



ASSOCALZATURIFICI

The Chair Siro Badon: We don't need money randomly thrown at us as a stopgap in emergencies; what we do need is a new industrial policy that promotes our excellence, both in terms of brand and industry"

ASSOCALZATURIFICI: THE FOOTWEAR INDUSTRY, BETWEEN UNCERTAINTIES OF THE FUTURE AND RECOVERY GUIDED BY SUSTAINABILITY AND DIGITALISATION

Topics that emerged in the association's annual meeting, held in Bologna

During the annual meeting of Assocalzaturifici in Bologna, the **Chair Siro Badon** described the current state of the footwear sector, which experienced an improvement in terms of production levels last year.

Badon explained how "Recovery must also mean coming to terms with serious uncertainty and a looming recession caused by the Russia-Ukraine conflict, which is exacerbating certain phenomena, like the spiralling costs of raw materials, energy and rampant inflation. From our survey it emerged that 7 associations out of 10 reported a worsening of their economic situation, from the second quarter of 2022. *These data leave us no choice but to exercise great caution in the second half of this year. Some districts have been hit especially hard, Marche and Emilia Romagna in particular, as both regions are highly exposed on markets affected by the war; as a result they will experience a progressive and significant drop in exports from the second half of this year. The crisis caused by the conflict has inevitably become a central issue for our association. This mainly comes down to two reasons, strategic and political in nature. In strategic terms, the conflict has required different footwear companies to embrace diversification, insofar as their revenue is heavily dependent on these markets. The banking system has been hit hard by sanctions, making it extremely difficult to make sales, whereas finding different markets takes time and requires the investment of resources precisely at a time in which they are scarce, because fewer orders are being confirmed. In political terms, our government has very limited room for manoeuvre. At this time, most resources are being used to buffer the consequences of energy price hikes and for income support*".

Badon's talk was followed by the presentation of the magazine "L'Impronta", an Assocalzaturifici project developed by Strategy Innovation, a spin off of the Ca'Foscari University of Venice in partnership with M&C Saatchi. Carlo Bagnoli, Full Professor of

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Strategic Innovation at the University's Management Department and scientific director of the spin off Strategy Innovation explained the founding myth of Italian production for footwear companies and the image of Italian footwear held by clientèle in certain countries like the USA, Russia and China, while also covering the topic of sustainability. In *Impronta*, Bagnoli indicates future pathways for Italian and other companies, divided into four sections: prints from Italy and the world, sustainable pathways, from the environment to social and animals, and guiding prints, recognising the right print.

Digitalisation and sustainability emerged as priorities for the industry. Badon affirmed that "Without digital skills and an approach to new sustainable production standards, not only does internationalisation become tough, but in the medium term, so does surviving global competition. Unfortunately, being good at production alone no longer cuts it in Italy. *This is why two years ago Assocalzaturifici launched a few projects, mid-pandemic, in order to accompany companies on new b2b platforms including MICAM Milano Digital. Sustainability is a pillar on which a solid strategy for industry must be built. Sustainability is no longer just a whim, or a finite target: it is increasingly the starting point for footwear industries investing in research to guarantee high standards of eco-compatibility for their production processes. We strongly believe in this, in fact we have launched an important project for sustainability certification specifically for the footwear industry. VCS, Verified and Certified Steps, is a registered trademark awarded to companies that complete an assessment, measurement and above all, improvement pathway, which focuses on performance in all major aspects of business sustainability, based on internationally recognised standards. I believe this is of immense value in a market that is increasingly looking for sustainable products from sustainable companies. The value of the VCS project has been confirmed by the interest of many important companies, including large fashion groups*".

SPIN 360, which has integrally implemented the entire system's logic, mathematics and programming, delivered an in-depth presentation of VCS. Spin360 explained the project every step of the way, from the pilot phase, involving 3 companies in the footwear industry, to the presentation of districts and the illustration of the scientific committee, including business people of the industry, brands and representatives of Confindustria Moda.

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The launch of MICAM was also announced, set to take place in September, with the special area: MICAM Sustainability Lab powered by VCS al pad. 3.

LIVETREND was another novelty presented on occasion of the meeting: an innovative trend and market analysis platform that collects and analyses thousands of images from e-commerce, social media and fashion shows, every single day.

Siro Badon affirmed that "Research and the study of trends are fundamental for the production of collections". I believe that today, companies need to innovate with increasing attention and invest in new technologies for the creative part regarding collections.

The LIVETREND analysis illustrates that the fashion industry will increase investments in innovation and technology over the next few years, with reference to specific figures who are up to the task of working on such contents. MICAM and Assocalzaturifici have partnered with LIVETREND to develop specific algorithms for the footwear industry, to identify trends, diversified based on the market, and with the possibility to customise search keys according to brand requirements.

Lastly, Badon described the association's activities over the last year, from projects in partnership with other Confindustria Moda associations and ICE, to the Memorandum of Intent with Sistema Moda Italia and Trade Union Organisations.

Badon did not hesitate on solutions for overcoming the crisis: "We need to restore the centrality of the manufacturing industry and plan a progressive, general cut of the cost of work. *This means a structural review of the tax wedge, the downsizing of employer and employee tax burdens. This is one way of freeing up resources that would enable business people to be competitive once more on international markets and invest in communication, product and process innovation at all levels. These measures would also boost the purchasing power of Italian families and relaunch consumption.* We don't need money randomly thrown at us as a stopgap in emergencies; what we do need is a new industrial policy that promotes our excellence, both in terms of brands and industry".

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