

# The Italian footwear sector 2021

## Highlights & notes

taken from:



**L'INDUSTRIA  
CALZATURIERA  
ITALIANA  
"LINEAMENTI  
PRINCIPALI"  
2021**  
Schede statistiche

A CURA DEL CENTRO STUDI  
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L'INDUSTRIA CALZATURIERA ITALIANA 2020/2021 – LINEAMENTI PRINCIPALI  
THE ITALIAN FOOTWEAR INDUSTRY 2020/2021 – HIGHLIGHTS

DESCRIZIONE <i>Description</i>		2020	2021	VARIAZIONE % <i>Variation %</i>
<b>Aziende</b> <i>Companies</i>		4.152	3.981	-4,1
<b>Addetti</b> <i>Employees</i>		71.882	70.586	-1,8
<b>PRODUZIONE</b> <i>Production</i>	paia (milioni) / <i>pairs (millions)</i>	130,7	148,8	+13,8
	valore (milioni Euro) / <i>value (million €)</i>	6.081,02	7.119,55	+17,1
<b>EXPORT</b>	paia (milioni) / <i>pairs (millions)</i>	165,2	192,6	+16,6
	valore (milioni Euro) / <i>value (million €)</i>	8.738,60	10.280,85	+17,6
<b>IMPORT</b>	paia (milioni) / <i>pairs (millions)</i>	271,1	295,1	+8,9
	valore (milioni Euro) / <i>value (million €)</i>	4.492,07	5.132,76	+14,3
<b>Saldo commerciale</b> <i>Trade balance</i>	paia (milioni) / <i>pairs (millions)</i>	-105,9	-102,5	+3,2
	valore (milioni Euro) / <i>value (million €)</i>	4.246,52	5.148,09	+21,2
<b>Produzione per l'interno</b> <i>Production for domestic consumption</i>	paia (milioni) / <i>pairs (millions)</i>	18,7	21,1	+13,2
	valore (milioni Euro) / <i>value (million €)</i>	767,26	885,09	+15,4
<b>Consumi interni</b> <i>Domestic consumption</i>	paia (milioni) / <i>pairs (millions)</i>	142,7	162,3	+13,7
	valore (milioni Euro) / <i>value (million €)</i>	2.538,79	2.976,37	+17,2
<b>Export/Produzione %</b> <i>Exports/Production %</i>	paia / <i>pairs</i>	85,7	85,8	+0,1
	valore / <i>value</i>	87,4	87,6	+0,2
<b>Import/Consumi %</b> <i>Imports/Consumption %</i>	paia / <i>pairs</i>	86,9	87,0	+0,1
	valore / <i>value</i>	69,8	70,3	+0,7

Fonte: ISTAT, SITA RICERCA. Stime: Confindustria Moda per Assocalzaturifici.  
Source: ISTAT, SITA RICERCA. Confindustria Moda estimates for Assocalzaturifici.

## NOTES ON THE ITALIAN FOOTWEAR INDUSTRY IN 2021

The acceleration of exports in the fourth quarter allowed the footwear industry to close 2021 with the same double-digit increases that had characterised the first half of the year.

After the sector's collapse in 2020, as a result of the lockdowns and restrictions over the two waves of the pandemic, there was a natural rebound effect in the second quarter 2021 followed by a less intense growth trend.

The final figures for all the principal variables reveal significant increases over the previous year, mostly between 10 and 20%, starting with domestic production, at 148.8 million pairs (18.1 million more than in 2020, +13.8%). Total turnover of the sector reached 12.7 billion euro (after dropping to 10.7 billion in 2020), still a long way from the 2019 figure of 14.3 billion. Recovery was fragmented and still not sufficiently rapid in many cases, meaning that a significant share of companies have not yet returned to the level of sales they were reporting before the pandemic began. While sales are booming again for the major international luxury groups, leading international sales in the sector, many small to mid-sized companies failed to survive the shock of the crisis (chamber of commerce figures report 171 less active footwear manufacturing enterprises in 2021, a decrease of -4.1%, resulting in loss of 1,296 jobs) and many more are still experiencing difficulty. This is demonstrated by resort to social security instruments, which remained at exceptionally high levels: despite a drop of -17.8% over the year 2020, INPS authorised 68.2 million hours of wage support in the leather industry, more than 8 times the figure for 2019. Enterprises also had to deal with steep increases in raw materials prices throughout the year 2021, along with soaring energy costs, all of which are still eating away at companies' profit margins and threatening their solvency.

The best results in 2021 were once again achieved by sales on foreign markets, which, including pure sales operations, amounted to 192.6 million pairs (+16.6%), totalling 10.3 billion euro (+17.6%). This result matched the figures for 2019 (+0.1%) and was achieved primarily thanks to the brilliant performance of international brands, which often far exceeded their pre-pandemic revenues. This is demonstrated by the trends for the top two destinations, Switzerland and France – which are linked to trade flows for work performed on contract on behalf of multinational luxury groups – with increases of 8.1% and 2.5% on 2019. In terms of volume, however, the gap compared to exports two years ago was -4.4%.

Practically all of the top 20 export destinations revealed a positive trend (most of them with two-digit recovery rates, at least in terms of value) compared to the year 2020. There were three exceptions: the UK (which collapsed after Brexit, -23.3% in value); South Korea (-4%), which experienced a slowdown after the steady increases of recent years (values had quadrupled between 2011 and 2019 and there was even an increase of +12.3% in 2020, at the height of the pandemic), and Japan (-5.7%, despite the partnership agreement with the EU in force since February 2019).

In terms of macro geographical areas, there were similar increases in volume on 2020 levels for exports towards members of the EU27 and exports outside the EU (+16.9% and +16.1%), but trends are very different if we compare results with the pre-pandemic situation: sales towards partners in the EU – which account for 6 out of every 10 pairs of shoes exported from Italy – are very close to 2019 levels (-1%, with a +5% in value), but there is a shortfall of around -10% in volume and -3.5% in value for exports outside the EU. In terms of sales to partners within the EU, alongside the above-mentioned positive result for France, the figures show Germany closing in on 2019 levels (now only -0.2% away in value terms), despite unremarkable rates of growth in 2021 (+12.8% in value and +10.1% in volume). The German market has always been one of the most important for Italian footwear manufacturing companies (it is currently the fourth market in value terms and the second in terms of volume). Poland, Belgium and Greece stand out for having exceeded 2019 levels in terms of both value and volume.

Analysis of flows directed outside the EU – representing a minority in terms of volume but with average prices more than double those of exports within the EU (allowing them to account for more than half of international sales) – reveal a very strong dynamic in the United States (+45.5% in value and +64.5% in volume, already 13% higher than the figures for 2019) after collapsing in 2020.

After the temporary suspension back in June, in October 2021 the US cancelled its decision to apply an additional 25% tariff on imports of certain consumer goods from Italy (including clothing, bags and footwear), in the context of the dispute on digital tax.

Encouraging results were also seen in China (+36% in value on 2020), which were achieved, however, primarily by luxury brands: the already high average price increased by a further +13.3% to 163.41 euro/pair. Robust performance was also reported in the UAE (+42% in value), which are 10.5% up on 2019. In contrast to this, the trend for Russia, the tenth largest destination market, was not so good and, after a promising start to the year, the increase on 2020 fell to a modest +6.4% in value terms, with a shortfall of 10% on 2019 (a significant -22% in volume). The outlook for this market – which has always been one of the main destinations for Italian products – and the entire former Soviet bloc is uncertain due to the conflict with Ukraine which broke out at the end of February 2022.

The breakdown by product type reveals significant increases in sales of footwear made out of non-traditional materials (around +30% in terms of value for exports of products with fabric, synthetic or rubber uppers), which are easily above pre-Covid levels in terms of both volumes and value. On the other hand, recovery was more disappointing for leather footwear, with a +11% increase in value over 2020, meaning that the figure is down -10.6% compared to 2019 sales (-18% in terms of volume). Leather walking shoes are not performing particularly well (+7.3% in value overall, with an even more modest +3.9% in volume), a shortfall compared to two years ago of about -17%.

Imports did not perform particularly well for most of the year, but took off in September, increasing by +8.9% in volume (although there was a reduction of 1% for leather shoes, which represent the only product category down over 2020) and +14.3% in value. The shortfall with 2019 levels in terms of volume remains around -12%. Imports from China rose steeply beginning in the summer, closing the year with a figure of +11% pairs over 2020.

The balance of trade for the sector in 2021 reveals a surplus of 5.15 billion euro (+21.2%) and is even higher than it was two years ago (+4.9%), making a significant contribution to the national balance of trade.

On the domestic market, household purchases of footwear increased in 2021 by +15.6% in terms of expenditure and +12.1% in volume compared to the previous year. In particular, the fourth quarter (during the equivalent period in 2020 restrictions were in place on people's movements and on the opening of stores in shopping centres as a result of the second wave of the pandemic) saw significant increases (+29% in expenditure and +22% in volume).

The gap compared to the pre-pandemic situation in 2019, which already showed the effects of a decade of continuous erosion, remains around -11% in expenditure and -7.4% in quantity.

Breakdown by merchandise category reveals increases of around +16% in expenditure over 2020 for classic men's shoes and +18% for classic women's shoes; both these items had been severely affected in 2020 by the sharp reduction in occasions for using them and are still approximately -20% down compared to pre-pandemic levels; there was a +14% increase for children's shoes and a +16.3% increase for sports shoes and sneakers (where the shortfall on 2019 stands at -4%). Finally, there was a limited increase in sales of slippers (+6%), but this sufficiently made up the gap compared to the pre-Covid figures of 2019 (+0.3%), given their widespread use during the time people were confined to their homes in 2020 and the resulting more modest reduction in purchases of footwear in this category.

Analysis of the various sales channels shows double-digit increases across the board compared to 2020, but shortfalls of varying degrees compared to 2019 levels: there was an increase of approximately +34% in spending for traditional retail (although levels are still -22% down on 2019 figures); +35% for itinerant traders (-29% on 2019); +23% on 2020 for chain stores; recoveries of around +10% for department stores, large-scale specialised retailers and hypermarkets. The sole exception was for online sales where, following the lockdown-driven boom in 2020, there was a slowdown of -3.3% in value, but the result for the channel is still above 2019 levels (+12.8%).

Expenditure by foreign tourists also continues to be well below pre-pandemic levels.