

SECTOR: Consumer Products and Services

Sub-sector: FOOTWEAR

Officer: N. Peacock

Background: Canadian Industry, like its U.S. counterpart, has had another difficult year. Domestic production in the U.S. dropped in 1990 (women's -8%, men's -15%) overall consumption rose by 3% reflecting a growth was in imported merchandise. Sales forecasts for 1991 predict a further overall reduction of 3 - 4%. Import growth continues to adversely affect an industry already having difficulty maintaining its market share.

Canadian Capabilities: With the help of EAITC and ISTC, Canadian industry conducted a study in 1990 of the capabilities of Canadian manufacturers and the opportunities in the US market. The results indicated that many Canadian manufacturers have the right products and production capability to service and profit from the U.S. market. Of this 1 billion pair market, it is estimated that 77 million pairs could be sourced from Canada (Canadian exports to the U.S. in 1990 were approximately 3 million pairs.) The import price points of greatest potential are in the \$50 to \$90 range. Men's footwear (work-sports-casual-dress) and the women's winter boot sectors appear to have the greatest possibilities.

Strategy: - Encourage industry driven marketing initiatives in specific commodity areas and in carefully targeted geographic sectors.