | | |
|---|-------------|---|---------------|---------------|---------------|---------------|---------------|--------------|--------------|--------------|--------------|--------------|
| Sample Size Code Letter | Sample Size | Acceptable Quality Levels (Normal Inspection) | | | | | | | | | | |
| | | 0.065 Ac Re | 0.10 Ac Re | 0.15 Ac Re | 0.25 Ac Re | 0.40 Ac Re | 0.65 Ac Re | 1.0 Ac Re | 1.5 Ac Re | 2.5 Ac Re | 4.0 Ac Re | 6.5 Ac Re |
| A | 2 | | | | | | | | | | | |
| B | 3 | | | | | | | | | | | |
| C | 5 | | | | | | | | | | | |
| D | 8 | | | | | | | | | | | |
| E | 13 | | | | | | | | | | | |
| F | 20 | | | | | | | | | | | |
| G | 32 | | | | | | | | | | | |
| H | 50 | | | | | | | | | | | |
| J | 80 | | | | | | | | | | | |
| K | 125 | | | | | | | | | | | |
| L | 200 | | | | | | | | | | | |
| M | 315 | | | | | | | | | | | |
| N | 500 | | | | | | | | | | | |
| P | 800 | | | | | | | | | | | |
| O | 1250 | | | | | | | | | | | |
| R | 2000 | | | | | | | | | | | |

TABLE B

1.1 Table A: setting the sampling size

A. Lot size = order quantity

The Lot Size is the quantity of your order for one type of product. If you order different products, you should consider them as different "lots". In the table, lots are displayed as ranges. So if your order is 3,500 units, you follow the line "3201 to 10000".

B. General inspection levels

Choose General Inspection Levels if your checkpoints require tests on all of the sampling size. There are 3 levels going from smaller (I) to bigger (III) quantities. You can choose the inspection level according to your budget and the risk you're willing to take. Note that most

of the inspections in footwear use Level II. Remember, Lower inspection level means cheaper cost but higher risk.

C. Special inspection levels

As the name suggests, these levels are used for special tests or inspection procedures that do not need to be performed on the whole quantity of the sampling size. So, Special Inspection Levels lead to smaller sampling sizes.

D. Sample size code letter

The letters in the middle of the table give an indication on the sampling size and range from A (smallest batch) to R (biggest batch).

1.2 Table B: collecting the accepted and rejected quantities

A. Sample size

This column gives you the sample size according to the letter that you collected from the first table.

B. Acceptance quality levels

This is your tolerance for defects in your order. That corresponds to the highest percentage of goods with a type of defect that you'll allow. For example, you could accept a scratch defect on only 1.5% of your order. In that case, you should choose AQL 1.5.

C. AC= accepted defect quantity

This shows the quantity of defects you can accept.

D. RE = rejected defect quantity

This shows the quantity of defects from which you can refuse the order.

STEP 2: INSPECT THE UNITS AS PER STANDARD Inspection

The best practice asks buyers to define all the checkpoints before the mass production starts. That way, you make sure the factory understands your expectations in terms of quality, lowering the risk of defects during the production.

Here's how most inspectors assign Inspection Levels to defect categories:

- Minor -> AQL 4
- Major -> AQL 2.5
- Critical -> AQL 0

STEP 3: CALCULATE THE NUMBER OF DEFECT AND MATCH WITH LIMIT Result

Once you have made a list of checkpoints, you may want to assign them different levels of tolerance. Inspectors classify defects in 3 categories:

- Minor: defects that are unacceptable in high quantities but generally won't result in product returns.

- Major: defects that would likely result in product returns but don't pose a safety risk to the user.
- Critical: defects that violate regulations or pose a threat to user safety.

If a found defect is over the limit of these defect (s), the result is rejected (Re); or, accepted (Ac).

Is AQL enough?

The AQL standard is very useful for all the appearance defects (size, color, etc.). Nevertheless, it does not reflect the overall quality status of your order because it does not include the inspections of:

- On-site tests for functionality, safety and performance,
- Regulations and distributor requirements.

You should not rely on the result of the AQL tests only; it's always advisable to include a lab test and wearing test to validate any order while inspecting.





Bata introduced anti bacterial shoes for the first time in Bangladesh

Starting a new school year is an exciting time for children, but it also means that parents need to make sure their kids have everything they need, including new stationery, uniform, and a pair of safe and hygienic school shoes. In Bangladesh, many children fall ill due to bacteria and fungi in their shoes, but Bata Bangladesh has addressed this issue with its "Back to School" line of footwear.

The shoes feature Bata's life-natural technology, which uses peppermint plant oil to destroy 99% of bacteria and

control odor. This technology is both natural and safe, as it has been certified by the U.S. Environmental Protection Agency and Business Process Reengineering. Additionally, the "life materials" used in the shoes can withstand temperatures of up to 50 degrees Celsius, making them both durable and hygienic.

The "Back to School" shoes are available in black and white and come in a range of sizes and designs. These shoes not only offer a safe and hygienic option for school-going children, but also have a stylish design.

Apex Footwear Defies High Inflation, Achieves Growth

Apex Footwear Limited has achieved a 42% increase in both revenue and profit in the first half of the 2022-23 fiscal year, defying the trend of struggling profits among other manufacturing companies in Bangladesh. Despite the country's high annual inflation rate of 9.05% and challenges such as energy and dollar crisis, raw material shortages, and rising freight costs, Apex Footwear's revenue rose to Tk801 crore and net profit to Tk6.77 crore year-over-year from July to December.

According to Dilip Kajuri, the Deputy Managing Director and Chief Financial Officer at Apex Footwear, the company's success was due to a 16.02% increase in profit from exports and higher sales volume in the local market through discounts on shoes. The company's financial report showed that profits rose despite an increase in expenses, including TDS on export proceeds. Apex Footwear's profit jumped 87% in the same quarter. The last trading price of Apex Footwear shares was Tk259.10 each on the Dhaka Stock Exchange, a 0.62% increase from the previous day.



Fortune Shoes with a 91% decline in the October-December quarter (2022)

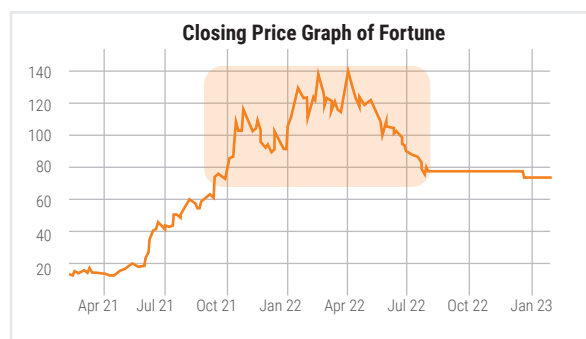
The Bangladesh Securities and Exchange Commission (BSEC) has fined controversial investor Abul Khayer Hiru and his associates Tk5.25 crore (\$600,000) for manipulating shares of NRBC Bank and Fortune Shoes in May 2021. In July, the BSEC fined Matber and associates Tk1.5 crore for manipulating Fortune Shoes shares and Konika and associates Tk3.75 crore for manipulating NRBC Bank shares.

Top executives at several brokerage firms and merchant banks estimate that in 2021, the entire Hiru family traded shares worth around Tk8,000 crore (\$938 million). Abul Khayer and his family made a profit of Tk6.13 crore (\$710,000) from Fortune Shoes shares and Tk15.22 crore (\$1.7 million) from NRBC Bank shares. The share price of Fortune Shoes increased by 787% from April 2021 to April 2022, and the share price of NRBC Bank increased by 256% from April to October 2021 due to Hiru's involvement.

In a written reply to the BSEC's notice, Abul Khayer claimed that the investments were made in undervalued shares and the increase in price and trading volume was

due to new investments. He expressed regret if there was a violation of securities laws. Abul Khayer was fined Tk2.09 crore (\$240,000) in June for manipulating shares of three insurance companies and made a profit of over Tk50 crore (\$5.7 million). The Dhaka Stock Exchange has submitted an investigation report to the BSEC regarding Hiru's manipulation of shares of about 20 other companies.

Fortune Shoes Limited, footwear manufacturer, saw a 40% YoY drop in profit in the first half of the fiscal year, with a 91% decline in the October-December quarter 2022.



Perspective of Bangladesh footwear Industry

Jaidur Rahman - Supply chain professional

The supply chain of an organization has many forms. It can be a simple chain or a complex network or a structure that is somewhere between these two extremes. No matter whether it is a product or service chain or what types of industries or what types of entities are involved, companies require their supply chain to guarantee a STEADY FLOW OF SUPPLY AT AN ACCEPTABLE COST. They can improve operating efficiency by employing the right supply chain structure.

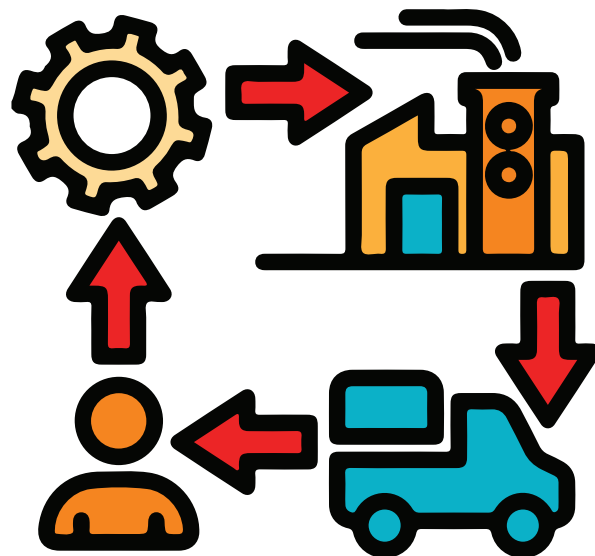
Supply chain management encompasses such a wide range of functions that it can seem daunting, even to the most experienced international businessperson. Breaking the process down into several main strategic areas is an effective way to model it. Regardless of the types of industry or products, the END 2 END SUPPLY CHAIN CAN BE BROKEN DOWN INTO 6 KEY PROCESSES. So the below process breakdown is completely applicable for the Footwear Industry as well.

THE PLAN PROCESSES describe the planning of activities associated with operating a supply chain. They include gathering customer's requirements, collecting information on available resources and balancing requirements & resources to DETERMINE PLANNED CAPABILITIES AND RESOURCES GAPS. This is followed by identifying the actions required to correct any gaps.

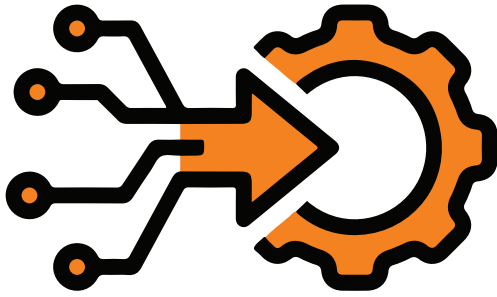
In the perspective of the footwear industry, the CHANNEL MASTER of the E2E supply chain is the retailer/ brand in most of the cases like many other industries as well. The plan process involves the MARKET RESEARCH to anticipate the needs of the target customer segments, translate these customer needs to PRODUCT BENEFITS, define the ENGINEERING DESIGN & MATERIAL PROPERTIES to confirm the desired USER BENEFITS and decide the selling price AFFORDABLE for the customers & ALIGNED with the supply chain design to create COMPETITIVE ADVANTAGES. The plan process works for different

horizon as OPERATIONAL, TACTICAL & STRATEGICAL level depending on the time frame. It works with a comprehensive approach to consider the global economic situation, industry trend, competitor's movements, organizational capability along with the RETAILING, MARKETING & SUPPLY CHAIN strategy of the company. The objective is to build a quantity projection to sell & produce/ procure for the next 5/10 years. The channel master prepares this quantity planning in the category/ process level in the long term, product family level in the mid term and in the style/ color level for the short term.

Bangladesh as a sourcing/ manufacturing country, we need to work on these forecasted quantities. THE FIRST PRINCIPLE OF THE FORECASTING IS THAT FORECASTS ARE (ALMOST) ALWAYS WRONG. The sales are even more unpredictable during this post covid time linked with different global factors. In today's VUCA (volatile, uncertain, complex, ambiguous) context, there are unprecedented variations of sales and the impact are coming to the production/ shipment activities of the manufacturers.



WE NEED TO DANCE WITH THE MUSIC OF THE RETAILERS. IT'S VERY IMPORTANT TO HAVE THIS ABILITY BUT QUITE COSTLY TO CREATE.



THE SOURCE PROCESSES describe the ordering (or scheduling) and receipt of incoming goods & services. They include issuing purchase orders, scheduling incoming deliveries, receiving, shipment validation & storage and accepting supplier invoices.

The source process takes the output of the planning process as input to map how much to source from where and for whom in respect of both finished products and components/ raw materials. It designs the source of supply for each sales area of the finished products and

sourcing of components/ raw material supply for each manufacturing facility of the final products. The intention is to ensure the availability of the products for the customers/ consumers at BEST POSSIBLE eTCO ALIGNED WITH THE COMPETITIVE STRATEGY of the company. The global supply chain is more complex now a days and right sourcing decisions are the key for the success of supply chain as well as of the organization. The sourcing choices are made on different factors and these factors are also dynamic.

The worldwide footwear industry is driving by the FAST FASHION BRANDS and covid-19 has challenged the sourcing decision significantly of many industries including Footwear. The sourcing decision matrix has been adapted already with the new focus of the consumers & context of the industry and it will continue to adapt in the future as well. The retailers/ brands are now not focusing only on to build efficient supply chain. Rather, they are very much concerned & prioritizing to BUILD RESILIENT SUPPLY CHAIN AND RESPONSIBLE SOURCING NETWORK.



THE PERFORMANCE ON PRICE, QUALITY & SUPPLY ISN'T ENOUGH. THESE ARE ORDER QUALIFIER AND WE NEED TO EXCEL ON INDUS 4.0, RESILIENCE & SUSTAINABILITY TO BE ORDER WINNER.

THE MAKE PROCESSES describe the activities associated with the conversion of materials or creation of the content for services. They focus on conversion of materials rather than production or manufacturing because they represent all types of material conversions: assembly, chemical processing, maintenance, repair, overhaul, recycling, refurbishment,

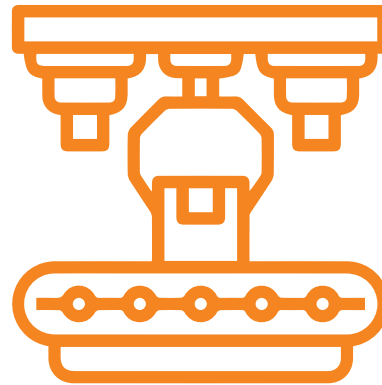
remanufacturing, etc. As a general guideline, these processes are recognized by the fact that one or more item numbers go in and one or more different item numbers come out.

During this stage the retailer/ brand decides about the manufacturing strategies. If the manufacturing will be

outsourced or owned by the organization? What will be the management principle once it's outsourced? Will they set up liaison office in the manufacturing countries or go with trading house? As we can imagine, all the big players of the Footwear brands ARE OUTSOURCING THE MANUFACTURING TO FOCUS ON THEIR CORE COMPETENCY AND LEVERAGE THE SUPPLY CHAIN SURPLUS.

Bangladesh can be the next destination of the Footwear sourcing for the big players like Nike, Adidas, Puma. BUT LONG WAY TO GO FOR US, INDUSTRY AS A WHOLE ON COMPETENCY, FACILITY AND BACKWARD LINKAGE DEVELOPMENT. The fundamental expectation of the buyers after placing the orders that the goods will be DEVELOPED, PRODUCED & SHIPPED ON TIME WITH RIGHT QUALITY AUTONOMOUSLY by the suppliers. In

the post covid business context, the brands are eagerly looking to pick the design/ sample proposed by the suppliers. How many of our Footwear suppliers have the state of art design facility and own product catalog to the international brands?



THE BUYERS BUILD THE PANEL WITH THE RIGHT NUMBER OF SUPPLIERS AND THE RIGHT SUPPLIERS. WE HAVE HUGE POTENTIALITY TO BE THE LEADER OF FOOTWEAR SUPPLY CHAIN AS A MANUFACTURING COUNTRY.

THE DELIVERY PROCESSES describe the activities associated with the creation, maintenance and fulfillment of customer orders. They include the receipt, validation & creation of customer orders; scheduling order delivery; pick, pack and shipment & invoicing the customer.

Speed is one of the key factors for the sourcing decision of fast fashion brands. They strive to offer the latest trend of fashion for their customers at the earliest possible time. THE TIME TO MARKET FOR THE NEW PRODUCTS INTRODUCTION AS WELL AS REPLENISHMENT LEAD TIME INFLUENCES GREATLY THE RIGHT PLACE TO SOURCE. The dependency of our components/ raw materials supply on other countries is a big question for the development of the industry. We are kind of fully dependent for mold/ tools on importation. Unfortunately, there isn't much visible investment also to strengthen the backward linkage of our Footwear industry. Can we really be reactive with 2/3



months components lead time? Can we really compete on cost with the same countries from where we import components/ raw materials? The world is very competitive and most of the cases we are playing with LOP only as we really need the orders to run the factories. Can we survive in the long run sacrificing the right LOP?

AS WE COUNTRY WE NEED TO PUT OUR COLLECTIVE INTELLIGENCE TO REDUCE TIME TO DEVELOP, TIME TO SOURCE, TIME TO PRODUCE AND TIME TO SHIP TO BE THE KEY PART OF WORLDWIDE FOOTWEAR SUPPLY CHAIN.

THE RETURN PROCESSES describe the activities associated with the reverse flow of goods back from the customer. They include the Identification of the need for a return, the disposition decision making, the scheduling of the return and the shipment & return of the returned goods. Repair, recycling, refurbishment and remanufacturing processes are more than ever important in today's drive for a sustainable supply chain. Return process is mainly involved with the retailers. But the manufacturers have a very big role to play to facilitate the return process. Here the return process isn't limited to only customer return linked with not meeting the quality/ performance/ durability standards. It's even more to support the sustainability initiatives toward responsible sourcing. THE CONSUMERS ARE VERY MUCH CONCERNED ABOUT THE IMPACT CREATED BY THE PRODUCTS THEY ARE USING TO THE PEOPLES AND PLANET.

Many retailers are starting to collect the used products from the consumers to REPAIR, RESELL, REUSE OR RECYCLE. As a manufacturing country, we must be a part of this circular economy. The ability of our industry



to arrange sustainable materials, propose sustainable design and process is a must to develop. The optimization of the use of resources and using more renewable energy for our manufacturing operations are no more an option. It's the only way to move the industry as a whole to our preferred future.

WE NEED TO BUILD OUR CAPABILITY TO OFFER SUSTAINABLE PRODUCT, PROCESS AND TECHNOLOGY TO OFFER RESPONSIBLE SOURCING SOLUTIONS FOR THE BUYERS.

THE ENABLE PROCESSES describe the activities associated with establishing, maintaining & monitoring information, relationships, resources, assets, business rules, compliance and contracts required to operate the supply chain. Enable processes support the realization & governance of the planning and execution processes of supply chains.

The enable process requires us to be integrated as a manufacturer with the supply chain management

system of the buyers. THE ABILITY TO CAPTURE REAL TIME DATA AND SHARE WITH ALL STAKEHOLDERS IS REALLY IMPORTANT IN TODAY'S BUSINESS MANAGEMENT. Then it's the key to analyze these data and practice data driven decision making. Digital transformation of our way of doing to bring the efficiency of our management. We need to promote INDUS 4.0 for the operational excellence of the Footwear industry.

SHOE FACTORY OF THE MONTH

maf shoes ltd

Largest sports footwear manufacturing investment in Bangladesh. They are offering best in class sustainable Footwear Manufacturing facilities exporting more than 15 Million pairs of shoes per year. Opened their 2nd manufacturing site to offer further capacity to their worldwide clients.

| | |
|-------------------------------------|--|
| Company website | www.mafshoes.com |
| Year of establishment | 2010 |
| Share holding | 100% family owned local company |
| Location | Address: Outer Signal, Chandgaon I/A, Chittagong-4221, Bangladesh. |
| Retailer/ Brand/ Producer/ Exporter | Producer & Exporter |
| Top buyers | Decathlon/ Deichmann/ Kappa |
| Business group | TK Group of Industries |
| Capability | Waterproof Shoe/ Seamless Shoe/ Cemented Shoe/ Injection on upper/ DYE Cut/ Rubber sole/ EVA sheet |
| Capacity & Sites | Finished shoe: 20 Million pairs Rubber sole : 6 Million pairs EVA Sheet : 800K meter |
| Production Lead-time | 21 days |
| Certification | BSCI / ISO |
| Raw Material sourcing - by origin | 50% China 30% Bangladesh 20% Others |
| Development Capability | ODM / OEM |
| Overall Working Efficiency | ≈ 65% |
| Sustainability fact | Initiated |
| Product mix | Sandal/ Sports / Leather Casual/ Safety/ Work boot |
| Turnover & growth over last year | ≈ \$70 million/ > +10% over 2022 |





ACCESSORIES FACTORY OF THE MONTH

ZANT ACCESSORIES LTD

ZANT Accessories Ltd. a 100% export oriented factory produces all kinds of Industrial foam/Sponge. The largest foam manufacturer for footwear and leather goods industry in Bangladesh having traditional foaming process along with 'continuous foam' manufacturing technology.

| | |
|-------------------------------------|--|
| Company website | https://zantaccessories.com/ |
| Year of establishment | 2008 |
| Share holding | 100% Locally owned company |
| Location | Plot - 63-63A, Sector - 3, Karnaphuli Export Processing Zone, North Patenga, Chittagong-4204, Bangladesh |
| Retailer/ Brand/ Producer/ Exporter | Producer & Exporter |
| Top buyers | Decathlon, Timberland, Puma, Patagonia, CAT, The North Face, Walmart, Deichmann, All the local footwear & leather goods manufacturers. |
| Business group | N/A |
| Capability | Technology: Horizontal & Vertical foaming plant, Batch foaming plant. |
| Capacity & Sites | 12000 kg/day, Density 10-120, Cutting width 20-1850 mm, Hardness 20-85 asker F |
| Production Lead-time | 7 days |
| Certification | OEKO TEX |
| Raw Material sourcing - by origin | Korea, Singapore, China, Taiwan, Poland |
| Development Capability | Able to develop from specification sheet - In house |
| Overall Equipment Efficiency | 80% |
| Sustainability fact | Not initiated |
| Product mix | Flexible PU foam, UV stable foam, Fire retardant foam, Memory foam, Rebonded foam, Flame laminatable foam, Non wicking foam, 100% PU |
| Turnover & growth over last year | ≈ \$4 million/ > +20% over 2022 |

RECENT FOOTWEAR EVENT

Expo Riva Schuh International Shoe Fair

Place : 20, Via Baltera, 28066, Riva del Garda, Trentino-Alto Adige, Italy.

Cycle : Twice a year (Jan / June)

Last edition (98th) : 14-17 Jan, 2023; Expo Riva Schuh International Shoe

Next schedule (99th) : June 17-20, 2023; Expo Riva Schuh International Shoe

exporivaschuh

the fair that moves the world

PARTICIPANT FROM BD : 12

- 1 Innovative shoemakers limited
- 2 IALT footwear limited
- 3 Amass footwear limited
- 4 Ziaur Rahman (PFL)
- 5 Sonali Aansh Industries limited
- 6 ABC footwear Industries limited
- 7 Lalmai footwear limited
- 8 Tropical shoe industries limited
- 9 Quanzhou Bolly import and export trade company limited
- 10 Jenny's shoes limited
- 11 Xiamen Pulltop Co, Limited
- 12 Apex Footwear Limited

TOTAL PARTICIPANT : 1002 companies (41 countries)
TOTAL VISITORS : 100 + countries
EXHIBITION AREA : 25,000 SQ Meter (7 pavilions)
PRODUCT CATEGORY : Man | Woman | Junior

With 41 countries represented among the exhibiting companies, and many visitors from over 100 different countries, Expo Riva Schuh is the most important international exhibition dedicated to volume footwear. Organized by Riva del Garda Fiere Congressi SpA, the fair has been the reference point of the footwear sector for years, thanks to the exclusive combination of advantages it offers its visitors and exhibitors:



- strategic positioning within the world trade fair calendar
- significant degree of internationality among buyers and exhibitors
- fair spread over the territory, with 10 different venues involved
- complete marketplace for footwear and leather goods with Gardabags
- located on Lake Garda, a territory with a dual, business and leisure, identity

FOOTWEAR INDUSTRY

EVENT CALENDAR

2023

| January, 2023 | February, 2023 | March, 2023 |
|---------------|--|--|
| <h1>X</h1> | <p>FFANY Market Week 2/6/2023–2/10/2023 New York, NY</p> <p>Great Event Show 2/8/2023–2/9/2023 Teaneck, NJ</p> <p>AFA Expo 2/12/2023–2/14/2023 Toronto, ON, Canada</p> <p>MAGIC Las Vegas 2/13/2023–2/15/2023 Las Vegas, NV</p> <p>Atlanta Shoe Market 2/18/2023–2/20/2023 Atlanta, GA</p> <p>MICAM Milano 2/19/2023–2/22/2023 Milano, Italy</p> <p>MAGIC New York 2/21/2023–2/23/2023 New York, NY</p> <p>Boston Shoe Travelers – Northeast Expo 2/26/2023–2/27/2023 Manchester, NH</p> | <p>Northwest Market Association 3/4/2023–3/7/2023 Tigard, OR</p> <p>SHOES DÜSSELDORF 3/5/2023–3/7/2023 Düsseldorf, Germany</p> <p>Dallas Apparel & Accessories Market 3/10/2023–3/14/2023 Dallas, TX</p> <p>Turkish Footwear Sourcing Event NYC 3/21/2023–3/22/2023 New York, NY</p> |

| April, 2023 | May, 2023 | June, 2023 |
|--|--|---|
| <p>MAGIC Nashville 4/26/2023–4/27/2023 Nashville, TN</p> <p>FDRA Shoe Executive Strategy Summit 4/26/2023–4/27/2023 Washington, DC</p> | <p>NSRA Leadership Conference 5/3/2023–5/4/2023 Charlotte, NC</p> <p>The USRA May Event 5/7/2023–5/9/2023 Las Vegas, NV</p> | <p>FFANY Market Week 6/5/2023–6/9/2023 New York, NY</p> <p>Footwear Show New York Expo (FSNYE) 6/6/2023–6/8/2023 New York, NY</p> <p>Expo Riva Schuh & Gardabags 6/17/2023–6/20/2023 Riva del Garda, Italy</p> <p>Outdoor Retailer Summer 6/19/2023–6/21/2023 Salt Lake City, UT</p> <p>Dallas Apparel & Accessories Market 6/27/2023–6/30/2023 Dallas, TX</p> |
| July, 2023 | August, 2023 | September, 2023 |
| <p>Chicago Shoe Market 7/26/2023–7/27/2023 Lombard, IL</p> <p>The IR Show 7/28/2023–7/30/2023 San Diego, CA</p> | <p>FFANY Market Week 7/31/2023 – 8/4/2023 New York, NY</p> <p>FFANY Market Week Cocktail Party 8/1/2023 New York, NY</p> <p>MAGIC Las Vegas 8/7/2023–8/9/2023 Las Vegas, NV</p> <p>Atlanta Shoe Market 8/12/2023–8/14/2023 Atlanta, GA</p> <p>AFA Expo 8/20/2023–8/22/2023 Toronto, ON, Canada</p> <p>Dallas Apparel & Accessories Market 8/22/2023–8/25/2023 Dallas, TX</p> | <p>Boston Shoe Travelers – Northeast Expo 9/10/2023–9/11/2023 Manchester, NH</p> <p>MICAM Milano 9/17/2023–9/20/2023 Milano, Italy</p> <p>MAGIC New York 9/19/2023–9/21/2023 New York, NY</p> |
| October, 2023 | November, 2023 | December, 2023 |
| | <p>FFANY Market Week 11/27/2023–12/1/2023 New York, NY</p> <p>Footwear Show New York Expo (FSNYE) 11/28/2023–11/30/2023 New York, NY</p> | |

<https://www.footweartradeshows.org/calendar>

HIGHLIGHTS OF > NEXT EDITION

Exit China: Xi's Policy Vs Brand Purchase Policy

Driving the resilient Supply Chain in Covid : Lutmilla Ahmed

CHINA +1 : Can Bangladesh be the next sourcing Hub ?
Jaidur Rahman

Nike Sourcing Strategy

Sustainability : How to be ready for the next 20 years?

Skill Session: Where to get trained?

Indonesia: Why #1 sourcing country for Adidas?

Destination: What's after Bangladesh for footwear?

And many more!



THE FOOTWEAR DIGEST

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