

& **FACT2** NUMBERS **2021**



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SHOES

APICCAPS



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employing

40 000

People

Portuguese Footwear exports increased

29%

Since 2010

More than

1500

Portuguese companies
operate in the footwear



1676

Million euros to 170 countries on
five continents



Facts & Figures

- Portugal exported, in 2021, footwear worth **1676 million euros to 162 countries on five** continents.
- **In the past decade, exports grew by 29%.** During that period, the footwear sector resisted the strong impact of the COVID-19 pandemic. Its performance in foreign markets in the last quarter of 2021 was the best recorded to date.
- **Germany, France and Netherlands** are the most relevant markets for Portuguese footwear. Over the past decade, **the sector grew the most in the US.**
- More than **1 500 Portuguese companies** operate in the footwear, components and leather goods sectors, **employing 40 000 people.**
- The Portuguese footwear industry is highly concentrated in the northern region. **More than 90% of those companies can be found in a circle of 50 km from the city of Porto**, especially in Felgueiras and Guimarães, further north, and Oliveira de Azeméis, Santa Maria da Feira and S. João da Madeira, further south. In the Alcobaça region, in Benedita, there is also another strong industrial centre in the sector.
- Portugal is specialized in the production and exportation of **leather footwear, a raw material wasted** by the food industry. However, the sector has been diversifying its offer. In some product segments, such as **safety footwear** (growth of 16% to 29 million euros), **waterproof footwear** (up by 56% to 56 million euros) or **textile footwear** (an increase of 36% to 75 million euros), the sector has reached record highs in terms of exports.

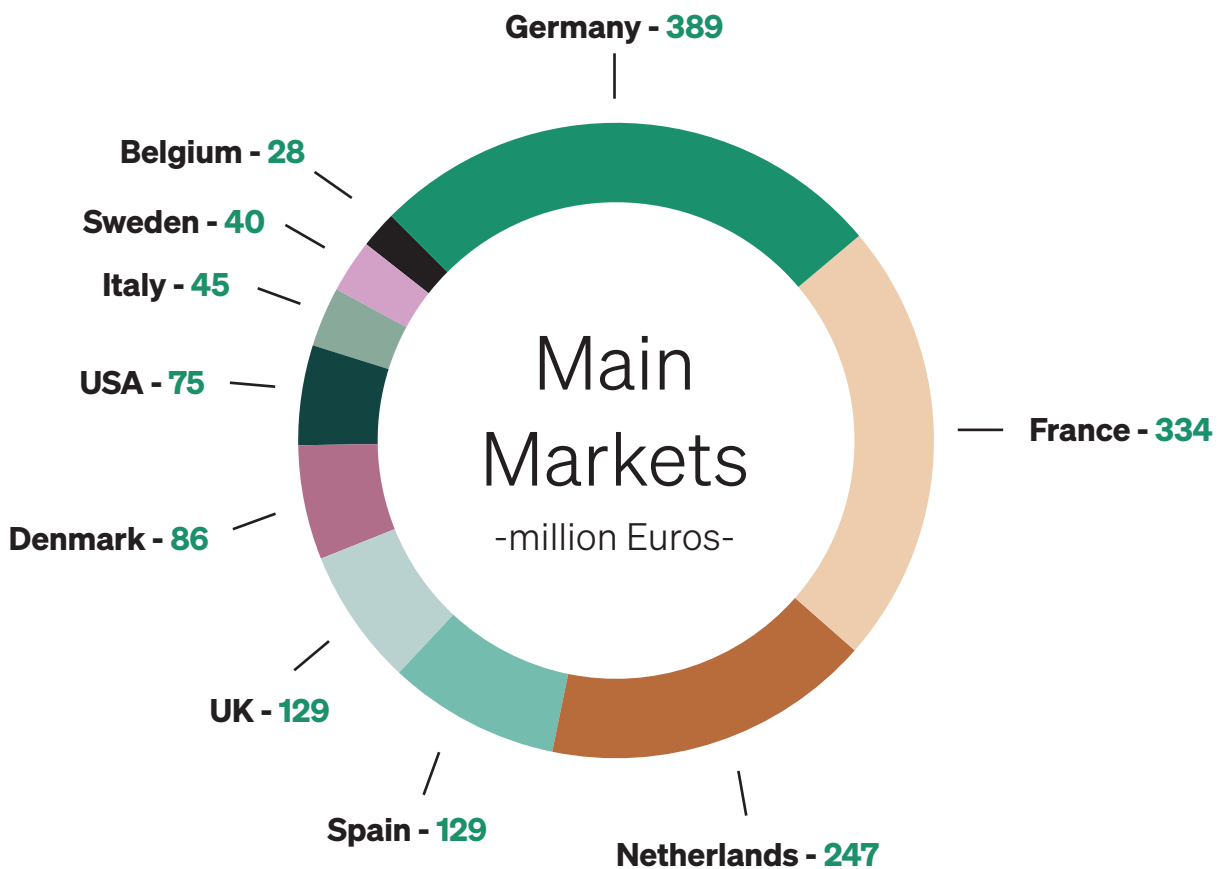


more NUMBERS

	2010	2020	2021
Companies	1 245	1 257	1 159
Employees	32 132	33 795	31 267
Production Million Pairs	62,0	65,0	76,0
Exports Million Pairs	69,0	61,6	69,3
Exports Million Euros	1 297	1 497	1 676



Portuguese Footwear Exports 2021



Patrimony

The Portuguese footwear cluster is very proud of its past, which gives it the confidence to deal with the challenges it faces.

In 1975, the year in which APICCAPS - Portuguese Footwear, Components, Leather Goods Manufacturers' Association – was founded, few would dare say that footwear would become a success study case in the following decades.

Growth of the Portuguese footwear industry (1975-2020)

Now that the footwear cluster so often is mentioned as an example within the Portuguese economy, it easily slips the mind that the journey was not easy. Many were the moments of crisis or transformation it had to face, beginning in 1974-75, at the association's foundation, with the turmoil and anti-capitalist onslaught of revolutionary Portugal. A decade later, in 1985-86, Portugal's entry into the EEC deeply transformed the framework in which it carried out its activities.

This transformation culminated in 1999 with the creation of the euro, which put an end to the possibility of competitive devaluation of the national currency. Soon after, in 2001, China's accession to the WTO enabled the country to quickly consolidate an overwhelming lead in the footwear industry worldwide, which came to represent a brutal intensification of competition for all European producers. Just three years later, in 2004, the competition was further intensified by the accession of 10 countries to the EU, mainly from the former East. In 2007-2008, the world was shaken by the European Sovereign Debt Crisis, and consequent concerns over the euro's stability arose; Portugal faced a financial crisis between 2010 and 2014. Lastly, in 2020, the COVID-19 pandemic introduced unprecedented disruptions to economic activity and international trade due to confinements and mobility restrictions.

The Portuguese footwear industry has resisted all





Resilience

Amidst of all those convulsions, the industry made its journey and, today, the numbers are indisputable. In 1975, the Portuguese footwear industry employed around 15 000 people, produced 15 million pairs of shoes per year and exported 3.1 billion euros. Forty-five years later, in 2020, at the height of the COVID-19 pandemic, the industry employed 40 000 people, produced 80 million pairs of shoes per year and exported 15 billion euros.

During this period, companies have changed a lot. If some decades ago the sector was mainly formed by good low-cost footwear producers, in the following decades it evolved much. It has technologically modernized: the factories are today among the most advanced in the world. It bet on flexibility and quick response: if before it only accepted orders of thousands of pairs, today it accepts orders of dozens or even just units. Above all, it greatly reinforced the ability to design a product, at the request of its customers or on its initiative. Portugal is today internationally recognized for its sophisticated and quality footwear, proud of its origins.





This growth made it possible to maintain and even reinforce the importance of the cluster in the national economy. Portugal is one of the few countries in Europe that did not see its footwear manufacturing activity decline, as it continues to mobilize hundreds of companies and tens of thousands of workers.

The industrial core of the cluster, comprised of the industries of footwear, footwear components and leather goods, represents 6.3% of employment in Portuguese manufacturing industries and 3.4% of their added value.

The footwear cluster is, therefore, a vital pillar of the national economy and, especially, of the economy of the northern region.

A challenging context

The sector is very proud of what it has built.

Being able to export almost 1 500 million euros in 2020, a year of so many difficulties, is certainly not a reason for dissatisfaction. In 2021, the Portuguese footwear industry closed the year growing by 12% in the foreign markets. The results have exceeded the expectations: the last quarter was the best ever recorded in international markets, to where the sector exports more than 95% of its production.

Although international data only points for a full recovery of the footwear sector worldwide by 2023 – let us recall the pandemic caused a drop in consumption of around 20% worldwide, which implies a fall of 4 billion pairs, the equivalent to 70 years of footwear production – the last Portuguese quarter of 2021 has surpassed the best forecasts. “The sector closed 2021 growing at an excellent pace abroad, and it is a register we intend to continue in 2022”, highlighted Luís Onofre. For the President of APICCAPS, “the companies were resilient, adapted to a changing market and did their homework to be now well-positioned to face a new decade of growth in international markets”.



In the entire year, Portugal exported 69 million pairs of shoes, worth 1.676 million euros. The Portuguese footwear is growing in the most relevant markets, with emphasis on the German market, which recorded an increase of 28% to 389 million euros. After months of uncertainty, the French market recovered and ended 2021 on a positive note: growth of 4.2% to 334 million euros. In the third place, sells to the Netherlands increased by 16.6% to 248 million euros.

Outside the European context, the highlight goes to the good performances in the US (more than 15% to 75 million euros), Canada (more than 26.7% to 12 million euros), China (more than 17.1% to 20 million euros) and Australia (more than 39.8% to 9 million euros).

In some product segments, such as the safety footwear (growth of 16% to 29 million euros), waterproof footwear (up by 56% to 56 million euros) or textile footwear (growth of 36% to 75 million euros), the sector reached record highs in terms of exports.



What are
you doing
to change
our
world?



Reduce, Reuse, Recycle



Portugal is investing 140 million euros to be a worldwide reference in the development of sustainable solutions

Future

The Portuguese footwear industry will invest 140 million euros in the next three years, through the Footwear and Fashion Cluster, led by APICCAPS and the Portuguese Technological Footwear Centre (CTCP), to become the international reference in the development of sustainable solutions.

The sector intends to “strengthen Portuguese exports based on a highly competitive national productive ground, centred on knowledge and innovation”.

In two distinct, but complementary projects, APICCAPS and CTCP mobilized more than 100 companies, including universities and entities of the scientific and technological system, to prepare a new decade of growth in foreign markets.





60 million in cutting edge technology

With a budget of close to 60 million euros, the FAIST project has the purpose of increasing the degree of specialization of the Portuguese footwear industry for new categories of products, enhancing the supply capacity of the Portuguese footwear companies through the reinforcement of the capacity to manufacture medium and big orders, using more efficient assembly processes.

The sector will innovate in the constitution of the footwear production chain, from the production of components, passing through the manufacturing of uppers, to the creation of modular assembly units. Simultaneously, it intends to bet on the production of equipment and advanced technologies to replace imports, creating local skills and capacities essential for the installation of production units with high levels of automation and robotics.





Strengthening cooperation with Universities, Polytechnics, interface technological centres and companies, conceiving new automatic and robotic production lines, in demonstration companies, which can serve as test and experimentation sites, as well as training human resources, are also goals to be achieved.

In parallel to the development of integrated production lines with high automation, the sector will invest too in the automation of key workstations and processes in existing production lines through the creation of automation islands.

The creation of pilot tests and validation workshops for new technologies and processes, namely for digital technologies, recycling and waste treatment processes, design and prototyping of tools necessary for automation, will also be underway. These two projects are beginning with 100 partners, but there is the expectation of being able to accommodate new ideas or entrepreneurial projects.



Bioeconomy

With a budget of 80 million euros, the BioShoes4All project will be divided into five pillars – biomaterials, ecological footwear, circular economy, advanced production technologies and training, and promotion. It intends to ensure a resilient national production basis for positioning in foreign markets where innovation, differentiation, quick and effective response, service, product quality, training and promotion are competitive arguments to outrun the competition.

The footwear sector has the ambition of encouraging a radical change in materials, technologies, processes and products.

The development and production of new biomaterials and components, anchored on the principles of circular bioeconomy and sustainable development, in all its dimensions, creating differentiated solutions, valued by both clients and consumers, contributing to catalyse a new sustainable biobased economy, efficient valuation of national and regional bio-resources, and decarbonization, is one of the main goals of this project.

It is also necessary to create new concepts of eco-products for footwear and leather goods, based on the principles of the circular economy and carbon neutrality, with high functionality, innovative processes and business models, essential to the strategy of differentiation and long-term creation of value, aimed at the consumer who admires design and fashion, wishes to define its product, is informed, socially and environmentally demanding and responsible and, often digital.

Just as relevant is the conception and implementation of new approaches and technologies aimed at minimizing and valuing post-production and post-consumption waste, in the context of a circular green economy, favouring the increase of the life cycle of materials, a more efficient management of material and energetic resources, carbon neutrality and the fight against climate change.

Under the scope of the BioShoes4All project, it is also “the development and use of advanced technologies, within the framework of new technological and sustainability paradigms, including traceability tools for the entire value chain, robotics, the value from data or intelligence artificial, contributing to the increase of flexibility, productivity, competitiveness and resilience of the cluster”.



Bioeconomy

Launch of

20

Industrial pilot lines

Investment of

80

million euros in the
Bioeconomy project



Network of

70

partners, companies from
different sectors, associations,
universities, institutes, and
technology centres

Development of

50

New products

Publication of

Dozens

of scientific articles.

