The U.S. Department of Commerce outlook[1] for the footwear industry, both the rubber and non-rubber footwear sectors, is for a maintenance of the trend toward a declining market share for U.S. manufacturers, as imports continue to supply more of the U.S. domestic market. However, this trend has slowed in the first two months of 1988, as domestic market share has stabilized.

The overall market in the United States for the rubber and plastic footwear sector has grown in recent years; however, as with the industry as a whole, the percentage held by domestic manufacturers has decreased in both volume and value since 1983. Far Eastern suppliers dominated U.S. imports of rubber and plastic footwear in 1987 with more than 88% of the total import market. This market position is shared by South Korea, Taiwan and China, which hold 41%, 23% and 16%, respectively.

The outlook for the U.S. rubber and plastic footwear sector in 1988 is for a continued decline by about 10% in the shipments of U.S. manufactured products, as imports maintain their dominance of the U.S. marketplace. This decline is expected to continue for the next five years at an average yearly rate of 3%. This prolonged decline is expected to cause serious re-evaluation of market strategies by those U.S. manufacturers who are able to stay in business and is likely to increase the number of producers who shift to being distributors.

For the non-rubber footwear sector, production in the United States has been declining since 1968. Imports of these products have risen steadily, with 1987 witnessing a moderate increase of 3.6% or 975 million pairs over the 1986 import level. This most recent increase is the smallest since 1981, marking a period which has seen the value of imports of non-rubber footwear increased by 174%. The largest supplier of non-rubber footwear has been Taiwan, which accounts for 47% of total U.S. imports, followed by South Korea, Brazil, and Italy, with 19%, 11% and 6%, respectively, of the U.S. import market. Exporters from Italy and Spain have suffered some losses in the import market because of the declining value of the U.S. dollar and higher prices for leather, among other things.

1 *1988 Industrial Outlook*, published by U.S. Department of Commerce.